

First quarter 2011

Yara International ASA – quarterly report

- Strong results driven by fertilizer margin improvements
- 7 percent increase in deliveries
- Volume and margin increase for NPKs
- Increased European energy cost

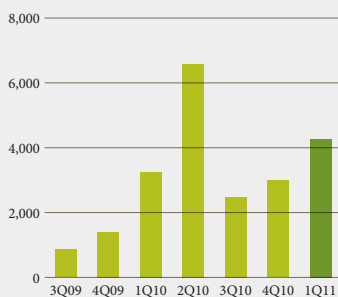
Yara reports strong first-quarter results, as improved fertilizer prices linked to tight agricultural markets have more than compensated for increased energy costs from last year.



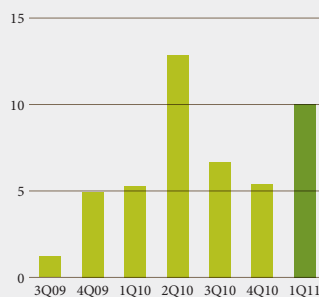
EARNINGS PER SHARE

NOK
10.02

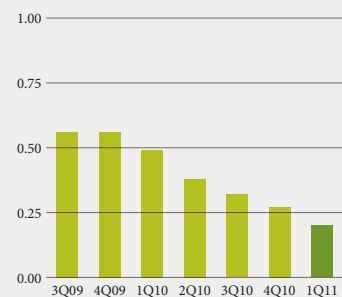
EBITDA (NOK millions)



Earnings per share (NOK)



Debt/equity ratio



First quarter 2011

FINANCIAL HIGHLIGHTS

<i>NOK millions, except where indicated otherwise</i>	1Q 2011	1Q 2010	2010
Revenue and other income	19,806	15,638	65,374
Operating income	2,995	2,315	7,467
Share net income equity-accounted investees	575	326	1,515
EBITDA	4,281	3,251	15,315
EBITDA excl. special items	4,258	2,348	10,748
Net income after non-controlling interests	2,889	1,522	8,729
Earnings per share ¹⁾	10.02	5.27	30.24
Earnings per share excl. currency and special items ¹⁾	9.15	4.22	20.69
Average number of shares outstanding (millions)	288.3	288.8	288.7
CROGI (12-month rolling average) ²⁾	18.3%	10.1%	17.4%
ROCE (12-month rolling average)	21.9%	9.8%	20.6%

1) NOK per share. Yara currently has no share-based compensation programs that result in a dilutive effect on earnings per share.
2) First-quarter 2011 CROGI excl. special items annualized 19.1 percent.

KEY STATISTICS

<i>Thousand tons</i>	1Q 2011	1Q 2010	2010
Sales			
Fertilizer	5,471	5,129	20,276
Industrial products (excl. industrial gases)	1,066	997	4,196
Total	6,536	6,127	24,473
Production ¹⁾			
Ammonia	1,749	1,819	7,335
Finished fertilizer and industrial products, excl. bulk blends	4,440	4,428	17,195
Total	6,189	6,247	24,531

1) Including Yara share of production in equity-accounted investees.

Yara's first-quarter net income after non-controlling interests was NOK 2,889 million, compared with NOK 1,522 million last year. Excluding net foreign exchange gain/loss and special items, the result was NOK 2,636 million, compared with NOK 1,217 million in first quarter 2010. The corresponding earnings per share were NOK 9.15 compared with NOK 4.22 last year.

"Yara reports strong first-quarter results, as improved fertilizer prices linked to tight agricultural markets have more than compensated for increased energy costs from last year," said Jørgen Ole Haslestad, President and Chief Executive Officer of Yara.

"The strong first-quarter results demonstrate the natural hedges in Yara's business position. While urea prices declined through the first quarter, the more differentiated nitrates and NPKs have shown a stronger price development. When sales temporarily slow down in Europe, we benefit from our ability to export within our global marketing system," said Jørgen Ole Haslestad.

FERTILIZER MARKET CONDITIONS

Agricultural crop prices remain strong, incentivizing farmers to utilize all available land and seek high yields through fertilizer application. The FAO food price index increased both in January and February, reaching the highest level since the index started in 1990. The first-quarter was up 37 percent from a year earlier, and was also 18 percent higher than in the strong first quarter of 2008. The US Department of Agriculture (USDA) estimate for global grain stocks at end June 2011 has been relatively stable over the last six months and now stands at 71 days consumption. However, prices for most agricultural commodities have increased, reflecting continued strong consumption growth and concerns regarding whether supply will be sufficient in 2011 and 2012. Fertilizer demand remains strong.

Urea demand growth led to increasing prices every month from July through the end of 2010, resulting in a sharp increase in exports from China. Buying was also triggered by the announcement of increased export tax from China from 1 December, as importers took advantage of the low export tax window. For the season to date (July through March), China has exported 6.1 million tons of urea, up from 3.9 million tons in the same period last year, and including 2.1 million tons shipped from bonded warehouses after 1 December. As a result the strong buying during late 2010, many key markets were well supplied

FERTILIZER AND ENERGY MARKET PRICES

Average prices		1Q 2011	4Q 2010	1Q 2010
Urea prilled (fob Black Sea)	USD per ton	354	359	282
Ammonia (fob Black Sea)	USD per ton	470	403	335
AN (cif France)	USD per ton	475	412	329
CAN (cif Germany)	USD per ton	377	318	256
Phosphate rock (fob Morocco)	USD per ton	158	140	102
Oil Brent blend spot	USD per bbl	105	87	76
Low-sulphur fuel oil (LSFO)	USD per ton	582	481	460
US gas (Henry Hub)	USD per MMBtu	4.2	3.8	5.1
European gas (Zeebrugge)	USD per MMBtu	9.0	8.3	5.5

Source: The Market, Fertilizer Week, Fertecon, Profercy, World Bank and Platts.

into first quarter 2011, and demand slowed. The urea price average for the quarter was similar to fourth quarter 2010, but prices dropped from around USD 380 per ton fob Black Sea at the start of the quarter to as low as USD 310 per ton at end March due to lack of demand. Some high cost producers started to curtail production in March. Nitrate prices have remained firm through the quarter, with strong demand and reduced export availability from the FSU due to focus on domestic deliveries.

Ammonia prices increased every month through the quarter, and ended the quarter at close to USD 500 per ton fob Black Sea. Demand was strong from all the main sectors: phosphate producers, industrial customers, nitrate/NPK producers and field application in North America. China does not export ammonia, in contrast to the urea market where it is a swing exporter. At the end of the quarter, upgrading margins from ammonia to urea were around zero, and some producers contemplated selling more ammonia at the expense of urea production.

Phosphate fertilizer prices stayed strong through the quarter, with DAP prices fob US Gulf above USD 600 per ton. Unlike urea, a massive increase in Chinese DAP exports was not sufficient to fully satisfy global demand. Also for DAP, the export tax was increased to 110 percent from 1 December, with 0.5 million tons shipped after this date. Phosphate production in Tunisia halted due to the political unrest, removing 4-5 percent of global phosphate production.

Phosphoric acid prices increased by around USD 50 per ton from the fourth quarter, to around USD 770 per ton fob Morocco. Phosphate rock prices increased from USD 140 per ton fob Morocco in the fourth quarter to USD 160 per ton in the first quarter. Potash prices have continued to increase as demand remains strong, and producers are again running at close to full capacity.

REGIONAL MARKET DEVELOPMENTS

First-quarter nitrogen fertilizer industry deliveries in Western Europe were down 2 percent on a year earlier. Domestic producers sold according to production capability, and producer stocks remained low. Season-to-date deliveries are 8 percent ahead of last season. The nitrate market remained tight, resulting in strong nitrate premiums over urea, and NPK prices and deliveries also increased reflecting higher nutrient values.

First-quarter US nitrogen deliveries were in line with the same period last year. Season to date, deliveries were estimated to be roughly 10 percent ahead of last season. This data includes nitrogen for industrial applications.

In India, first-quarter urea sales were up 14 percent on last year, and for the season April 2010 through March 2011 sales were up 7 percent. Domestic production for the season was up only 4 percent, resulting in an increased need for imports.

Following the substantial export volumes in November and December, China exported 0.6 million tons urea during first quarter, from bonded warehouses at the low export tax valid until December. Last year, 1.2 million tons were exported during the same period, when the export tax was low through January.

Brazil imported 0.6 million tons of urea during first quarter, up from 0.5 million tons a year earlier. Deliveries of all nutrients are reported at 5.0 million tons, up from 4.5 million tons last year.

VARIANCE ANALYSIS FIRST QUARTER

<i>NOK millions</i>	IQ 2011
EBITDA 2011	4,281
EBITDA 2010	3,251
Variance EBITDA	1,030
Volume & mix	174
Price/margin	2,683
Oil & gas costs in Europe	(746)
Special items	(880)
Other	(111)
Conversion (NOK vs. USD) ¹⁾	(89)
Total variance explained	1,030

1) Based on average NOK per USD for the quarter 2011: 5.73 (2010: 5.86)

Yara delivered strong first-quarter results, primarily reflecting a strong fertilizer margin improvement compared with a year ago, more than offsetting higher energy cost.

Global Yara fertilizer deliveries were up 7 percent on first quarter 2010, primarily reflecting stronger NPK and UAN sales. Industrial volumes also increased 7 percent, with increases for all main product groups.

Compared with first quarter 2010, average realized prices in USD were up 50 percent for nitrates and 23 percent for urea, while NPK prices were up 32 percent. Margins were strong for NPK and nitrates, while urea margins declined during the quarter as prices decreased and energy costs increased. Industrial margins were lower mainly for technical ammonium nitrate (TAN) and NO_x abatement products.

European oil and gas costs increased in line with Yara's fourth-quarter guidance, reflecting an increase in prices for both natural gas and oil products compared with last year.

Total special items were a positive NOK 23 million. First-quarter 2010 special items were a positive NOK 903 million, primarily reflecting a NOK 666 million gain generated by the break fee paid to Yara following the termination of the merger agreement with Terra Industries. For further details on special items see pages 12 and 13 and Yara's first quarter 2010 report.

Yara has recently taken steps to improve operational reliability and innovation. The fixed cost related to these initiatives represent approximately half of the "Other" variance, while the remainder reflects a temporary increase in plant maintenance cost and a NOK 25 million pension related gain in first quarter 2010.

The US dollar was approximately 2 percent weaker versus the Norwegian krone compared with first quarter 2010, generating a negative translation effect in Yara's results.

NET INCOME FROM EQUITY-ACCOUNTED INVESTEEES

<i>NOK millions</i>	IQ 2011	IQ 2010
Qafco	257	177
Tringen	29	44
Rossosh	83	25
Burrup	67	(36)
GrowHow UK Ltd	76	25
Lifeco	33	65
Other	30	26
Total	575	326

First-quarter net income from equity-accounted investees increased 76 percent from a year earlier, primarily reflecting improved prices for all main products.

Burrup operated normally during first quarter and benefited from strong ammonia prices, in addition to a NOK 30 million currency gain on USD-denominated loans.

Qafco results improved primarily due to an increase in realized urea and ammonia prices, while GrowHow UK Ltd. results benefited from higher nitrate and NPK prices. Lower Tringen results reflects an unscheduled stop and gas curtailment during the quarter. Lifeco results were down 51 percent compared with a year earlier, as production was suspended in mid February following recent developments in Libya.

The variance analysis presented in Yara quarterly and annual financial reports is prepared on a Yara EBITDA basis including net income from equity-accounted investees. The volume, margin and other variances presented therefore include effects generated by performance in non-equity-accounted investees.

FINANCIAL ITEMS

<i>NOK millions</i>	IQ 2011	IQ 2010
Interest income from customers	21	22
Interest income, other	41	18
Dividends and net gain/(loss) on securities	0	1
Interest income and other financial income	62	40
Interest expense	(163)	(155)
Return on pension plan assets	110	104
Interest expense re. pension liabilities	(115)	(122)
Foreign exchange gain/(loss)	323	(575)
Other	(73)	(56)
Interest expense and foreign exchange gain/(loss)	82	(804)
Net financial income/(expense)	144	(764)

First-quarter net financial income was NOK 144 million compared with a net financial expense of NOK 764 million last year. The variance primarily reflects a NOK 323 million foreign exchange gain this quarter compared with a NOK 575 million loss in the same quarter last year.

Interest expense was NOK 163 million this quarter compared with NOK 155 million in the same quarter last year. This year's figure includes a NOK 22 million unrealized loss on interest rate derivatives versus a NOK 30 million unrealized gain last year, and that variance offsets the effect of the average gross debt level this quarter being NOK 4.6 billion below last year. Yara uses interest rate derivatives to maintain desired level of floating rate debt within its existing loan portfolio.

The net foreign exchange gain this quarter was NOK 323 million as the US dollar depreciated around 5.5 percent against both the euro and the Norwegian krone. Yara's US dollar debt generating currency exposure totaled approximately USD 1.2 billion during the quarter, with around USD 1 billion of the exposure towards the euro.

TAX

First-quarter current and deferred taxes were NOK 813 million, representing approximately 22 percent of income before tax.

Yara has previously stated that a normal tax rate for the company is expected to be 19 percent in a supply-driven scenario and 23 percent in a demand-driven scenario.

NET INTEREST-BEARING DEBT

<i>NOK millions</i>	IQ 2011
Net interest-bearing debt at beginning of period ¹⁾	(9,540)
Cash earnings ²⁾	3,213
Dividends received from equity-accounted investees	602
Net operating capital change	(1,240)
Investments (net)	(831)
Share buy-backs	(89)
Foreign exchange gain/(loss)	323
Other	80
Net interest-bearing debt at end of period ¹⁾	(7,482)

¹⁾ Including external bank time deposit (4-12 months), part of other current assets in the balance sheet: NOK 801 million at 31 December 2010 and NOK 600 million at 31 March 2011.

²⁾ Operating income plus depreciation and amortization, minus tax paid, net gain/(loss) on disposals, net interest expense and bank charges.

As a supplement to the consolidated statement of cash flows (page 20), this table highlights the key factors behind the development in net interest-bearing debt.

Net interest-bearing debt decreased by NOK 2,058 million during first quarter 2011, ending at NOK 7,482 million. The decrease primarily reflects strong cash earnings and dividends received, offset by increase in net operating capital and tax payments.

First-quarter 2011 dividends from equity-accounted investees were NOK 602 million after tax, of which GrowHow UK contributed NOK 393 million, Qafco NOK 96 million and Tringen NOK 85 million.

Net operating capital increased by NOK 1,240 million excluding currency effects, primarily reflecting stronger deliveries in Europe and North America, with no increase in credit terms.

Investment activity for the quarter reflects the on-going urea capacity expansion in Sluiskil, Netherlands, and the acquisition of the remaining 60 percent of the Australian bulk liquid fertilizer company Yara Nipro, in addition to planned maintenance programs.

Share buy-backs amounted to NOK 89 million during first quarter.

The debt/equity ratio at the end of first quarter 2011, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.20 compared with 0.27 at the end of 2010.

Downstream

FINANCIAL HIGHLIGHTS

<i>NOK millions, except where indicated otherwise</i>	1Q 2011	1Q 2010	2010
Revenue and other income	14,810	10,965	48,249
Operating income	1,557	936	3,424
EBITDA	1,724	1,083	7,796
EBITDA excl. special items	1,680	898	3,780
CROGI (12-month rolling average) ¹⁾	34.0%	5.5%	32.1%
ROCE (12-month rolling average)	41.5%	3.8%	39.1%

1) First-quarter 2011 CROGI excl. special items annualized 26.5 percent.

KEY STATISTICS ¹⁾

<i>Thousand tons</i>	1Q 2011	1Q 2010	2010
Sales by region			
Fertilizer Europe	2,913	2,948	10,177
Fertilizer outside Europe	2,544	2,145	9,976
Total	5,456	5,093	20,153
Sales by product group			
Nitrate	1,409	1,438	5,486
NPK	1,810	1,608	6,618
<i>of which own-produced</i>	1,150	1,152	4,088
<i>of which own blends</i>	327	308	1,922
Urea	1,287	1,261	4,577
<i>of which own-produced</i>	443	405	1,633
<i>of which equity accounted investees sourced</i>	573	745	2,169
CN	237	206	841
UAN	346	231	965
Other products	367	349	1,666
Total	5,456	5,093	20,153

1) Downstream sales only, excluding external fertilizer sales from Upstream.

- Strong results driven by improved margins
- Increased sales to premium NPK markets outside Europe
- Volumes up 7 percent from last year

VARIANCE ANALYSIS FIRST QUARTER

<i>NOK millions</i>	1Q 2011
EBITDA 2011	1,724
EBITDA 2010	1,083
Variance EBITDA	641
Volume & Mix	68
Price/margin	741
Special items	(140)
Other	3
Conversion (NOK vs. USD) ¹⁾	(30)
Total variance explained	641

1) Based on average NOK per USD for the quarter 2011: 5.73 (2010: 5.86)

Downstream delivered strong first-quarter results as continued tight markets for NPKs and nitrates further improved fertilizer margins.

In general margins were higher for all main products except for urea which saw average margins in line with last year as urea prices softened during the quarter.

Total deliveries increased 7 percent from last year with growth in all main products except nitrates. The NPK market remained strong with average realized prices up 32 percent from last year, reflecting the tight market and higher nutrient values. Increased demand from premium markets, in particular Asia, replaced lower-margin sales elsewhere. Total NPK deliveries were up 13 percent, with the main increase to cash crop markets in Asia and Brazil, where part of the sales were for consumption in third quarter. NPK production capacity was fully utilized and stocks were low at the end of first quarter.

The nitrate fertilizer season in Europe has progressed well, and strong nitrate demand combined with continuous focus on commercial optimization allowed further price increases throughout the quarter. Average realized nitrate prices were up 50 percent compared with last year while volumes were maintained.

Both urea deliveries and average urea margins were in line with last year, but with a weakening trend towards the end of the quarter. Current exposed urea inventory carry a cost equivalent to 320 USD per ton fob Yuzhny or lower.

UAN deliveries were up 50 percent from last year mainly due to better market fundamentals in North America.

Yara acquired the remaining 60 percent ownership in the Australian bulk liquid fertilizer company Yara Nipro with effect from 10 January 2011. A NOK 44 million gain was recognized in the fair value adjustment of the original 40 percent shareholding (see note 7, page 25) and classified as a special item. Last year saw a special item gain of NOK 185 million.

Net operating capital turnover, measured on a 12 months rolling basis, was 7.2 at the end of the quarter versus 6.9 at the end of 2010.

Industrial

FINANCIAL HIGHLIGHTS

<i>NOK millions, except where indicated otherwise</i>	1Q 2011	1Q 2010	2010
Revenue and other income	2,616	2,122	9,366
Operating income	203	280	850
EBITDA	275	344	1,135
EBITDA excl. special items	275	313	1,104
CROGI (12-month rolling average)	16.6%	18.9%	17.8%
ROCE (12-month rolling average) ¹⁾	20.7%	22.7%	22.8%

1) First-quarter 2011 CROGI excl. special items annualized 17.1 percent

KEY STATISTICS

<i>Thousand tons</i>	1Q 2011	1Q 2010	2010
Sales by product group (excl. industrial gases) ¹⁾			
Environmental products	314	279	1,258
Industrial N-chemicals	763	730	2,992
<i>of which TAN</i>	169	163	705
Total	1,077	1,008	4,251

1) Segment view, includes inter-segment sales.

- Strong result
- Environmental product sales accelerate in North America
- Industrial market recovery in Europe boosts N-Chemical sales
- TAN margins impacted by lower demand in high margin markets

First-quarter EBITDA was NOK 275 million compared with NOK 344 million last year. The strong volume growth of 7 percent in the quarter was driven by Air1 in the US as the market development for NO_x abatement in heavy duty truck accelerated due to legislation enforcement. Margins were lower mainly for technical ammonium nitrate (TAN) and NO_x abatement products.

Environmental segment sales were up 13 percent, with lower margins for all product groups, mainly due to changes in customer portfolio and price pressure in certain markets. Sales of water treatment products were in line with last year, while sales of NO_x abatement products were up 18 percent due to strong growth of Air1 in Europe and the US.

First-quarter sales of ammonia, urea and nitric acid to the European process industry increased 7 percent compared with last year. Sales volumes in all product groups increased, with nitric acid as the main con-

VARIANCE ANALYSIS FIRST QUARTER

<i>NOK millions</i>	1Q 2011
EBITDA 2011	275
EBITDA 2010	344
Variance EBITDA	(69)
Volume & mix	39
Price/margin	(71)
Special items	(31)
Other	(3)
Conversion (NOK vs. USD) ¹⁾	(2)
Total variance explained	(69)

1) Based on average NOK per USD for the quarter 2011: 5.73 (2010: 5.86)

tributor. Nitric acid sales to the automobile industry has shown a strong positive development in the quarter. Margins improved for all product groups, especially urea due to strong demand from the glue sector.

TAN sales volumes were up 3 percent mainly due to higher sales to Turkey and Morocco. Margins were lower due to decreased sales in high-margin markets such as Colombia and Australia, where the expected demand recovery following heavy floods in 2010 was slower than expected.

Liquid CO₂ sales increased 17 percent compared with first quarter 2010 primarily due to new sales from the Wilton biofuel plant in the UK. Margins were down from last year due to high utilities costs in Europe and the Wilton biofuel plant not yet running at full capacity.

The special item variance reflects a NOK 31 million gain last year related to a settlement in connection with the Pardies ammonia plant closure.

Upstream

FINANCIAL HIGHLIGHTS

<i>NOK millions, except where indicated otherwise</i>	1Q 2011	1Q 2010	2010	
Revenue and other income	10,213	7,266	31,663	
Operating income	1,332	631	2,884	
Share net income equity-accounted investees	543	298	1,335	
EBITDA	2,354	1,338	5,975	
EBITDA excl. special items	2,375	1,318	6,096	
CROGI (12-month rolling average) ¹⁾	11.7%	8.0%	10.2%	
ROCE (12-month rolling average)	12.2%	6.9%	10.1%	
Oil & gas cost (weighted average) ²⁾	USD per MMBtu	7.6	5.4	5.7
Oil & gas cost Europe (weighted average) ²⁾	USD per MMBtu	10.1	7.0	7.6

1) First-quarter 2011 CROGI excl. special items annualized 15.5 percent.

2) Including Yara share in equity-accounted investees.

KEY STATISTICS

<i>Thousand tons</i>	1Q 2011	1Q 2010	2010
Production by category¹⁾			
Ammonia	1,749	1,819	7,335
Finished fertilizer	3,177	3,160	12,282
Total	4,926	4,979	19,617

1) Including Yara share of production in equity-accounted investees.

- Strong results with improved margins
- Higher energy cost more than offset by increased prices
- No market-related curtailments

Upstream delivered its best first-quarter result ever, significantly improved from first-quarter last year, reflecting price increases which more than offset higher energy cost.

Yara's production system ran at full available capacity during the quarter, with the exception of an energy cost related ammonia curtailment.

Ammonia production decreased 4 percent from first quarter 2010, mainly related to the production stop in Lifeco and a planned major turnaround in Le Havre. The Lifeco plant safely halted production 20 February due to the unrest in Libya.

Finished fertilizer production was stable compared with first quarter 2010.

VARIANCE ANALYSIS FIRST QUARTER

<i>NOK millions</i>	1Q 2011
EBITDA 2011	2,354
EBITDA 2010	1,338
Variance EBITDA	1,015
Volume & mix	70
Price/margin	1,849
Oil & gas costs in Europe	(746)
Special items	(42)
Other	(81)
Conversion (NOK vs. USD) ¹⁾	(34)
Total variance explained	1,015

1) Based on average NOK per USD for the quarter 2011: 5.73 (2010: 5.86)

Yara's average European oil and gas cost was up 44 percent from same quarter last year, reflecting an increase in prices for both natural gas and oil products. The increase was in line with Yara's guidance from last quarter. First-quarter 2011 energy cost for plants with oil-linked contracts was USD 11.2 per MMBtu, while the remaining European plants' average energy cost was USD 9.4 per MMBtu. Yara's global average oil and gas cost increased 40 percent, on a USD per MMBtu basis.

There were no non-recurring items this quarter, but contract derivatives were a negative of NOK 22 million. First-quarter 2010 included a NOK 69 million gain related to the sale of shares in Carbonor and NOK 49 million negative contract derivative effect.

Other *and* eliminations

First quarter EBITDA was a negative NOK 72 million compared with a positive NOK 486 million last year. The positive result in 2010 reflects the NOK 666 million gain related to the Terra break fee. Please see page 12 for further description of “Other and Eliminations”.

Outlook

Global agricultural markets are strong. In February, the FAO food price index reached its highest level in real terms since the index started in 1990.

The historically high price levels for agricultural commodities give farmers strong incentives to utilize all arable land and increase fertilizer application. The US Department of Agriculture estimates that US farmers will increase planted corn and wheat acreage by 5 percent and 8 percent respectively compared with last year. The higher planting expectations and continued agricultural price increases indicate strong grain consumption growth and concerns about whether agricultural supply will be sufficient to meet demand in 2011 and 2012.

Global nitrogen markets have been tight since July last year until late first quarter, with the industry outside China running at full capacity. Urea prices declined during first quarter, as many key markets were well supplied with increased exports mainly from China, and as a result some high cost production in Eastern Europe was curtailed. However, international urea prices rebounded in April and increased by more than 10 percent during the first three weeks of the month.

China has implemented a 110 percent urea export tax from 1 December until end of June. Low domestic production, high exports early in the season and substantially higher Chinese anthracite coal prices than last year should limit Chinese urea exports also after June.

European nitrogen fertilizer deliveries were down 2 percent in first quarter compared with last year, but with the season to date up 8 percent. Strong grain prices should support fertilizer demand going forward.

The volatility in global urea prices towards the end of the first quarter created some uncertainty in Europe and led to a delay in nitrate deliveries for the next application. With strong demand overseas, this was compensated by export sales resulting in low nitrate inventories in Europe. Yara's nitrate commercial policy for the remainder of this season and the start of the next season in June/July will continue to ensure a competitive pricing which properly reflects the yield and environmental advantages of nitrate-based products over urea-based products.

Unrest in the Middle East and North Africa has increased crude oil prices and thus raised the cost going forward of one-third of Yara's European oil and gas purchases, which is linked to oil prices with an average time lag of approximately three months. The remaining two-thirds of purchases are linked to European spot gas prices which have also increased significantly in the last year. Our Libyan JV safely halted production on 20 February as a result of the unrest. Yara's share of Lifeco results is estimated to be a negative NOK 20 million per month as long as the plant remains closed.

Based on current forward markets for oil products and natural gas (12 April) Yara's second-quarter energy costs are expected to be approximately NOK 1 billion higher than last year, and approximately NOK 300 million higher than in first quarter. Third-quarter energy costs are expected to be NOK 900 million higher than a year earlier. The estimates may change considerably depending on future energy prices.

*The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 28 April 2011*



Øivind Lund
Chairperson



Elisabeth Harstad
Board member



Leiv L. Nergaard
Board member



Hilde Merete Aasheim
Board member



Bernt Reitan
Board member



Kristine Haukalid
Board member



Svein Flatebø
Board member



Geir O. Sundbø
Board member



Jørgen Ole Haslestad
President and CEO

Definitions *and variance analysis*

The fertilizer season in Western Europe referred to in this discussion starts 1 July and ends 30 June.

Several of Yara's purchase and sales contracts for commodities are, or have embedded terms and conditions which under IFRS are, accounted for as derivatives. The derivative elements of these contracts are presented under "Commodity-based derivatives gain/(loss)" in the condensed consolidated interim statement of income, and are referenced in the variance analysis (see below) as "Special items".

"Other and eliminations" consists mainly of cross-segment eliminations, in addition to Yara's headquarter costs. Profits on sales from Upstream to Downstream and Industrial are not recognized in the consolidated Yara condensed consolidated interim statement of income before the products are sold to external customers. These internal profits are eliminated in "Other and eliminations".

Changes in "Other and eliminations" EBITDA therefore usually reflect changes in Upstream-sourced stock (volumes) held by Downstream and Industrial, but can also be affected by changes in Upstream margins on products sold to Downstream and Industrial, as transfer prices move in line with arms-length market prices. With all other variables held constant, higher stocks would result in a higher (negative) elimination effect in Yara's results, as would higher Upstream margins. Over time these effects tend to even out, to the extent that stock levels and margins normalize.

In the discussion of operating results, Yara refers to certain non-GAAP financial measures including EBITDA and CROGI. Yara's management makes regular use of these measures to evaluate the performance, both in absolute terms and comparatively from period to period. These measures are viewed by management as providing a better understanding - both for management and for investors - of the underlying operating results of the business segments for the period under evaluation. Yara manages long-term debt and taxes on a group basis. Therefore, net income is discussed only for the Group as a whole.

Yara's management model, referred to as Value Based Management, reflects management's focus on cash flow-based performance indicators. EBITDA, which Yara defines as income/(loss) before tax, interest expense, foreign exchange gains/losses, depreciation, amortization and write-downs, is an approximation of cash flow from operating activities before tax and net operating capital changes. EBITDA is a measure that in addition to operating income, also includes interest income, other financial income, and results from equity-accounted investees. It excludes depreciation, write-downs and amortization, as well as amortization of excess values in equity-accounted investees. Yara's definition of EBITDA may differ from that of other companies.

EBITDA should not be considered as an alternative to operating income and income before tax as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is EBITDA an alternative to cash flow from operating activities in accordance with generally accepted accounting principles.

Yara management uses CROGI (Cash Return On Gross Investment) to measure performance. CROGI is defined as gross cash flow, divided by average gross investment and is calculated on a 12-month rolling basis. "Gross cash flow" is defined as EBITDA less total tax expense, excluding tax on net foreign exchange gains/ losses. "Gross Investment" is defined as total assets (exclusive of deferred tax assets, cash and cash equivalents, other liquid assets and fair value adjustment recognized in equity) plus accumulated depreciation and amortization, less all short-term interest-free liabilities, except deferred tax liabilities.

ROCE (Return on capital employed) has been included as an additional performance measure to CROGI to simplify benchmarking with other companies. ROCE is defined as EBIT minus tax divided by average capital employed and is calculated on a 12-month rolling average basis. Capital employed is defined as total assets adjusted for deferred tax assets minus other current liabilities.

In order to track underlying business developments from period to period, Yara's management also uses a variance analysis methodology, developed within the Company ("Variance Analysis"), that involves the extraction of financial information from the accounting system, as well as statistical and other data from internal management information systems. Management considers the estimates produced by the Variance Analysis, and the identification of trends based on such analysis, sufficiently precise to provide useful data to monitor our business. However, these estimates should be understood to be less than an exact quantification of the changes and trends indicated by such analysis.

Yara defines "special items" as material items in the results which are not regarded as part of underlying business performance for the period. These fall into 2 categories, namely "non-recurring items" and "contract derivatives". "Non-recurring items" comprise restructuring-related items and other gains or losses which are not primarily related to the period in which they are recognized, subject to a minimum value of NOK 20 million per item within a 12-month period. "Contract derivatives" are commodity-based derivatives gains or losses (see above) which are not the result of active exposure or position management by Yara.

Due to it being impractical to obtain financial reports at the same reporting dates as Yara uses, the results for some of Yara's equity-accounted investees are included in Yara results with a one-month time lag.

Special items

<i>NOK millions</i>	EBITDA effect		Operating income effect	
	1Q 2011	1Q 2010	1Q 2011	1Q 2010
Fair value adjustment Yara Nipro	44	-	44	-
Fair value adjustment Balderton	-	185	-	185
Total Downstream	44	185	44	185
Compensation Pardijs closure	-	31	-	31
Total Industrial	-	31	-	31
Sale of shares Carbonor	-	69	-	69
Contract derivatives	(22)	(49)	(11)	(30)
Total Upstream	(22)	20	(11)	39
Terra break fee	-	666	-	666
Total Other and eliminations	-	666	-	666
Total Yara	23	903	33	922

Production *data*

<i>Thousand tons</i>	1Q 2011	1Q 2010	2010
WHOLLY-OWNED OPERATIONS			
Upstream			
Ammonia	1,251	1,243	4,956
Nitrates	764	622	2,602
NPK	820	820	3,104
CN	248	291	1,008
Urea	682	717	2,622
UAN	133	136	581
Downstream			
Nitrates	649	722	2,553
NPK	395	367	1,573
CN	44	47	175
UAN	79	38	232
Industrial			
Nitrates (TAN)	97	94	380
EQUITY-ACCOUNTED INVESTEEES ¹⁾			
Ammonia	498	576	2,379
Nitrates	129	127	620
NPK	147	150	566
Urea	254	296	1,180

1) Yara share of production in equity-accounted investees.

Condensed consolidated interim statement of income

<i>NOK millions, except share information</i>	Notes	1Q 2011	1Q 2010	2010
Revenue		19,790	14,693	64,006
Other income	4,7	58	988	1,429
Commodity based derivatives gain/(loss)		(43)	(44)	(61)
Revenue and other income	3	19,806	15,638	65,374
Raw materials, energy costs and freight expenses	5	(14,611)	(11,283)	(49,143)
Payroll and related costs		(1,136)	(1,097)	(4,579)
Depreciation and amortization		(638)	(558)	(2,440)
Other operating expenses		(426)	(385)	(1,746)
Operating costs and expenses		(16,811)	(13,323)	(57,908)
Operating income	3	2,995	2,315	7,467
Share of net income in equity-accounted investees	9	575	326	1,515
Interest income and other financial income		62	40	3,822
Earnings before interest expense and tax (EBIT)		3,632	2,681	12,804
Foreign exchange gain/(loss)		323	(575)	(676)
Interest expense and other financial items		(241)	(229)	(948)
Income before tax	3	3,714	1,877	11,179
Income tax expense		(813)	(343)	(2,386)
Net income		2,901	1,534	8,793
Net income attributable to				
Shareholders of the parent		2,889	1,522	8,729
Non-controlling interests		12	11	64
Net income		2,901	1,534	8,793
Earnings per share ¹⁾		10.02	5.27	30.24
Weighted average number of shares outstanding ²⁾		288,259,681	288,831,251	288,680,758

1) Yara currently has no share-based compensation that results in a dilutive effect on earnings per share.

2) Weighted average number of shares outstanding was reduced in third and fourth quarter 2010 and first quarter 2011, due to the share buy-back program.

Condensed *consolidated interim statement of comprehensive income*

<i>NOK millions</i>	Note	1Q 2011	1Q 2010	2010
Net income		2,901	1,534	8,793
Exchange differences on translation of foreign operations		(1,075)	804	517
Actuarial gain/(loss) on defined benefit pension plans		-	-	105
Available-for-sale investments - change in fair value		-	70	(30)
Hedge of net investments		100	(52)	(13)
Share of other comprehensive income of equity accounted investees		2	(38)	(66)
Reclassification adjustments related to:				
- cash flow hedges		3	2	10
- exchange differences on foreign operations disposed of in the year	4	(8)	(20)	(119)
- available-for-sale investments disposed of in the year		-	-	(1,244)
Total other comprehensive income, net of tax		(978)	767	(839)
Total comprehensive income		1,923	2,300	7,955
Total comprehensive income attributable to				
Shareholders of the parent		1,917	2,289	7,895
Non-controlling interests		6	10	59
Total		1,923	2,300	7,955

Condensed consolidated interim statement of changes in equity

<i>NOK millions</i>	Share capital	Premium paid-in capital	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Hedge of net investments	Total other reserves	Retained earnings	Attributable to the shareholders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2009	491	435	(423)	1,278	(155)	103	803	26,976	28,705	158	28,863
Net income	-	-	-	-	-	-	-	1,522	1,522	11	1,534
Other comprehensive income, net of tax	-	-	784	70	2	(52)	804	-	804	(1)	804
Share of other comprehensive income of equity accounted investees	-	-	(2)	-	(36)	-	(38)	-	(38)	-	(38)
Total other comprehensive income, net of tax	-	-	782	70	(34)	(52)	767	-	767	(1)	767
Dividends distributed	-	-	-	-	-	-	-	-	-	(1)	(1)
Balance at 31 March 2010	491	435	359	1,348	(188)	51	1,570	28,498	30,994	167	31,162
Net income	-	-	-	-	-	-	-	7,207	7,207	52	7,259
Other comprehensive income, net of tax	-	-	(380)	(1,344)	8	39	(1,677)	105	(1,572)	(4)	(1,577)
Share of other comprehensive income of equity accounted investees	-	-	(5)	-	(40)	-	(44)	16	(28)	-	(28)
Total other comprehensive income, net of tax	-	-	(385)	(1,344)	(32)	39	(1,721)	121	(1,600)	(4)	(1,605)
Companies purchased/sold	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Treasury shares	(1)	-	-	-	-	-	-	(114)	(115)	-	(115)
Share capital increase in subsidiary, non-controlling interest	-	-	-	-	-	-	-	-	-	4	4
Dividends distributed	-	-	-	-	-	-	-	(1,300)	(1,300)	(70)	(1,370)
Balance at 31 December 2010	490	435	(26)	4	(221)	90	(152)	34,411	35,185	149	35,334
Net income	-	-	-	-	-	-	-	2,889	2,889	12	2,901
Other comprehensive income, net of tax	-	-	(1,076)	-	3	100	(974)	-	(974)	(6)	(980)
Share of other comprehensive income of equity accounted investees	-	-	(1)	-	2	-	1	-	2	-	2
Total other comprehensive income, net of tax	-	-	(1,077)	-	5	100	(972)	-	(972)	(6)	(978)
Companies purchased/sold	-	-	-	-	-	-	-	-	-	17	17
Treasury shares	(1)	-	-	-	-	-	-	(88)	(89)	-	(89)
Dividends distributed	-	-	-	-	-	-	-	-	-	(1)	(1)
Balance at 31 March 2011	490	435	(1,103)	4	(216)	190	(1,124)	37,211	37,013	171	37,184

Condensed *consolidated interim statement of financial position*

<i>NOK millions</i>	Notes	31 Mar 2011	31 Mar 2010	31 Dec 2010
Assets				
Non-current assets				
Deferred tax assets	1	1,658	1,908	1,650
Intangible assets	1,7	4,969	5,056	4,937
Property, plant and equipment	1,7	23,413	22,354	23,470
Equity-accounted investees	4,7,9	9,832	9,870	10,223
Other non-current assets		2,181	5,729	2,269
Total non-current assets		42,053	44,917	42,549
Current assets				
Inventories	1,5,7	9,628	8,170	9,644
Trade receivables	7	8,612	7,171	6,644
Prepaid expenses and other current assets	7	3,177	2,990	3,668
Cash and cash equivalents	7	3,281	1,039	2,946
Non-current assets classified as held-for-sale		12	-	12
Total current assets		24,710	19,370	22,915
Total assets	3	66,763	64,287	65,464

Condensed consolidated interim statement of financial position

<i>NOK millions, except for number of shares</i>	Notes	31 Mar 2011	31 Mar 2010	31 Dec 2010
Equity and liabilities				
Equity				
Share capital reduced for treasury stock		490	491	490
Premium paid-in capital		435	435	435
Total paid-in capital		925	926	926
Other reserves		(1,124)	1,570	(152)
Retained earnings		37,211	28,498	34,411
Total equity attributable to shareholders of the parent	8	37,013	30,994	35,185
Non-controlling interests		171	167	149
Total equity		37,184	31,162	35,334
Non-current liabilities				
Employee benefits	1	2,208	2,228	2,254
Deferred tax liabilities	1,7	3,663	4,278	3,660
Other long-term liabilities		293	315	283
Long-term provisions	1	454	335	430
Long-term interest-bearing debt	6,7	10,626	13,237	11,139
Total non-current liabilities		17,245	20,392	17,766
Current liabilities				
Trade and other payables	7	9,207	7,809	8,111
Current tax liabilities	7	1,317	643	1,019
Short-term provisions		311	330	321
Other short-term liabilities	7	762	921	763
Bank loans and other interest-bearing short-term debt		557	2,952	1,968
Current portion of long-term debt		181	79	180
Total current liabilities		12,334	12,733	12,363
Total equity and liabilities		66,763	64,287	65,464
Number of shares outstanding ¹⁾	2	288,081,903	288,831,251	288,381,903

1) Number of shares outstanding was reduced in third and fourth quarter 2010 and first quarter 2011, due to share buy-back program.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 28 April 2011



Øivind Lund
Chairperson



Elisabeth Harstad
Board member



Leiv L. Nergaard
Board member



Hilde Merete Aasheim
Board member



Bernt Reitan
Board member



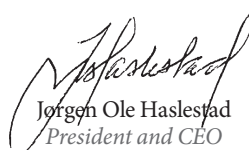
Kristine Haukalid
Board member



Svein Flatebø
Board member



Geir O. Sundbø
Board member



Jørgen Ole Haslestad
President and CEO

Condensed *consolidated interim* statement of cash flows

<i>NOK millions</i>	Notes	Q1 2011	Q1 2010	2010
Operating activities				
Operating income	3	2,995	2,315	7,467
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization		638	558	2,440
Impairment loss and write down		30	(124)	(193)
Tax paid		(281)	(109)	(727)
Dividend from equity-accounted investees		602	184	827
Change in net operating capital ¹⁾		(1,270)	(935)	(1,705)
Other		(110)	529	(1,014)
Net cash provided by operating activities		2,603	2,418	7,093
Investing activities				
Purchases of property, plant and equipment	3	(682)	(515)	(3,090)
Purchases of other long-term investments	3,4	(156)	(622)	(707)
Net sales/(purchases) of short-term investments		201	-	(800)
Proceeds from sales of property, plant and equipment		5	26	84
Proceeds from sales of other long-term investments		3	102	5,038
Net cash used in investing activities		(630)	(1,009)	524
Financing activities				
Loan proceeds/(repayments), net		(1,507)	(1,332)	(4,342)
Purchase of treasury shares	2,8	(89)	-	(115)
Dividend	2	-	-	(1,300)
Net cash transfers (to)/from non-controlling interests		(1)	(1)	(67)
Net cash used in financing activities		(1,598)	(1,334)	(5,825)
Foreign currency effects on cash flows		(40)	(11)	180
Net increase (decrease) in cash and cash equivalents		335	65	1,972
Cash and cash equivalents at beginning of period		2,946	974	974
Cash and cash equivalents at end of period		3,281	1,039	2,946
Bank deposits not available for the use of other group companies		254	141	196

1) Operating capital consists of trade receivables, inventories and trade payable.

Notes to the condensed consolidated interim financial statements

GENERAL AND ACCOUNTING POLICIES

Yara (the Group) consists of Yara International ASA (the Company) and its subsidiaries. Yara International ASA is a limited company incorporated in Norway. The condensed consolidated interim financial statements consist of the Group and the Group's interests in equity-accounted investees.

The consolidated financial statements of the Group as at and for the year ended 31 December 2010 are available upon request from the Company's registered office at Bygdøy Allé 2, Oslo, Norway or at www.yara.com. These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act.

They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements of the Group as at and for the year ended 31 December 2010. These condensed consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2010.

As a result of rounding differences numbers or percentages may not add up to the total.

Note 1

Judgements, estimates and assumptions

The preparation of condensed consolidated interim financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in

which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were mainly the same as those that applied to the consolidated financial statements as at and for the period ended 31 December 2010. See note 9 for more information about estimation uncertainty related to one equity-accounted investee.

Note 2

Shares

	Ordinary shares	Own shares ¹⁾
Balance at 31 December 2009	288,831,918	(667)
Treasury shares - share buy-back program ²⁾	-	(450,000)
Treasury shares - employee trust	-	652
Balance at 31 December 2010	288,831,918	(450,015)
Treasury shares - share buy-back program ²⁾	-	(300,000)
Balance at 31 March 2011	288,831,918	(750,015)

1) Including employee trust.

2) As approved by General Meeting 11 May 2010.

Note 3

Operating segment information

NOK millions	1Q 2011	1Q 2010	2010
External revenue and other income			
Downstream	14,599	10,819	46,569
Industrial	2,593	2,108	9,216
Upstream	2,592	2,019	8,791
Other and eliminations	21	691	798
Total	19,806	15,638	65,374
Internal revenue and other income			
Downstream	210	146	1,680
Industrial	23	14	150
Upstream	7,620	5,247	22,871
Other and eliminations	(7,853)	(5,407)	(24,701)
Total	-	-	-
Revenue and other income			
Downstream	14,810	10,965	48,249
Industrial	2,616	2,122	9,366
Upstream	10,213	7,266	31,663
Other and eliminations	(7,832)	(4,715)	(23,903)
Total	19,806	15,638	65,374
Operating income			
Downstream	1,557	936	3,424
Industrial	203	280	850
Upstream	1,332	631	2,884
Other and eliminations	(97)	467	308
Total	2,995	2,315	7,467
EBITDA			
Downstream	1,724	1,083	7,796
Industrial	275	344	1,135
Upstream	2,354	1,338	5,975
Other and eliminations	(72)	486	410
Total	4,281	3,251	15,315
Investments			
Downstream	347	625	1,095
Industrial	22	45	197
Upstream	541	448	2,998
Other and eliminations	6	50	83
Total	916	1,167	4,373
Total Assets ¹⁾			
Downstream	21,511	22,014	19,018
Industrial	4,000	3,755	3,853
Upstream	37,341	36,177	37,558
Other and eliminations	3,911	2,342	5,034
Total	66,763	64,287	65,464

1) Assets exclude internal cash accounts and accounts receivables related to group relief.

<i>NOK millions, except percentages</i>	1Q 2011	1Q 2010	2010
CROGI (12-month rolling average)			
Yara	18.3%	10.1%	17.4%
Downstream	34.0%	5.5%	32.1%
Industrial	16.6%	18.9%	17.8%
Upstream	11.7%	8.0%	10.2%
ROCE (12-month rolling average)			
Yara	21.9%	9.8%	20.6%
Downstream	41.5%	3.8%	39.1%
Industrial	20.7%	22.7%	22.8%
Upstream	12.2%	6.9%	10.1%
Reconciliation of EBITDA to Income before tax			
EBITDA	4,281	3,251	15,315
Depreciation and amortization ¹⁾	(649)	(570)	(2,512)
Foreign exchange gain/(loss)	323	(575)	(676)
Interest expense and other financial items	(241)	(229)	(948)
Income before tax	3,714	1,877	11,179

1) Including amortization of excess value in equity accounted investees

RECONCILIATION OF OPERATING INCOME TO EBITDA

<i>NOK millions</i>	Operating income	Equity-accounted investees	Interest income ¹⁾	EBIT	Depreciation and amortization ²⁾	EBITDA
1Q 2011						
Downstream	1,557	11	45	1,614	110	1,724
Industrial	203	21	-	224	51	275
Upstream	1,332	543	-	1,875	479	2,354
Other and eliminations	(97)	-	16	(81)	9	(72)
Total	2,995	575	62	3,632	649	4,281
1Q 2010						
Downstream	936	9	27	973	110	1,083
Industrial	280	19	-	299	45	344
Upstream	631	298	1	930	408	1,338
Other and eliminations	467	-	11	479	7	486
Total	2,315	326	40	2,681	570	3,251
2010						
Downstream	3,424	92	3,757	7,273	523	7,796
Industrial	850	89	1	941	195	1,135
Upstream	2,884	1,335	5	4,224	1,751	5,975
Other and eliminations	308	(1)	59	367	44	410
Total	7,467	1,515	3,822	12,804	2,512	15,315

1) Including selected financial items.

2) Including amortization of excess value in equity-accounted investees.

Note 4

Business initiatives

In January 2011, Yara acquired the remaining 60 percent ownership in the Australian entity Yara Nipro Pty. Ltd. See note 7 for more information.

In March 2011, Yara announced that it had signed a Letter of Intent (LoI) for the construction of a 330,000 ton p.a. technical ammonium nitrate (TAN) plant at Burrup, Australia. The total cost of the project is estimated at approximately USD 700 million. The LoI has been approved by the Board of Yara International ASA and is subject to the approval of the

Board of Burrup Holdings Pty. Ltd. The construction contract will after Board approval by Burrup Holdings Pty. Ltd. be transferred to Burrup Nitrates, a planned 50/50 joint venture between Yara International ASA and Burrup Holdings Pty. Ltd. As Yara has a 35 percent ownership in Burrup Holdings Pty. Ltd., Yara will own 67.5 percent directly and indirectly of Burrup Nitrates. The plant will be built adjacent to the Burrup Holdings Pty. Ltd. ammonia facility. Yara has an agreement to market the entire output from the plant.

Note 5

Inventory

NOK millions	31 Mar 2011	31 Mar 2010	31 Dec 2010
Finished goods	5,743	4,943	5,617
Work in progress	420	266	395
Raw materials	3,465	2,961	3,632
Total	9,628	8,170	9,644
Write-down			
Balance at 1 January	(98)	(291)	(291)
Reversal/(write-down), net	(37)	125	194
Foreign currency translation	1	-	(1)
Closing balance	(135)	(166)	(98)

Note 6

Long-term debt

There has been no significant changes in Yara's long-term interest-bearing debt portfolio during the first quarter. An updated overview of the contractual payments on long-term debt is provided in the table below.

NOK millions	Debentures	Bank Loans	Capital lease and other long term loans	Total
2012	300	95	16	411
2013	-	1,912	16	1,928
2014	3,435	89	16	3,540
2015	-	69	16	85
2016	998	85	16	1,099
Thereafter	2,723	584	255	3,562
Total	7,455	2,835	336	10,626

Note 7

Business combination

On 10 January 2011, Yara acquired the remaining 60 percent ownership interest of the company Yara Nipro Pty. Ltd. (Nipro) in Australia. Nipro is a market leader in bulk liquid fertilizers in Eastern Australia. After the transaction, Yara owns and controls all shares of Nipro.

The primary reason for the business combination is that Nipro represents a business which is complementary to the already strong position held by Yara within the horticultural segment in Australia, and Nipro's operations will be integrated with those of Yara Australia.

The acquisition has been accounted for using the purchase method of accounting. The purchase price allocation of the tangible and intangible assets is preliminary and may be adjusted as a result of obtaining additional information regarding the preliminary estimates of fair values made at the date of purchase. The interim condensed consolidated financial statements include the results of Nipro for three months from the acquisition date.

Nipro was an associated entity to Yara before the acquisition in January 2011. The ownership was incorporated using the equity method. According to IFRS 3 (revised), the previously held equity interest in the acquiree at acquisition date shall be re-measured at its fair value with resulting gain or loss in statement of income. The fair value of the previously held equity interest has been derived from the consideration paid per share for the 60 percent ownership interest, reduced with a discount for lack of control.

<i>NOK millions</i>	Opening balance 10 Jan 2011	Fair value adjustment	Adjusted balance 10 Jan 2011
Assets			
Deferred tax	1	-	1
Customer relationships, part of intangible assets	-	57	57
Product technology, part of intangible assets	-	31	31
Property, plant and equipment	40	30	69
Inventories	29	-	29
Trade receivables	77	-	77
Prepaid expenses and other current assets	12	-	12
Cash and cash equivalents	19	-	19
Total assets	176	118	294
Liabilities			
Deferred tax liabilities	-	35	35
Long-term interest-bearing debt	17	-	17
Trade and other payables	57	-	57
Current tax liabilities	17	-	17
Other short-term liabilities	15	-	15
Total liabilities	106	35	142
Total identifiable net assets at fair value			153
Goodwill arising on acquisition			107
Fair value of previously held 40 percent equity interest in Nipro			(86)
Purchase consideration transferred for 60 percent ownership interest			174

The goodwill comprises the value of synergies arising from the acquisition, in addition to assembled workforce which does not meet the criteria for recognition as intangible assets under IAS 38 Intangible assets. None of the goodwill recognized is expected to be deductible for income tax purposes.

The gross amount of receivables is equal to carrying value. None of the trade receivables have been impaired and it is expected that the full contractual amount can be collected.

NOK millions	2011
Analysis of cash flows on acquisition	
Cash consideration for 60 percent ownership interest, (included in cash flows from investing activities)	(174)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	19
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Net cash flow on acquisition	(156)
Gain recognized on previously held 40 percent ownership interest	
Estimated fair value	86
Carrying value	(49)
Currency translation gain of foreign operation, previously recognized as other comprehensive income	8
Gain, recognized as "other income"	44

From the date of acquisition, Nipro has contributed NOK 75 million of revenue and NOK 9 million to the income before tax of the Group. If the combination had taken place at the beginning of the year, Yara's consolidated revenue and consolidated income before tax would have been NOK 19,816 million and NOK 3,716 million, respectively.

During first quarter 2011, Yara also gained control over a former associated entity. The previously held equity interest in the acquiree was re-measured at its fair value resulting in a gain of NOK 7 million in statement of income, presented as part of other income. The net cash flow on the transaction was positive NOK 5 million, presented as part of investment activities. Total assets consolidated from the time Yara gained control was NOK 149 million, mainly related to trade receivables of NOK 63 million and property, plant and equipment of NOK 37 million. Total liabilities was NOK 114 million, mainly related to accounts payable of NOK 76 million.

Note 8

Dividend and share buy-back program

The Board of Directors proposed a dividend for 2010 of NOK 5.50 per share. If approved by the General Meeting in May 2011, the total dividend payment will be NOK 1,584 million based on current outstanding shares.

In February 2011, Yara purchased 300,000 own shares for a total consideration of NOK 89 million. The General Meeting in May 2010 approved the current share buy-back program, authorizing the Board to acquire up to 5 percent of Yara's shares within the next 12 months. Shares may either be used for cancellation or as payment in business transactions. Yara has renewed the agreement with the Norwegian State according to which the State's shares will be redeemed on a pro-rata basis to ensure that the State's ownership is unchanged in the event repurchased shares are cancelled. During third and fourth quarter 2010, Yara purchased 450,000 own shares for a total consideration of NOK 115.4 million under the same program.

The Board has proposed to the General Meeting in May 2011 to cancel all 750,000 own shares purchased under the 2010 buy-back program, and to redeem 425,759 shares owned by the Norwegian State for a consideration of NOK 115.9 million.

Note 9

LIFECO *investment*

Yara's jointly controlled entity Libyan Norwegian Fertilizer Company (Lifeco) temporary suspended its operations in February 2011 following the unrest in Libya. Yara has recognized NOK 33 million as its share of Lifeco's first quarter 2011 results. The carrying value of the equity-accounted investment in Lifeco is NOK 1,486 million at the end of first quarter 2011. Yara has tested the investment for impairment. The main uncertainty is the estimated length of the suspension period. Other important assumptions are estimated prices of ammonia and urea, stability of deliveries of natural gas and the discount rate. Internal and external sources of information have been used when estimating selling prices and natural gas cost. Provided necessary maintenance can be carried out also in the event of a prolonged shutdown, management does not believe that the investment will be impaired unless Lifeco operations are suspended for a period significantly longer than one year. Future developments might have adverse effects and lead to impairment losses at an earlier stage, including physical damage or other depletion of assets. Approximately NOK 813 million of the carrying value of Yara's investment is related to bank deposits in Libyan banks, and NOK 609 million is related to the plant in Marsa el Brega. The plant is insured by a Libyan insurance company. The policy does not cover damage caused by war, civil war, revolution or terrorism. At this point in time, Yara has no information about material physical damage to or depletion of Lifeco assets. Yara will continue to take all new information into consideration going forward.

On 13 April, it was announced that Yara has decided to initiate an external investigation related to the establishment and follow-up of Yara's interest in Lifeco. Yara has notified The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM) of the possibility that criminal offenses may have occurred before October 2008 in connection with the negotiations preceding the company's investment in Libya. At this stage, it is not possible to estimate the outcome of these investigations and potential financial effects for Yara.

Quarterly *historical information*

EBITDA

<i>NOK millions</i>	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010
Downstream	1,724	1,098	966	4,649	1,083
Industrial	275	168	326	297	344
Upstream	2,354	1,735	1,194	1,707	1,338
Other and eliminations	(72)	(9)	1	(67)	486
Total	4,281	2,992	2,486	6,587	3,251

RESULTS

<i>NOK millions, except per share information</i>	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010
Revenue and other income	19,806	17,525	16,533	15,679	15,638
Operating income	2,995	1,862	1,402	1,888	2,315
EBITDA	4,281	2,992	2,486	6,587	3,251
Net income after non-controlling interests	2,889	1,564	1,927	3,716	1,522
Earnings per share (NOK)	10.02	5.42	6.68	12.86	5.27

<i>USD ¹⁾ millions, except per share information</i>	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010
Revenue and other income	3,464	2,961	2,703	2,524	2,667
Operating income	524	315	229	307	394
EBITDA	749	506	406	1,057	553
Net income after non-controlling interests	506	270	316	596	259
Earnings per share (USD)	1.75	0.94	1.09	2.06	0.90

1) USD numbers are calculated monthly based on average NOK/USD per month.

Notes

A series of horizontal dotted lines for writing notes.



Yara International ASA

Bygdøy Allé 2
 PO Box 2464 Solli
 N-0202 Oslo
 Norway
 Tel: +47 24 15 70 00
 Fax: +47 24 15 70 01

www.yara.com

Yara's strategy and business model



Yara has developed a strong industry platform and a unique business model. These constitute the backbone of its operation and the core of its strategy, with a position for global optimization through scale, flexibility and presence – including an extensive and flexible logistics systems.

Yara has developed a unique business model built on the complementary strengths and risk profiles of the three operating segments. These are *Upstream* (global manufacturing), *Downstream* (fertilizer applications), and *Industrial* (industrial applications).

PILLARS OF STRENGTH

Global #1 in ammonia

LEADERSHIP position in the ammonia value chain, producing ammonia/urea at scale from base in low-cost natural gas regions.

Global #1 in nitrates

LEADERSHIP position in nitrate markets, benefiting from a favorable cost position in the European market.

Global #1 in NPK

LEADING position in production and application of NPK, adding value to farmers through balanced fertilization.

Global #1 in specialty fertilizers

LEADING position in specialty fertilizers, targeting high-margin cash crop segments in fast growing markets.

European #1 in nitrogen applications

LEADING position in nitrogen applications, developing higher margin industrial applications from existing production base.

Global #1 in marketing and distribution

LEADING position in global marketing and distribution, delivering expertise on all continents through network offering economies of scale.