

# Third quarter 2011

## Yara International ASA – quarterly report

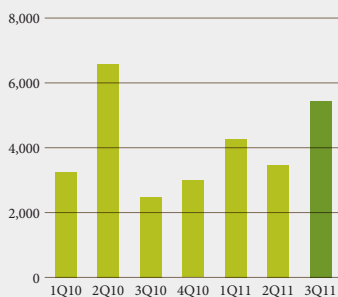
- Strong results driven by improved margins
- Strong demand outside Europe, satisfactory sales in Europe
- Sluiskil urea expansion successfully completed
- Strong Industrial margins despite raw material price increases



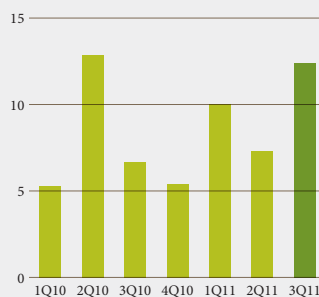
EARNINGS PER SHARE

**NOK**  
**12.42**

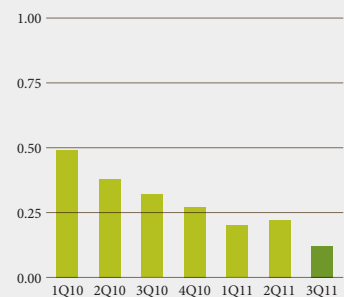
EBITDA (NOK millions)



Earnings per share (NOK)



Debt/equity ratio



Knowledge grows

# Third quarter 2011

## FINANCIAL HIGHLIGHTS

<i>NOK millions, except where indicated otherwise</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
Revenue and other income	21,181	16,533	59,622	47,849
Operating income	4,398	1,402	9,612	5,604
Share net income equity-accounted investees	329	413	1,430	1,109
EBITDA	5,444	2,486	13,180	12,324
EBITDA excl. special items	4,211	2,536	12,009	7,603
Net income after non-controlling interests	3,566	1,927	8,680	7,165
Earnings per share <sup>1)</sup>	12.42	6.68	30.16	24.81
Earnings per share excl. currency and special items <sup>1)</sup>	9.13	5.00	26.11	14.44
Average number of shares outstanding (millions)	287.2	288.7	287.8	288.8
CROGI (12-month rolling average) <sup>2)</sup>			18.6 %	17.4 %
ROCE (12-month rolling average)			22.7 %	20.7 %

1) NOK per share. Yara currently has no share-based compensation programs that result in a dilutive effect on earnings per share.  
2) Third-quarter 2011 CROGI excl. special items annualized 18.7%.

## KEY STATISTICS

<i>Thousand tons</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
<b>Sales</b>				
Fertilizer	4,834	5,474	15,285	15,362
Industrial products (excl. industrial gases)	1,158	1,074	3,400	3,117
Total	5,992	6,548	18,685	18,479
<b>Production <sup>1)</sup></b>				
Ammonia	1,592	1,803	4,931	5,424
Finished fertilizer and industrial products, excl. bulk blends	4,258	4,212	12,820	12,721
Total	5,850	6,015	17,751	18,145

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

Yara's third-quarter net income after non-controlling interests was NOK 3,566 million, compared with NOK 1,927 million last year. Excluding net foreign exchange gain/loss and special items, the result was NOK 2,622 million, compared with NOK 1,444 million in third quarter 2010. The corresponding earnings per share were NOK 9.13 compared with NOK 5.00 last year.

"Yara reports strong third-quarter results as margins improved significantly for all main product groups, with strong demand in Latin America and Asia in particular," said Jørgen Ole Haslestad, President and Chief Executive Officer of Yara.

"Despite macroeconomic concerns and challenging harvest conditions, on a comparable basis European sales were only 10% below last year. Farm margins remain healthy at today's grain prices, and with limited stocks in the fertilizer value chain this indicates a catch-up in deliveries is likely during the remainder of the season," said Jørgen Ole Haslestad.

## FERTILIZER MARKET CONDITIONS

Agricultural markets remain tight. According to the USDA, global grain production during 2011/12 will approximately match consumption, leading to unchanged grain stocks. Assuming continued growth in global food consumption, the world needs another record grain crop in 2012 in

order to prevent further inventory decline. The FAO food price index has declined modestly during the third quarter, but the September index is still 15% higher than September last year. Declining grain prices and general macroeconomic uncertainty led to reduced demand from Europe, where the distribution chain in particular was reluctant to buy for storage. Outside Europe, regions currently in application season experienced strong demand.

After increasing sharply during the second quarter, urea prices remained at a high level, between USD 460 per ton and USD 510 per ton fob Black Sea throughout the third quarter, with the average price for the quarter 73% higher than third quarter last year. Global import demand has stayed strong. The floor price from China was maintained at around USD 500 per ton, due to a continued tight domestic market combined with the progressive export tax, resulting in less urea exported. Outside China, no new plants added to global supply, so demand had to be rationed through continued high prices, with positive margins for all producers.

Ammonia prices increased during the quarter, from USD 490 per ton fob Black Sea at the start of the quarter to USD 650 per ton at the end. While the phosphate and industrial sectors have continued to support ammonia import demand, the market is also affected by production problems, either resulting in increased import demand or reduced export supply.

## FERTILIZER AND ENERGY MARKET PRICES

<i>Average prices</i>		3Q 2011	3Q 2010	YTD 2011	YTD 2010
Urea prilled (fob Black Sea)	USD per ton	484	280	415	266
Ammonia (fob Black Sea)	USD per ton	526	357	499	342
AN (cif France)	USD per ton	469	297	473	310
CAN (cif Germany)	USD per ton	376	244	379	247
Phosphate rock (fob Morocco)	USD per ton	198	125	180	118
Oil Brent blend spot	USD per bbl	114	77	112	77
Low-sulphur fuel oil (LSFO)	USD per ton	660	457	639	459
US gas (Henry Hub)	USD per MMBtu	4.1	4.3	4.2	4.6
European gas (Zeebrugge)	USD per MMBtu	9.2	7.0	9.2	6.1

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

Turnarounds and technical problems in Europe are examples of the former, reduced gas availability in Trinidad is an example of the latter. But even at the current prices, upgrading margins from ammonia to finished fertilizer are substantial.

Phosphate fertilizer prices have remained quite stable during the third quarter, at around USD 650 per ton fob US Gulf for DAP. Record exports of phosphates from China have been balanced by continued strong demand as well as production problems elsewhere. Supply has been negatively affected by the political unrest in Tunisia and Syria, and the Maaden DAP project in Saudi Arabia has announced delays to commercial production.

Phosphoric acid prices increased from the second quarter, to around USD 1,050 per ton fob Morocco, roughly matching the increased DAP prices. Phosphate rock prices increased more modestly, hence phosphate upgrading margins from rock to phosphate fertilizers increased compared with the second quarter, and were similar to third quarter last year.

## REGIONAL MARKET DEVELOPMENTS

Third-quarter nitrogen fertilizer industry deliveries in West Europe were down 13% on a year earlier, with imports down 21%. Higher fertilizer prices and weaker agricultural commodity prices made customers less willing to buy early in the season. Third quarter last year, on the other hand, was an exceptionally strong quarter, as buyers reasoned that early purchasing would be profitable and with limited risks.

Third-quarter US nitrogen deliveries were up an estimated 5% from the same period last year, due to strong late season demand, and very low pipeline stocks.

In India, urea sales were up 11% during the first half of its agricultural year (running from April to March). Domestic production increased by 4% year-on-year. As sales growth has outpaced the increase in production, the need for urea imports have increased, and India has been a very active buyer lately.

As expected, urea prices in China remained at a high level in the third quarter also after the main application season, despite less urea exported. Despite higher production than same quarter last year, low opening stocks this season versus high opening stocks last season has resulted in domestic supply still being tighter than a year ago. High domestic prices combined with stricter export restrictions than last year resulted in only 770 kilotons urea exported during July and August, down from 955 kilotons same period last year.

Brazil has imported 2.0 million tons of urea so far in 2011, up from 1.5 million tons a year earlier. Sales of all nutrients are reported at 20.5 million product tons year-to-date September, up 23% from 16.7 million tons for the same period last year.

## VARIANCE ANALYSIS THIRD QUARTER

<i>NOK millions</i>	<b>3Q 2011</b>
EBITDA 2011	5,444
EBITDA 2010	2,486
Variance EBITDA	2,958
Volume & mix	(384)
Price/margin	2,990
Oil & gas costs in Europe	(608)
Special items	1,283
Other	(48)
Conversion (NOK vs. USD) <sup>1)</sup>	(275)
Total variance explained	2,958

1) Based on average NOK per USD for the quarter 2011: 5.50 (2010: 6.16)

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

Global Yara fertilizer deliveries were down 12% on third quarter 2010, with decrease in all main product groups. Industrial volumes increased 8%, reflecting growth in environmental products and technical ammonium nitrates.

Total urea sales volumes were down 19% compared with last year, mainly due to the suspended Lifeco production. NPK sales were down 8%, primarily reflecting phasing of shipments to China.

Despite macroeconomic concerns and challenging harvest conditions, sales in Europe have been satisfactory. Compared with third quarter 2010 when demand was strong, nitrate sales in Europe decreased by 14%. Nitrate sales volumes outside Europe were higher than last year, and total nitrate sales ended 11% below third quarter last year.

Compared with third quarter 2010, average realized prices in USD were up 63% for nitrates and 31% for NPK, while urea prices were up 68%, reflecting higher values for all nutrients. Margins were strong, particularly for NPK and nitrates. Industrial margins strengthened, especially for process chemicals.

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

Total special items were a positive NOK 1,233 million, primarily reflecting a positive effect of NOK 1,415 related to the sale of Yara's indirect holding in the Rossosh NPK plant in Russia. Third-quarter 2010 special items were a negative NOK 50 million. For further details on special items see pages 16 and 17 and Yara's third quarter 2010 report.

The US dollar was approximately 11% weaker versus the Norwegian krone compared with third quarter 2010, generating a negative translation effect in Yara's results.

## VARIANCE ANALYSIS YEAR TO DATE

<i>NOK millions</i>	YTD 2011
EBITDA 2011	13,180
EBITDA 2010	12,324
Variance EBITDA	857
Volume & mix	(179)
Price/margin	7,827
Oil & gas costs in Europe	(2,270)
Special items	(3,549)
Other	(276)
Conversion (NOK vs. USD) <sup>1)</sup>	(697)
Total variance explained	857

1) Based on quarterly average NOK per USD rates as detailed in Yara 2011 reports.

Year-to-date EBITDA excluding special items increased 58%, reflecting a significant improvement in margins compared with last year.

Average realized prices in USD were up 56% for nitrates, while NPK prices were 32% above year-to-date 2010, reflecting the improved market fundamentals.

Global Yara fertilizer deliveries were in line with year-to-date 2010. Industrial volumes increased 9%, driven by growth in the environmental segment.

Total special items were a positive NOK 1,171 million, primarily reflecting the Rossosh sale. Year-to-date 2010 net special items were a positive NOK 4,720 million, primarily reflecting the sale of Fosfertil and the break fee following the termination of the merger agreement with Terra Industries. For further details on special items see page 17.

Fixed costs increased compared with last year, mainly due to the high level of planned and unplanned maintenance in production plants in addition to increased capacity and activity levels in Downstream terminal and blending units.

The US dollar was on average 9% weaker versus the Norwegian krone compared with year-to-date 2010, resulting in a negative conversion effect in Yara's results.

## NET INCOME FROM EQUITY-ACCOUNTED INVESTEEES

<i>NOK millions</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
Qafco	198	196	740	533
Tringen	55	45	159	154
Burrup	(24)	17	114	(44)
GrowHow UK Ltd	141	73	271	135
Lifeco	(57)	36	(100)	137
Other	17	45	247	195
Total	329	413	1,430	1,109

Third-quarter net income from equity-accounted investees decreased 20% compared to last year, primarily reflecting the suspended production in Lifeco.

Qafco has restated its financial statements for prior periods with a negative effect on net income. The commitments under the natural gas contract for Qafco 5 started earlier than the completion of the project, and these costs have previously been capitalized. Qafco has now reached the conclusion that these gas costs need to be expensed. Yara's share of this restatement is NOK 82 million and was recognized in third quarter 2011. Qafco underlying results improved primarily due to an increase in realized urea and ammonia prices.

Burrup results for the quarter were negatively affected by maintenance shutdown and a fire at the plant. The unit is expected to operate normally in the fourth quarter.

Lifeco production was suspended in mid February 2011 amid the unrest in Libya. Yara's share of the Lifeco result in the third quarter reflects monthly salaries and depreciation of around NOK 20 million. For further information on Lifeco see note 9 on page 31.

## FINANCIAL ITEMS

<i>NOK millions</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
Interest income from customers	31	33	79	83
Interest income, other	54	35	141	79
Dividends and net gain/(loss) on securities	(13)	-	(9)	3,580
Interest income and other financial income	72	68	212	3,742
Interest expense	(164)	(162)	(463)	(485)
Return on pension plan assets	109	104	329	312
Interest expense re. pension liabilities	(113)	(122)	(342)	(365)
Foreign exchange gain/(loss)	(438)	752	(40)	(541)
Other	(32)	(24)	(130)	(158)
Interest expense and foreign exchange gain/(loss)	(638)	547	(647)	(1,237)
Net financial income/(expense)	(566)	615	(436)	2,505

Third-quarter net financial expense was NOK 566 million compared with a net financial income of NOK 615 million last year. The variance is mainly due to a NOK 438 million foreign exchange loss this quarter compared with a NOK 752 million gain in the same quarter last year.

Interest income other was NOK 19 million higher than in the same quarter last year due to higher cash deposits.

Interest expense was NOK 164 million this quarter compared with NOK 162 million in the same quarter last year. The effect of the average gross debt level this quarter being NOK 3 billion below last year was offset by a NOK 55 million unrealized gain on interest rate derivatives included in last year's figure.

The net foreign exchange loss this quarter was NOK 438 million as the US dollar appreciated significantly against both the euro and several of Yara's emerging market currencies. 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

Third-quarter provisions for current and deferred taxes were NOK 593 million, representing approximately 14% of income before tax. The effective tax rate was 6% lower than for third quarter 2010 (20%).

The main reason for the lower rate is the tax free gain from the sale of Rossosh. Excluding Rossosh, the tax rate is 22%.

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

**NET INTEREST-BEARING DEBT**

<i>NOK millions</i>	<b>3Q 2011</b>	<b>YTD 2011</b>
Net interest-bearing debt at beginning of period <sup>1)</sup>	(8,281)	(9,540)
Cash earnings <sup>2)</sup>	3,186	8,544
Dividends received from equity-accounted investees	96	833
Net operating capital change	(962)	(2,812)
Rossosh divestment, including dividend	2,488	2,488
Investments (net)	(629)	(2,062)
Share buy-backs and redemption of shares	(378)	(466)
Yara dividend	(85)	(1,584)
Foreign exchange gain/(loss)	(438)	(40)
Other	41	(322)
Net interest-bearing debt at end of period	(4,961)	(4,961)

1) Including external bank time deposit (4-12 months), part of other current assets in the balance sheet: NOK 250 million at 30 June 2011 and NOK 0 million at 30 September 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 24), this table highlights the key factors behind the development in net interest-bearing debt.

Net interest-bearing debt decreased by NOK 3,320 million during third quarter 2011, ending at NOK 4,961 million. The positive impact from the Rossosh transaction was NOK 2,488 million, including the dividend of NOK 343 million that was received shortly before the sale. The strong cash earnings was partly offset by increased operating capital.

Third-quarter dividends from equity-accounted investees were NOK 96 million, of which Tringen contributed with NOK 93 million.

Net operating capital increased during third quarter, mainly reflecting higher inventory value and volumes.

The investment activity for the quarter mainly reflects planned maintenance programs.

Yara purchased own shares for NOK 262 million and paid out the consideration to the Norwegian State for share redemption of NOK 116 million during third quarter. In addition, the withholding tax of NOK 85 million related to the dividend approved by the Annual General Meeting in May was paid out in third quarter.

The debt/equity ratio at the end of third quarter 2011, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.12 compared with 0.27 at the end of 2010.

# Downstream

## FINANCIAL HIGHLIGHTS

<i>NOK millions, except where indicated otherwise</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
Revenue and other income	13,986	12,388	42,185	35,409
Operating income	1,117	779	3,804	2,517
EBITDA	1,302	966	4,380	6,698
EBITDA excl. special items	1,344	985	4,386	2,693
CROGI (12-month rolling average) <sup>1)</sup>			21.9 %	28.3 %
ROCE (12-month rolling average)			25.9 %	33.9 %

1) Third-quarter 2011 CROGI excl. special items annualized 21.1%.

## KEY STATISTICS <sup>1)</sup>

<i>Thousand tons</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
<b>Sales by region</b>				
Fertilizer Europe	2,189	2,535	7,367	7,804
Fertilizer outside Europe	2,617	2,909	7,870	7,464
Total	4,806	5,444	15,238	15,268
<b>Sales by product group</b>				
Nitrate	1,419	1,593	4,037	4,182
NPK	1,714	1,867	5,016	4,934
<i>of which own-produced</i>	931	1,018	2,895	2,988
<i>of which own blends</i>	672	703	1,522	1,459
Urea	871	1,072	3,386	3,407
<i>of which own-produced</i>	316	309	1,188	1,241
<i>of which equity accounted investees sourced</i>	336	510	1,328	1,580
CN	233	222	751	670
UAN	196	217	917	799
Other products	373	473	1,131	1,277
Total	4,806	5,444	15,238	15,268

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

- Continued strong results
- Improved margins for all product groups, particularly nitrates
- Strong overseas demand for nitrate-based products
- Satisfactory sales in Europe

## VARIANCE ANALYSIS THIRD QUARTER

<i>NOK millions</i>	3Q 2011
EBITDA 2011	1,302
EBITDA 2010	966
Variance EBITDA	336
Volume & Mix	(205)
Price/margin	718
Special items	(23)
Other	(50)
Conversion (NOK vs. USD) <sup>1)</sup>	(104)
Total variance explained	336

1) Based on average NOK per USD for the quarter 2011: 5.50 (2010: 6.16)

Downstream delivered strong third-quarter results as margins improved for all product groups. EBITDA increased by 35% from third quarter last year.

Margins increased for all main products compared with last year. A tight market for premium products improved margins further. Realized nitrate prices were up 63% on last year, while realized NPK prices increased by 31%, both reflecting the tight market, value-added marketing and higher nutrient values. Through continuous focus on commercial optimization, nitrate-based products were shifted to better paying market segments, especially to cash crop segments in Latin America and Asia.

Total deliveries during the quarter were down 12%, with decrease in all main product groups, except CN. Adjusting for the shortfall of Libyan urea and the change in business model related to the sales of the retail activity in South Africa, the reduction on a comparable basis was 8%.

Despite higher fertilizer prices than a year ago and weaker agricultural commodity prices, deliveries in Europe were still approximately 90% of last year. Deliveries were strong in third quarter last year as grain and other agricultural commodity prices increased sharply. Demand continued to be strong in markets outside Europe. Consequently, NPKs and nitrates were exported to premium markets outside Europe, in particular Latin America. On comparable basis deliveries outside Europe were down 5% on last year, the shortfall reflecting less lower-margin trade of third-party products and different phasing of China NPK sales.

Total special items were a negative NOK 42 million, reflecting provisions related to environmental clean-up and a prior year import duty charge. Third quarter last year saw a total special item charge of NOK 19 million.

Net operating capital turnover, measured on a 12 months rolling basis, was 7.1 at the end of the quarter versus 6.9 at the end of 2010.

## VARIANCE ANALYSIS YEAR TO DATE

<i>NOK millions</i>	<b>YTD 2011</b>
EBITDA 2011	4,380
EBITDA 2010	6,698
Variance EBITDA	(2,318)
Volume & Mix	(102)
Price/margin	2,145
Special items	(4,010)
Other	(94)
Conversion (NOK vs. USD) <sup>1)</sup>	(257)
Total variance explained	(2,318)

<sup>1)</sup> Based on quarterly average NOK per USD rates as detailed in Yara 2011 reports.

Downstream 2011 year-to-date underlying EBITDA result increased as a tight fertilizer market improved margins and increased sales to premium markets outside Europe.

Realized sales prices were up for all main products. Average realized nitrate prices were up 56%, while average realized NPK prices were up 32% compared with last year reflecting the improved market fundamentals.

Volumes were in line with last year, with a decline in Europe compensated by growth in premium markets outside Europe. NPK sales were up 2%, reflecting increased deliveries to Latin America and Asia. Urea deliveries were in line with last year as increased urea trade in Africa and North America offset shortfall in other regions. Nitrate deliveries were 3% below last year due to slow third quarter sales in Europe.

Yara acquired the remaining 60% 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% shareholding and classified as a special item. Total special items for the first three quarters were a negative NOK 5 million. Last year saw a special item gain of NOK 4,005 million, with the Fosfertil gain as the largest item.

# Industrial

## FINANCIAL HIGHLIGHTS

<i>NOK millions, except where indicated otherwise</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
Revenue and other income	2,995	2,404	8,475	6,857
Operating income	250	256	658	769
EBITDA	323	326	873	967
EBITDA excl. special items	323	326	873	936
CROGI (12-month rolling average)			16.0 %	19.0 %
ROCE (12-month rolling average) <sup>1)</sup>			19.8 %	25.4 %

1) Third-quarter 2011 CROGI excl. special items annualized 19.3%

## KEY STATISTICS

<i>Thousand tons</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
<b>Sales by product group (excl. industrial gases) <sup>1)</sup></b>				
Environmental products	408	320	1,119	884
Industrial N-chemicals	762	765	2,324	2,273
<i>of which TAN</i>	199	184	541	538
<b>Total</b>	<b>1,170</b>	<b>1,086</b>	<b>3,443</b>	<b>3,156</b>

1) Segment view, includes inter-segment sales

- Strong margins despite raw material price increases
- Strong volume growth in environmental solutions and water treatment
- TAN recovery due to a favorable change in customer portfolio mix

## VARIANCE ANALYSIS THIRD QUARTER

<i>NOK millions</i>	3Q 2011
EBITDA 2011	323
EBITDA 2010	326
Variance EBITDA	(3)
Volume & mix	31
Price/margin	24
Special items	-
Other	(24)
Conversion (NOK vs. USD) <sup>1)</sup>	(33)
<b>Total variance explained</b>	<b>(3)</b>

1) Based on average NOK per USD for the quarter 2011: 5.50 (2010: 6.16)

Third-quarter EBITDA was NOK 323 million compared with NOK 326 million last year. Both margins and sales volumes improved from the same quarter last year. The volume growth of 8% in the quarter was mainly driven by environmental products and sale of technical ammonium nitrates. Margins were strong despite raw material price increases.

Strong volume growth in environmental solutions was mainly driven by new customers for NO<sub>x</sub> abatement in the US and influenced by change in business set up in North America. However, selected markets such as Germany are still under price pressure in the NO<sub>x</sub> abatement segment. Sales of water treatment products increased by 5%, while margins remained on the same level as last year.

Sales of ammonia, urea and nitric acid to the European process industry decreased 3% mainly due to lower activity accompanied by maintenance turnaround in several customer sites. However margins improved for all product groups.

Technical ammonium nitrate (TAN) sales volumes were up 8% mainly due to demand recovery in Yara's main markets. Margins were in line with last year.

Liquid CO<sub>2</sub> sales increased 2% compared with third quarter 2010, primarily due to new sales in the UK and Western Europe. Margins were down from last year due to higher sourcing costs in Europe amid outages in Wilton, Billingham and Porsgrunn.

## VARIANCE ANALYSIS YEAR TO DATE

<i>NOK millions</i>	<b>YTD 2011</b>
EBITDA 2011	873
EBITDA 2010	967
Variance EBITDA	(94)
Volume & mix	108
Price/margin	(60)
Special items	(31)
Other	(34)
Conversion (NOK vs. USD) <sup>1)</sup>	(76)
Total variance explained	(94)

1) Based on quarterly average NOK per USD rates

Industrial 2011 year-to-date EBITDA result excluding special items were down 7% from last year. The 9% volume growth did not compensate for the loss in margins seen in TAN and environmental products. The margin loss was due to a combination of high raw material costs, sourcing issues, price pressure in key markets and change of customer mix.

The 26% increase in environmental segment sales was driven by NO<sub>x</sub> abatement products both in the US and Europe. In most markets margins were stable compared with a year ago, but price pressure in certain countries and higher sourcing costs in general impacted the margins negatively.

Sales of ammonia, urea and nitric acid to the European process industry increased 4% from the same period last year as the European process industry recovered. Margins also improved from the same quarter last year.

Technical ammonium nitrate sales were at same level as last year but margins were impacted negatively as adverse market conditions in certain mining countries have continued longer than anticipated.

Liquid CO<sub>2</sub> sales increased by 8% due to new sales from the Wilton biofuel plant in the UK.

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>	3Q 2011	3Q 2010	YTD 2011	YTD 2010	
Revenue and other income	12,015	7,620	31,620	22,934	
Operating income	3,323	395	5,545	1,968	
Share net income equity-accounted investees	283	376	1,285	986	
EBITDA	4,071	1,194	8,225	4,239	
EBITDA excl. special items	2,796	1,225	7,049	4,222	
CROGI (12-month rolling average) <sup>1)</sup>			15.7 %	9.5 %	
ROCE (12-month rolling average)			18.4 %	9.1 %	
Oil & gas cost (weighted average) <sup>2)</sup>	USD per MMBtu	8.3	5.9	8.0	5.5
Oil & gas cost Europe (weighted average) <sup>2)</sup>	USD per MMBtu	10.9	7.9	10.6	7.2

1) Third-quarter 2011 CROGI excl. special items annualized 13.9%.

2) Including Yara share in equity-accounted investees.

## KEY STATISTICS

<i>Thousand tons</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
<b>Production by category <sup>1)</sup></b>				
Ammonia	1,592	1,803	4,931	5,424
Finished fertilizer	2,927	2,971	9,005	9,077
Total	4,519	4,774	13,937	14,501

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

- Strong results
- Value creating Rossosh divestment
- Sluiskil Urea expansion successfully completed

## VARIANCE ANALYSIS THIRD QUARTER

<i>NOK millions</i>	3Q 2011
EBITDA 2011	4,071
EBITDA 2010	1,194
Variance EBITDA	2,877
Volume & mix	(188)
Price/margin	2,512
Oil & gas costs in Europe	(608)
Special items	1,306
Other	(6)
Conversion (NOK vs. USD) <sup>1)</sup>	(139)
Total variance explained	2,877

1) Based on average NOK per USD for the quarter 2011: 5.50 (2010: 6.16)

Upstream delivered its best quarterly result excluding 2008, with underlying EBITDA more than doubling compared with same period last year. The strong result reflects the increase in prices, which more than offset the higher energy cost.

Yara's production system ran slightly below normal levels in the third quarter, in line with Yara's second-quarter guidance.

As expected, ammonia production decreased 12% from third quarter 2010, mainly related to the outages in Lifeco, Burrup, Billingham and Hull, as well as gas curtailments in Trinidad.

The Trinidad ammonia industry has been facing gas curtailments since March 2011. We expect the curtailments to be around 15% of production capacity for the near future.

Finished fertilizer production was in line with same quarter last year, as the increased volumes from Urea 7 in Sluiskil were offset by the production stop in Lifeco.

Yara's average European oil and gas cost was up 38% from same quarter last year, reflecting an increase in prices for both natural gas and oil products. Yara's global average oil and gas cost increased 40% over same period last year, on a USD per MMBtu basis. Third-quarter 2011 energy cost for plants with oil-linked contracts was USD 14.3 per MMBtu, while the remaining European plants' average energy cost was USD 9.3 per MMBtu.

Special items for the quarter were a positive NOK 1,275 million, reflecting the NOK 1,415 million related to the sale of Rossosh, negative NOK 57 million of fixed cost in Lifeco and negative NOK 82 million of restatement of prior periods related to gas contracts in Qafco.

## VARIANCE ANALYSIS YEAR TO DATE

<i>NOK millions</i>	YTD 2011
EBITDA 2011	8,225
EBITDA 2010	4,239
Variance EBITDA	3,986
Volume & mix	(198)
Price/margin	5,781
Oil & gas costs in Europe	(2,270)
Special items	1,159
Other	(122)
Conversion (NOK vs. USD) <sup>1)</sup>	(365)
Total variance explained	3,986

<sup>1)</sup> Based on quarterly average NOK per USD rates

Upstream 2011 year-to-date EBITDA result showed an underlying improvement of 67% over the same period last year, only outperformed by the record year 2008 results, reflecting the increase in prices for all products.

Ammonia production decreased 9% from same period last year, reflecting mainly the higher level of turnarounds in 2011 combined with the production stops in Lifeco, Hull, Burrup and Billingham and the gas curtailments in Trinidad. Finished fertilizer production was in line with the same period in 2010. The increased production from Urea 7 in Sluiskil was offset by the stop in Lifeco and some unplanned stops.

European oil and gas costs increased from USD 7.2 per MMBtu to USD 10.6 per MMBtu, up 47% from last year, while Yara's global average oil and gas cost increased from USD 5.5 per MMBtu to USD 8.0 per MMBtu, up 46% over last year. Energy cost outside Europe was higher than a year ago, primarily due to higher ammonia and natural gas prices in North America.

2011 special items were a positive NOK 1,177 million, mainly related to the sale of Rossosh, the Lifeco outage and prior periods adjustment in Qafco. For the same period last year, special items were a net positive NOK 18 million, mainly reflecting the NOK 69 million sale of shares in Carbonor.

## Other *and* eliminations

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Third-quarter EBITDA was a negative NOK 252 million compared with a positive NOK 1 million last year. This year's third-quarter result includes a NOK 258 million negative effect from higher elimination of profit in inventory.

Year-to-date EBITDA was a negative NOK 298 million, compared with a positive NOK 419 million last year. The positive result in 2010 primarily reflects the NOK 666 million gain related to the Terra break fee. Please see page 16 for further description of "Other and Eliminations".

# Outlook

Global agricultural markets are strong, with the FAO food price index up 15% from a year ago.

The US Department of Agriculture estimates that global grain stocks-to-use will decline from 76 days today to 74 days next June, despite a 3.7% increase in production as planted acreage yields increase. This tightening situation points to continued strength in crop prices and a strong need to increase agricultural productivity.

Global nitrogen markets remained tight throughout the third quarter, as global import demand remained strong and supply from China continued to be limited, due to the combination of a strictly enforced urea export tax and continued strength in domestic prices. In early October, significant buying from India has sustained international prices at third-quarter levels. According to official information, the Chinese export tax will return to 110% on 1 November, up from approximately 40% today based on recent export prices.

Fertecon estimates for new nitrogen capacity outside China during 2011-2014 indicate a net capacity growth approximately in line with average consumption growth since 2001. According to the same estimates, additions outside China in 2012 are expected to represent 3.1% of nitrogen consumption, with new Algerian capacity accounting for almost half of the increase. Other industry consultants expect the majority of new Algerian capacity to start up in 2013.

Third-quarter nitrogen fertilizer industry deliveries in West Europe were down 13% on a year earlier, as higher fertilizer prices and weaker crop prices made customers less willing to buy early in the season. However, farm margins remain healthy at today's grain prices, and with limited stocks in the fertilizer value chain this indicates a catch-up in deliveries is likely during the remainder of the season.

The Qafco-5 and Qafco-6 expansions represent a major growth step for Yara through its 25% ownership in Qafco. The Qafco-5 expansion will start up at the end of the fourth quarter, with a total annual capacity of 1.5 million metric tons ammonia and 1.35 million metric tons urea. Qafco-6 is planned to start production in fourth quarter 2012, adding a further 1.35 million metric tons of annual urea capacity. The Qafco-5 unit will have temporary merchant ammonia capacity of 0.75 million metric tons until Qafco-6 start up.

Based on current forward markets for oil products and natural gas (7 October) Yara's fourth-quarter energy costs are expected to be approximately NOK 750 million higher than last year, in line with previous estimate. First-quarter energy costs are expected to be NOK 500 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, 20 October 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 West 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.

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-consolidated investees.

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

NOK millions	EBITDA effect				Operating income effect			
	3Q 2011	3Q 2010	YTD 2011	YTD 2010	3Q 2011	3Q 2010	YTD 2011	YTD 2010
Fair value adjustment Yara Nipro	-	-	44	-	-	-	44	-
Environmental provisions	(16)	-	(24)	-	(16)	-	(24)	-
Import duty charge prior years	(26)	-	(26)	-	(26)	-	(26)	-
Fair value adjustment Balderton	-	-	-	185	-	-	-	185
Fosfertil sale	-	-	-	3,578	-	-	-	-
Anitapolis sale	-	-	-	122	-	-	-	122
Terni sale	-	(4)	-	72	-	(4)	-	72
Insurance settlement Brazil	-	-	-	33	-	-	-	33
Peremartoni sale	-	-	-	32	-	-	-	32
Demolition provision Brazil	-	-	-	-	-	-	-	(28)
Restructuring France	-	(15)	-	(15)	-	(21)	-	(21)
Contract derivatives	-	-	-	(2)	-	-	-	(2)
Total Downstream	(42)	(19)	(5)	4,005	(42)	(26)	(5)	393
Compensation Pardies closure	-	-	-	31	-	-	-	31
Total Industrial	-	-	-	31	-	-	-	31
Libya costs	(57)	-	(133)	-	-	-	-	-
Qafco restatement of prior periods	(82)	-	(82)	-	-	-	-	-
Rossosh sale	1,415	-	1,415	-	1,475	-	1,475	-
Sale of shares Carbonor	-	-	-	69	-	-	-	69
Sluiskil asset decommissioning	-	-	-	-	-	-	-	(39)
Contract derivatives	(1)	(31)	(23)	(51)	-	(16)	(12)	(27)
Total Upstream	1,275	(31)	1,177	18	1,474	(16)	1,463	3
Terra break fee	-	-	-	666	-	-	-	666
Total Other and eliminations	-	-	-	666	-	-	-	666
Total Yara	1,233	(50)	1,171	4,720	1,433	(42)	1,457	1,094

# Production *data*

<i>Thousand tons</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010
<b>WHOLLY-OWNED OPERATIONS</b>				
<b>Upstream</b>				
Ammonia	1,254	1,220	3,589	3,655
Nitrates	678	687	2,102	1,922
NPK	750	791	2,327	2,338
CN	244	253	744	777
Urea	614	547	1,900	1,891
UAN	220	143	511	412
<b>Downstream</b>				
Nitrates	684	634	1,940	1,975
NPK	405	392	1,181	1,103
CN	44	50	128	119
UAN	94	63	271	156
<b>Industrial</b>				
Nitrates (TAN)	105	102	295	291
<b>EQUITY-ACCOUNTED INVESTEEES <sup>1)</sup></b>				
Ammonia	338	583	1,342	1,769
Nitrates	135	161	388	447
NPK	86	115	375	416
Urea	201	274	657	873

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

# Condensed consolidated interim statement of income

<i>NOK millions, except share information</i>	Notes	3Q 2011	3Q 2010	YTD 2011	YTD 2010	2010
Revenue		19,667	16,570	58,089	46,618	64,006
Other income	4,7	1,521	(64)	1,607	1,274	1,429
Commodity based derivatives gain/(loss)		(7)	27	(75)	(43)	(61)
Revenue and other income	3	21,181	16,533	59,622	47,849	65,374
Raw materials, energy costs and freight expenses	5	(14,614)	(12,976)	(43,340)	(35,816)	(49,143)
Payroll and related costs		(1,131)	(1,129)	(3,484)	(3,357)	(4,579)
Depreciation and amortization		(634)	(593)	(1,893)	(1,808)	(2,440)
Other operating expenses		(405)	(434)	(1,292)	(1,263)	(1,746)
Operating costs and expenses		(16,783)	(15,132)	(50,010)	(42,245)	(57,908)
Operating income	3	4,398	1,402	9,612	5,604	7,467
Share of net income in equity-accounted investees	4,7,9,10	329	413	1,430	1,109	1,515
Interest income and other financial income	4	72	68	212	3,742	3,822
Earnings before interest expense and tax (EBIT)		4,799	1,883	11,254	10,456	12,804
Foreign exchange gain/(loss)		(438)	752	(40)	(541)	(676)
Interest expense and other financial items		(201)	(205)	(607)	(696)	(948)
Income before tax	3	4,161	2,430	10,606	9,218	11,179
Income tax expense		(593)	(490)	(1,905)	(1,992)	(2,386)
Net income		3,568	1,939	8,702	7,226	8,793
<b>Net income attributable to</b>						
Shareholders of the parent		3,566	1,927	8,680	7,165	8,729
Non-controlling interests		2	12	22	61	64
Net income		3,568	1,939	8,702	7,226	8,793
Earnings per share <sup>1)</sup>		12.42	6.68	30.16	24.81	30.24
Weighted average number of shares outstanding <sup>2)</sup>		287,193,916	288,658,968	287,760,166	288,773,192	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 and third quarter 2011, due to the share buy-back program.

# Condensed *consolidated interim statement of comprehensive income*

<i>NOK millions</i>	Notes	3Q 2011	3Q 2010	YTD 2011	YTD 2010	2010
Net income		3,568	1,939	8,702	7,226	8,793
Exchange differences on translation of foreign operations		1,274	(2,189)	(524)	439	517
Actuarial gain/(loss) on defined benefit pension plans		(8)	-	(8)	-	105
Available-for-sale investments - change in fair value		-	-	-	(43)	(30)
Hedge of net investments		(99)	218	35	(14)	(13)
Share of other comprehensive income of equity-accounted investees		(69)	(118)	(82)	(154)	(66)
Reclassification adjustments related to:						
- cash flow hedges		3	2	8	7	10
- exchange differences on foreign operations disposed of in the year	4,7	158	(4)	151	(119)	(119)
- available-for-sale investments disposed of in the year		-	-	(2)	(1,244)	(1,244)
Total other comprehensive income, net of tax		1,260	(2,089)	(423)	(1,127)	(839)
Total comprehensive income		4,828	(150)	8,279	6,099	7,955
<b>Total comprehensive income attributable to</b>						
Shareholders of the parent		4,822	(156)	8,265	6,039	7,895
Non-controlling interests		6	6	13	58	59
Total		4,828	(150)	8,279	6,099	7,955

# Condensed consolidated interim statement of changes in equity

<i>NOK millions</i>	Share capital <sup>1)</sup>	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	-	-	-	-	-	-	-	7,165	7,165	61	7,226
Other comprehensive income, net of tax	-	-	323	(1,287)	7	(14)	(970)	-	(970)	(3)	(973)
Share of other comprehensive income of equity accounted investees	-	-	(2)	-	(152)	-	(154)	-	(154)	-	(154)
Total other comprehensive income, net of tax	-	-	321	(1,287)	(145)	(14)	(1,125)	-	(1,125)	(3)	(1,127)
Companies purchased/sold	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Treasury shares	(1)	-	-	-	-	-	(1)	(85)	(86)	-	(86)
Share capital increase in subsidiary, non-controlling interest	-	-	-	-	-	-	-	-	-	4	4
Dividends distributed	-	-	-	-	-	-	-	(1,300)	(1,300)	(71)	(1,370)
Balance at 30 September 2010	490	435	(102)	(9)	(300)	88	(322)	32,755	33,359	149	33,508
Net income	-	-	-	-	-	-	-	1,564	1,564	3	1,567
Other comprehensive income, net of tax	-	-	81	13	3	2	98	105	203	(2)	200
Share of other comprehensive income of equity accounted investees	-	-	(4)	-	77	-	72	16	89	-	89
Total other comprehensive income, net of tax	-	-	76	13	79	2	170	121	291	(2)	289
Treasury shares	-	-	-	-	-	-	-	(29)	(30)	-	(30)
Balance at 31 December 2010	490	435	(26)	4	(221)	90	(152)	34,411	35,185	149	35,334
Net income	-	-	-	-	-	-	-	8,680	8,680	22	8,702
Other comprehensive income, net of tax	-	-	(365)	(2)	8	35	(325)	(8)	(332)	(8)	(341)
Share of other comprehensive income of equity accounted investees	-	-	-	-	(79)	-	(79)	(3)	(82)	-	(82)
Total other comprehensive income, net of tax	-	-	(365)	(2)	(71)	35	(404)	(10)	(414)	(8)	(423)
Companies purchased/sold	-	-	-	-	-	-	-	-	-	17	17
Treasury shares	(2)	-	-	-	-	-	-	(348)	(351)	-	(351)
Redeemed treasury shares <sup>2)</sup>	-	(203)	-	-	-	-	-	203	-	-	-
Redeemed shares, Norwegian State <sup>2)</sup>	(1)	(115)	-	-	-	-	-	-	(116)	-	(116)
Dividends distributed	-	-	-	-	-	-	-	(1,584)	(1,584)	(22)	(1,606)
Balance at 30 September 2011	487	117	(391)	2	(292)	125	(556)	41,350	41,399	158	41,557

1) Par value 1.70.

2) As approved by General Meeting 10 May 2011

# Condensed *consolidated interim statement of financial position*

NOK millions	Notes	30 Sep 2011	30 Sep 2010	31 Dec 2010
<b>Assets</b>				
<b>Non-current assets</b>				
Deferred tax assets	1	1,680	1,788	1,650
Intangible assets	1,7	4,949	4,886	4,937
Property, plant and equipment	1,7	23,589	23,045	23,470
Equity-accounted investees	4,7,9,10	10,016	9,874	10,223
Other non-current assets		1,786	1,956	2,269
<b>Total non-current assets</b>		<b>42,019</b>	<b>41,549</b>	<b>42,549</b>
<b>Current assets</b>				
Inventories	1,5,7	11,364	8,353	9,644
Trade receivables	7	8,349	6,874	6,644
Prepaid expenses and other current assets	7	2,924	3,541	3,668
Cash and cash equivalents	7	7,151	2,611	2,946
Non-current assets classified as held-for-sale		114	499	12
<b>Total current assets</b>		<b>29,902</b>	<b>21,878</b>	<b>22,915</b>
<b>Total assets</b>	<b>3</b>	<b>71,921</b>	<b>63,426</b>	<b>65,464</b>

# Condensed consolidated interim statement of financial position

<i>NOK millions, except for number of shares</i>	Notes	30 Sep 2011	30 Sep 2010	31 Dec 2010
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital reduced for treasury stock	8	487	490	490
Premium paid-in capital	8	117	435	435
Total paid-in capital		605	926	926
Other reserves	8	(556)	(322)	(152)
Retained earnings		41,350	32,755	34,411
Total equity attributable to shareholders of the parent		41,399	33,359	35,185
Non-controlling interests		158	149	149
Total equity		41,557	33,508	35,334
<b>Non-current liabilities</b>				
Employee benefits	1	2,085	2,216	2,254
Deferred tax liabilities	1,7	3,665	3,336	3,660
Other long-term liabilities		242	319	283
Long-term provisions	1	223	354	430
Long-term interest-bearing debt	6,7	11,037	12,268	11,139
Total non-current liabilities		17,251	18,494	17,766
<b>Current liabilities</b>				
Trade and other payables	7	9,017	7,160	8,111
Current tax liabilities	7	1,880	946	1,019
Short-term provisions		260	311	321
Other short-term liabilities	7	881	1,071	763
Bank loans and other interest-bearing short-term debt		548	1,874	1,968
Current portion of long-term debt		528	23	180
Liab associated with non-current assets classified as held for sale		-	40	-
Total current liabilities		13,113	11,424	12,363
Total equity and liabilities		71,921	63,426	65,464
Number of shares outstanding <sup>1)</sup>	2	286,656,144	288,481,251	288,381,903

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

The Board of Directors and Chief Executive Officer  
Yara International ASA  
Oslo, 20 October 2011



Øivind Lund  
Chairperson



Elisabeth Harstad  
Board member



Leiv L. Nergaard  
Board member



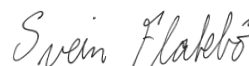
Hilde Merete Aasheim  
Board member



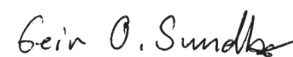
Bernt Reitan  
Board member



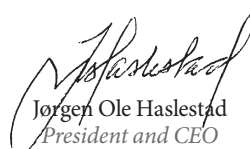
Kristine Haukalid  
Board member



Svein Flatebø  
Board member



Geir O. Sundbø  
Board member



Jørgen Ole Haslestad  
President and CEO

# Condensed consolidated interim statement of cash flows

NOK millions	Notes	YTD 2011	YTD 2010	2010
<b>Operating activities</b>				
Operating income	3	9,612	5,604	7,467
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>				
Depreciation and amortization		1,893	1,808	2,440
Impairment loss and write down		(36)	(177)	(193)
Tax paid		(1,099)	(386)	(727)
Dividend from equity-accounted investees	4	1,176	688	827
Change in net operating capital <sup>1)</sup>		(2,776)	(1,935)	(1,705)
Other		(1,983)	(464)	(1,014)
Net cash provided by operating activities		6,785	5,137	7,093
<b>Investing activities</b>				
Purchases of property, plant and equipment	3	(2,065)	(2,308)	(3,090)
Purchases of other long-term investments	3,4,7	(200)	(667)	(707)
Net sales/(purchases) of short-term investments		801	(800)	(800)
Proceeds from sales of property, plant and equipment	4	30	38	84
Proceeds from sales of other long-term investments		2,319	4,966	5,038
Net cash used in investing activities		884	1,229	524
<b>Financing activities</b>				
Loan proceeds/(repayments), net		(1,355)	(3,447)	(4,342)
Purchase of treasury shares	2,8	(350)	(86)	(115)
Redeemed shares Norwegian State	2,8	(116)	-	-
Dividend	8	(1,584)	(1,300)	(1,300)
Net cash transfers (to)/from non-controlling interests		(22)	(67)	(67)
Net cash used in financing activities		(3,428)	(4,900)	(5,825)
<b>Foreign currency effects on cash flows</b>				
		(36)	171	180
Net increase (decrease) in cash and cash equivalents		4,205	1,637	1,972
Cash and cash equivalents at beginning of period		2,946	974	974
Cash and cash equivalents at end of period		7,151	2,611	2,946
Bank deposits not available for the use of other group companies		273	173	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](http://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 changes to estimation uncertainties.

### Note 2

## Shares

	Ordinary shares	Own shares <sup>1)</sup>
Balance at 31 December 2009	288,831,918	(667)
Treasury shares - share buy-back program <sup>2)</sup>	-	(450,000)
Treasury shares - employee trust	-	652
Balance at 31 December 2010	288,831,918	(450,015)
Treasury shares - share buy-back program <sup>2)</sup>	-	(300,000)
Redeemed shares Norwegian State <sup>3)</sup>	(425,759)	-
Shares cancelled <sup>3)</sup>	(750,000)	750,000
Treasury shares - share buy-back program <sup>3)</sup>	-	(1,000,000)
Balance at 30 September 2011	287,656,159	(1,000,015)

1) Including employee trust.

2) As approved by General Meeting 11 May 2010.

3) As approved by General Meeting 10 May 2011.

## Note 3

## Operating segment information

NOK millions	3Q 2011	3Q 2010	YTD 2011	YTD 2010	2010
<b>External revenue and other income</b>					
Downstream	13,690	11,986	41,366	33,998	46,569
Industrial	2,971	2,368	8,401	6,760	9,216
Upstream	4,498	2,159	9,792	6,357	8,791
Other and eliminations	21	20	63	735	798
<b>Total</b>	<b>21,181</b>	<b>16,533</b>	<b>59,622</b>	<b>47,849</b>	<b>65,374</b>
<b>Internal revenue and other income</b>					
Downstream	295	401	819	1,411	1,680
Industrial	24	36	74	97	150
Upstream	7,517	5,461	21,828	16,577	22,871
Other and eliminations	(7,836)	(5,898)	(22,721)	(18,085)	(24,701)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue and other income</b>					
Downstream	13,986	12,388	42,185	35,409	48,249
Industrial	2,995	2,404	8,475	6,857	9,366
Upstream	12,015	7,620	31,620	22,934	31,663
Other and eliminations	(7,815)	(5,878)	(22,658)	(17,350)	(23,903)
<b>Total</b>	<b>21,181</b>	<b>16,533</b>	<b>59,622</b>	<b>47,849</b>	<b>65,374</b>
<b>Operating income</b>					
Downstream	1,117	779	3,804	2,517	3,424
Industrial	250	256	658	769	850
Upstream	3,323	395	5,545	1,968	2,884
Other and eliminations	(292)	(28)	(395)	350	308
<b>Total</b>	<b>4,398</b>	<b>1,402</b>	<b>9,612</b>	<b>5,604</b>	<b>7,467</b>
<b>EBITDA</b>					
Downstream	1,302	966	4,380	6,698	7,796
Industrial	323	326	873	967	1,135
Upstream	4,071	1,194	8,225	4,239	5,975
Other and eliminations	(252)	1	(298)	419	410
<b>Total</b>	<b>5,444</b>	<b>2,486</b>	<b>13,180</b>	<b>12,324</b>	<b>15,315</b>
<b>Investments</b>					
Downstream	118	100	627	887	1,095
Industrial	22	37	78	121	197
Upstream	574	606	1,719	2,223	2,998
Other and eliminations	47	8	89	67	83
<b>Total</b>	<b>761</b>	<b>752</b>	<b>2,513</b>	<b>3,298</b>	<b>4,373</b>
<b>Total Assets <sup>1)</sup></b>					
Downstream	21,672	18,526	21,672	18,526	19,018
Industrial	4,233	3,870	4,233	3,870	3,853
Upstream	38,856	36,591	38,856	36,591	37,558
Other and eliminations	7,160	4,439	7,160	4,439	5,034
<b>Total</b>	<b>71,921</b>	<b>63,426</b>	<b>71,921</b>	<b>63,426</b>	<b>65,464</b>

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

<i>NOK millions, except percentages</i>	3Q 2011	3Q 2010	YTD 2011	YTD 2010	2010
<b>CROGI (12-month rolling average)</b>					
Yara			18.6 %	17.4 %	17.4 %
Downstream			21.9 %	28.3 %	32.1 %
Industrial			16.0 %	19.0 %	17.8 %
Upstream			15.7 %	9.5 %	10.2 %
<b>ROCE (12-month rolling average)</b>					
Yara			22.7 %	20.7 %	20.6 %
Downstream			25.9 %	33.9 %	39.1 %
Industrial			19.8 %	25.4 %	22.8 %
Upstream			18.4 %	9.1 %	10.1 %
<b>Reconciliation of EBITDA to Income before tax</b>					
EBITDA	5,444	2,486	13,180	12,324	15,315
Depreciation and amortization <sup>1)</sup>	(645)	(603)	(1,927)	(1,868)	(2,512)
Foreign exchange gain/(loss)	(438)	752	(40)	(541)	(676)
Interest expense and other financial items	(201)	(205)	(607)	(696)	(948)
Income before tax	4,161	2,430	10,606	9,218	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 <sup>1)</sup>	EBIT	Depreciation and amortization <sup>2)</sup>	EBITDA
<b>3Q 2011</b>						
Downstream	1,117	24	43	1,183	119	1,302
Industrial	250	22	-	273	50	323
Upstream	3,323	283	-	3,607	465	4,071
Other and eliminations	(292)	-	29	(263)	12	(252)
Total	4,398	329	72	4,799	645	5,444
<b>3Q 2010</b>						
Downstream	779	16	49	843	123	966
Industrial	256	22	-	278	48	326
Upstream	395	376	1	772	422	1,194
Other and eliminations	(28)	-	18	(10)	11	1
Total	1,402	413	68	1,883	603	2,486
<b>YTD 2011</b>						
Downstream	3,804	82	145	4,031	350	4,380
Industrial	658	62	1	721	152	873
Upstream	5,545	1,285	1	6,832	1,394	8,225
Other and eliminations	(395)	1	65	(329)	31	(298)
Total	9,612	1,430	212	11,254	1,927	13,180
<b>YTD 2010</b>						
Downstream	2,517	62	3,702	6,281	417	6,698
Industrial	769	60	1	830	137	967
Upstream	1,968	986	3	2,957	1,282	4,239
Other and eliminations	350	1	36	387	32	419
Total	5,604	1,109	3,742	10,456	1,868	12,324
<b>2010</b>						
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****ACQUISITIONS AND OTHER RELATED INITIATIVES**

In January 2011, Yara acquired the remaining 60% 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. Total cost was estimated at approximately USD 700 million. Yara announced in May 2011 that the project is delayed due to the present uncertainty around the decision-making ability of the Board of Burrup Holdings Ltd. After Board approval, the project will 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% ownership in Burrup Holdings Pty Ltd, Yara will own 67.5% 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 out-put from the plant.

**DISPOSALS AND OTHER RELATED INITIATIVES**

In August 2011, Yara sold its 37.692% stake in the associated entity Yaibera Holding ("Rossosh") with a gain of NOK 1,475 million, including cumulative currency translation loss of NOK 160 million reclassified from equity. The gain is included in "other income" in third quarter 2011 condensed consolidated interim statement of income, and is recognized in the Upstream segment. The consideration of NOK 2,145 million is included in investing activities in third quarter 2011 condensed consolidated interim statement of cash flows. Shortly before the sale, Yara also received a dividend of NOK 343 million. The dividend is included in operating activities in third quarter 2011 condensed consolidated interim statement of cash flows. Yara has recognized NOK 23 million as its share of Rossosh loss in third quarter 2011. Third quarter figures was negatively impacted by increased tax in Rossosh, classified as special item in conjunction with the share sales process. Yara's share of this tax increase was NOK 60 million. Year-to-date, Yara has recognized NOK 112 million as its share of net income. Full year 2010 share of net income was NOK 138 million. The carrying value of the Rossosh investment was NOK 756 million at the end of 2010.

## Note 5

**Inventory**

NOK millions	30 Sep 2011	30 Sep 2010	31 Dec 2010
Finished goods	6,505	4,508	5,617
Work in progress	384	351	395
Raw materials	4,475	3,494	3,632
Total	11,364	8,353	9,644
<b>Write-down</b>			
Balance at 1 January	(98)	(291)	(291)
Reversal/(write-down), net	14	168	194
Foreign currency translation	1	(3)	(1)
Closing balance	(84)	(126)	(98)

## Note 6

**Long-term debt**

There have been no significant changes in Yara's long-term interest-bearing debt portfolio during the third 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	-	58	45	104
2013	-	2,193	14	2,207
2014	3,622	92	14	3,728
2015	-	75	15	90
2016	1,057	89	16	1,162
Thereafter	2,881	616	250	3,746
Total	7,560	3,123	354	11,037

## Note 7

**Business combination**

On 10 January 2011, Yara acquired the remaining 60% ownership interest of the company Yara Nipro Pty. Ltd. in Australia. Yara Nipro is a market leader in bulk liquid fertilizers in Eastern Australia. After the transaction, Yara owns and controls all shares of Yara 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 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% ownership interest, reduced with a discount for lack of control.

NOK millions	Opening balance 10 Jan 2011	Fair value adjustment	Adjusted balance 10 Jan 2011
<b>Assets</b>			
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
<b>Total assets</b>	<b>176</b>	<b>118</b>	<b>294</b>
<b>Liabilities</b>			
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
<b>Total liabilities</b>	<b>106</b>	<b>35</b>	<b>142</b>
<b>Total identifiable net assets at fair value</b>			<b>153</b>
Goodwill arising on acquisition			107
Fair value of previously held 40% equity interest in Nipro			(86)
Purchase consideration transferred for 60% 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
<b>Analysis of cash flows on acquisition</b>	
Cash consideration for 60% 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)
<b>Gain recognized on previously held 40% ownership interest</b>	
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, Yara Nipro has contributed NOK 200 million of revenue and NOK 14 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 income before tax would have been NOK 59,632 million and NOK 10,608 million, respectively.

During first quarter 2011, Yara also gained control over a former associated entity in Continental Europe. 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 a part of investment activities. Total assets consolidated at the time Yara gained control were NOK 149 million, mainly related to trade receivables of NOK 63 million and property, plant and equipment of NOK 37 million. Total liabilities were NOK 114 million, mainly related to accounts payable of NOK 76 million.

#### Note 8

## Dividend and share buy-back program

During first quarter 2011, Yara purchased 300,000 own shares under the 2010 buy-back program for a total consideration of NOK 89 million.

The Annual General Meeting in May 2011 approved a dividend for 2010 of NOK 1,584 million (NOK 5.50 per share). The dividend was paid out with NOK 1,499 million during second quarter and NOK 85 million during third quarter 2011. The General Meeting also approved a new share buy-back program, authorizing the Board to acquire up to 5% 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.

The Annual General Meeting approved 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 116 million. The payment took place during third quarter 2011.

During third quarter 2011, Yara purchased 1 million own shares under the 2011 buy-back program for a total consideration of NOK 262 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's share of Lifeco's loss in third quarter is NOK 57 million and year-to-date NOK 100 million. The carrying value of the equity-accounted investment in Lifeco is NOK 1,428 million at the end of third 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 845 million of the carrying value of Yara's

investment is related to bank deposits in Libyan banks, and NOK 602 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 other material physical damage to or depletion of the assets. Yara will continue to take all new information into consideration going forward.

On 13 April 2011, 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.

## Note 10

**Post** *balance sheet event*

On 5 October 2011, Yara reduced its ownership in the jointly controlled entity Yara Praxair Holding AS from 50% to 34%. The expected gain that will be recognized in fourth quarter is approximately NOK 300 million before tax. Yara will also recognize a fair value revaluation gain on the remaining 34% ownership at the time Yara loses joint control over the entity. This gain is estimated to be approximately NOK 650 million. The

accounting gains will be reported in the Industrial segment. Yara expects to classify Yara Praxair Holding AS as an associated entity after the transaction and continue to use the equity method. The carrying value of Yara's 50% ownership at the end of third quarter 2011 is NOK 60 million. Yara's share of net income recognized year-to-date is NOK 43 million. Total recognized share of net income in 2010 was NOK 71 million.

# Quarterly *historical information*

## EBITDA

<i>NOK millions</i>	3Q 2011	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010
Downstream	1,302	1,354	1,724	1,098	966	4,649	1,083
Industrial	323	275	275	168	326	297	344
Upstream	4,071	1,801	2,354	1,735	1,194	1,707	1,338
Other and eliminations	(252)	25	(72)	(9)	1	(67)	486
Total	5,444	3,455	4,281	2,992	2,486	6,587	3,251

## RESULTS

<i>NOK millions, except per share information</i>	3Q 2011	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010
Revenue and other income	21,181	18,634	19,806	17,525	16,533	15,679	15,638
Operating income	4,398	2,219	2,995	1,862	1,402	1,888	2,315
EBITDA	5,444	3,455	4,281	2,992	2,486	6,587	3,251
Net income after non-controlling interests	3,566	2,225	2,889	1,564	1,927	3,716	1,522
Earnings per share (NOK)	12.42	7.73	10.02	5.42	6.68	12.86	5.27

<i>USD <sup>1)</sup> millions, except per share information</i>	3Q 2011	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010
Revenue and other income	3,861	3,427	3,464	2,961	2,703	2,524	2,667
Operating income	804	408	524	315	229	307	394
EBITDA	994	635	749	506	406	1,057	553
Net income after non-controlling interests	653	410	506	270	316	596	259
Earnings per share (USD)	2.28	1.42	1.75	0.94	1.09	2.06	0.90

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









## 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](http://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.