



Knowledge grows

Yara International ASA

Credit Suisse Ag Productivity Conference

SVP IR Torgeir Kvidal

London, 9 March 2011

A business strategy geared for global optimization



**Scale
advantages**



**Unique
flexibility**



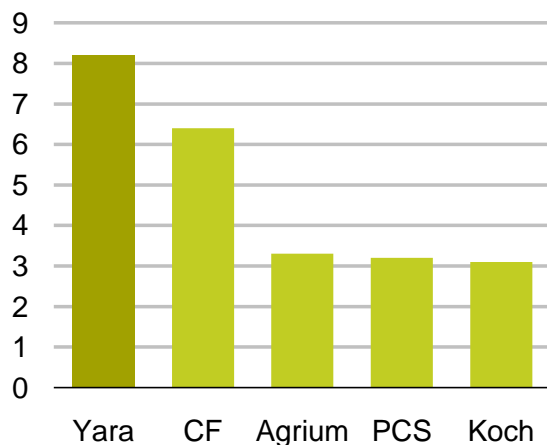
**Unrivalled
presence**



Yara – the leader in nitrogen fertilizers

Global no 1 in ammonia

Production capacity* (mill t)

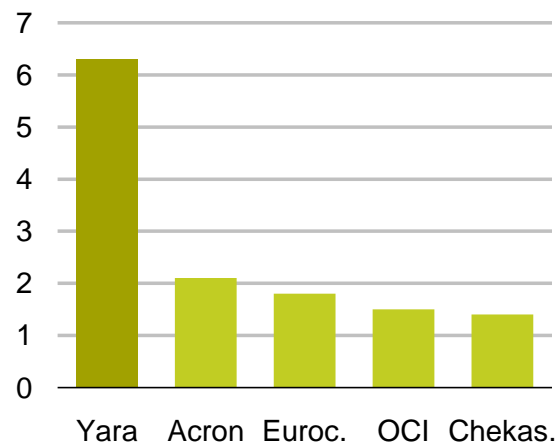


* Incl. companies' shares of JVs

Source: Yara & Fertecon

Global no 1 in nitrates

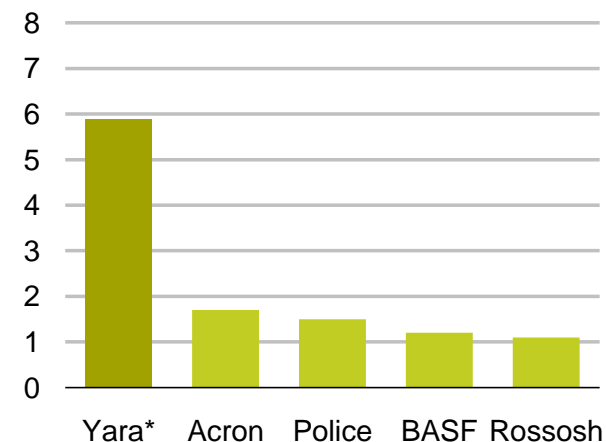
Production capacity* (mill t)



Source: British Sulphur, EFMA

Global no 1 in NPK complex fertilizer

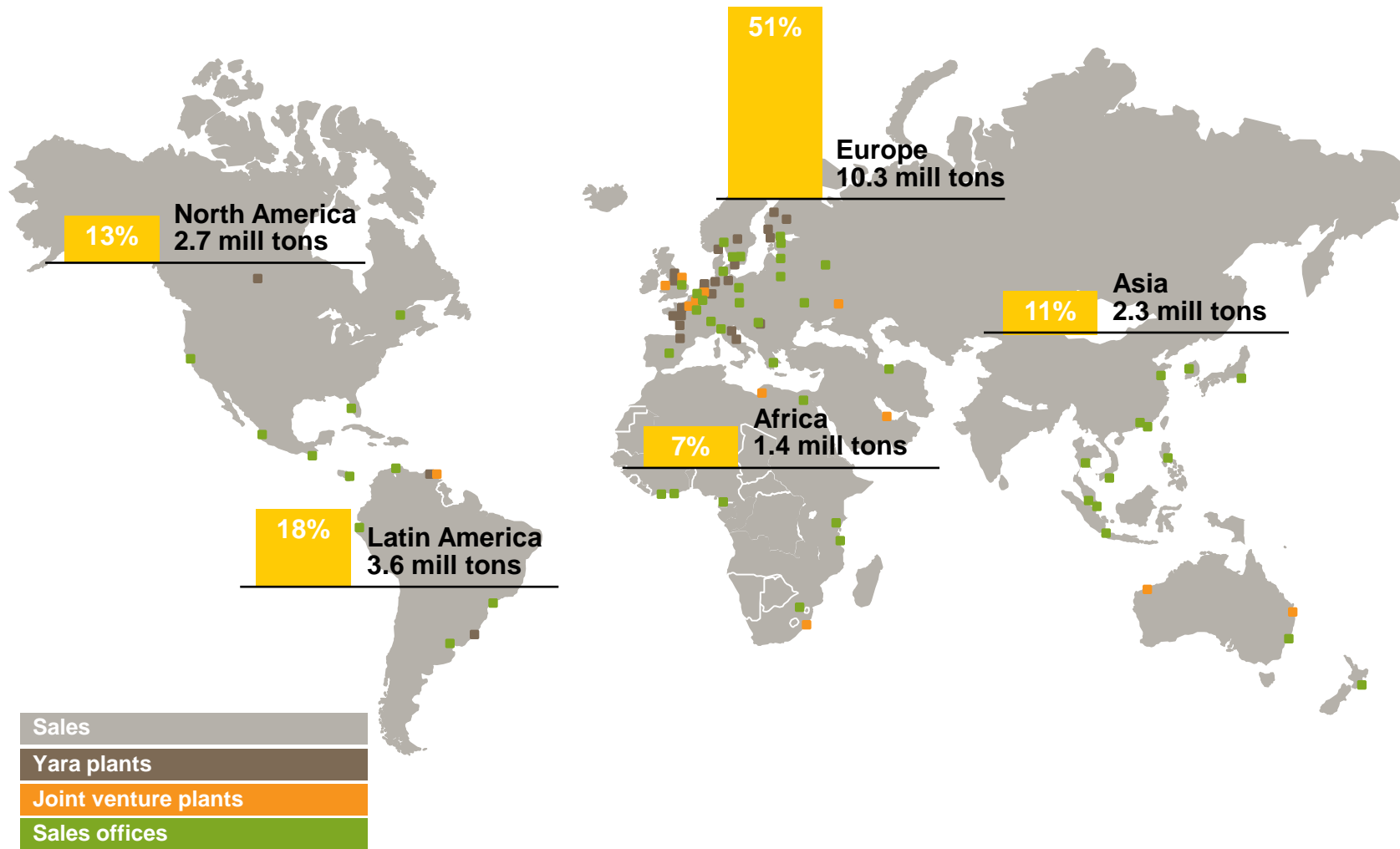
Production capacity* (mill t)



Source: Nitrex-Complex



Global downstream presence with sales offices in more than 50 countries



Downstream business creates partnerships

LIFECO



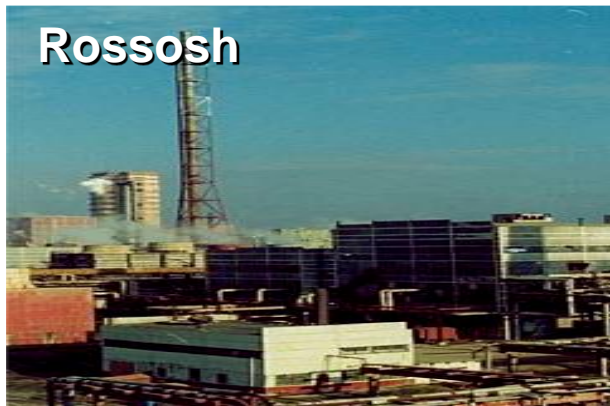
Burrup



QAFCO



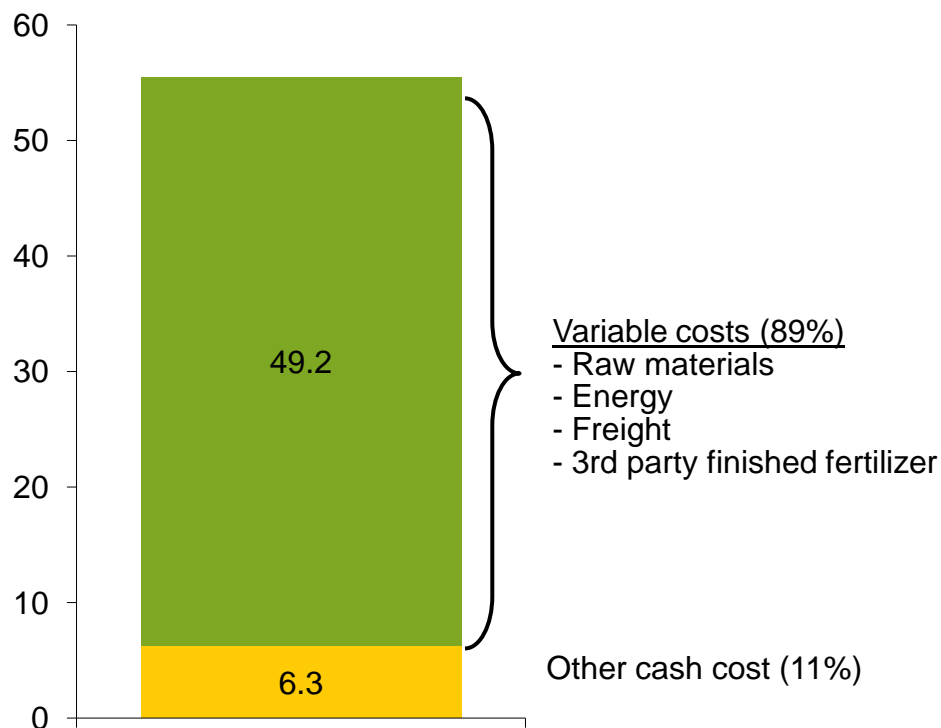
Rossosh



Yaras operating cash costs are mainly variable

Operating cash costs 2010

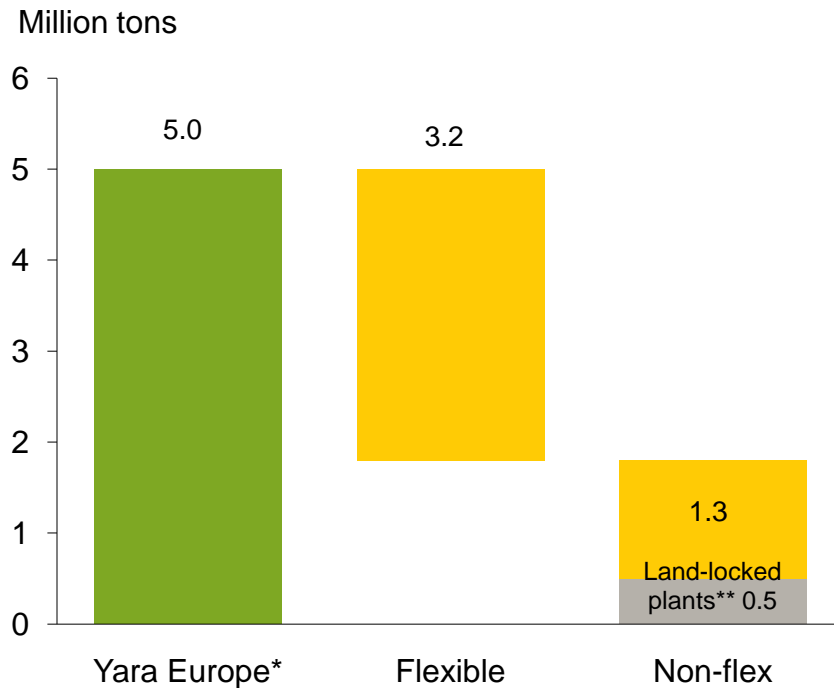
NOK billions



- Temporary plant closures can be made speedy and with limited stop/start costs
- Example for ammonia/urea plants:
 - Takes half a week to stop and a week to start
 - Cost of stopping is 2 days energy consumption
 - Cost of starting is 3 days energy consumption



Yara flexibility to produce or import ammonia in Europe



- Yara can swing 2/3 of European ammonia production without affecting fertilizer production
- Almost all Yara nitrate and NPK capacity has ammonia import flexibility

Yara can mitigate high European energy costs or take advantage of low ammonia prices by closing ammonia production and run most of nitrates and NPK based on imported ammonia.

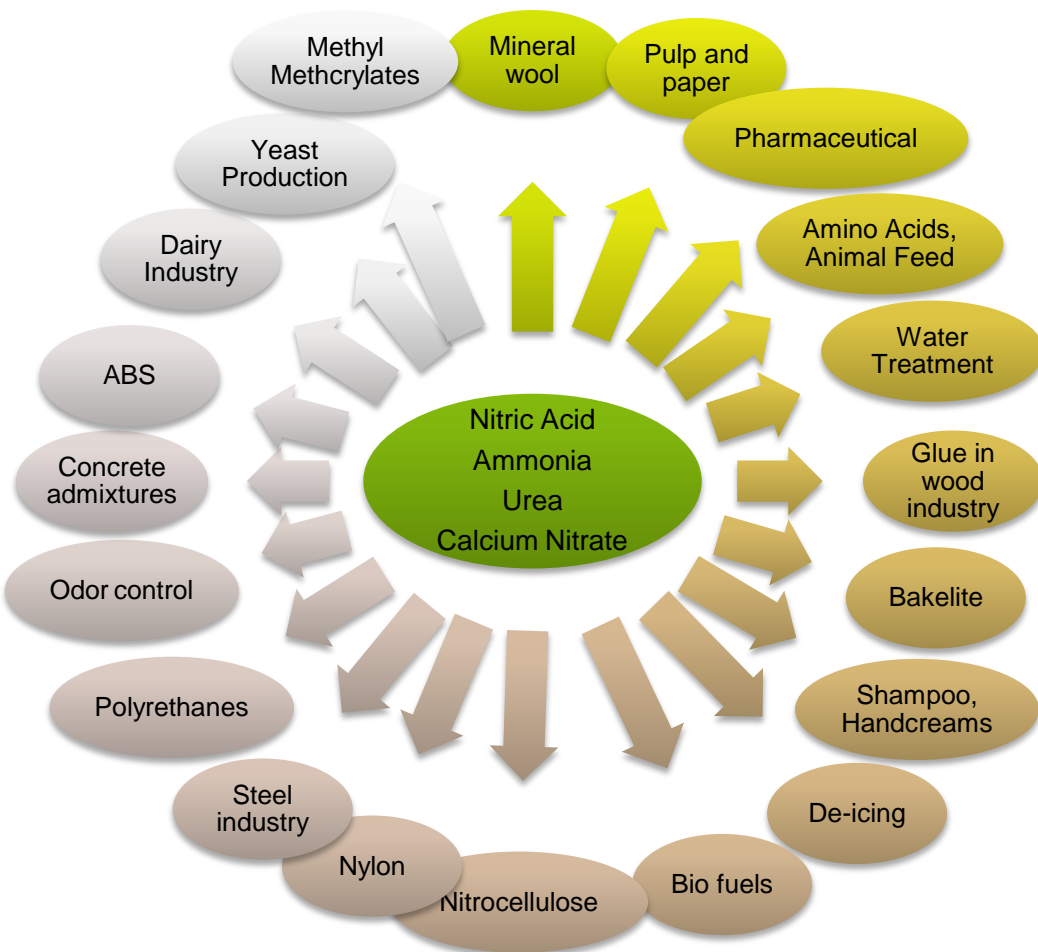
* Including equity share of joint venture capacity

** Yara European site without deep sea ammonia import/export terminals: Tertre



Example of product innovation

Developing multiple applications for nitrogen chemicals



- Basic molecules into products that play a role in our daily life
 - **Nitric acid** to produce polyurethanes that are essential components to make car seats
 - **Ammonia** to make Caprolactam, an important raw material to produce nylon
 - **Calcium nitrate** enables rapid setting of concrete in cold conditions thereby saving time and money in construction
- Client base includes large players in the chemical, pharmaceutical, automotive, steel and biomaterial industries

Industrial business is going global

Market Leader on Odour Control
Off to a leading position in DEF 2010

Market Leader
AdBlue, Odour Control, TAN, Chemicals,
Strong position in CO₂/dry ice

Market Leader for CN applications
Environmental applications JV with
Sinofert

Strong position in TAN
Developing environmental
solutions in Brazil

Leading supplier of TAN

Australia / New Zealand
Market Leader AdBlue, presence with
TAN and environmental solutions

Key trends impacting Yara the next 10 years

- Food security
- Climate change
- Water scarcity
- Need for agricultural productivity



Climate change and food security are related - established Downstream R&D project portfolio

Climate change

- N₂O emissions from soils
- Fertilizer for algae
- Bioenergy
- Intensification to Avoid deforestation
- Forest as carbon sink
- Nutrition and abiotic stress
- Crop growth on marginal soils
- Water use efficiency

Reduce emissions

Adapt to changes



Food security

Increase productivity

Secure sustainability

- Crop nutrition research
- Improved Nutrient management
- Product development
- Precision farming
- Water access
- Life cycle analysis
- P use efficiency
- Nutrition of rice
- Nutrition of oil palm and sugar cane



Yara fertilizer reduces carbon footprint from farming

Fertilizer - an efficient solar energy catalyst

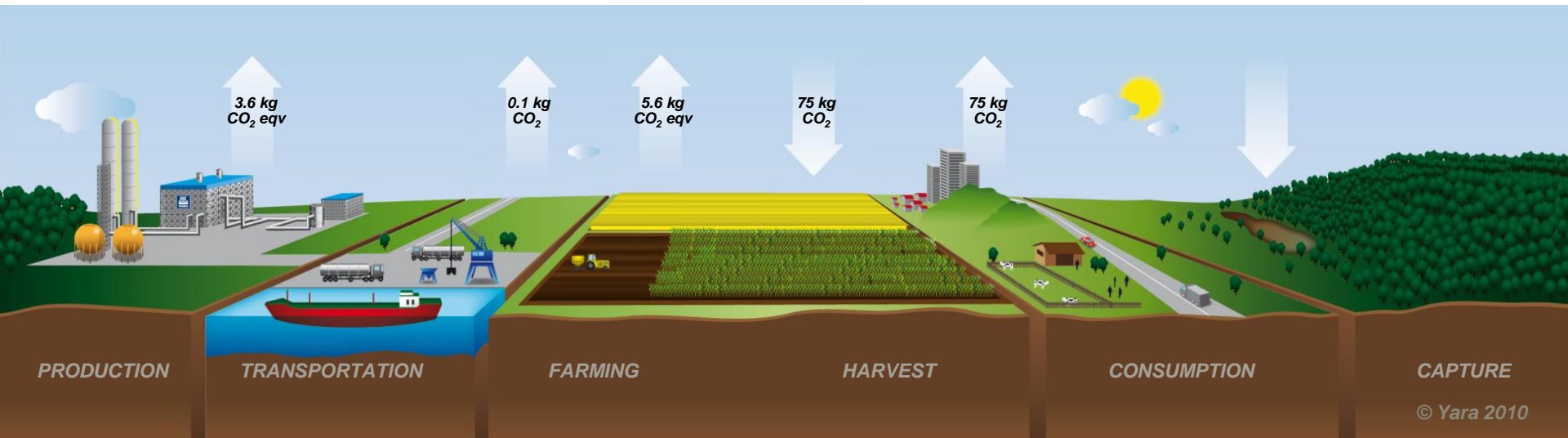
- Production marginal part of carbon footprint - efficient application more important
- Huge positive effects of fertilizer use by lower land use

Production

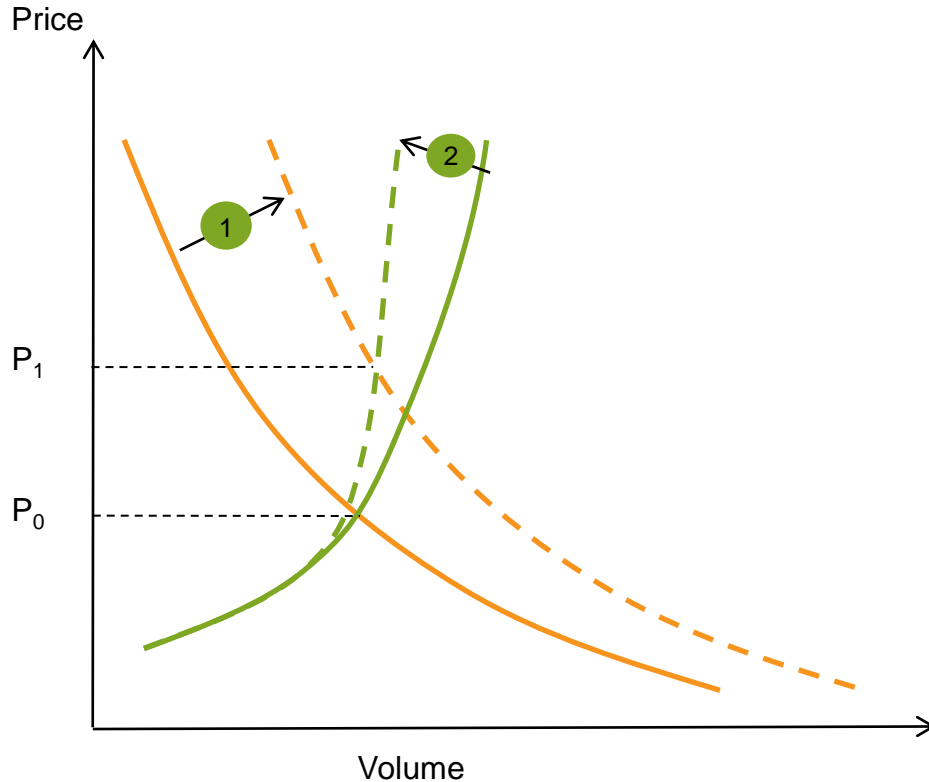
- Yara's production more energy-efficient than competitor average
- Yara developed N₂O catalyst

Application

- Nitrates better than urea
- Precision farming (N-tester etc.)
- Balanced fertilization (NPK)



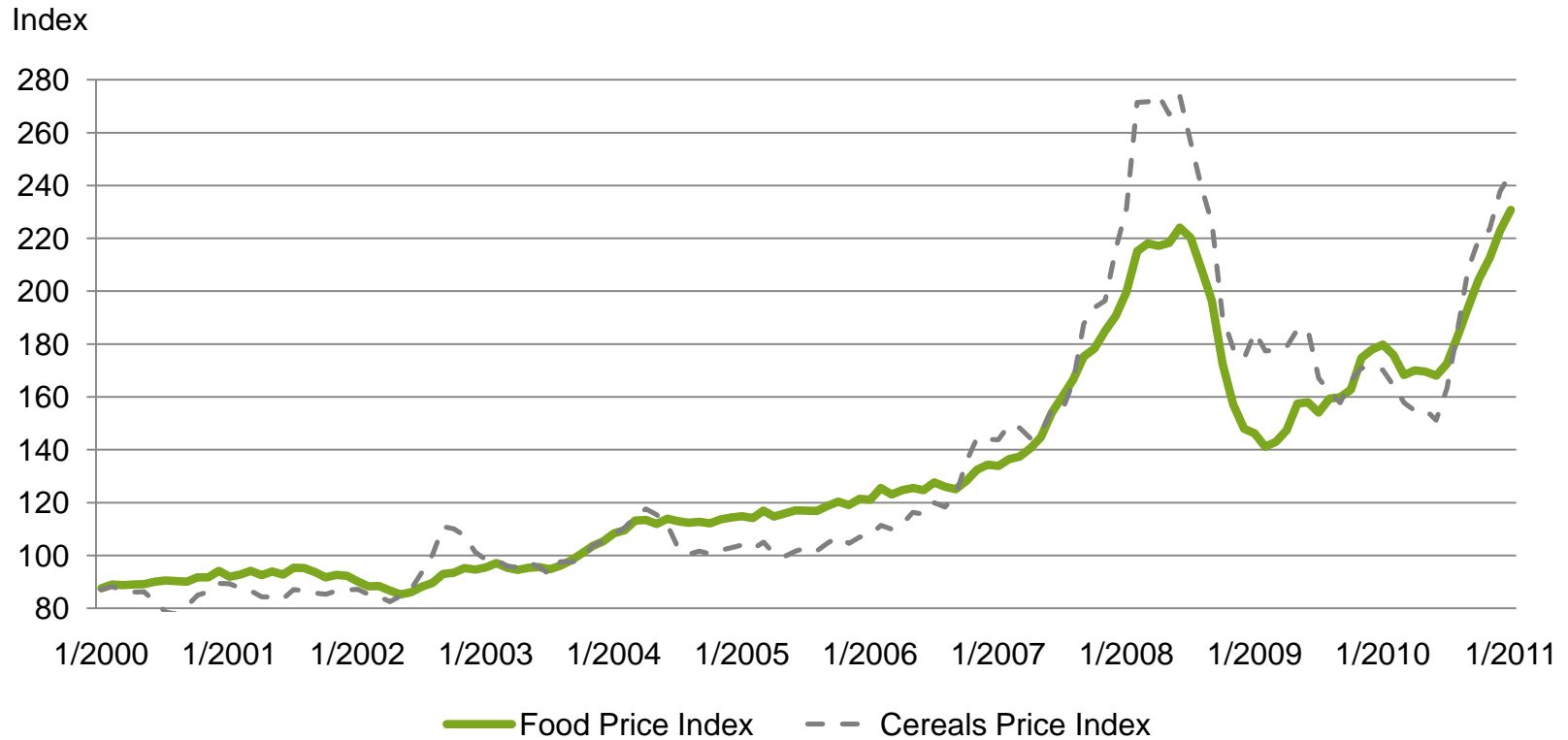
Tighter fertilizer markets



- 1 Shift in demand curve for fertilizer on the back of production shortfalls and a tighter ag commodity market
- 2 Reduced supply as Chinese export cost increases and production is curtailed

Soaring food prices

FAO price index



Source: FAO

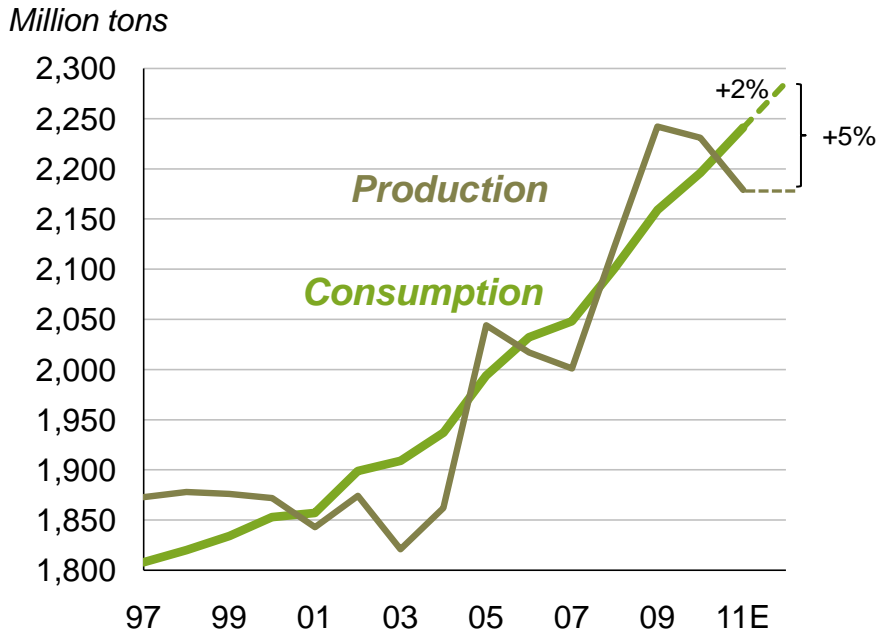


IR - Date: 2011-03-09

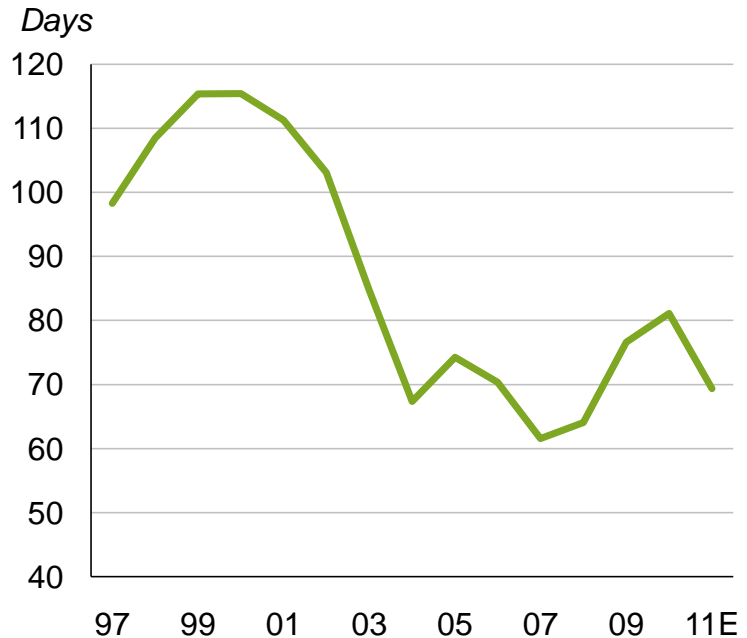


Strong harvest necessary to avoid further inventory decline

Grain production and consumption



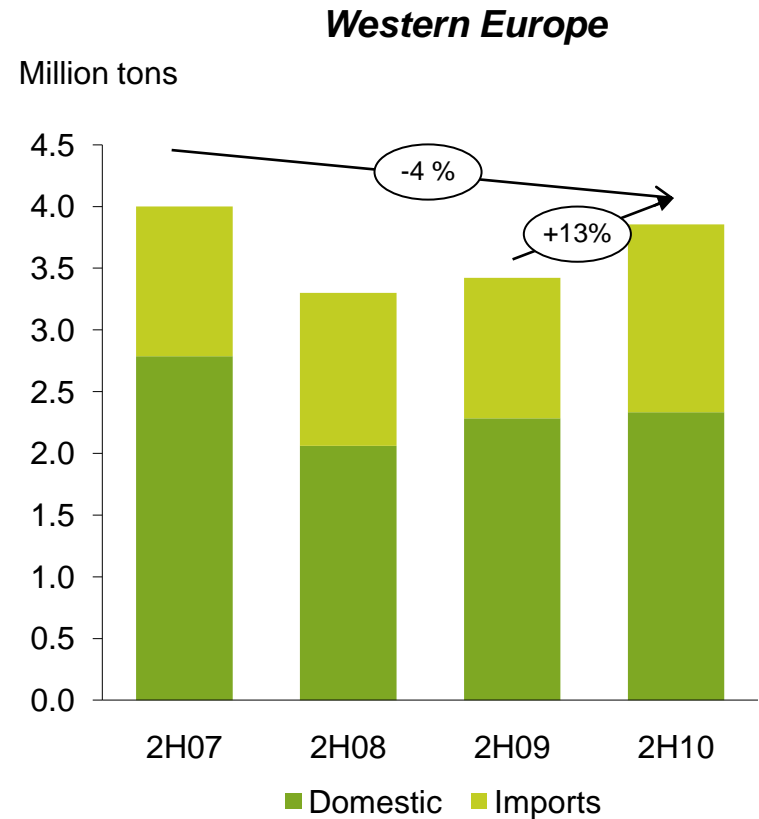
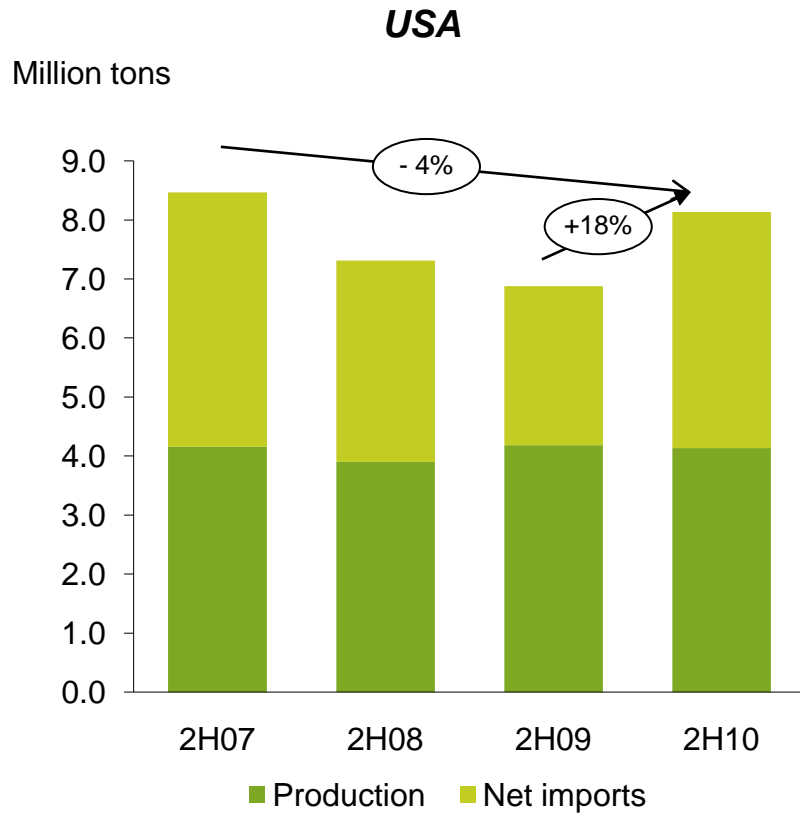
Days of consumption in stocks



Source: USDA, February 2011



Increased nitrogen deliveries, but lagging 07/08 season

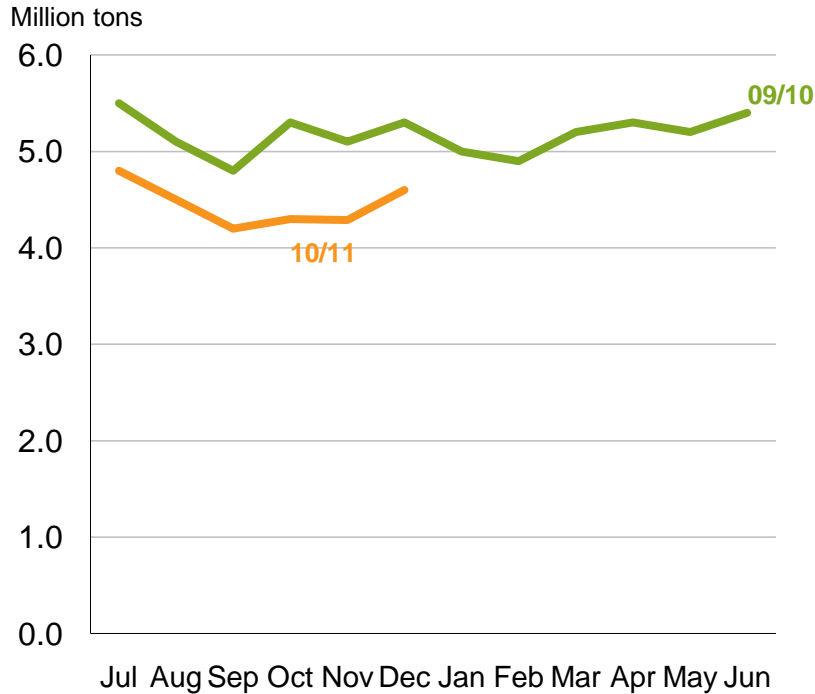


Source: Yara estimate for fertilizer deliveries to selected West European countries.
Total nitrogen deliveries estimate in USA based on TFI, US Trade Commission, Blue-Johnson

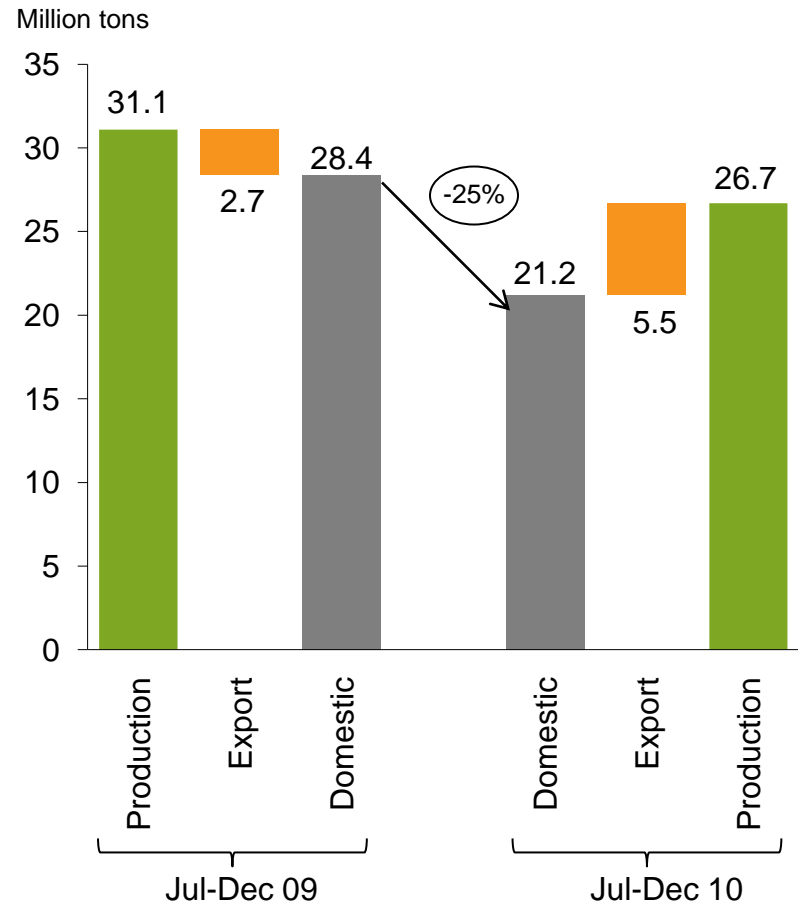


Domestic urea availability in China down 25% supporting strict export policy

Chinese urea production



Domestic urea balance



Source: BOABC



Prospects first quarter 2011

- Substantial nitrate price increase in January, deliveries are running well
- Nitrate premium supported by low inventories and production constraints
- First-half season fertilizer deliveries strongly ahead of last season, but lagging 07/08 record season
- No new export capacity start-up expected in current season
- Ambes returns to full production during March
- Cost increase on new dry raw material contracts, particularly phosphate

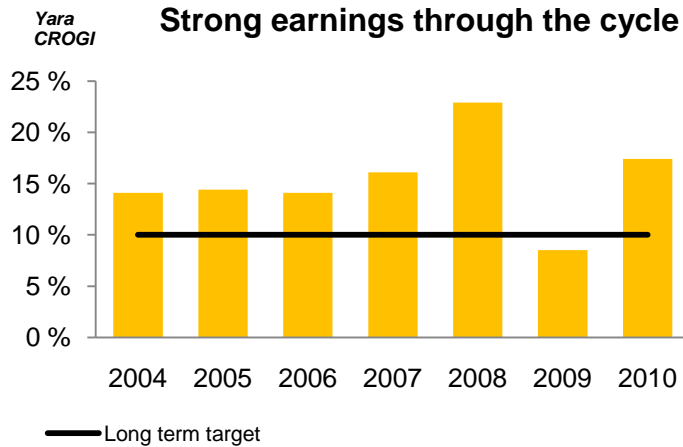


Prospects next twelve months

- FAO food price index at all-time high, giving strong fertilizer demand incentives
- Global nitrogen fertilizer industry outside China runs at full capacity
- China announced 110% urea export tax for 8 months in 2011, tight domestic supply/demand balance support strict export policy enforcement
- Second half 2011 fertilizer supply/demand balance sensitive to coming global harvest, major catch-up needed to avoid further drop in food inventories
- Yara increases urea capacity with Sluiskil (June) and Qafco 5 (4Q)
- Yara's energy costs for first half 2011 expected up NOK 1.45 billion compared with last year



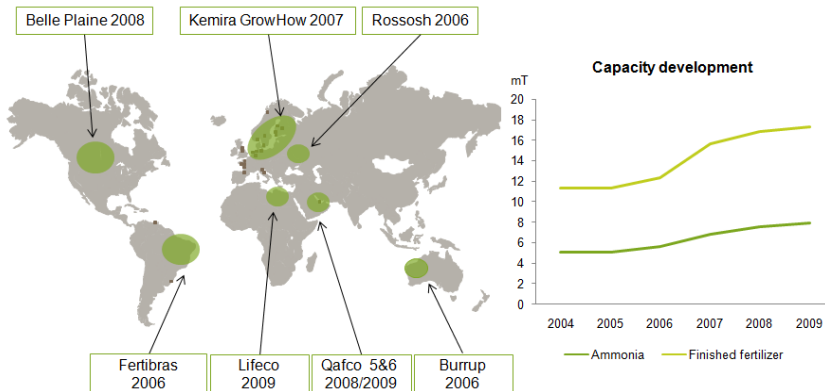
Basis for Yara's profitable growth ambitions



A scalable business model giving synergies



Industry-leading acquisition track-record



Valuation and capital discipline

- In acquisitions Yara looks for:
 - Relative synergies compared to alternative buyers
 - Distressed sellers
 - Our cycle view compared to seller & alternative buyers
- Capital and valuation discipline demonstrated with Terra withdrawal which we believe was right
- Grain, fertilizer and gas outlook has recently improved increasing nitrogen asset values



Structure for Growth

Geographical Focus – Regional updates

Market	Industry Characteristics	Yara focus and actions
North America	Consolidated	Market structure settled in short to medium term – map strategic intentions of key players in both market stress and boom scenarios and develop Yara response
West Europe	Mature, with some consolidation remaining; non-core assets available	One more major acquisition likely possible; look for assets made available by sellers dedicated to restructuring
Brazil	Capacity expanding, ownership shift, strong state interest/scrutiny	As the battle has been for phosphate dominance, a role as industry shaper in nitrogen could be attainable; map alternatives for achieving such a role
East Europe	Consolidation and rationalization yet to take place	Potentially attractive producers and market positions exist; map and rank these in light of energy situation and political risk
China	Over-supply, capacity expanding, limited consolidation, heavy state involvement	Given intense competition, high political risk, market barriers, unlikely to be investment destination for at least 3 – 5 years
India	Some consolidation, feed-stock poor, still subsidy driven	Unless major changes in subsidy policy, not likely to be focus area for fertilizer in the short to medium term. TAN is possible exception

In addition opportunities to build global plants for export are being pursued in areas like Africa and Middle East



Well positioned for profitable operations and growth

- Strong need for sustainable improvements in agricultural productivity
- Flexible business model in volatile markets
- Products and solutions addressing climate change and water scarcity challenges
- Scalable business in a fragmented industry
- Proven and prudent growth track record



More information can be found at www.yara.com

The screenshot shows the Yara website homepage with a background image of a wheat field. The Yara logo is in the top left, with the tagline "Knowledge grows" below it. A search bar is positioned above a vertical navigation menu. The menu items are: "About Yara", "Products and services", "Sustainability", "Investor Relations", "Careers", and "Media". Below the menu is a "Select your country" dropdown. The "LATEST PRESS RELEASES" section features a link to "Yara International ASA - Commercial paper issue 01.12.2009" and a "SHARE PRICE" of 251,50 with a -3.27% change. A "NEW! FERTILIZER INDUSTRY HANDBOOK 2009" is also promoted. The main content area on the right has the headline "Timing is essential" and the sub-headline "Promoting sustainability and profitability", with a "more Yara Stories" link and a small image of wheat. The footer contains copyright information for 2009 Yara and links to "Contact us", "Websites", "Sitemap", "Glossary", "Privacy and legal", "Newsfeed", and font size controls.



Yara sensitivities

	Operating Income USD million	EBITDA USD million	Operating Income NOK million	EBITDA NOK million	EPS** NOK
Urea sensitivity +100 USD/t	951	1,090	5,695	6,529	17.4
...of which pure Urea	300	389	1,797	2,330	6.3
...of which Nitrates	368	400	2,205	2,394	6.2
...of which NPK	230	249	1,380	1,493	3.8
Nitrate premium +50 USD/t	407	437	2,437	2,619	6.7
...of which pure Nitrates	292	314	1,750	1,883	4.8
Hub gas Europe + 1 USD/MMBtu	(90)	(110)	(530)	(620)	(1.7)
Currency + 1 NOK/USD	90	90	2,139	2,539	6.2
...of which translation effect	-	-	1,600	2,000	4.9
...and EUR & NOK net fixed cost	90	90	539	539	1.3
Ammonia + 100 USD/t	-	50	-	300	0.7
Phos rock + 50 USD/t	50	50	300	300	0.7
Hub gas North Am + 1 USD/MMBtu	(27)	(27)	(159)	(159)	(0.4)
Crude oil + 10 USD/brl	(80)	(80)	(479)	(479)	(1.3)

* Assuming NOK/USD = 6, USD/EUR = 1.36 and constant NOK/EUR

** Assuming 30% marginal tax rate on underlying business and 288.8 million shares

Sensitivities assume full production and no inter-correlation between factors



Summary fourth quarter 2010

- Strong results driven by improved fertilizer margins
- Increased NPK and urea deliveries, partly offset by deferred nitrate sales
- Higher fertilizer production
- Increased European energy costs
- Proposed dividend NOK 5.50 per share

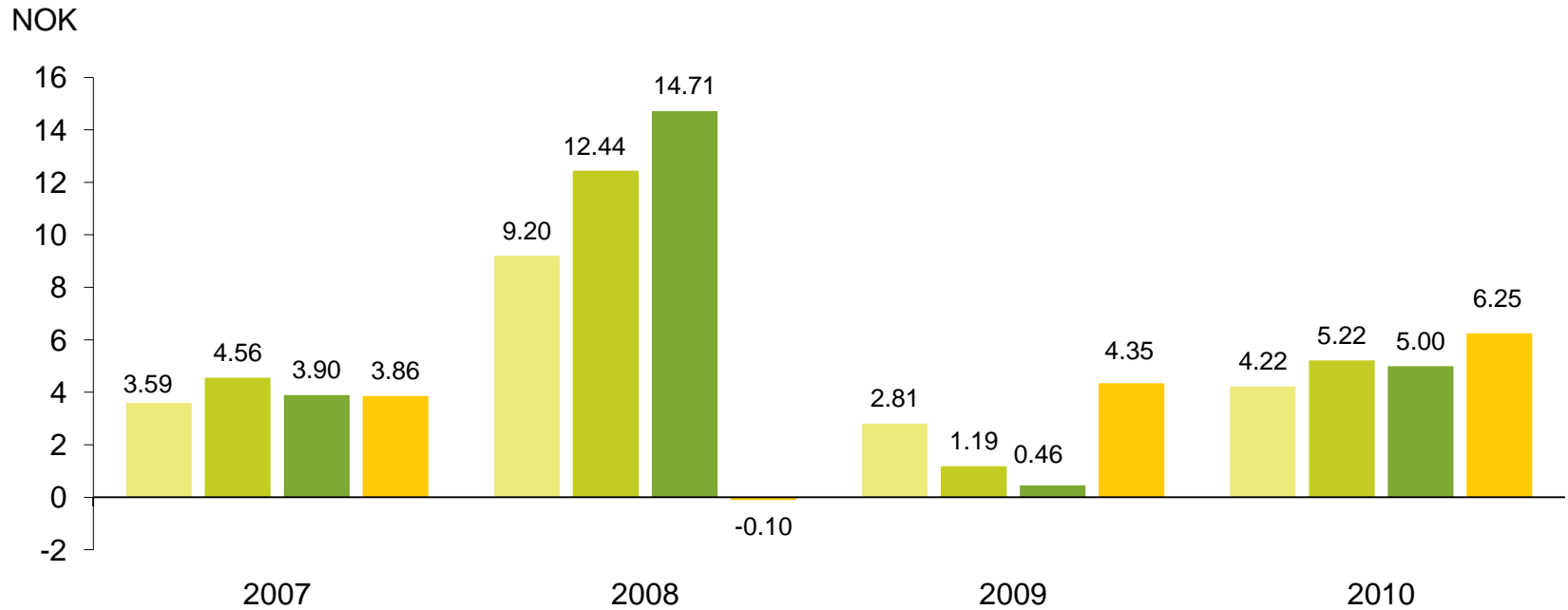


Earnings per share*



* Average number of shares for 4Q 2010: 288.4 million (4Q 2009: 288.8 million).

Earnings per share adjusted for foreign exchange gain/loss and special items*



Annual

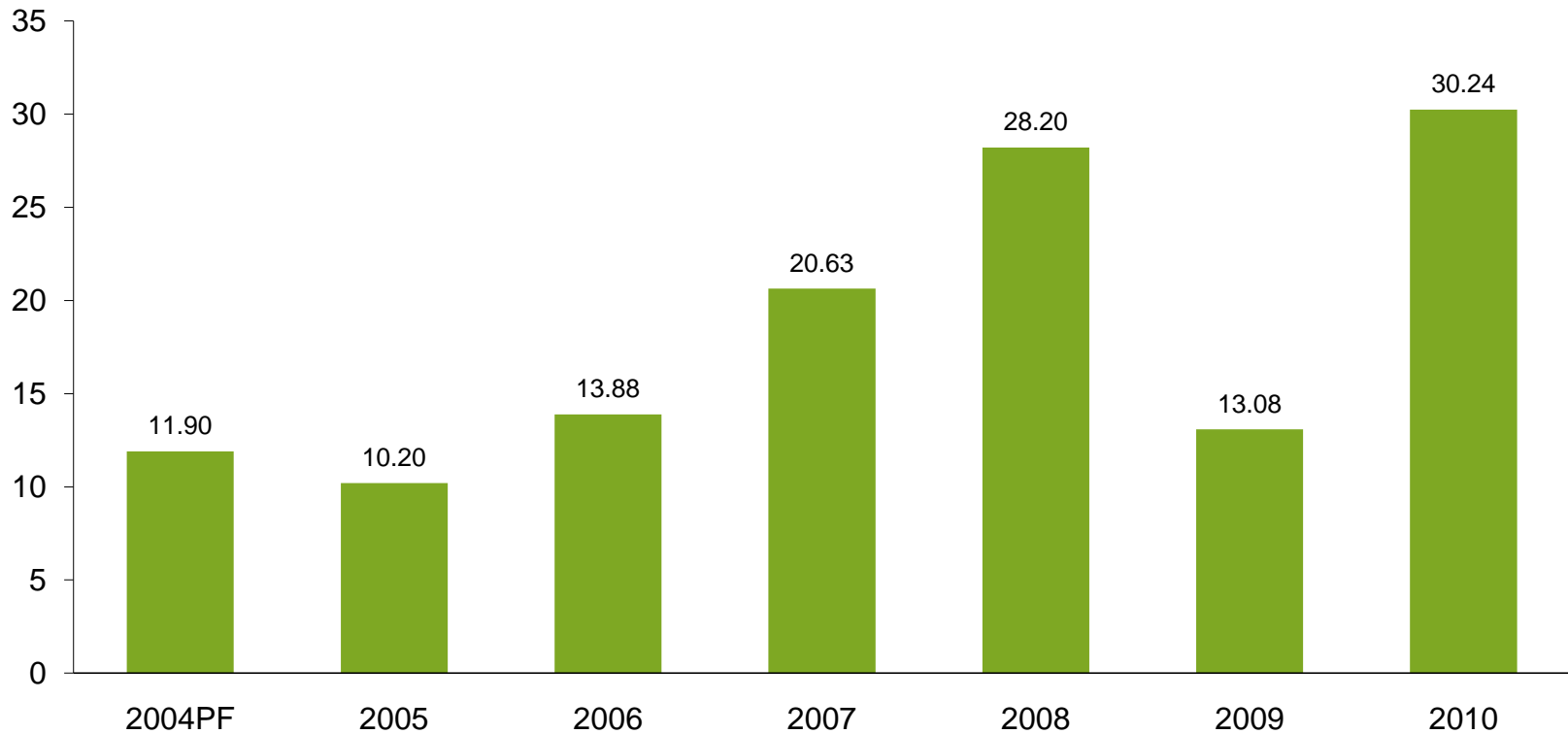
NOK	2007	2008	2009	2010
	15.91	36.28	8.82	20.69

* After tax. Average number of shares for 4Q 2010: 288.4 million (4Q 2009: 288.8 million).



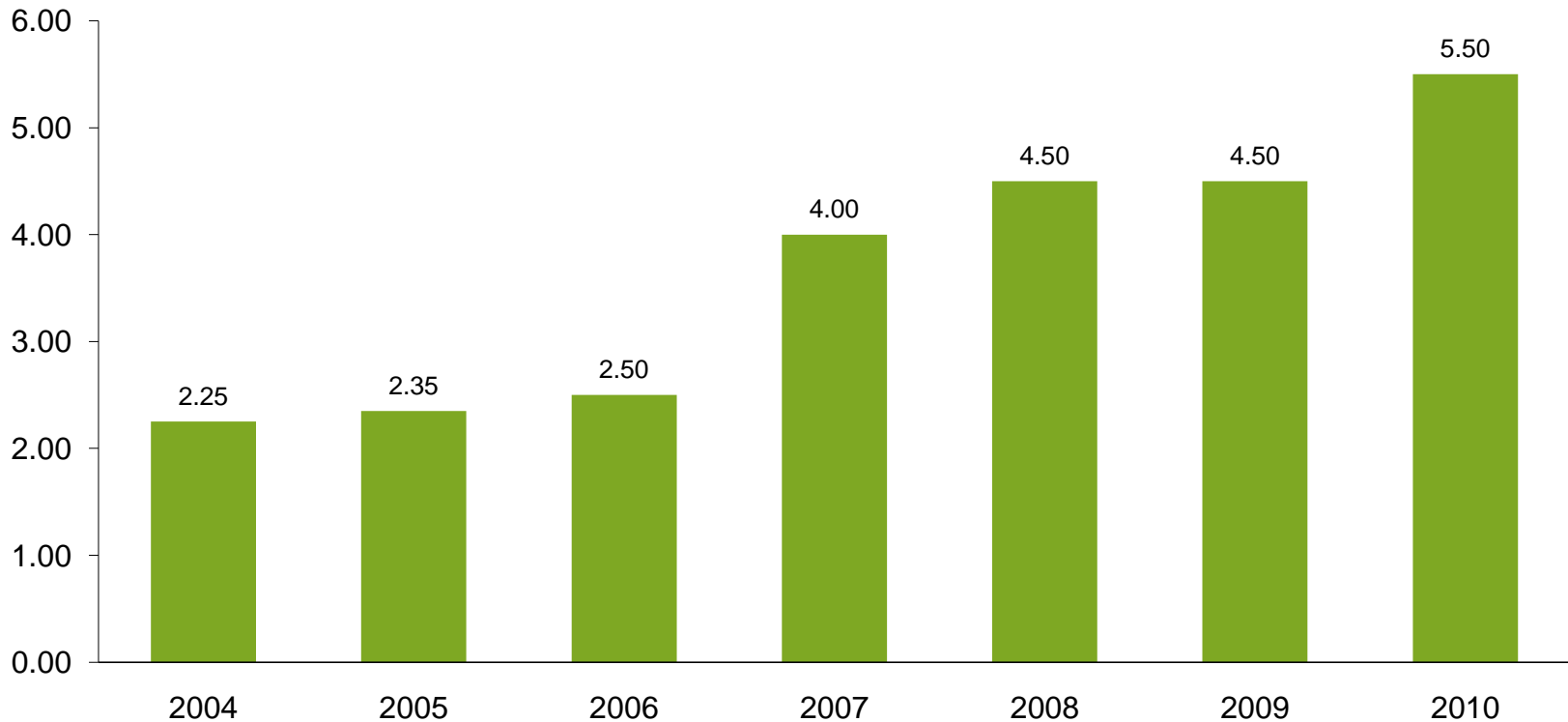
2010 earnings per share - highest so far

NOK per share



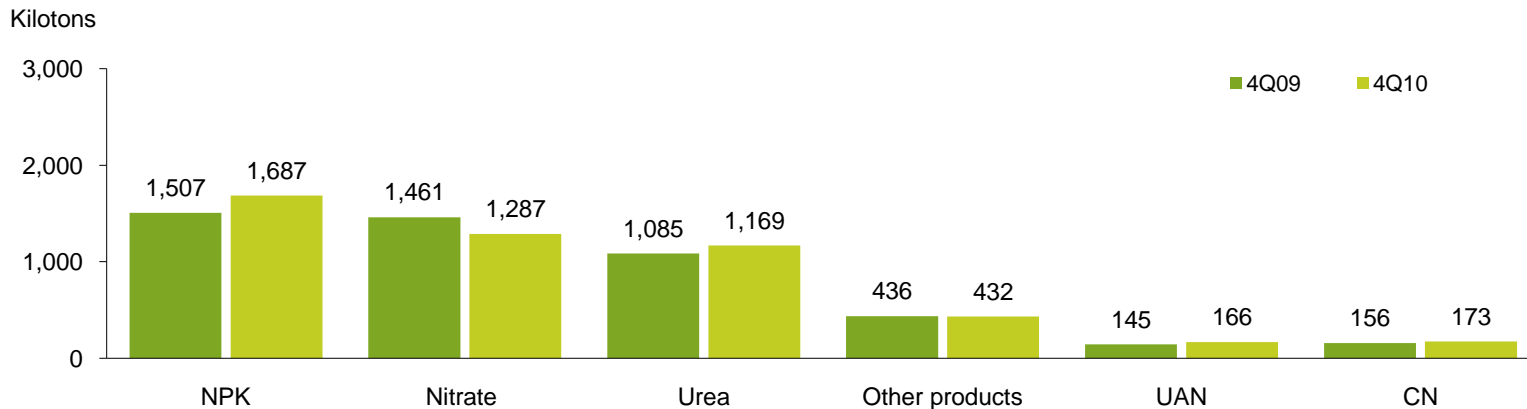
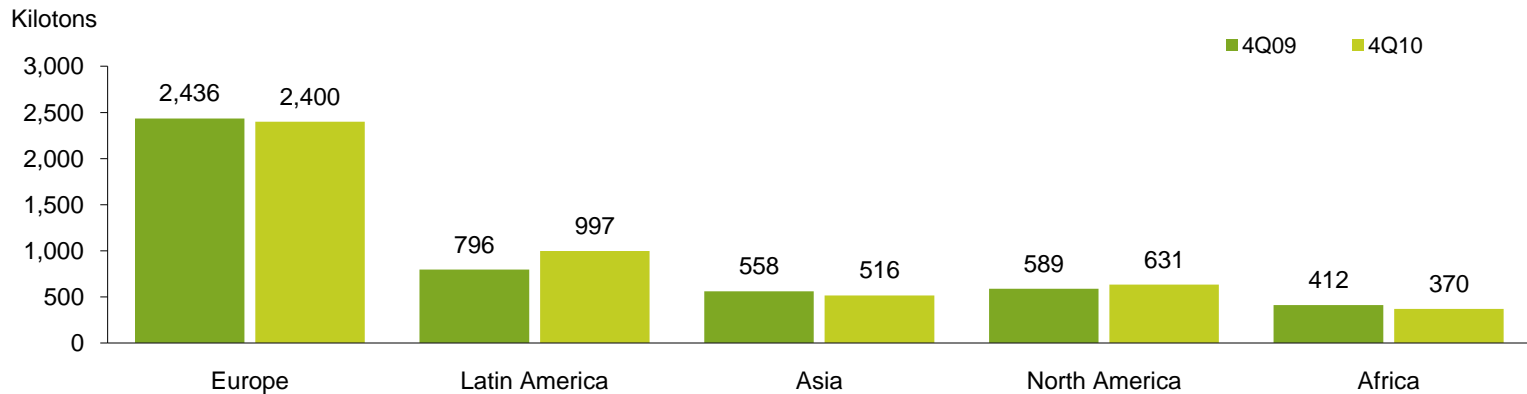
Proposed dividend of NOK 5.50 per share

NOK per share



Yara 4Q fertilizer sales by market and product

2010: 4.9 million tons (2009: 4.8 million tons)



Agriculture center-stage in Davos: Roadmap for realizing a “New Vision for Agriculture” presented

- Initiative backed by 17 global companies, among others BASF, Monsanto, Bunge, Syngenta, Nestle, Unilever and Yara
- The initiative addresses major challenges of global food and agricultural sustainability
- Aiming every decade to:
 - Increase food production by 20%
 - While emitting 20% less
 - Reducing rural poverty by 20%



Agriculture provides much more than food, and can fulfill the world's most basic social needs

Agriculture matters

30%

Proportion of
greenhouse gas
emissions related to
agriculture

40%

Share of worldwide
employment in
agriculture
(incl. 70% of the
“bottom billion”)

70%

Share of worldwide
water withdrawals from
agriculture

10,000

Years of historical food
production that must
be matched in the next
50 years

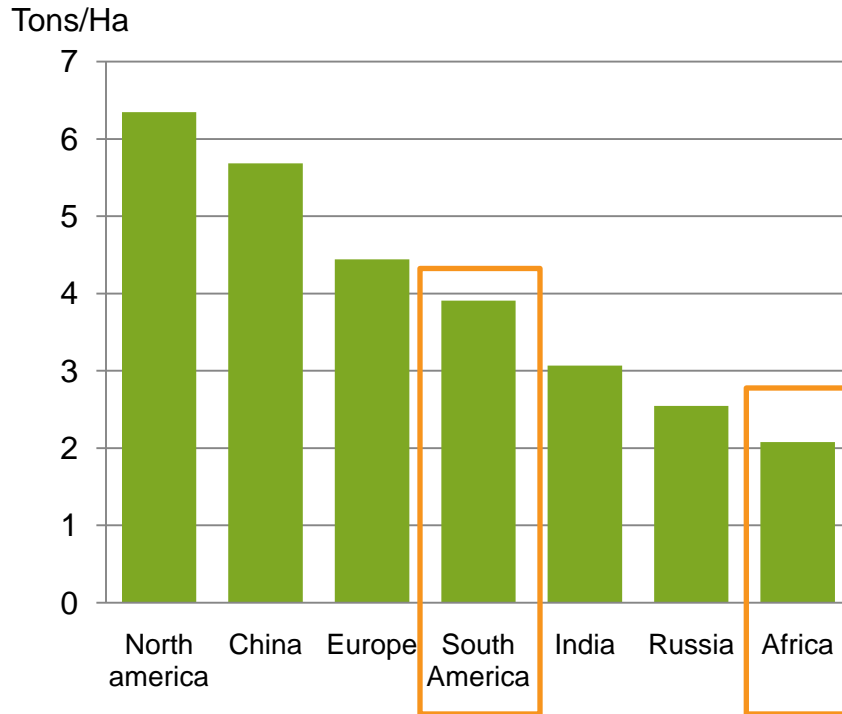


Source: World Economic Forum, *Realizing a New Vision for Agriculture (A roadmap for stakeholders)*



Significant potential by applying best agricultural practices

Grain yields



Land not in use

Million hectares	Very suitable	Suitable
India	0	0
China	0	0
Africa	205	367
FSU	0	23
Latin America	191	349
North America	0	68
East Europe	0	0
West Europe	0	0

Source: McKinsey & Company, FAOSTAT



Fertigation represents a growing opportunity

Water scarcity is a clear issue



Rio Grande
failed to reach GoM
in 2001 for first time



Lake Aral
Only ~25% of
original size



Yellow River
Dry on last 100 km:
1972: 15 days
1997: 226 days

**Agricultural water use has to
become more "intelligent"**

17% of cropland is irrigated, is twice
as productive as other land and
contributes 40% of world food
production...
...but it uses 70% of all freshwater...
...thus, productivity growth from
irrigation has to come from better use
of water

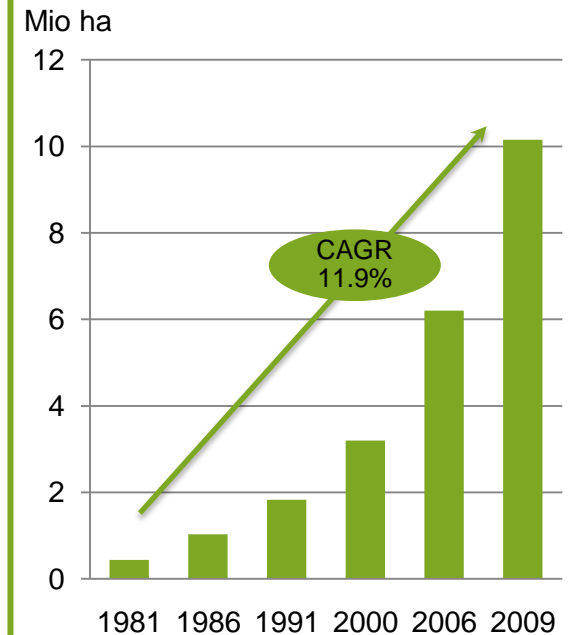
"More crop per drop"



Center Pivot: carrot production in Brasil

**The segment has seen
strong growth historically**

Expansion of Micro-irrigation



Source: Kulakarni et.al., 2006; Gopalakrishnan, 2008; USDA, 2008; MOI, 2009

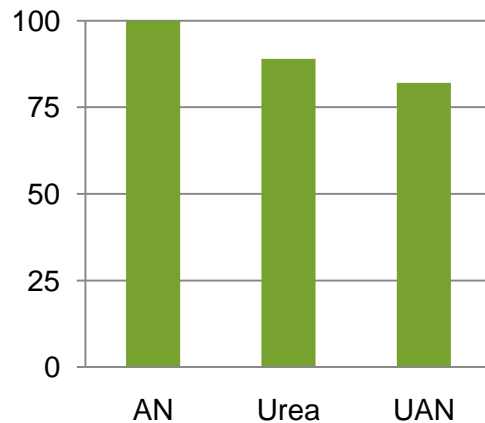
Source: World Bank, 2008



Nitrate-based fertilizers are superior to urea both agronomically and environmentally

The agronomical efficiency of nitrates is superior to urea

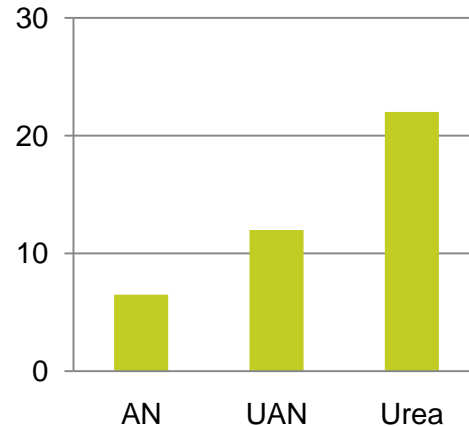
Nitrogen recovery (% of AN)



Urea requires up to 20% higher N application to achieve same cereal crop yield and quality as AN

Nitrates have lower ammonia volatilization losses

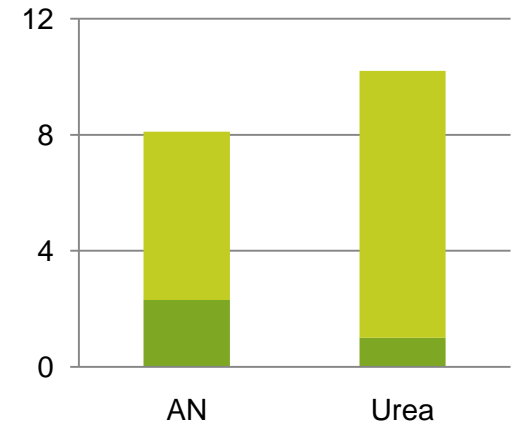
Average Emission Factor, Cereals



Urea and UAN with a 30% market share of EU nitrogen fertilizers cause 88% of its ammonia emissions

The carbon footprint is lower than for Urea

Lifecycle carbon footprint (kg CO₂ eq/kg N)



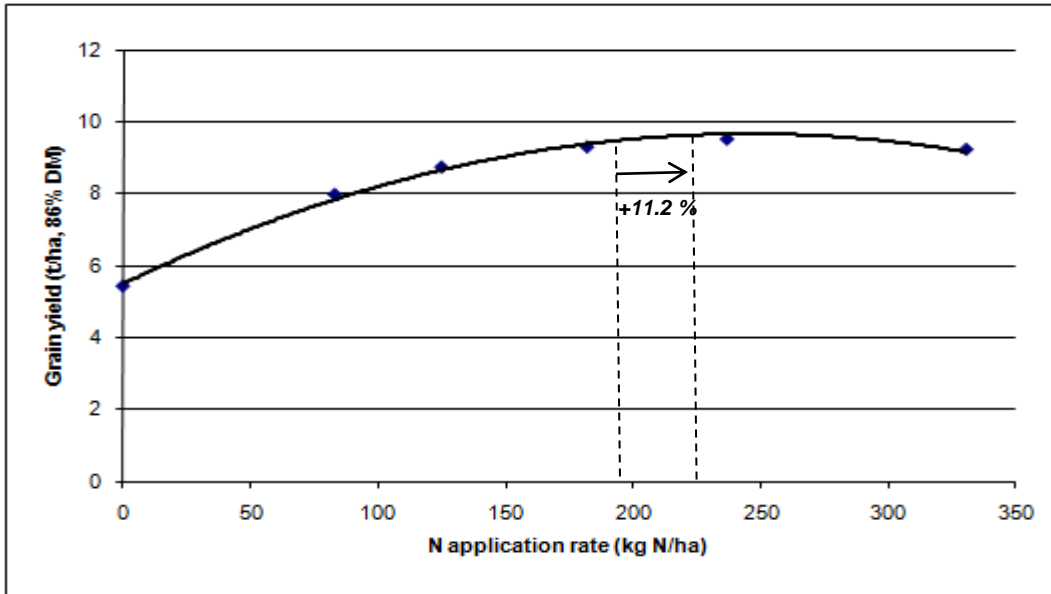
Although urea is more CO₂ efficient in production, CO₂ emissions and ammonia volatilization on application more than offset for this

Source: DEFRA (2006), NT26 project report; Fertilizer Europe; 2EMEP/EEA air pollutant emission inventory guidebook (2007); Yara



Increased fertilizer demand with high grain prices

An example:



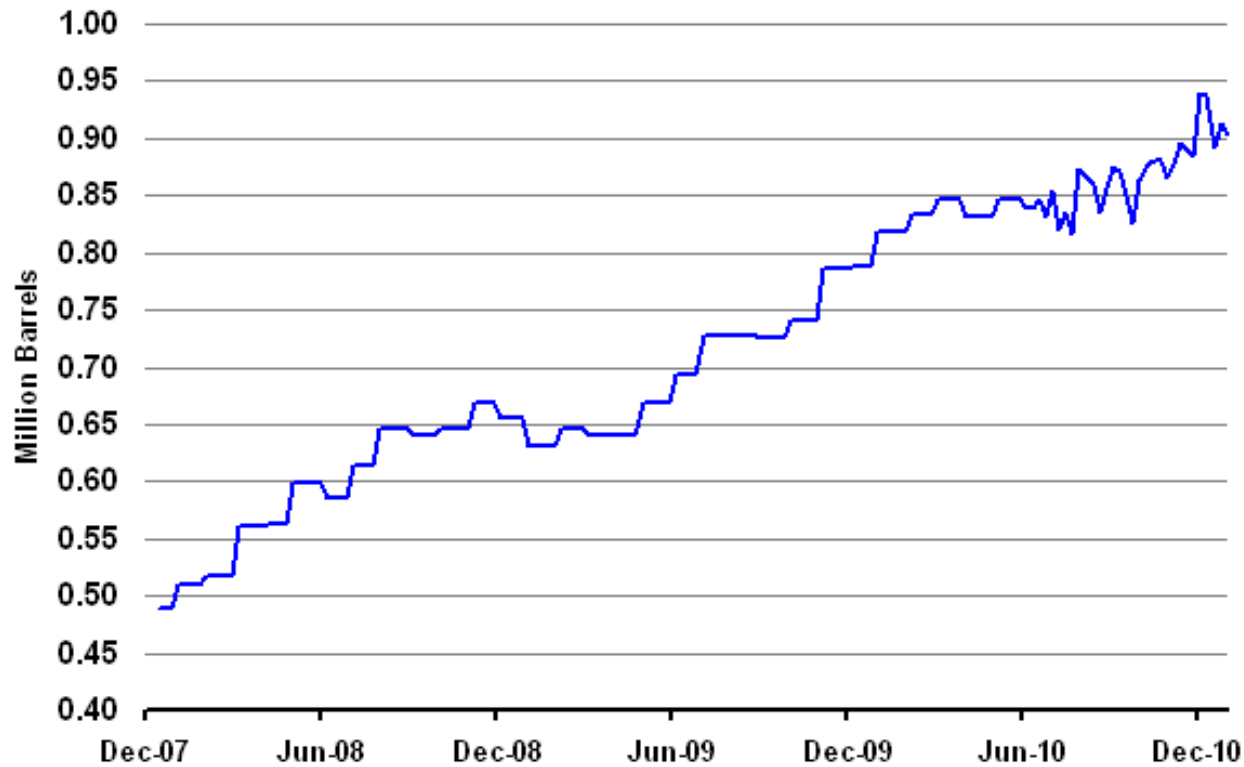
Yield curve based on 187 field trials for winter wheat (1996-2009)

Assuming CAN 27% N costs Euro 260/mt at farmer level	Wheat price (Euros/mt)	N-optimum (kg/ha) 196	Revenue minus N cost (Euros/ha)
Scenario 1:	140	196	1,140
Scenario 2:	250	218 (+11.2%)	2,192 (+92%)



US ethanol production

US Weekly Daily Average Fuel Ethanol Production



Most Recent: 0.904 as of 12/31/2010

The Hightower Report



IR - Date: 2011-03-09



Non-commercials' net long position in corn

Thousand contracts



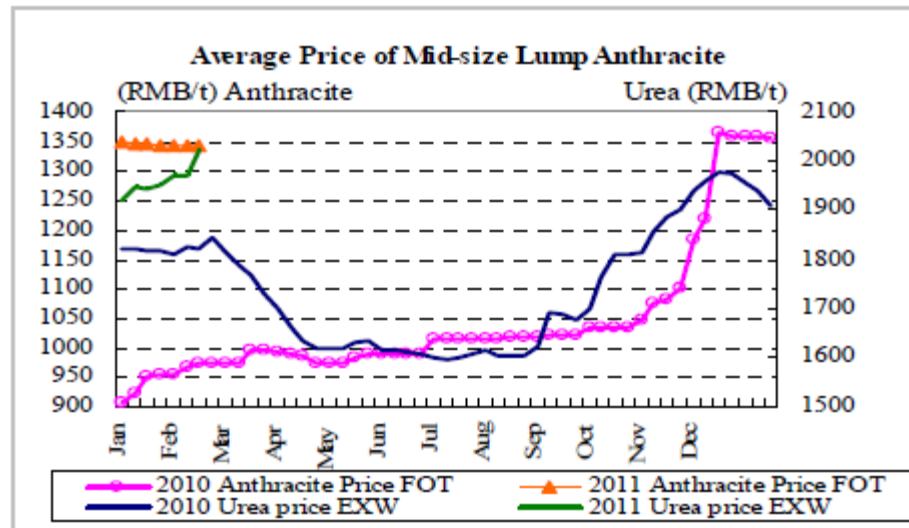
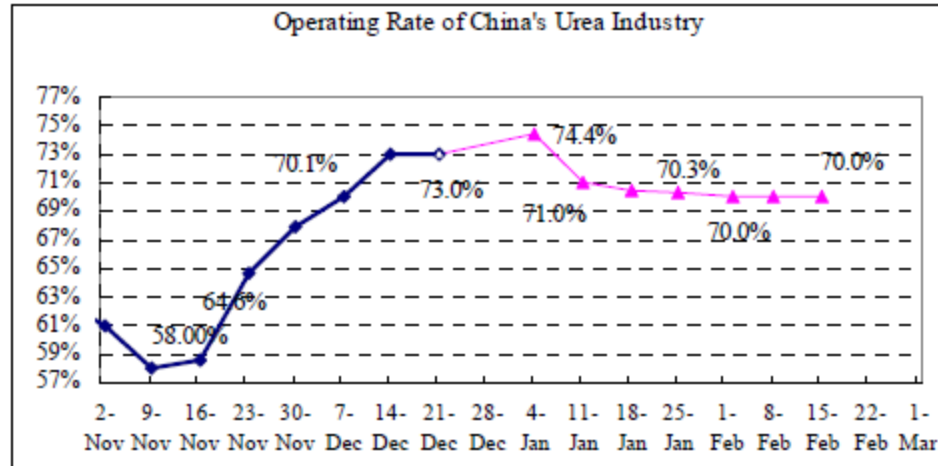
Source: US Commodity Futures Trading Commission



IR - Date: 2011-03-09

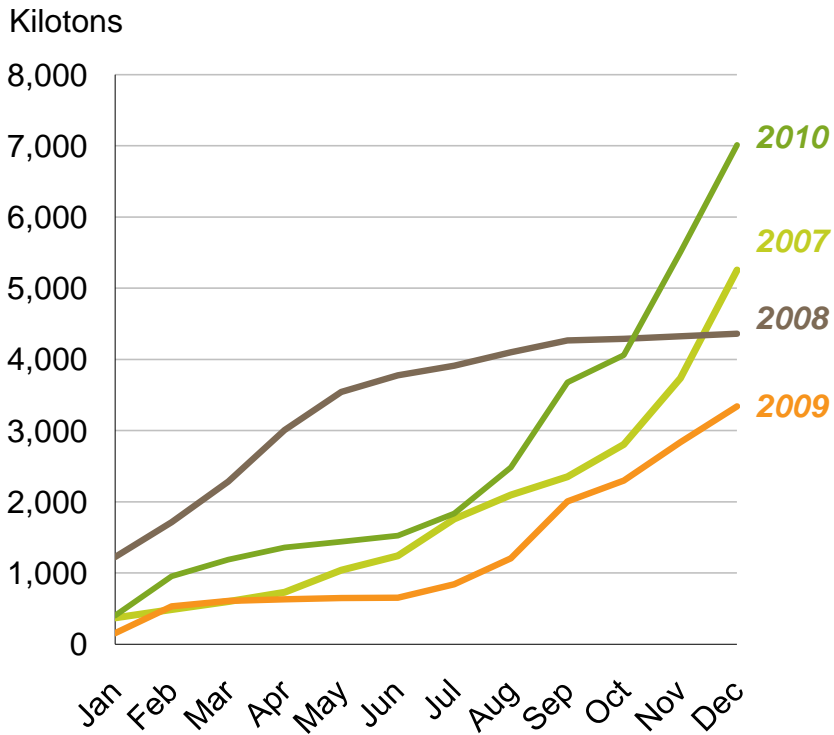


Latest Chinese urea development

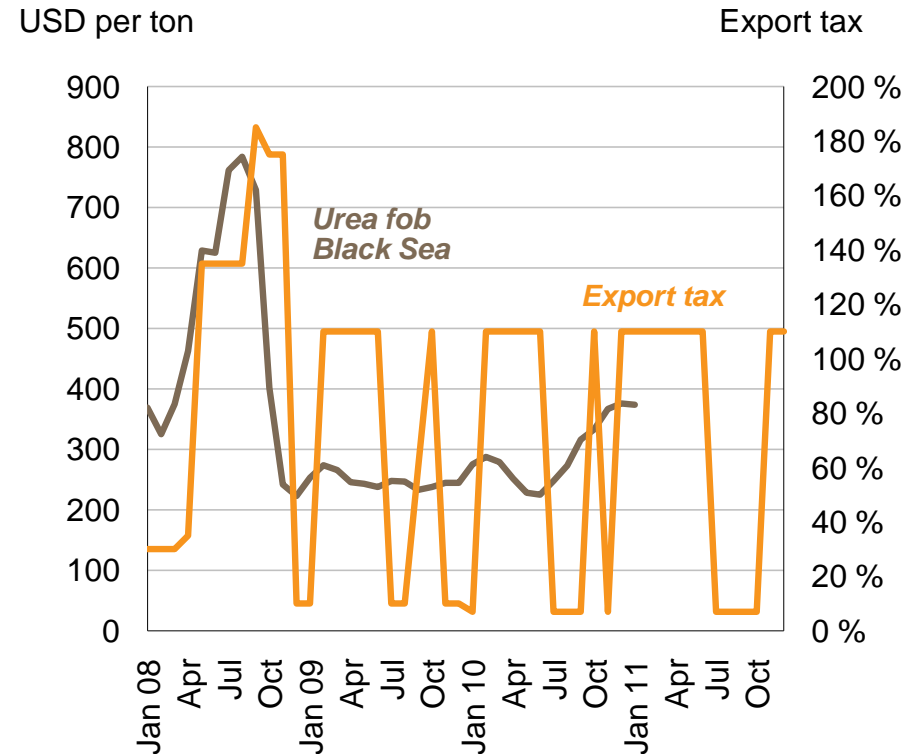


Chinese exports needed to balance the global market

Accumulated urea exports



Urea price and export tax



Source: BOABC



IR - Date: 2011-03-09



Planned capacity expansions

Year	Global urea capacity growth estimate		Driving regions	
	World	Excluding China	World	Excluding China
2010	5.7% (5.7%)	4.1% (4.0%)	China 57% Trinidad 7%	Trinidad 16% Iran 13%
2011	5.6% (5.1%)	5.0% (4.5%)	China 49% Pakistan 15%	Pakistan 29% Qatar 13%
2012	5.0% (4.2%)	2.6% (2.0%)	China 71% Qatar 8%	Qatar 27% Egypt 22%
2013	4.0% (4.1%)	5.0% (5.3%)	China 30% UAE 14%	UAE 20% Algeria 20%
2014	2.2%	2.9%	Algeria 24% Iran 22%	Algeria 32% Iran 30%

Average urea consumption growth has been 3.4% last 10 years, 2.4% excluding China

September 2010 in brackets

Source: Fertecon update December 2010

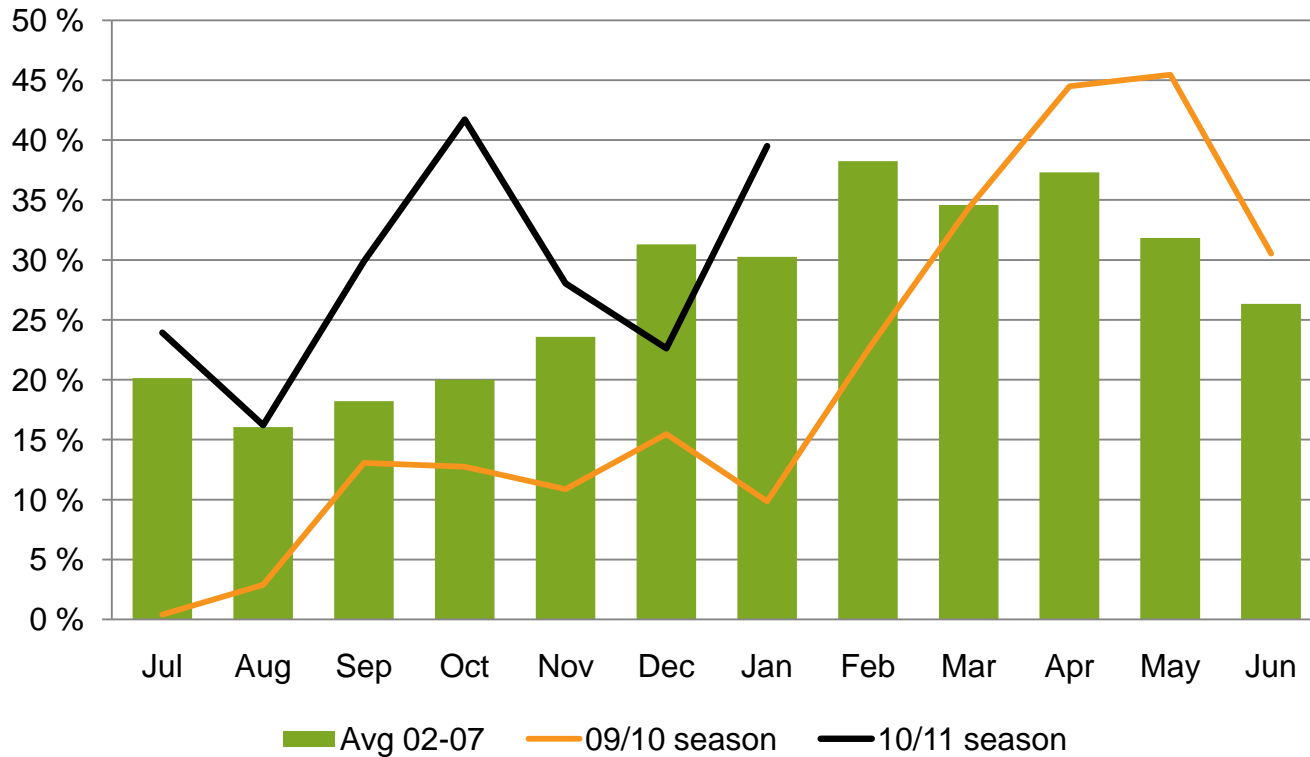


IR - Date: 2011-03-09



Nitrate premium

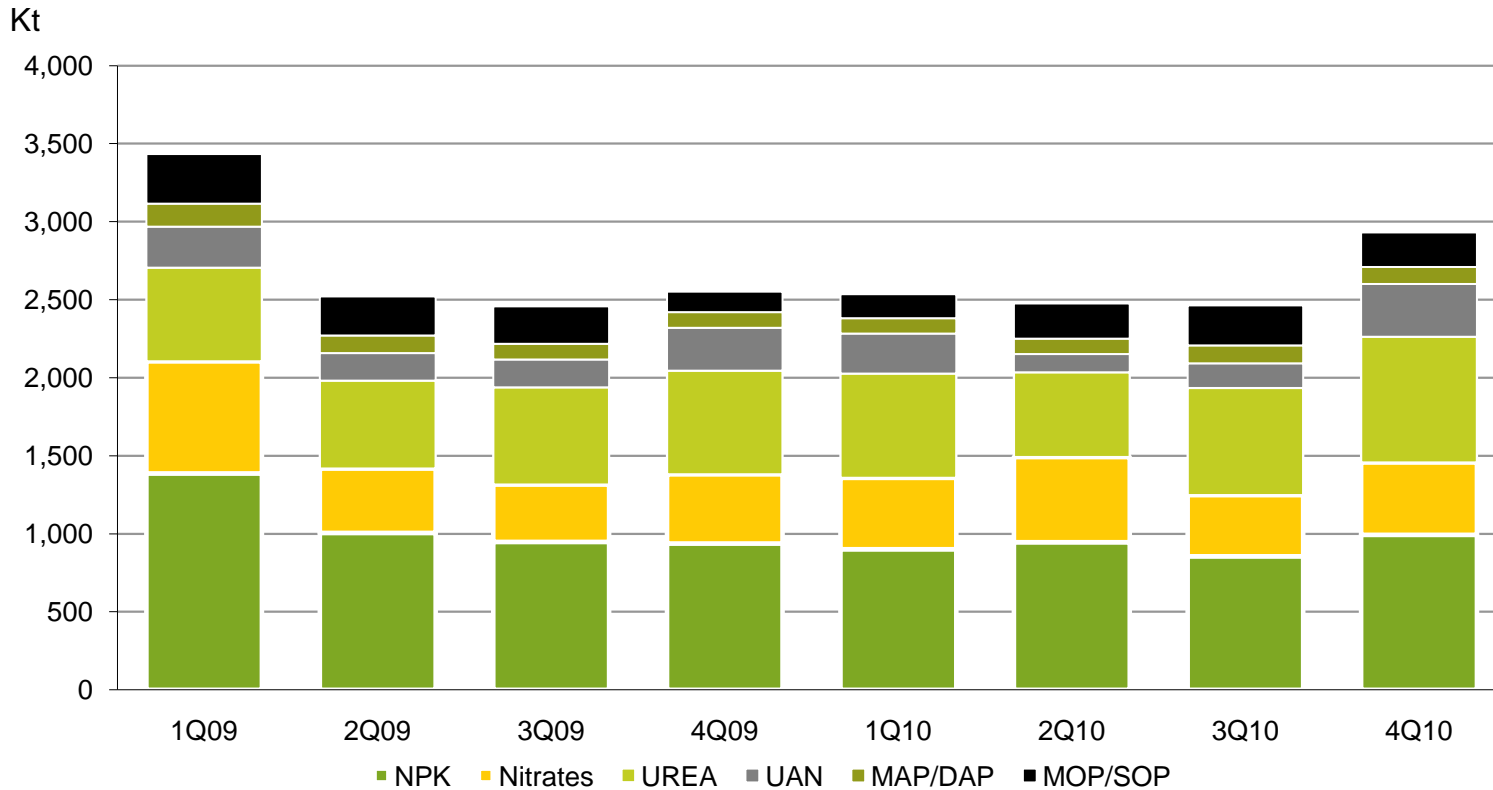
Nitrate premium proxy*



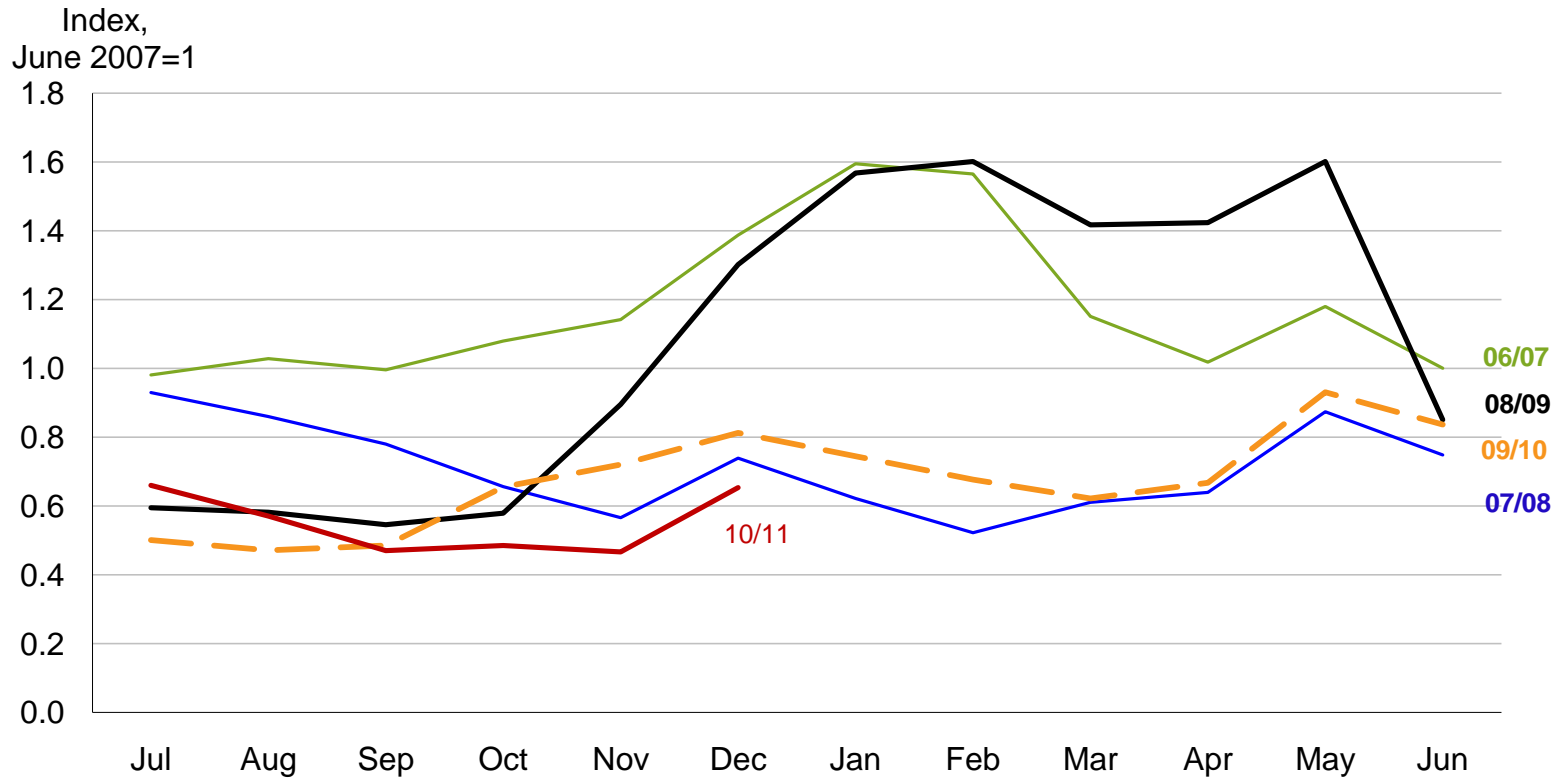
* Urea fob Black Sea adjusted for freight (USD 35) and duty (6.5%) to calculate a CFR NWE proxy



Commercial optimization leading to some stock build-up



Low European producer nitrate stocks



Source: Fertilizers Europe

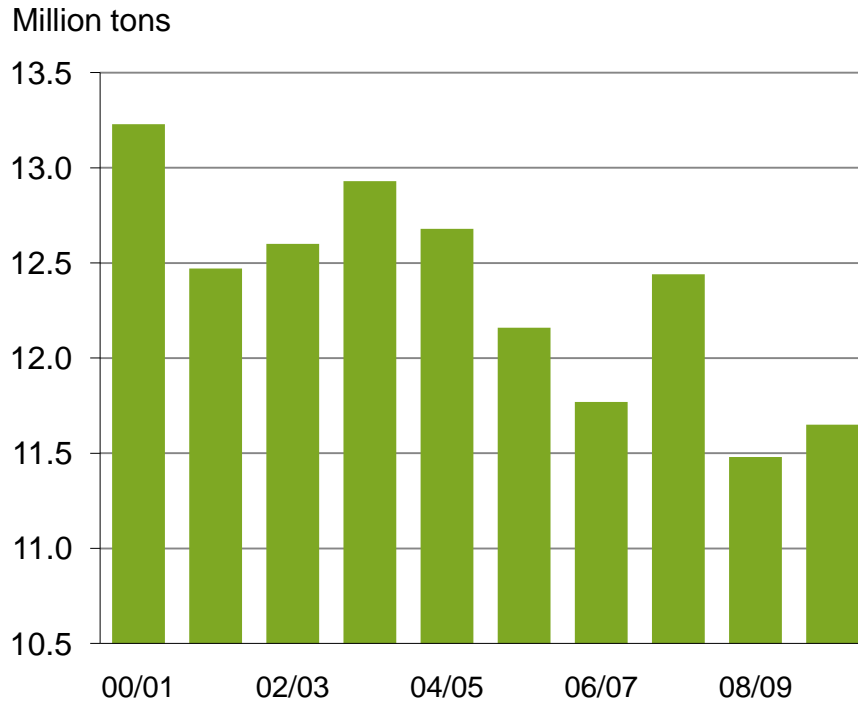


IR - Date: 2011-03-09

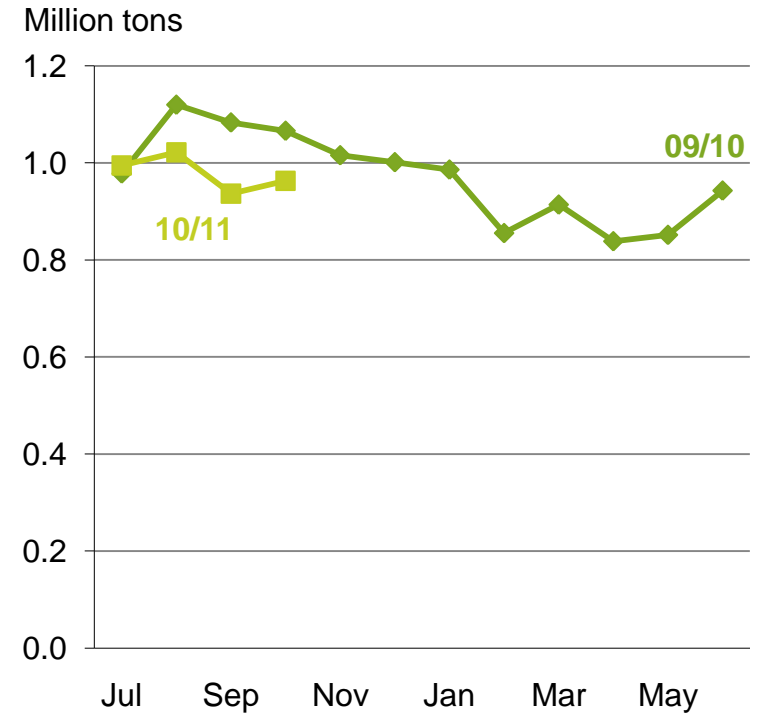


West European nitrate production trending lower

Yearly production



Monthly production



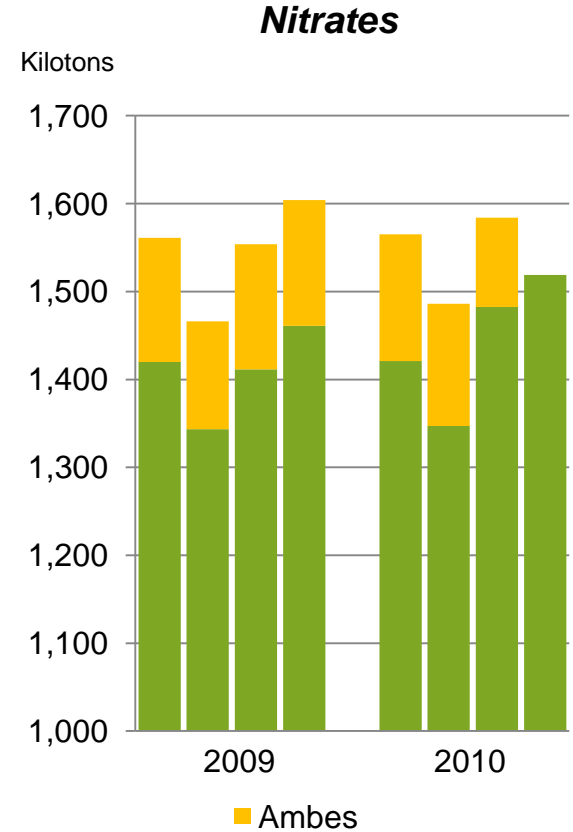
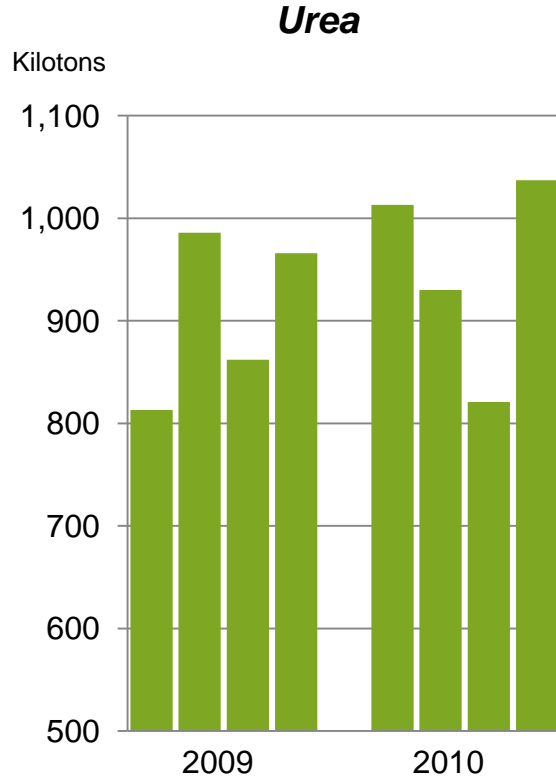
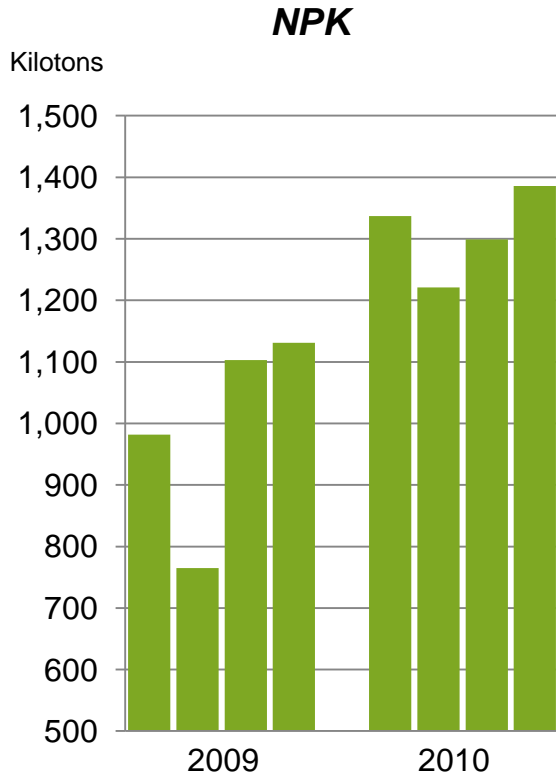
Source: EFMA



IR - Date: 2011-03-09



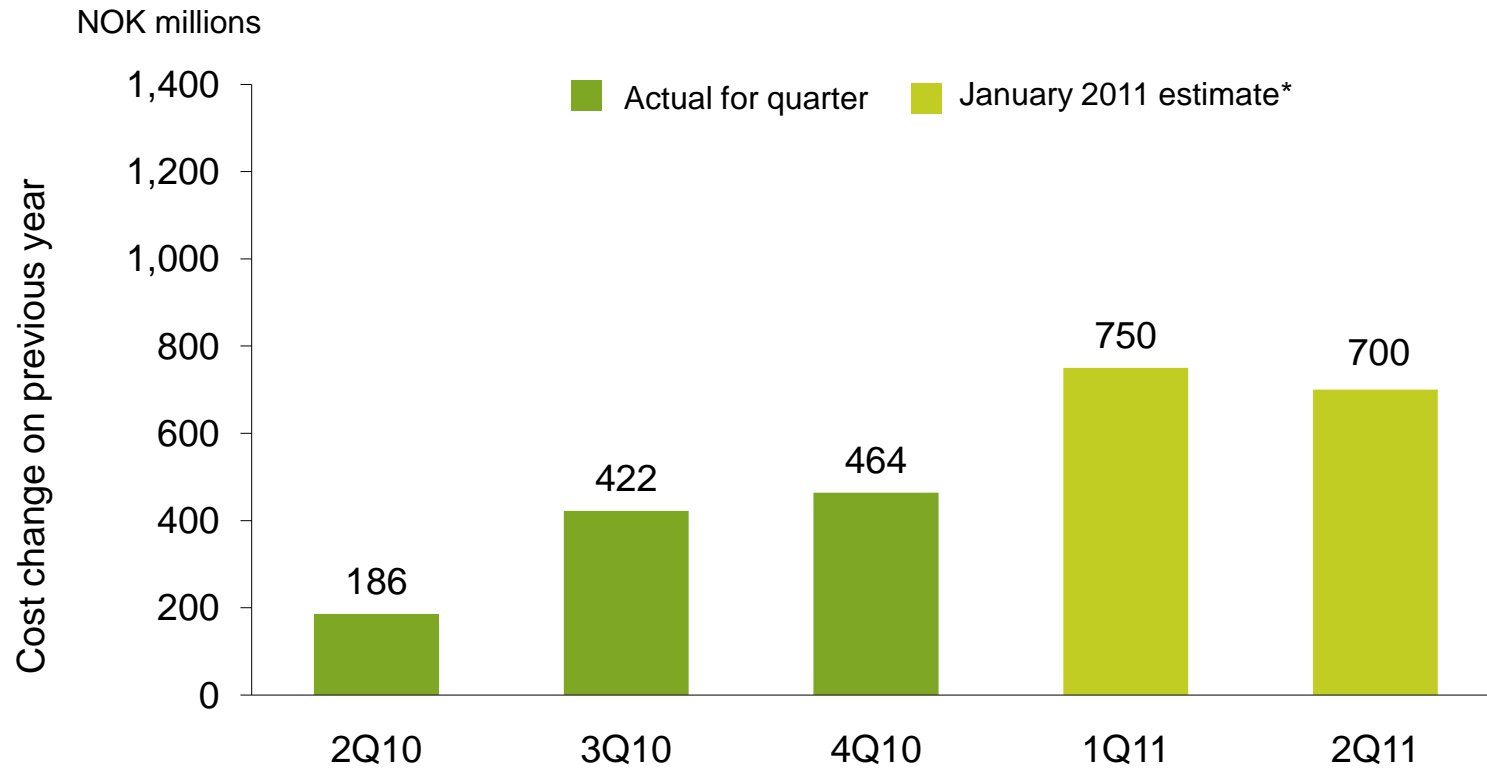
Production increase despite turnarounds*



* Including share of equity-accounted investees



Estimated European energy cost

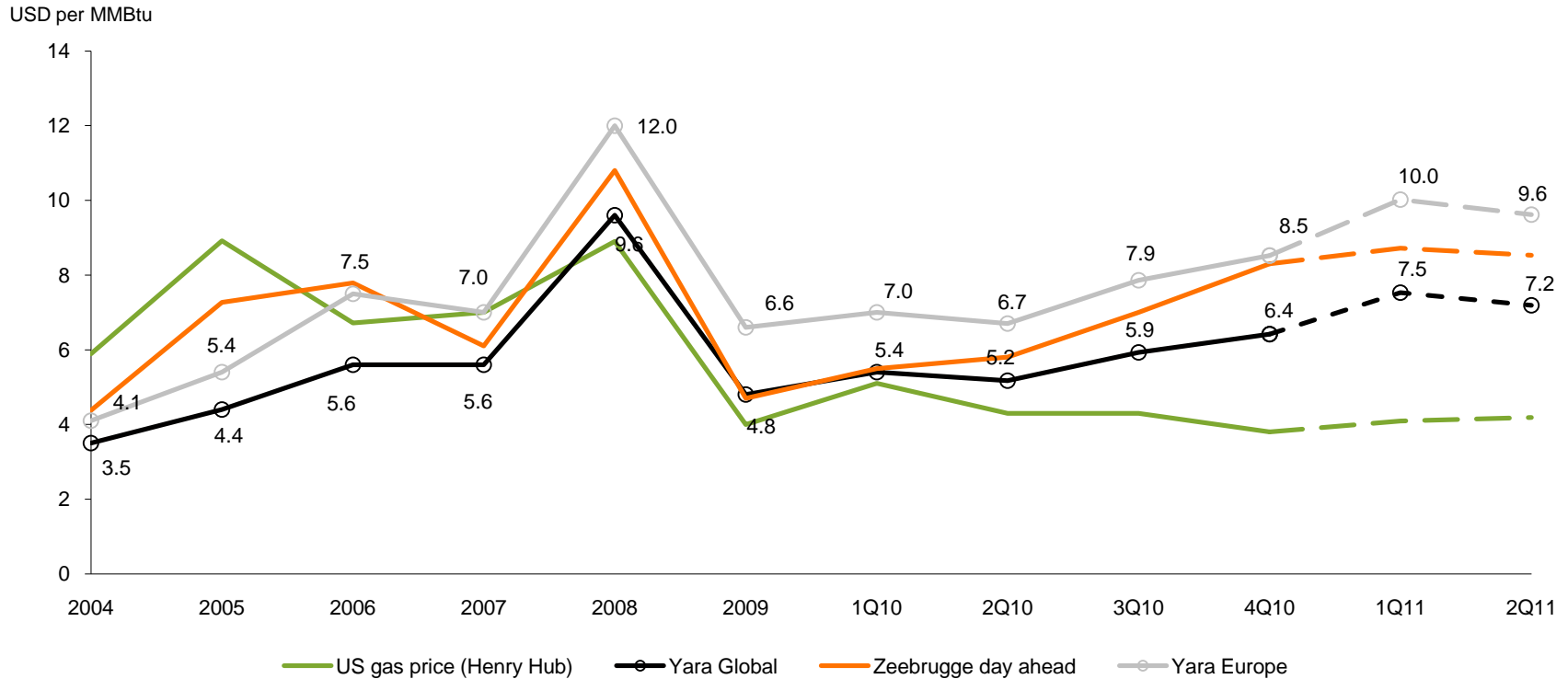


* Based on forward prices as of 28 January



Spot natural gas versus Yara average

Yearly averages 2004 – 2009, quarterly averages for 2010 and 2011 with forward prices for 2011*



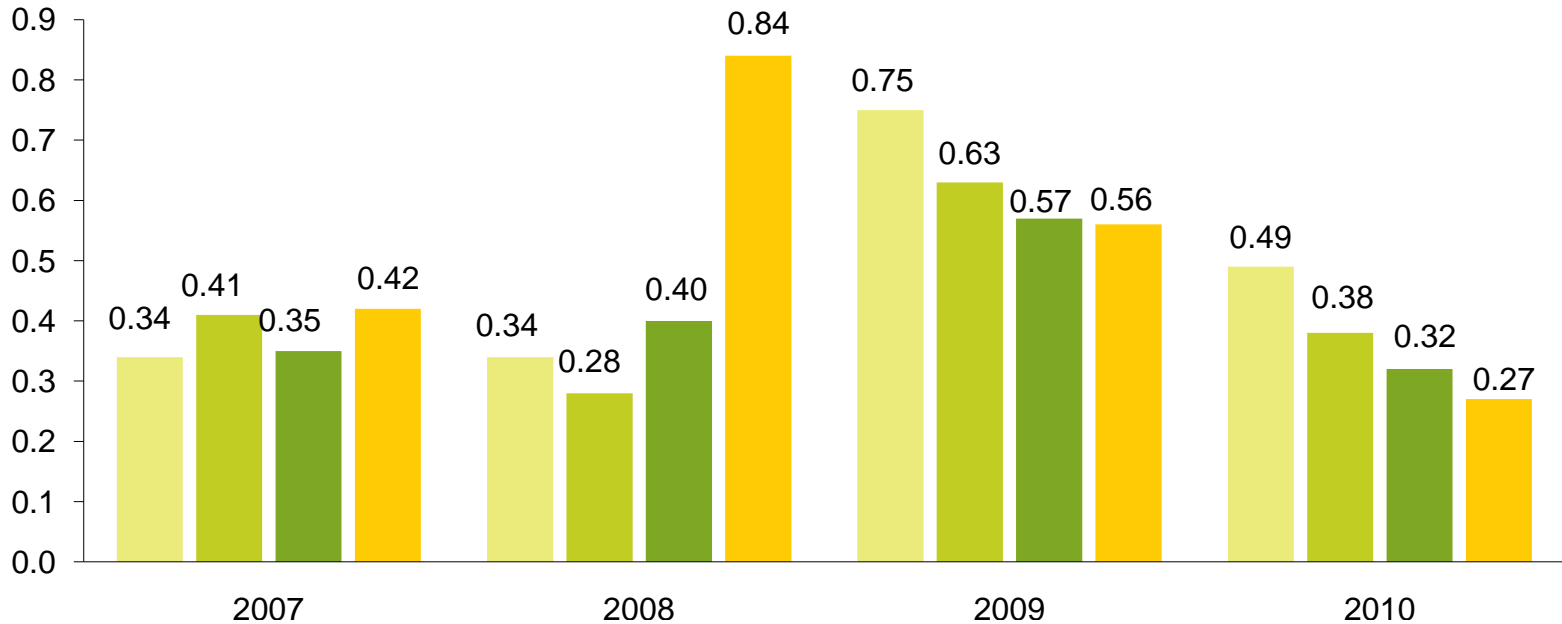
*Dotted lines denote forward prices as of 28 January

Source: Yara, World Bank, Platts



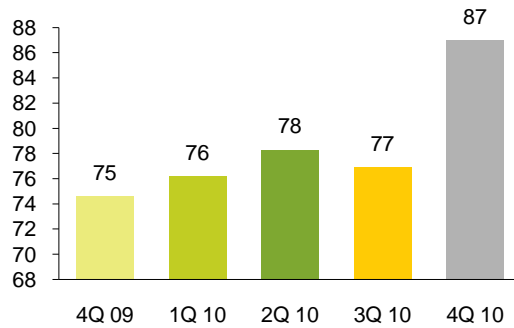
Debt/equity ratio

Net interest-bearing debt / equity ratio (end of period)

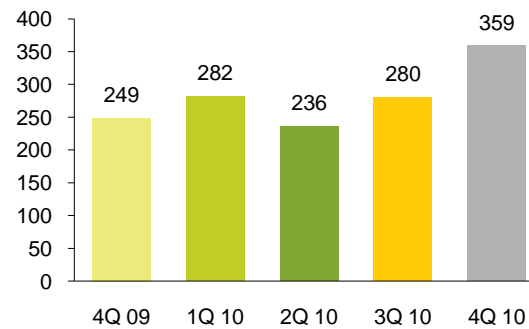


Key value drivers – quarterly averages

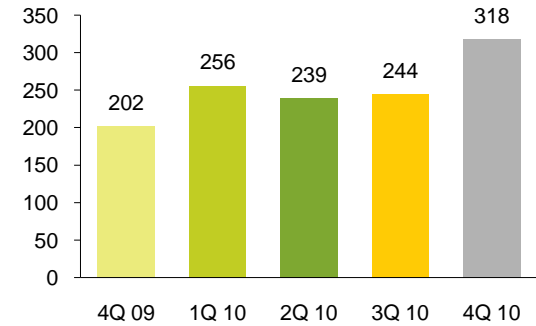
Oil Brent blend spot (USD/bbl)



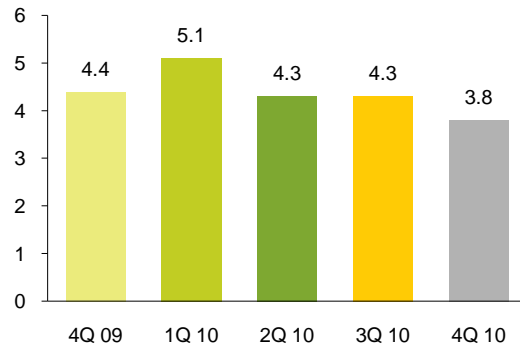
Urea prilled fob Black Sea (USD/t)



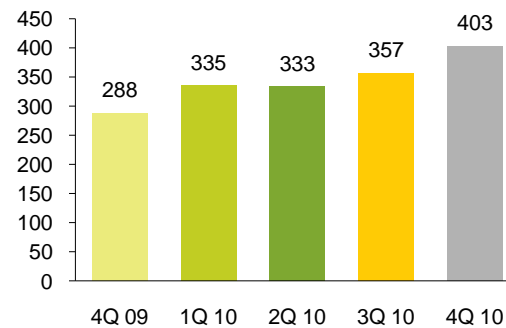
CAN cif Germany (USD/t)



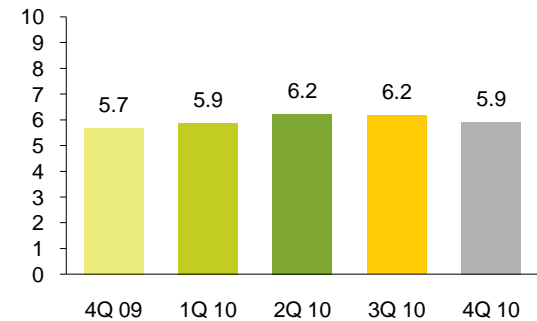
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)



NOK/USD exchange rate

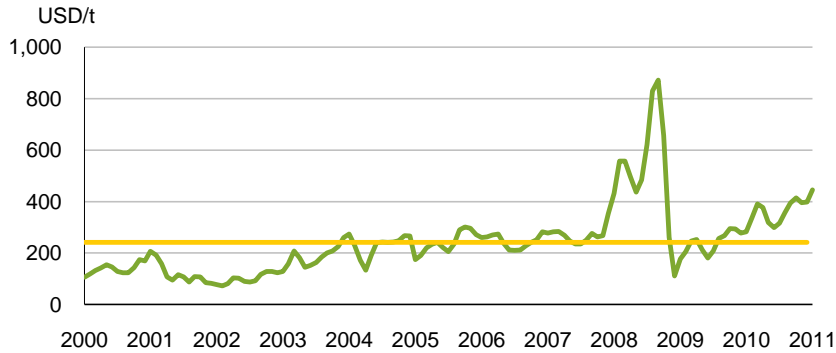


Source: The Market, CERA, World Bank, Norges Bank

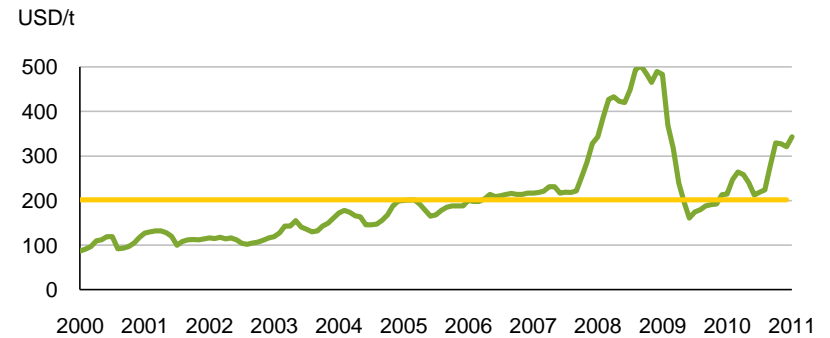


10-year fertilizer prices – monthly averages

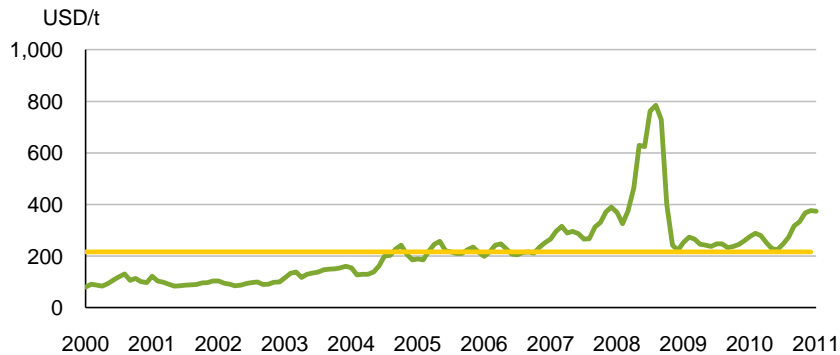
Ammonia fob Black Sea



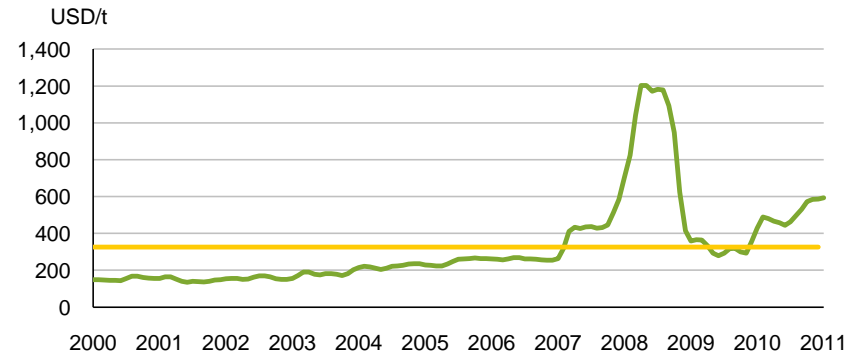
CAN cif Germany



Urea prilled fob Black Sea



DAP fob US Gulf



— Average prices 2000 - 2010

Source: Average of international publications



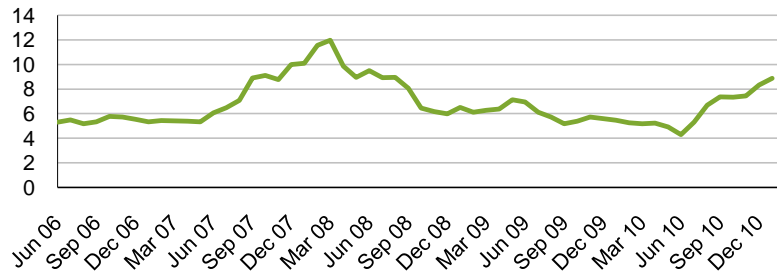
IR – Date: 2011-03-09



Agricultural commodity prices increasing

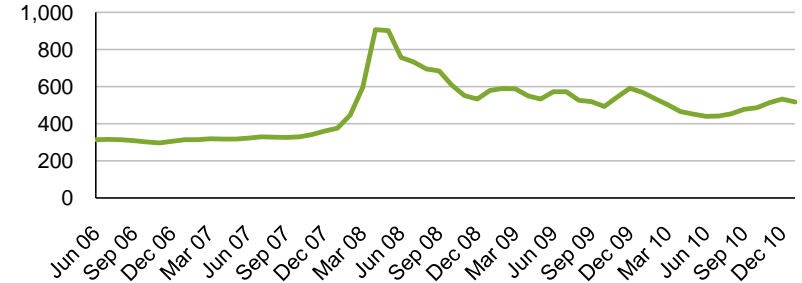
Wheat (HRW US Gulf)

USD/bushel



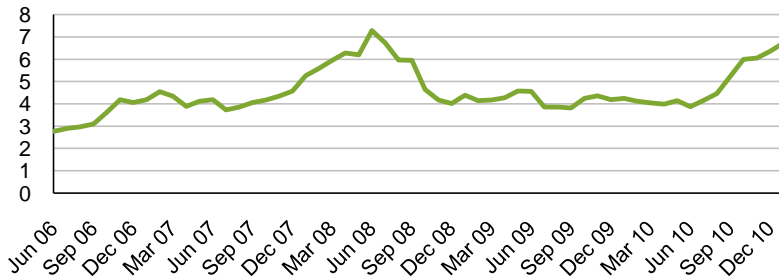
Rice (Thailand)

USD/t



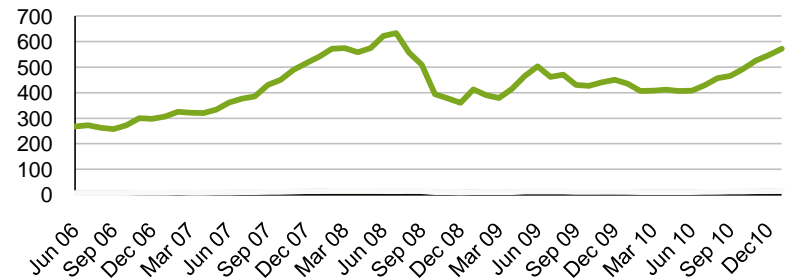
Corn (US Gulf)

USD/bushel



Soybeans (cif Rotterdam)

USD/bushel



Source: World Bank, February 2011



Corporate targets

- Solid profitability
 - CROGI over the cycle > 10% as average
- New investment profitability
 - *Hurdle rate: IRR real, after tax* > 7%
- Relative competitiveness
 - Gross Return (EBITDA/Total assets) Best quartile of peers
- Financial strength
 - Long-term rating target Mid investment grade
- Expected cash return to shareholders
 - *Sum of dividend and buy-backs* 40-45% of net income
- HSE
 - Health, Safety and Environment Best quartile of the industry





Knowledge grows

www.yara.com