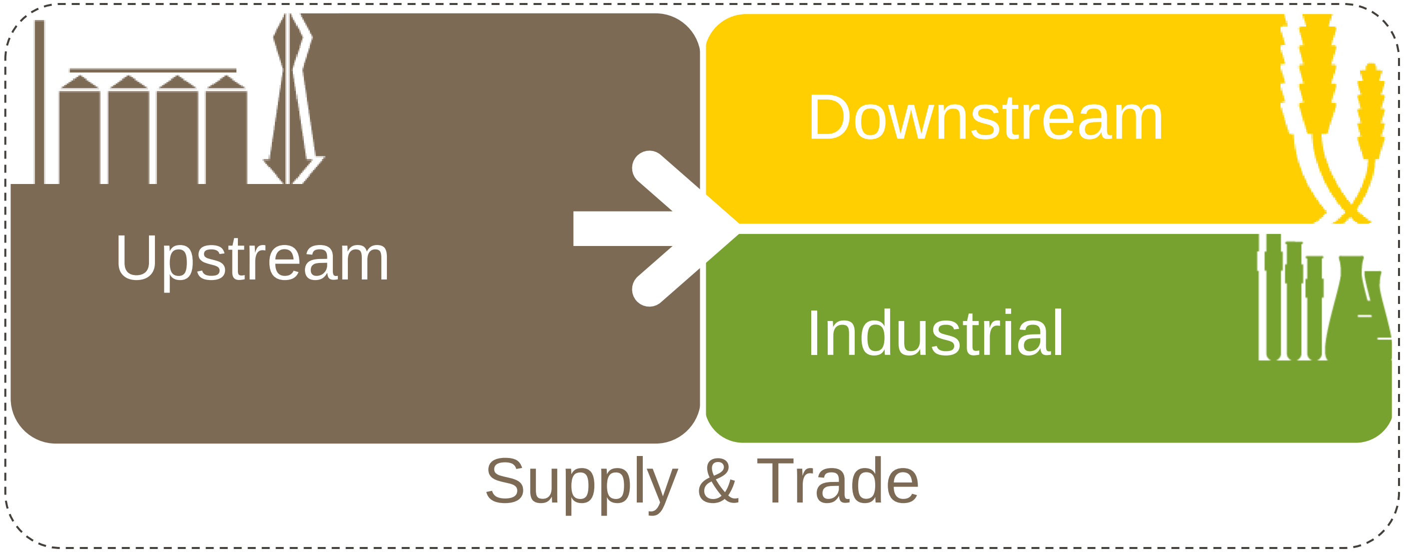
Knowledge grows

Yara International ASA

Yves Bonte, Head of Industrial

Stockholm, 7 September 2011

A business strategy geared for global optimization

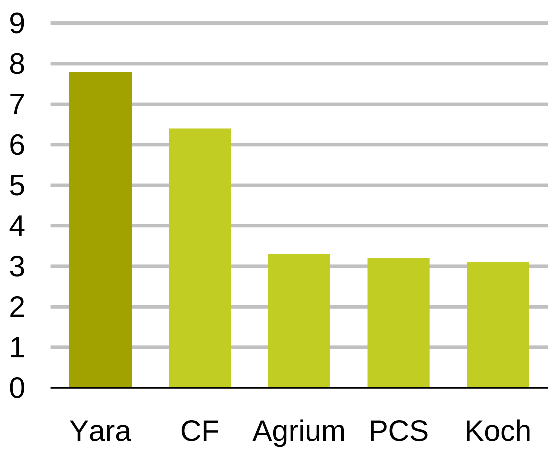


Scale advantages + Unique flexibility + Unrivalled presence

Yara – the leader in nitrogen fertilizers

Global no 1 in ammonia

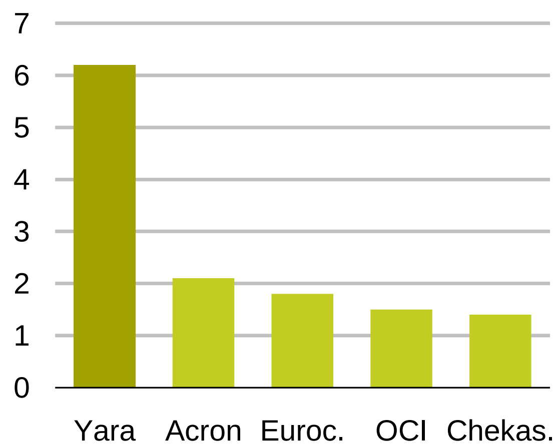
Production capacity* (mill t)



* Incl. companies' shares of JVs
Source: Yara & Fertecon

Global no 1 in nitrates

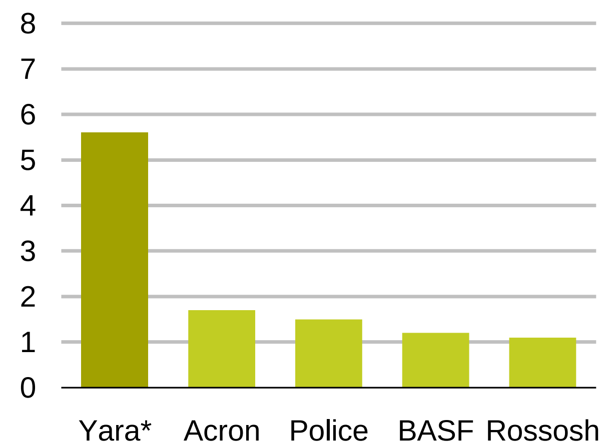
Production capacity* (mill t)



Source: British Sulphur, EFMA

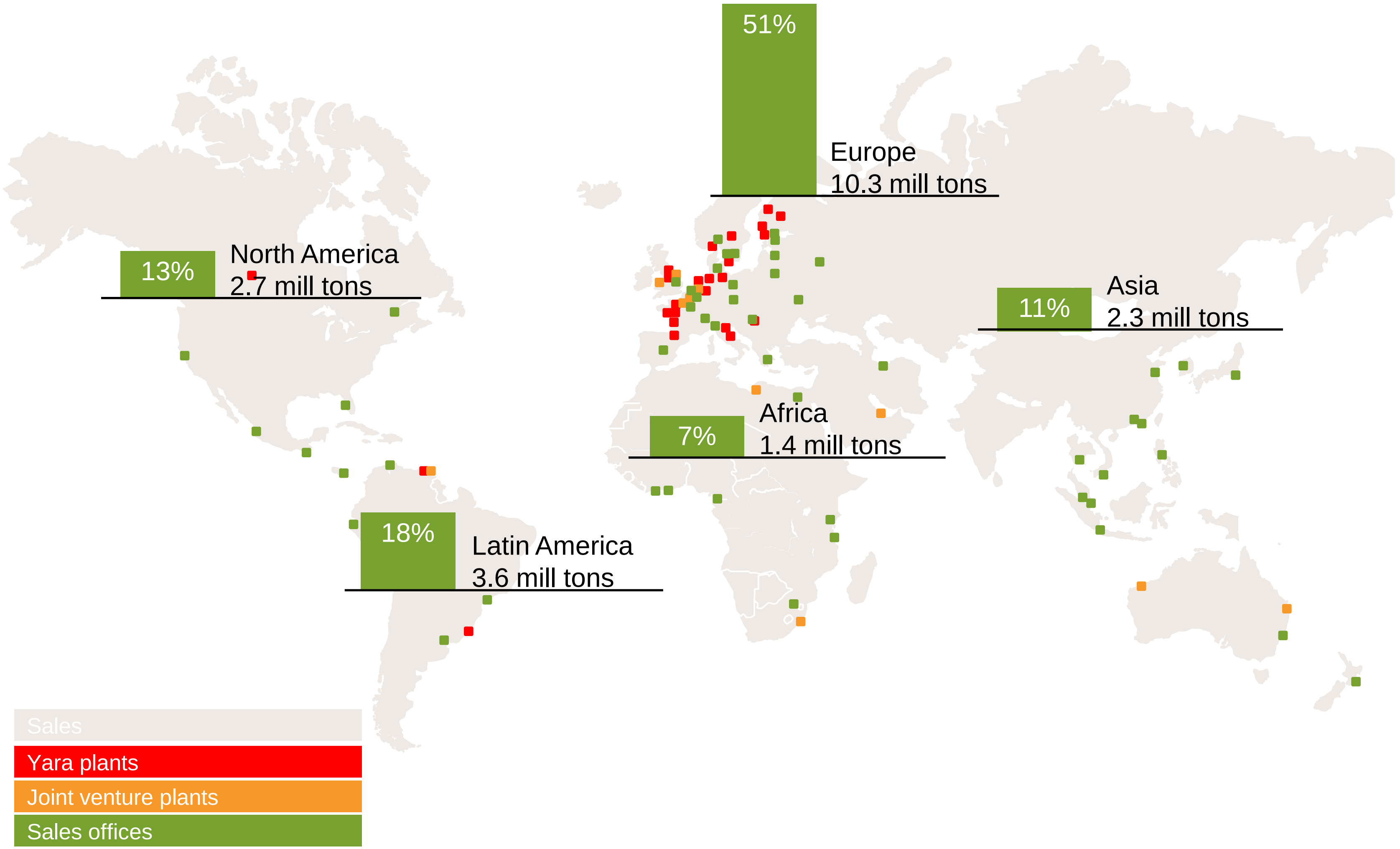
Global no 1 in NPK complex fertilizer

Production capacity* (mill t)

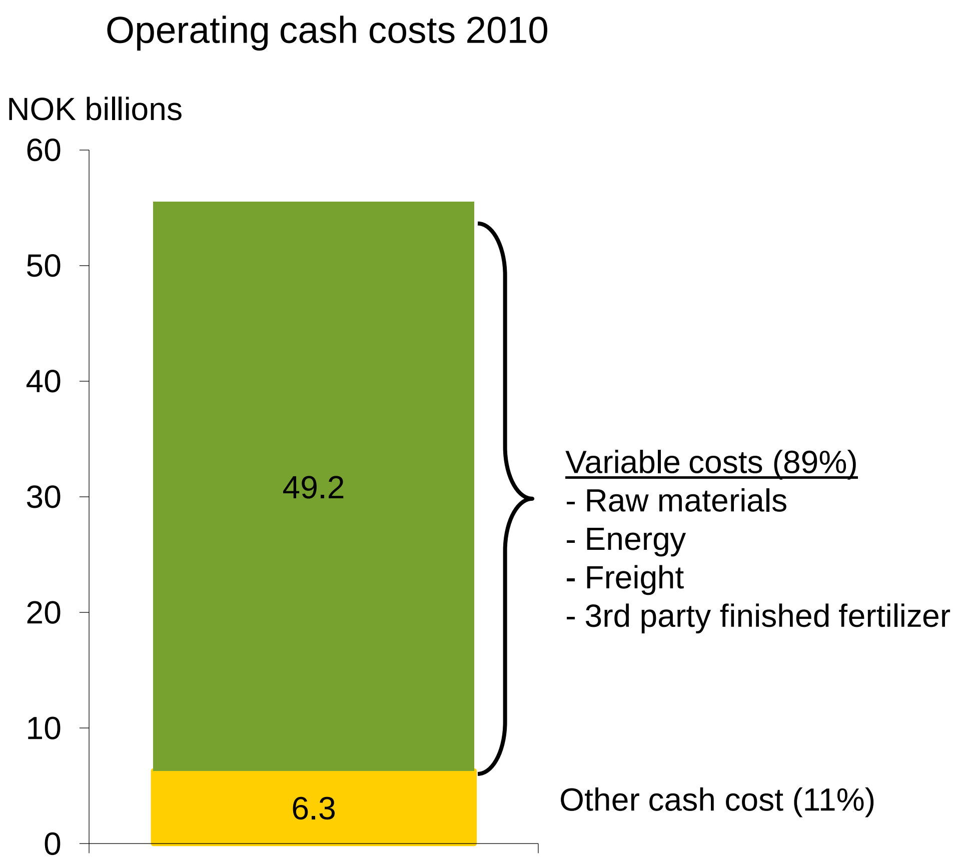


Source: Nitrex-Complex

Global downstream presence with sales offices in more than 50 countries

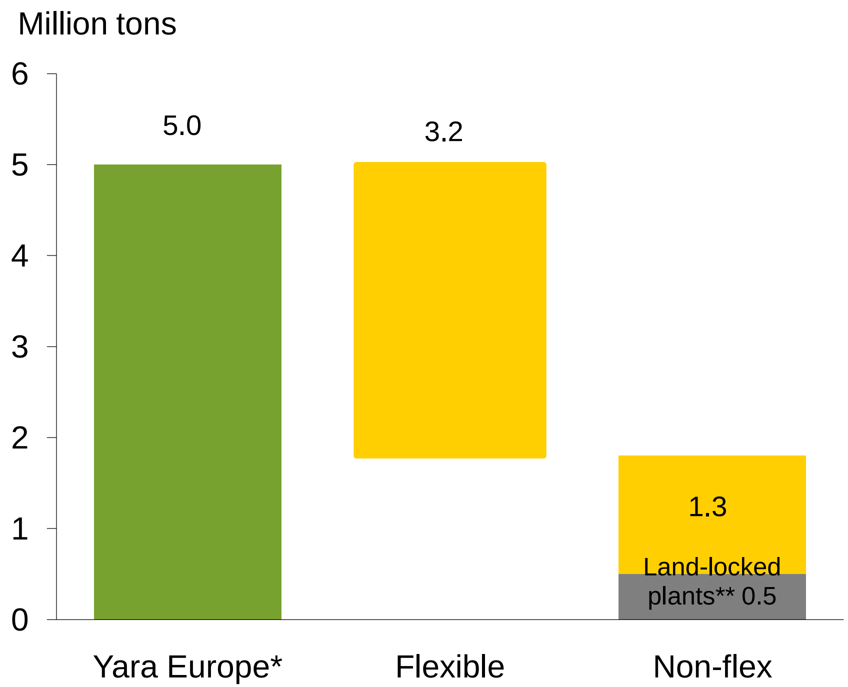


Yaras operating cash costs are mainly variable



- 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

Organized as five global business units

Yara Industrial

Chemicals	Environmental Solutions Automotive	Environmental Solutions Industry and Maritime	Technical Ammonium Nitrates	CO_2
• Serving the process industry • Odor treatment of waste water	Abatement of NO_x emissions from heavy-duty Trucks (Air1)	Abatement of NO_x emissions from stationary and maritime sources (NO_xCare)	Solutions to the Civil explosives industry based on Technical nitrates	CO_2 in liquid and dry ice forms mainly for food and beverage applications

Industrial business is going global

Market Leader on Odour Control

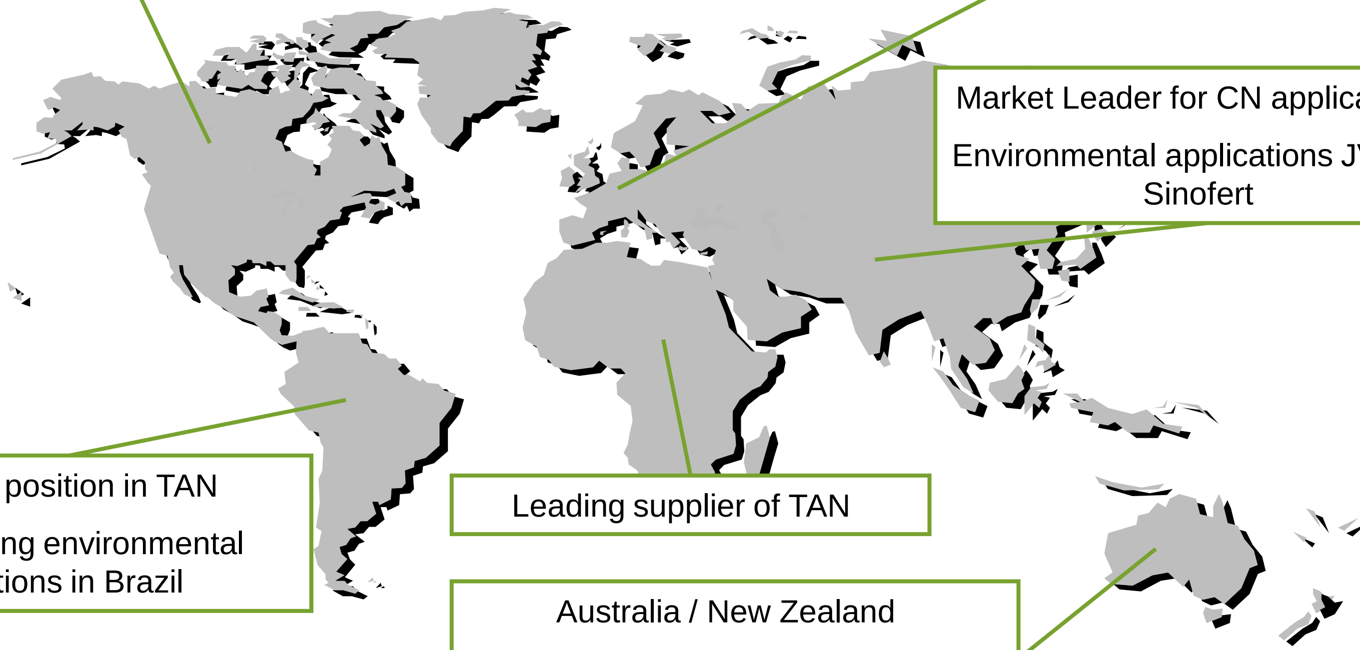
Off to a leading position in DEF 2010

Market Leader

AdBlue, Odour Control, TAN, Chemicals,
Strong position in CO_2/dry ice

Market Leader for CN applications

Environmental applications JV with Sinofert



Strong position in TAN

Developing environmental solutions in Brazil

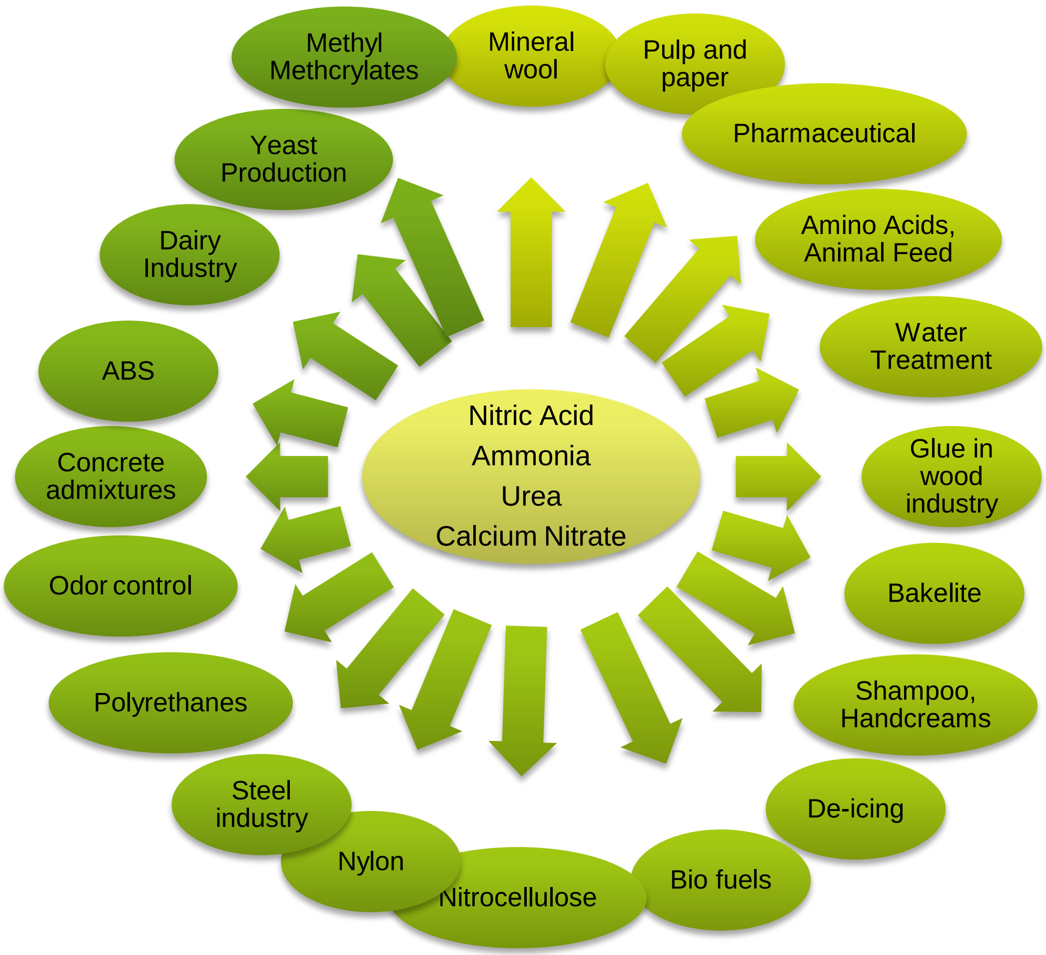
Leading supplier of TAN

Australia / New Zealand

Market Leader AdBlue, presence with TAN and environmental solutions

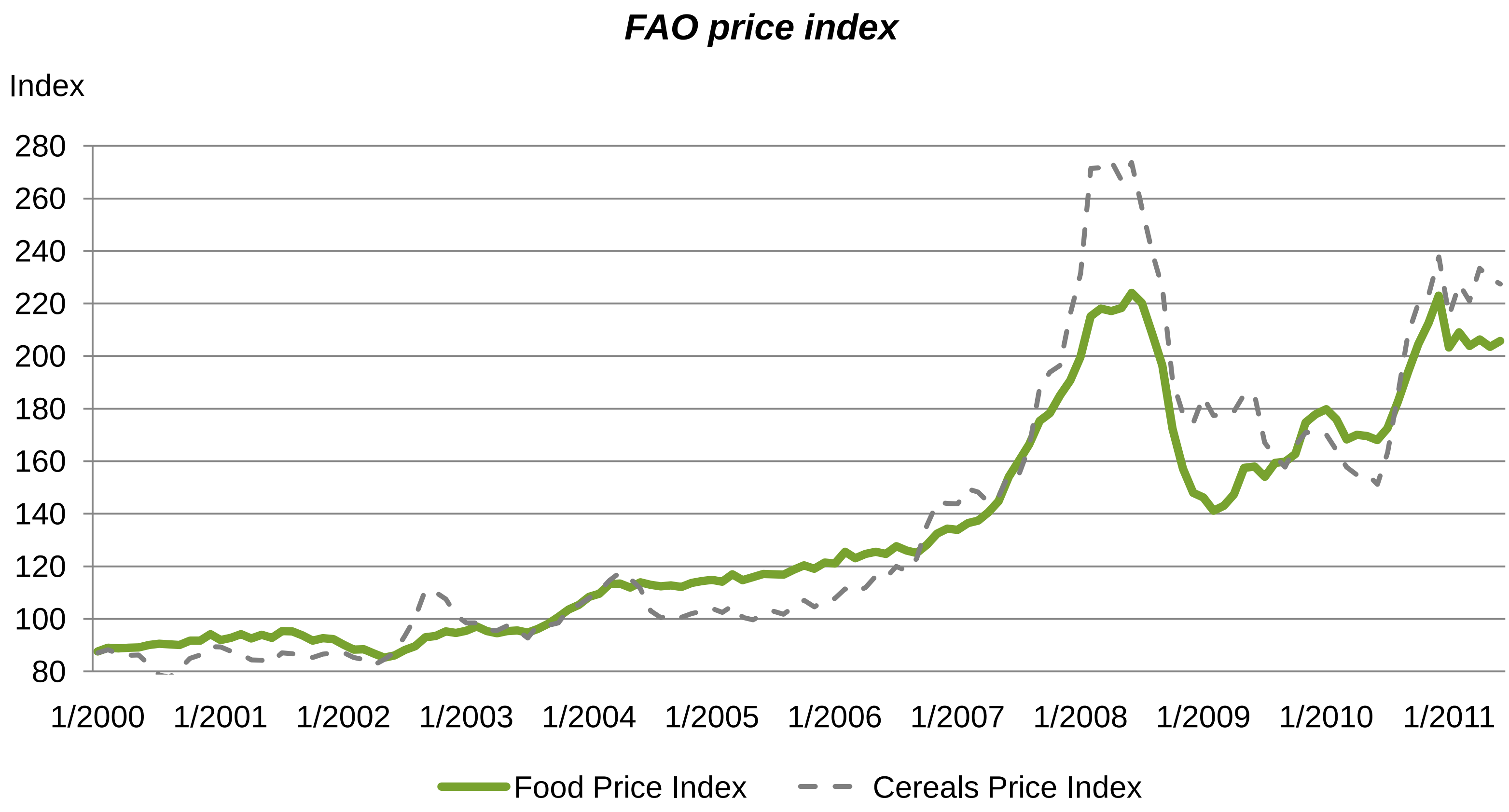
Example of product innovation

Developing multiple applications for nitrogen chemicals



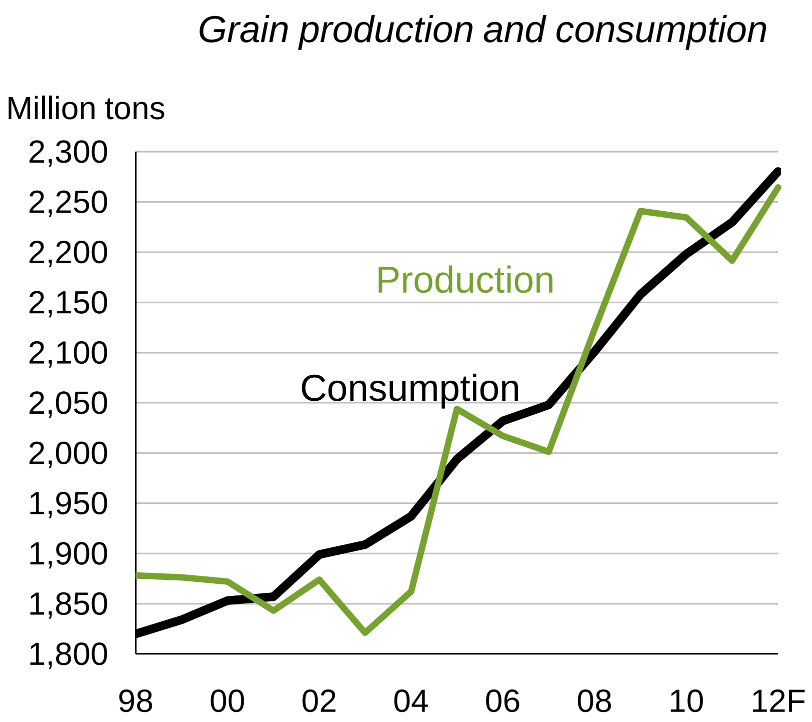
- Basic molecules into products that play a role in our daily life
  - **Nitric acid** to produce polyurethanes that are essential components to make car seats
  - **Ammonia** to make Caprolactam, an important raw material to produce nylon
  - **Calcium nitrate** enables rapid setting of concrete in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

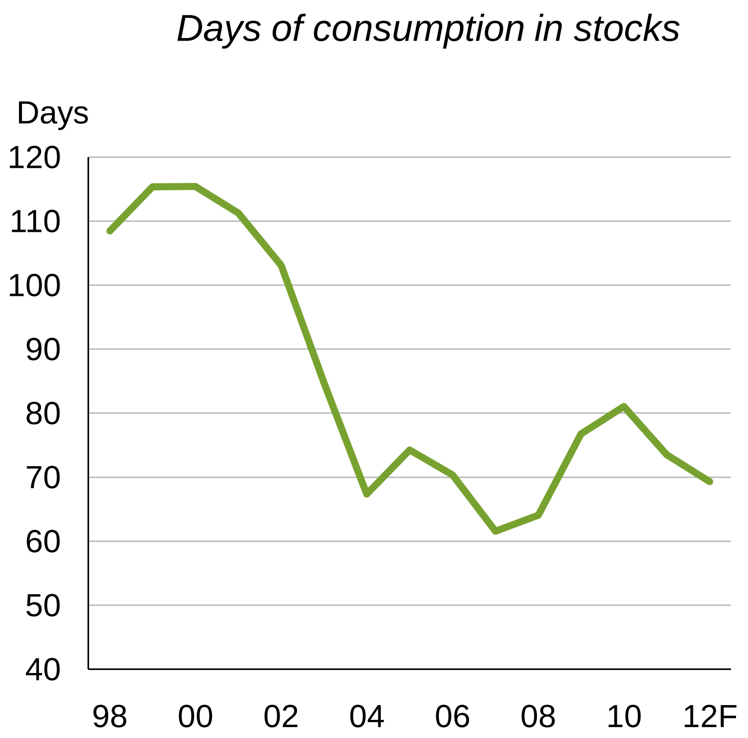
Strong farm incentives



Source: FAO

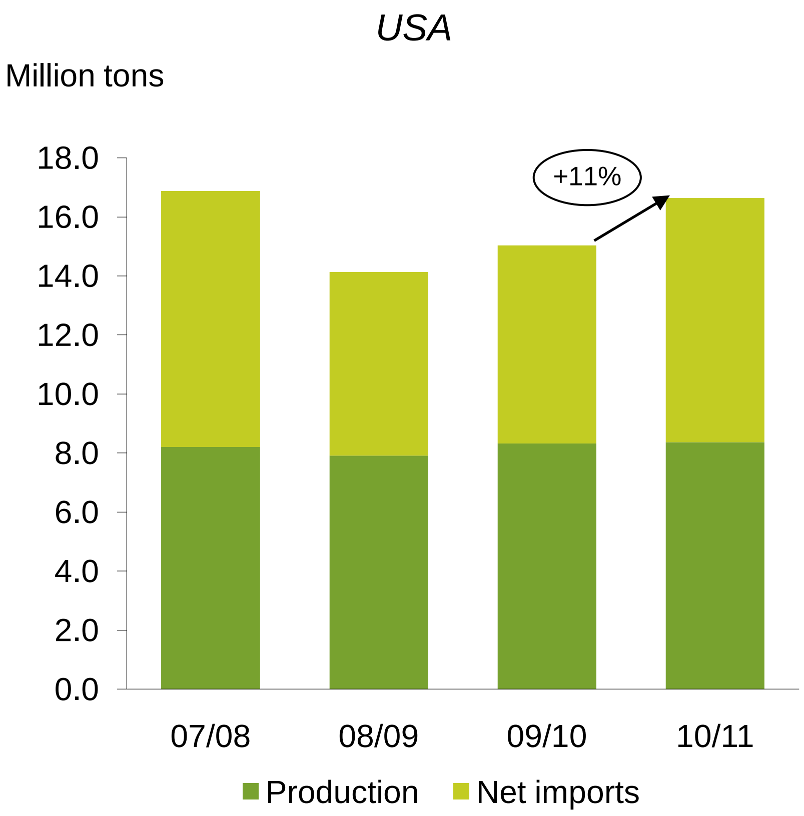
Stocks-to-use decline despite strong incentives and record production

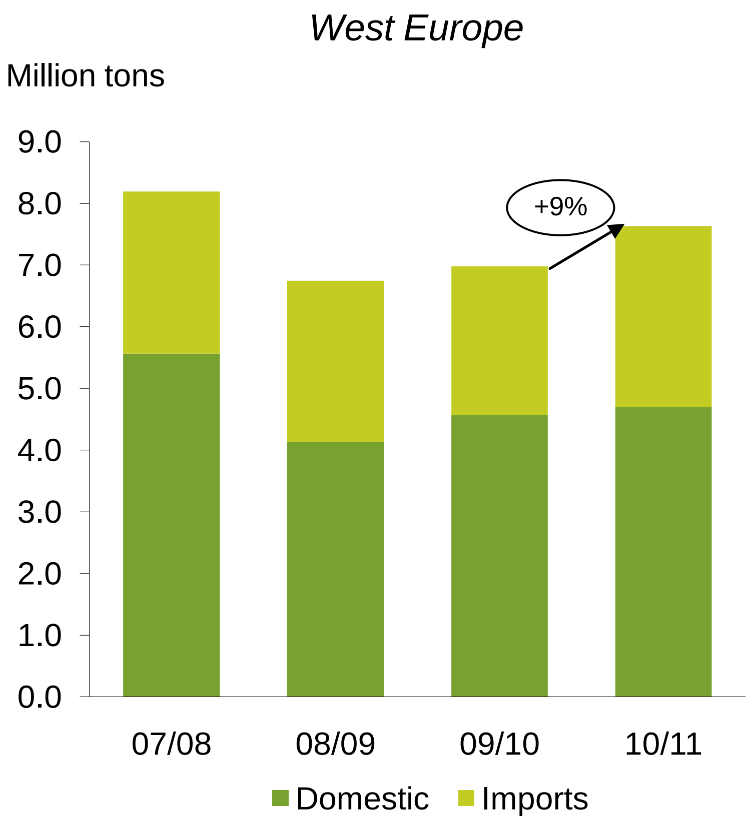




Source: USDA, August 2011

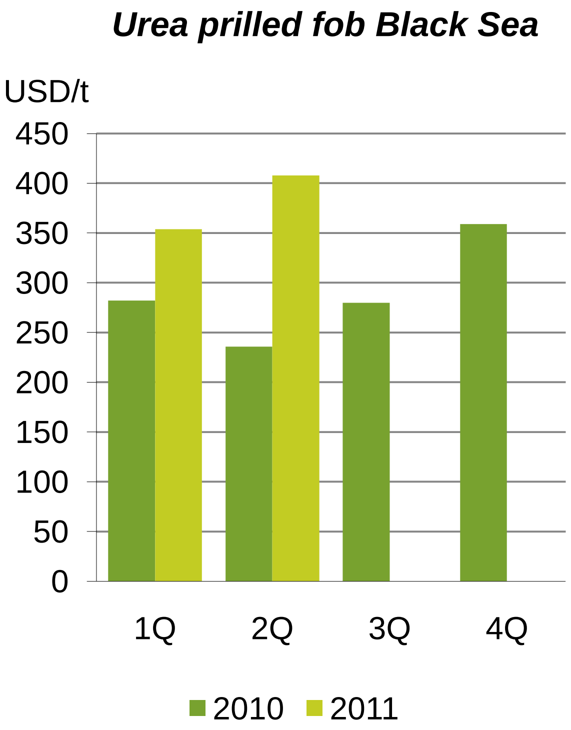
Strong season with increased nitrogen deliveries

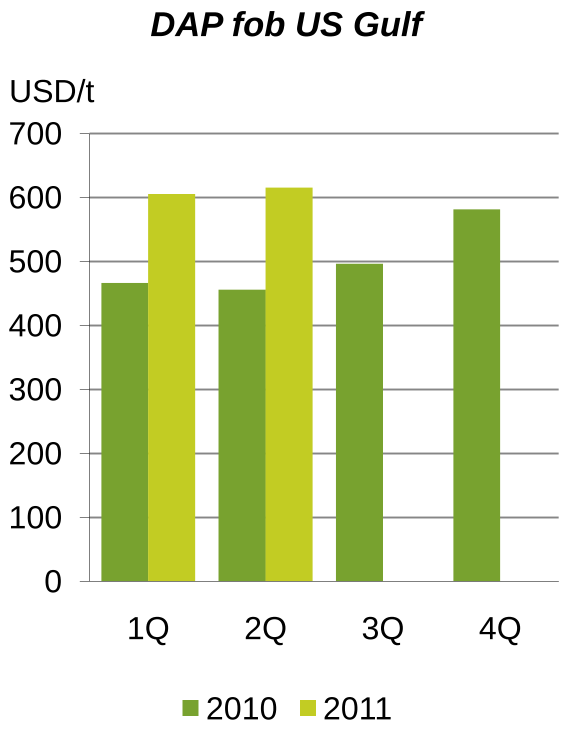


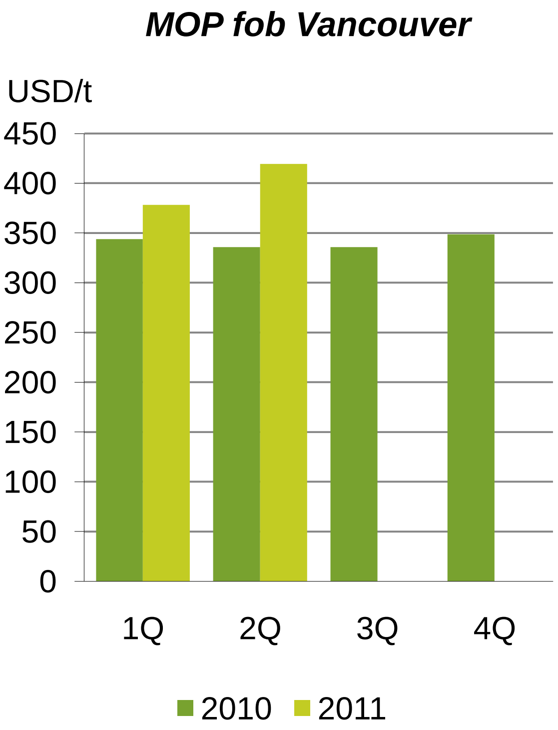


Source: Yara estimate for fertilizer deliveries to selected West European countries.
Total nitrogen deliveries estimate in USA based on TFI, US Trade Commission, Blue-Johnson

Strong market for all nutrients

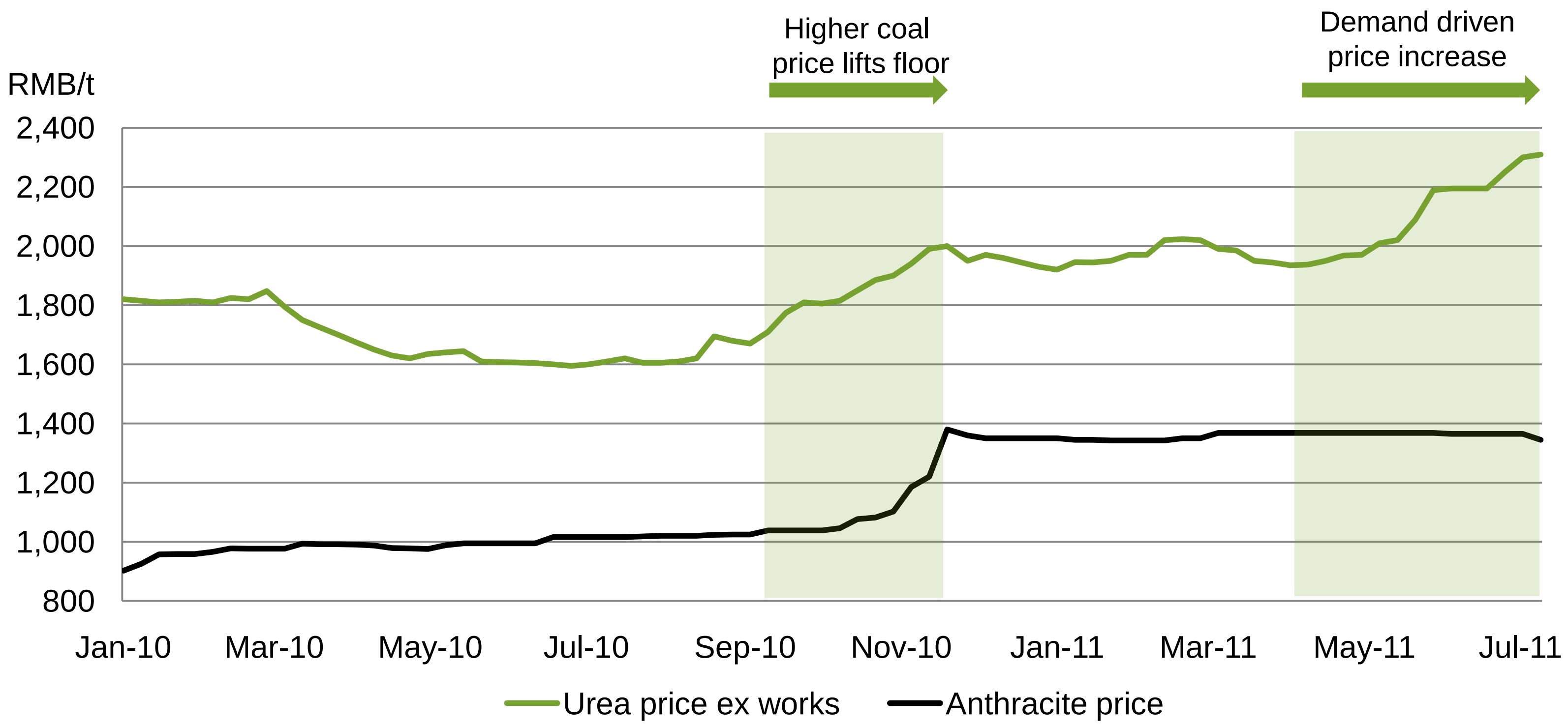






Source: Fertilizer Market Publications

Increasing Chinese urea cost and price



Higher coal prices, increased exports and focus on emission control and energy efficiency has led to higher domestic urea prices

Source: China Fertilizer Market Week

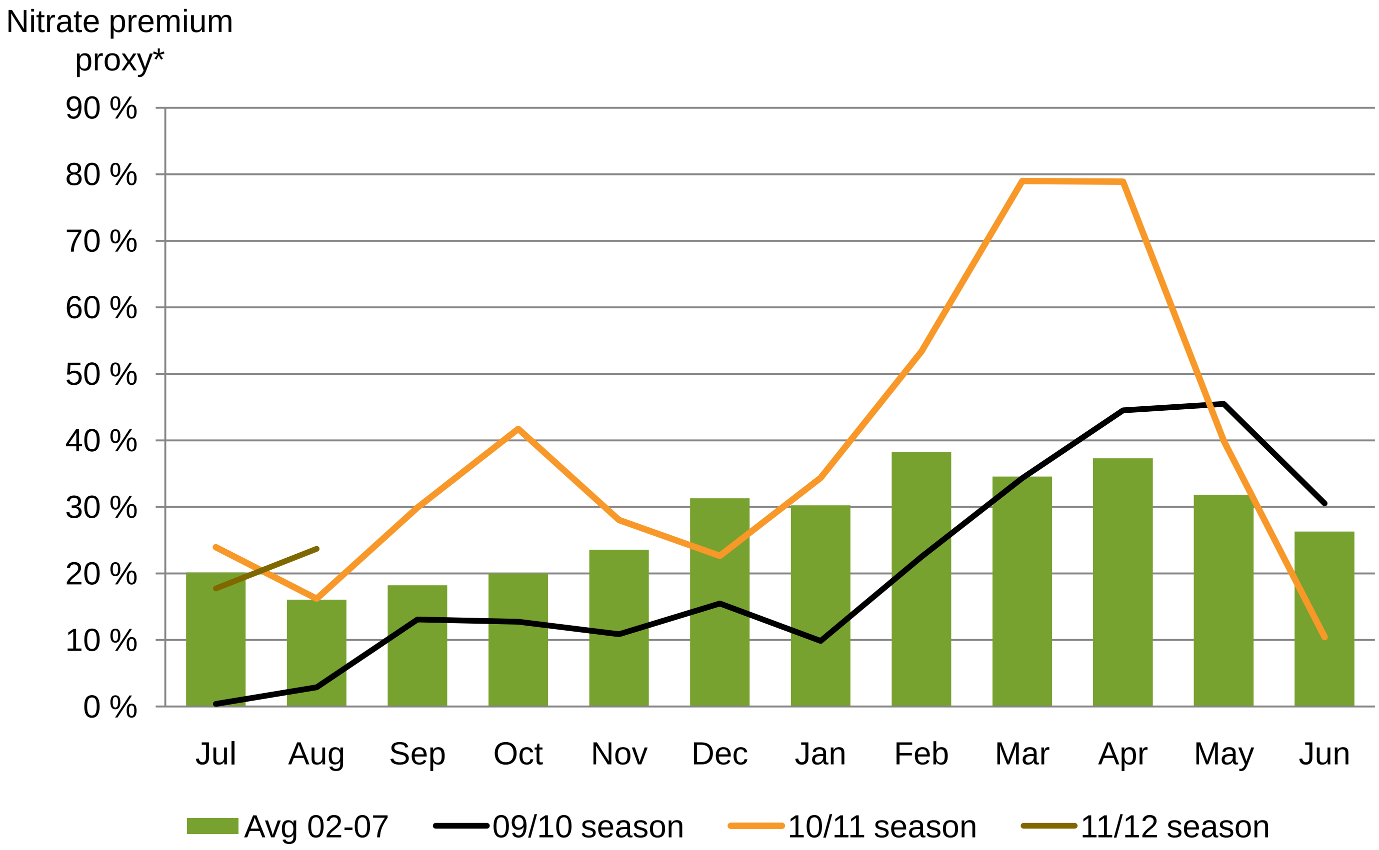
Projected nitrogen capacity additions in line with historical consumption growth

Year	Driving regions		Urea capacity growth relative to nitrogen capacity	
	World	**Excluding China**	**World**	**Excluding China**
2010	China 50% Trinidad 8%	Trinidad 15% Iran 12%	2.5% (2.6%)	2.0% (2.0%)
2011	China 54% Pakistan 14%	Pakistan 30% Iran 15%	2.1% (2.2%)	1.5% (1.7%)
2012	China 56% Algeria 18%	Algeria 41% Qatar 17%	4.3% (4.3%)	3.1% (3.1%)
2013	China 40% UAE 13%	UAE 21% Iran 20%	2.2% (2.0%)	2.2% (2.0%)
2014	India 17% Indonesia 15%	India 16% Indonesia 15%	0.9% (0.8%)	1.6% (1.6%)
Gross annual addition 2011-2014				**~2.1%**

Assumed annual closures			~0.5%
Net annual addition 2011-2014			**~1.6%**
Trend consumption growth from 2001		**2.7%**	**1.8%**

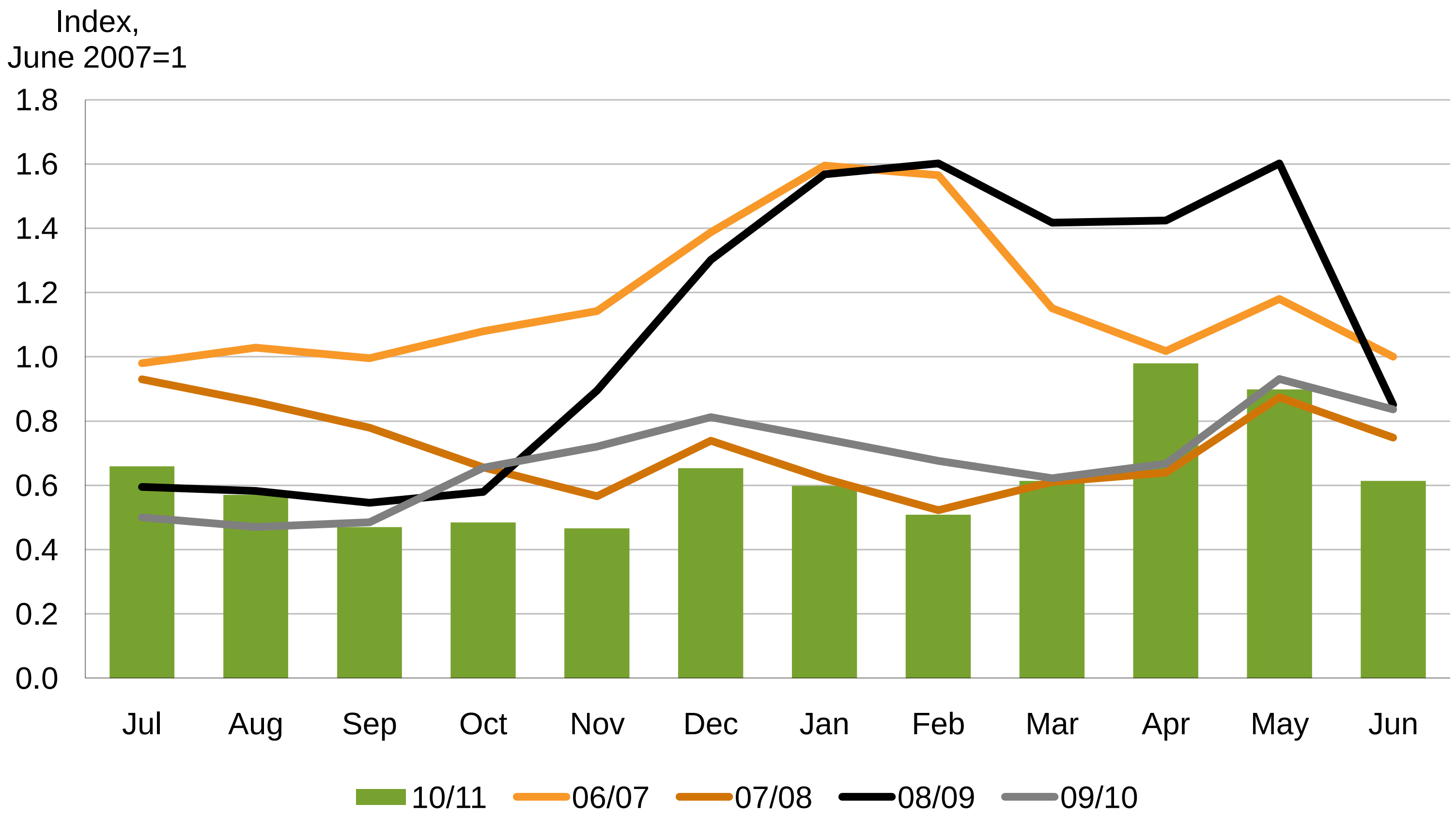
Source: Fertecon update July 2011, IFA on consumption figures

Nitrate premium



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

Low European producer nitrate stocks



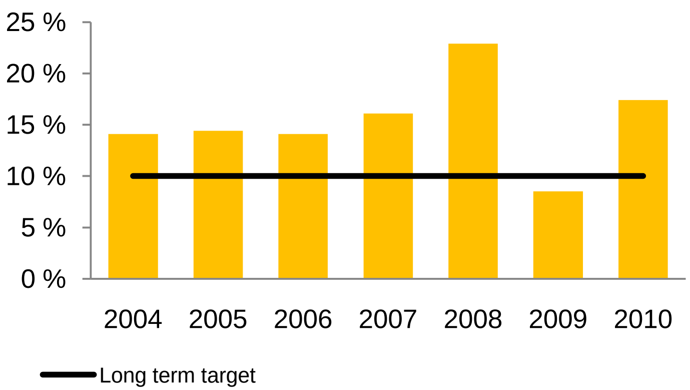
Source: Fertilizers Europe, June estimate from Yara

Prospects next twelve months

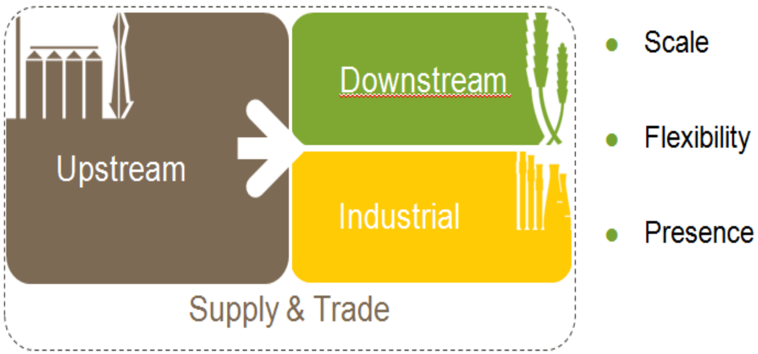
- Global agriculture markets are strong, with FAO food price index up 39% from last year
- Expected decline in grain stocks-to-use underlines need for further improvement in agricultural productivity
- Global nitrogen fertilizer industry outside China running at full capacity
- Chinese 110% urea export tax planned from 1 November
- Yara's energy costs for next half year expected up NOK 1.4 billion compared with last year

Basis for Yara's profitable growth ambitions

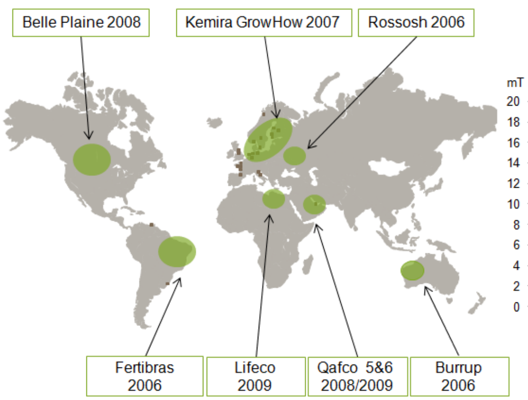
Strong earnings through the cycle

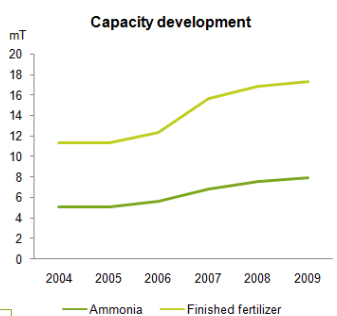


A scalable business model giving synergies



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

More information can be found at www.yara.com

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

Price and currency assumptions in scenarios

	12 months to 30 Sep 10	5-year average to 30 Sep 10	Chinese swing*	Demand -driven**
Ammonia fob Black Sea (USD/t)	318	322	340	340
Urea prilled fob Black Sea (USD/t)	254	306	270	420
Nitrate premium (% above Nitrogen in Urea)	23%	32%	25%	25%
Phos rock fob North Africa (USD/t)	105	133	110	110
Zeebrugge natural gas (USD/MMBtu)	5.4	7.3	8.0	8.0
Henry hub natural gas (USD/MMBtu)	4.4	6.6	4.5	4.5
Brent blend crude oil price (USD/bbl)	74	74	85	85
Yara's European energy price (USD/MMBtu)	7.1	8.2	8.4	8.4
NOK/USD	6.0	6.1	6.0	6.0
USD/EUR	1.36	1.36	1.36	1.36

* Ammonia and urea prices equal to marginal producers' cash cost, energy prices are forward prices as of 26 November
** Given example to illustrate effect of urea price USD 150 per ton above marginal cost.

Simplified P&Ls for scenarios

NOK	12M to 30 Sep 2010 *	5-year average to 30 Sep 2010**	Chinese swing	Demand-driven
EBITDA	8,700	13,000	9,500	21,000
Depreciation	(2,500)	(2,500)	(2,500)	(2,500)
Net finance	(1,000)	(700)	(700)	(700)
Income before tax	5,200	9,800	6,300	17,800
Tax	(1,200)	(2,200)	(1,200)	(4,100)
Net income	4,000	7,500	5,100	13,700
Number of shares (millions)	288.8	288.8	288.8	288.8
Earnings per share (NOK)	**14**	**26**	**18**	**47**
Earnings per share (USD)	2.3	4.3	2.9	8.0

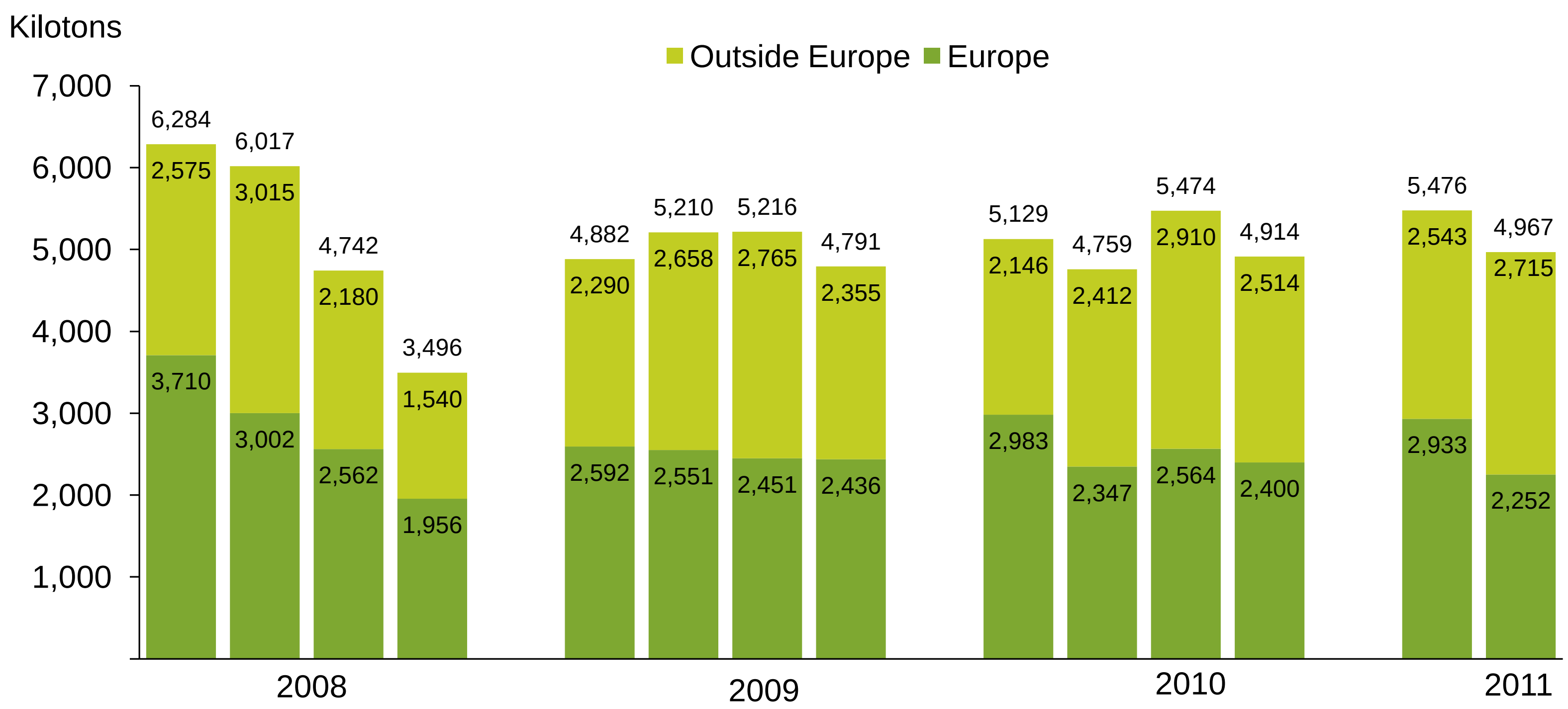
* Excluding foreign exchange gain/loss, special items and energy arbitrage
** Not historical earnings, but estimated earnings for today's Yara business, using 5-year average price conditions.

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 consoli-dation, 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

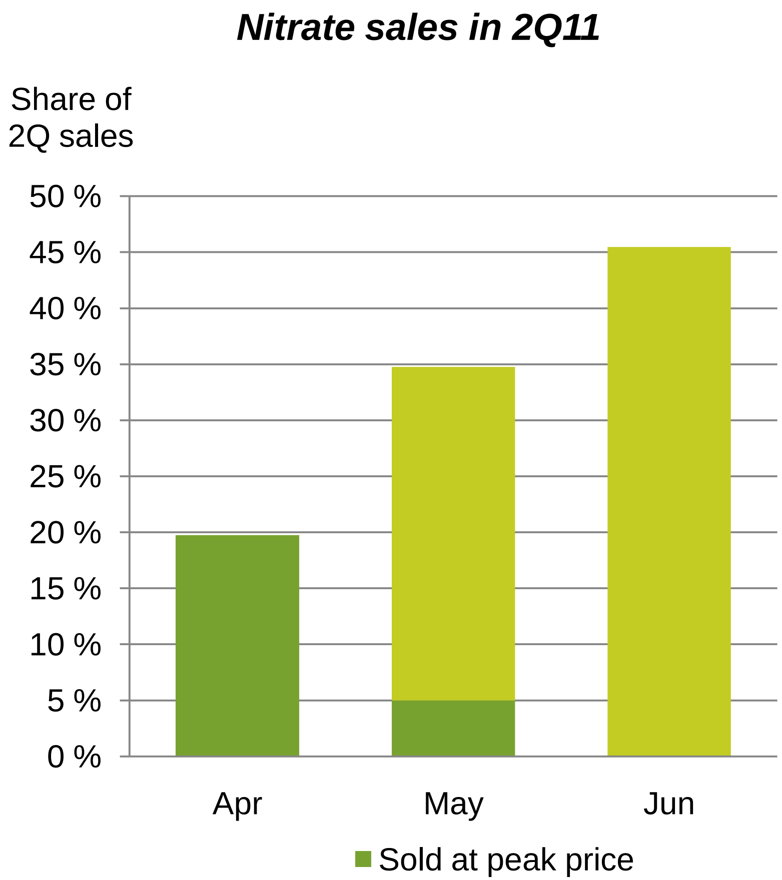
Fertilizer volumes up 4% on last year

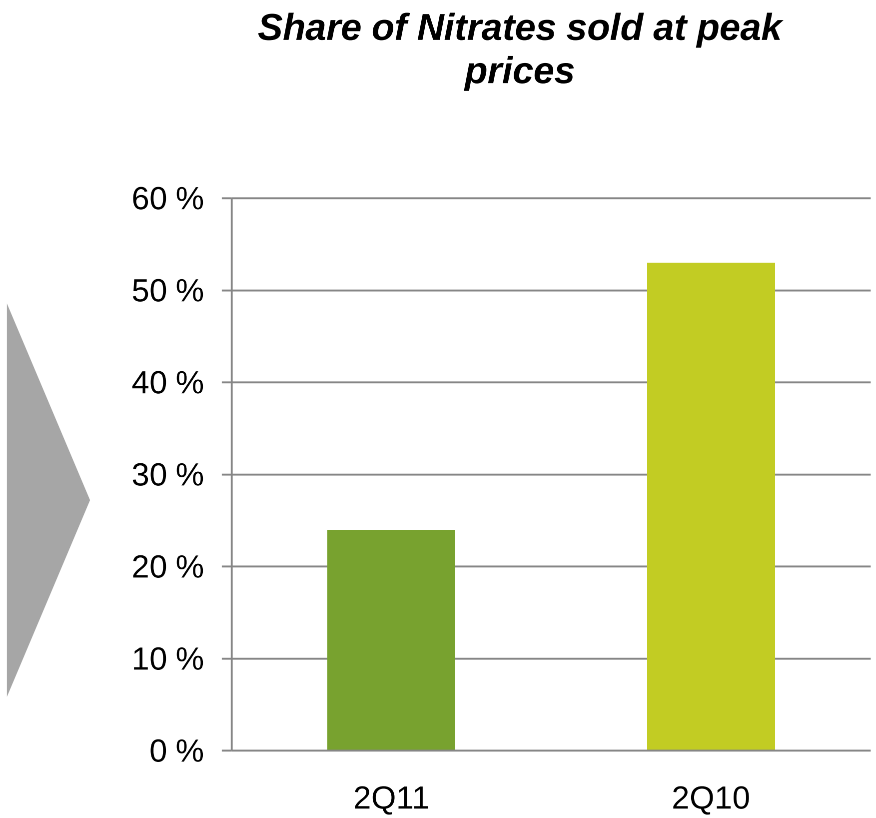


Accumulated, Kt

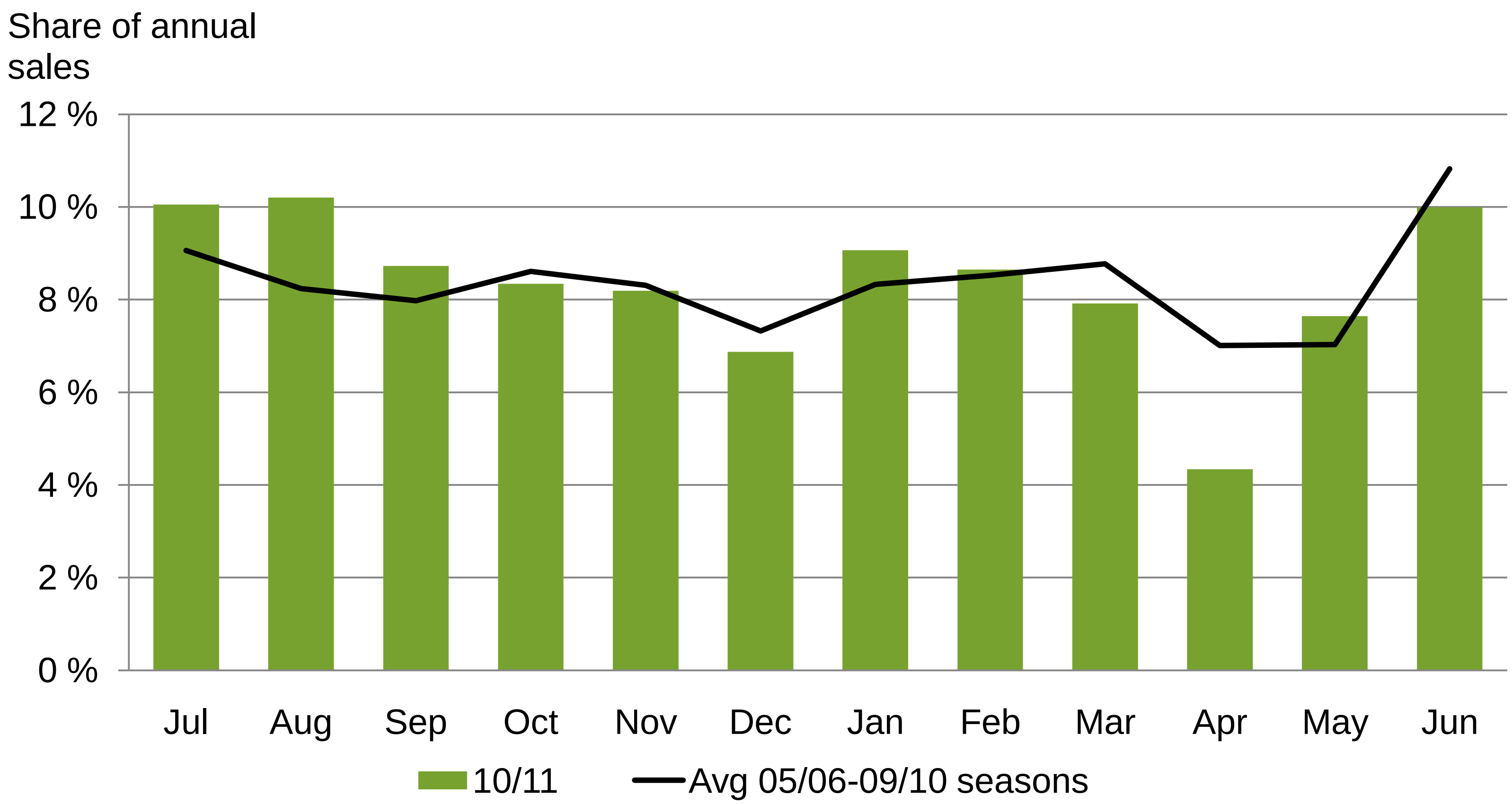
Fin. fertilizer	20,540	20,099	20,276	10,443

75% of nitrate sales at new season price



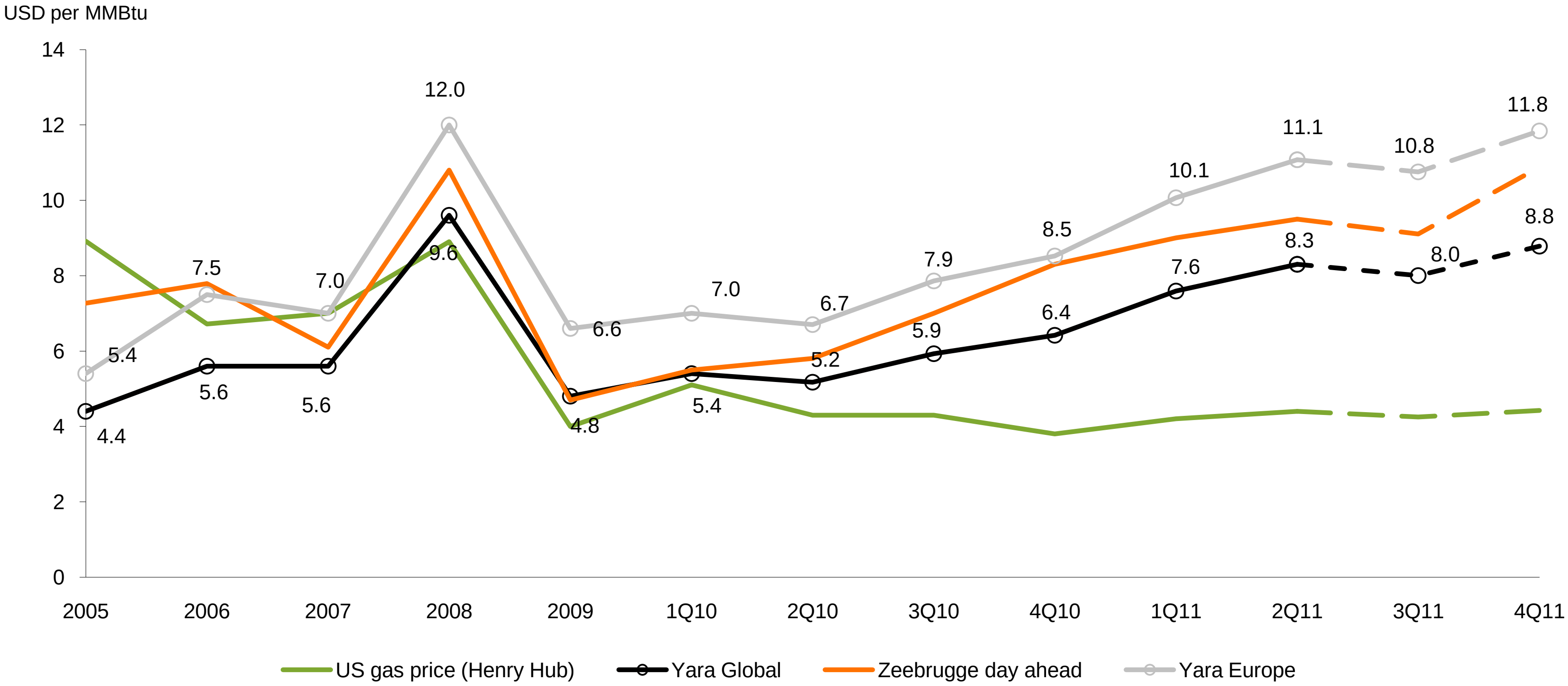


Yara nitrate sales



Spot natural gas versus Yara average

Yearly averages 2005 – 2009, quarterly averages for 2010 and 2011 with forward prices for 2011*

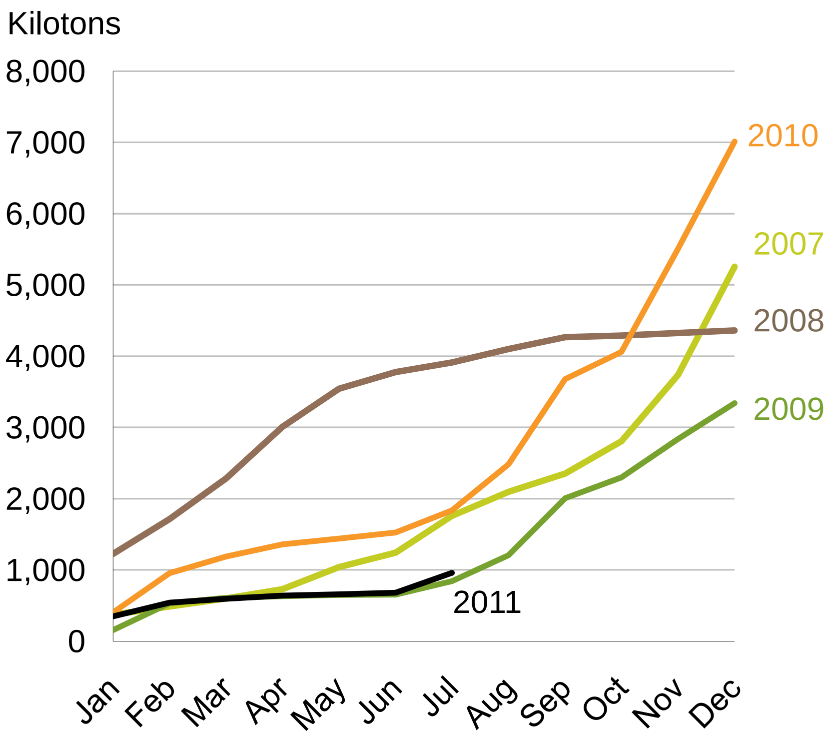


*Dotted lines denote forward prices as of 11 July

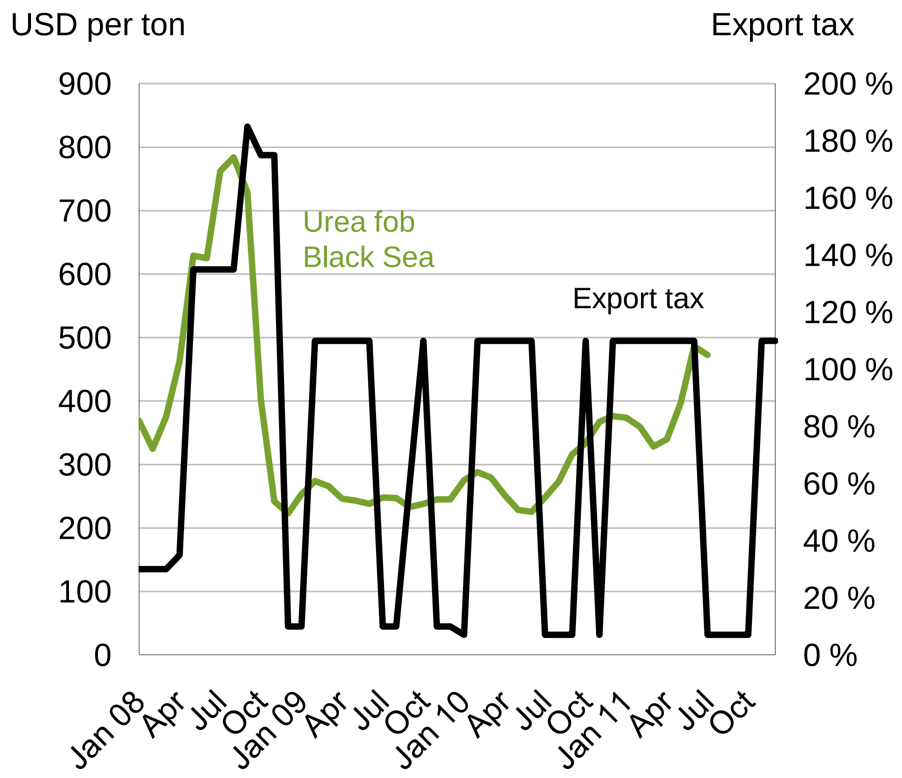
Source: Yara, World Bank, Platts

Chinese exports needed to balance the global market

Accumulated urea exports

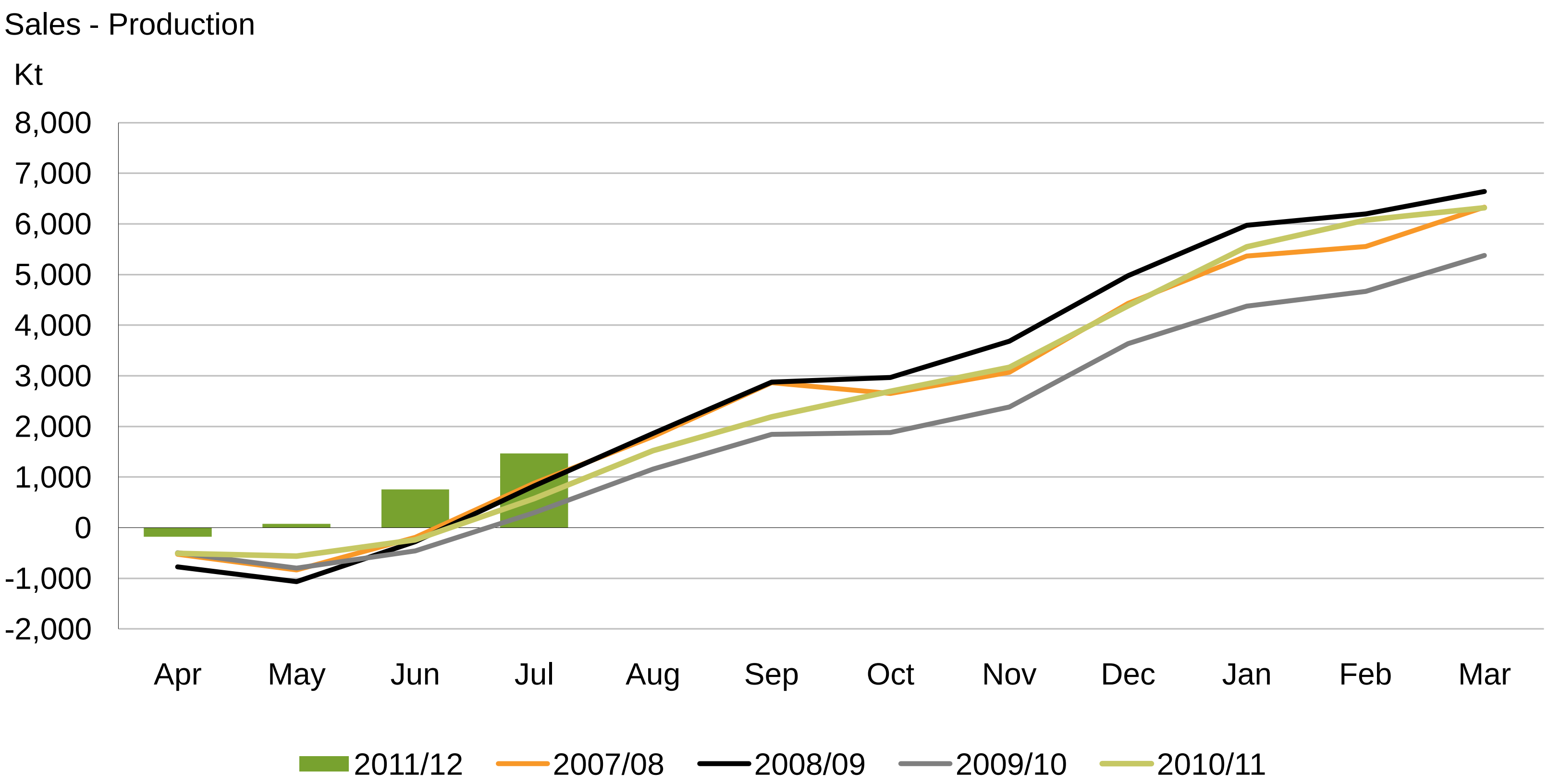


Urea price and export tax



Source: BOABC

Import need returning to the peak level of 08/09

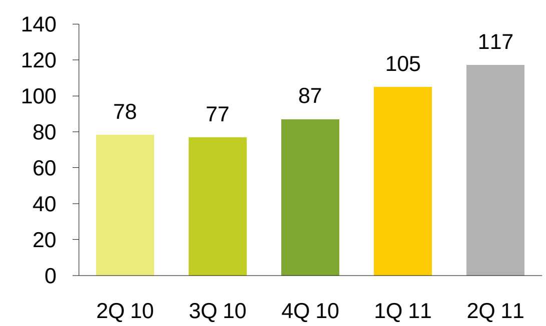


- Kharif (July planting) – imports Apr-Sep
- Rabi (November planting) – imports Oct-Jan

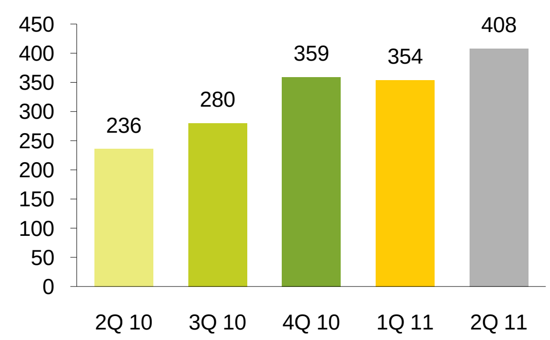
Source: Indian Statistics

Key value drivers – quarterly averages

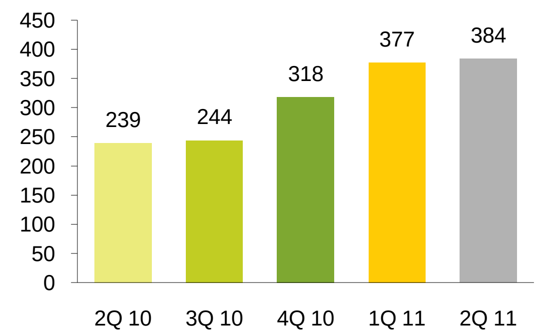
Oil Brent blend spot (USD/bbl)



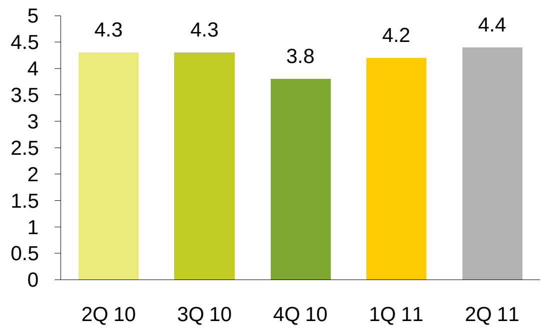
Urea prilled fob Black Sea (USD/t)



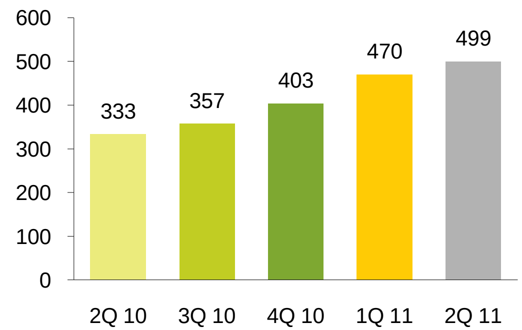
CAN cif Germany (USD/t)



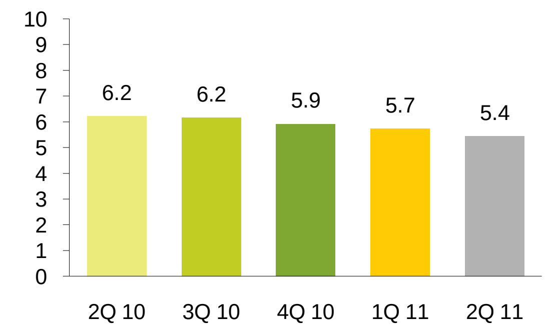
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)



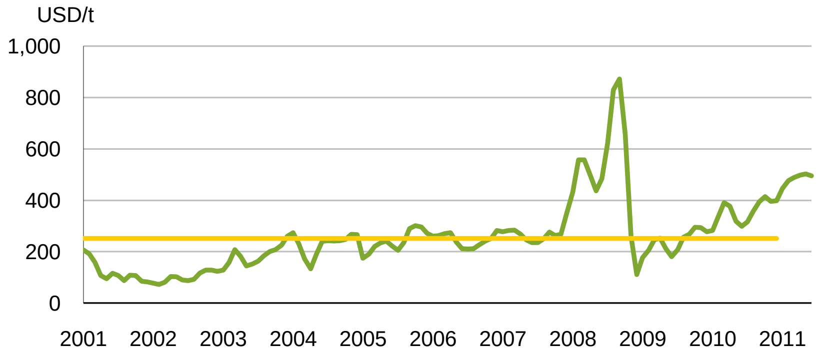
NOK/USD exchange rate



Source: Fertilizer Market Publications, CERA, World Bank, Norges Bank

10-year fertilizer prices – monthly averages

Ammonia fob Black Sea



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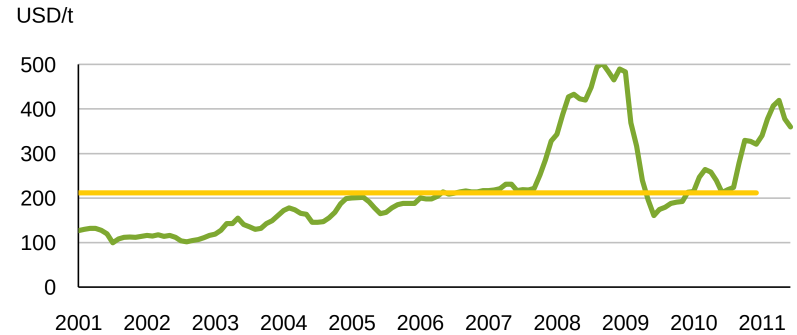
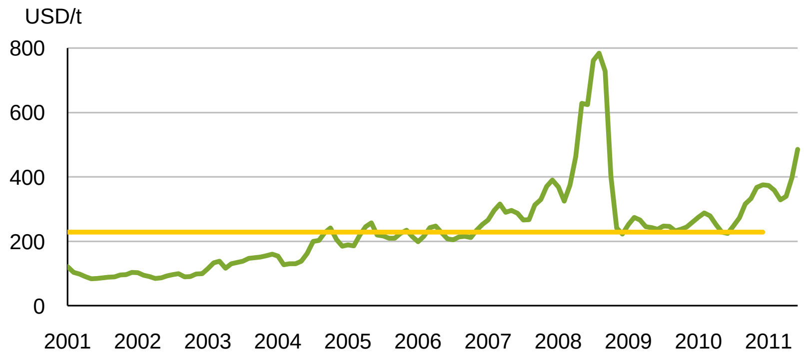
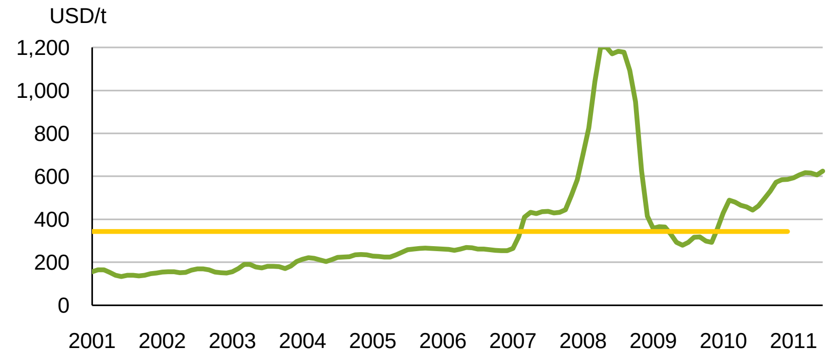


Urea prilled fob Black Sea



DAP fob , US Gulf



Average prices 2001 - 2010

Source: Average of international publications