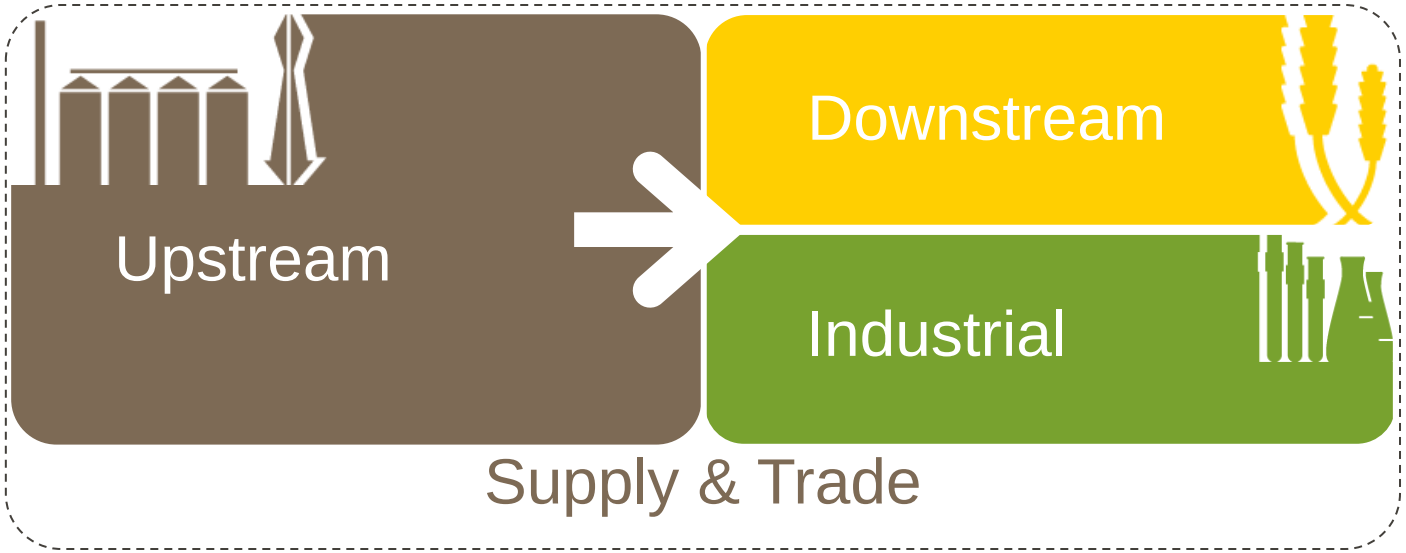
Knowledge grows

Yara International ASA

Thor Giæver, IR

14 December 2011

A business strategy geared for global optimization

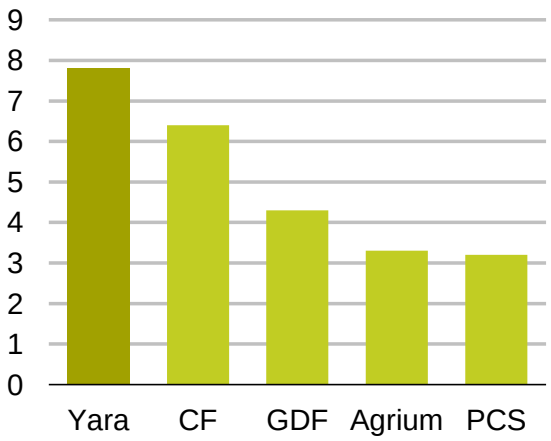


Scale advantages + Unique flexibility + Unrivalled presence

Yara – the leader in nitrogen fertilizers

Global no 1 in ammonia

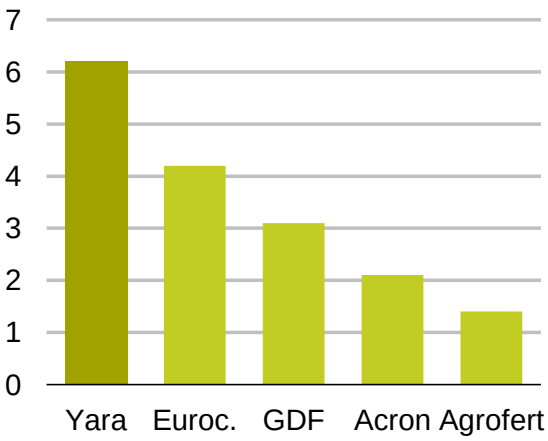
Production capacity* (mill t)



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

Global no 1 in nitrates

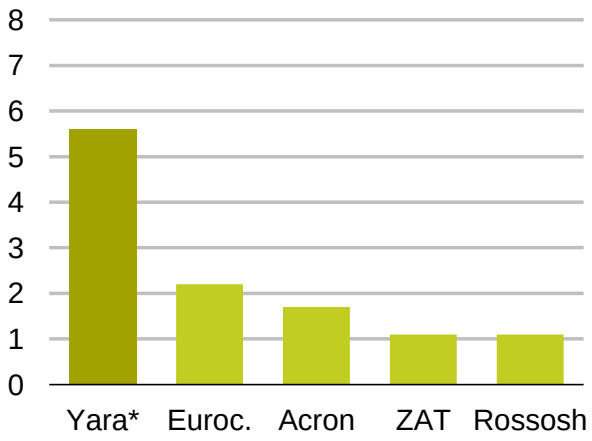
Production capacity* (mill t)



Source: Fertilizer Europe

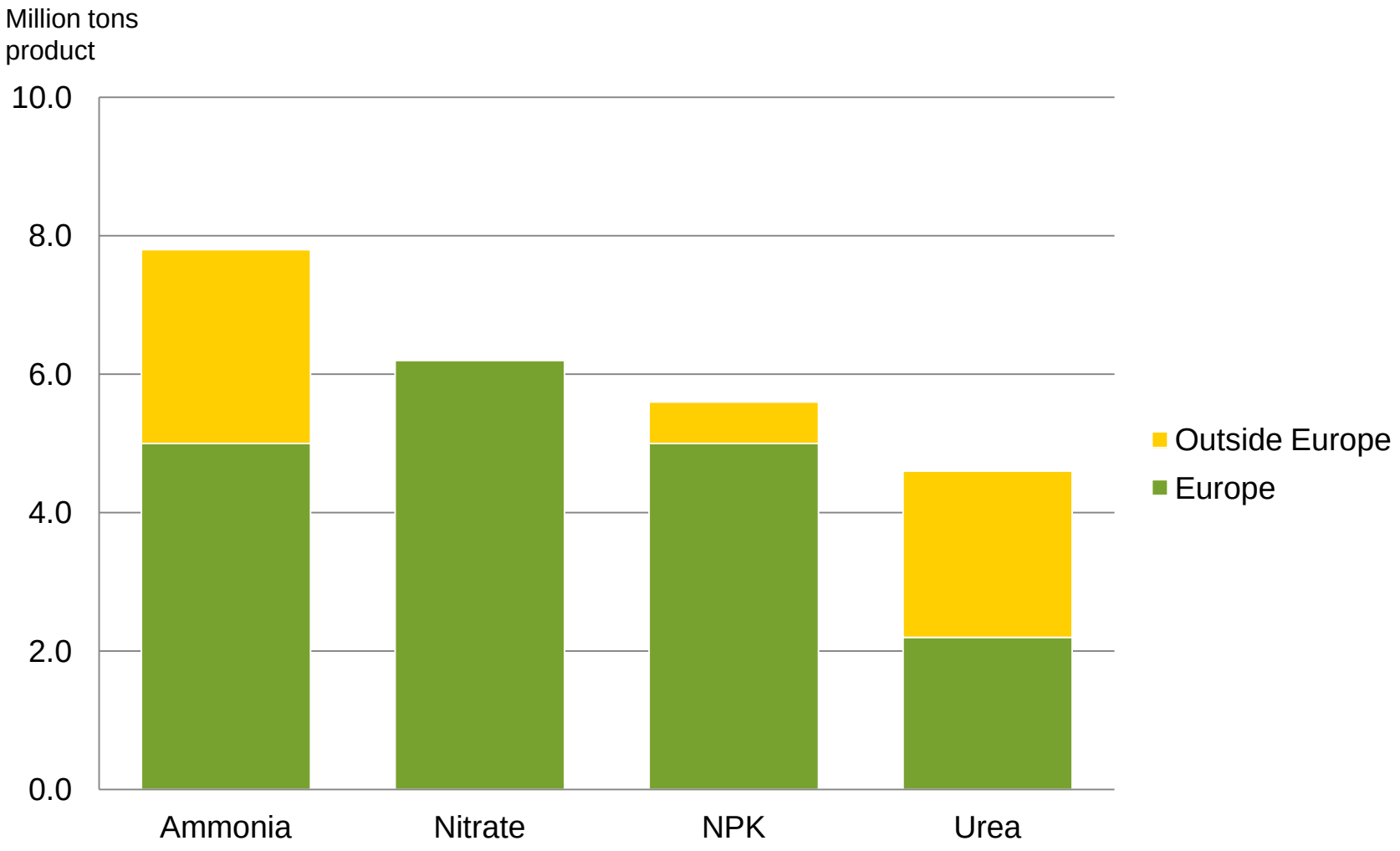
Global no 1 in NPK complex fertilizer

Production capacity* (mill t)



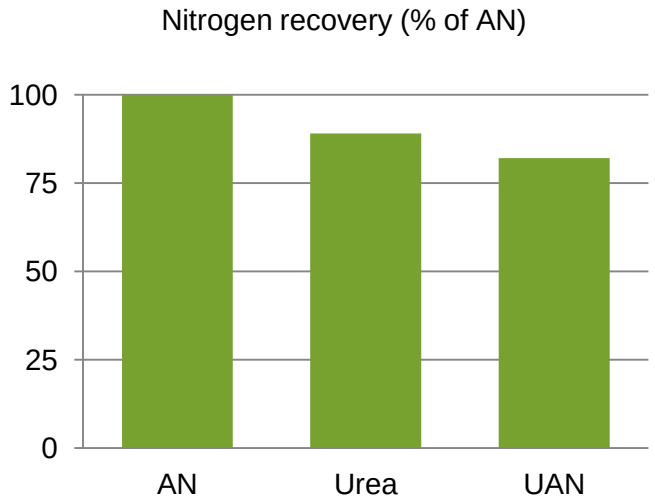
Source: Fertilizer Europe

Yara production capacities



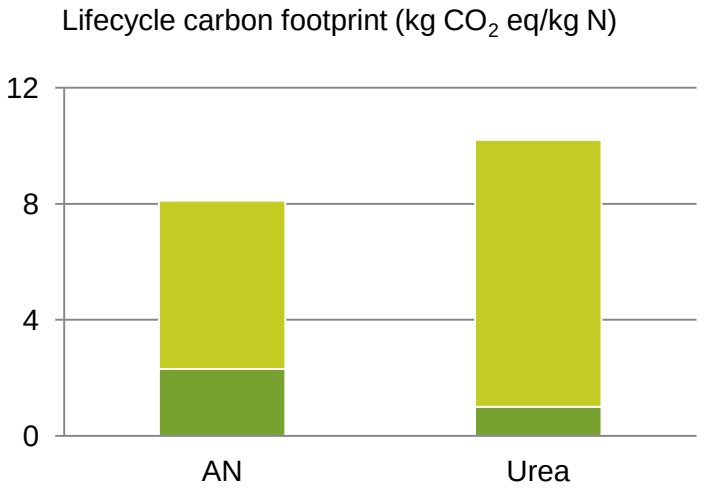
Nitrate-based fertilizers are superior to urea both agronomically and environmentally

The agronomical efficiency of nitrates is superior to urea



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

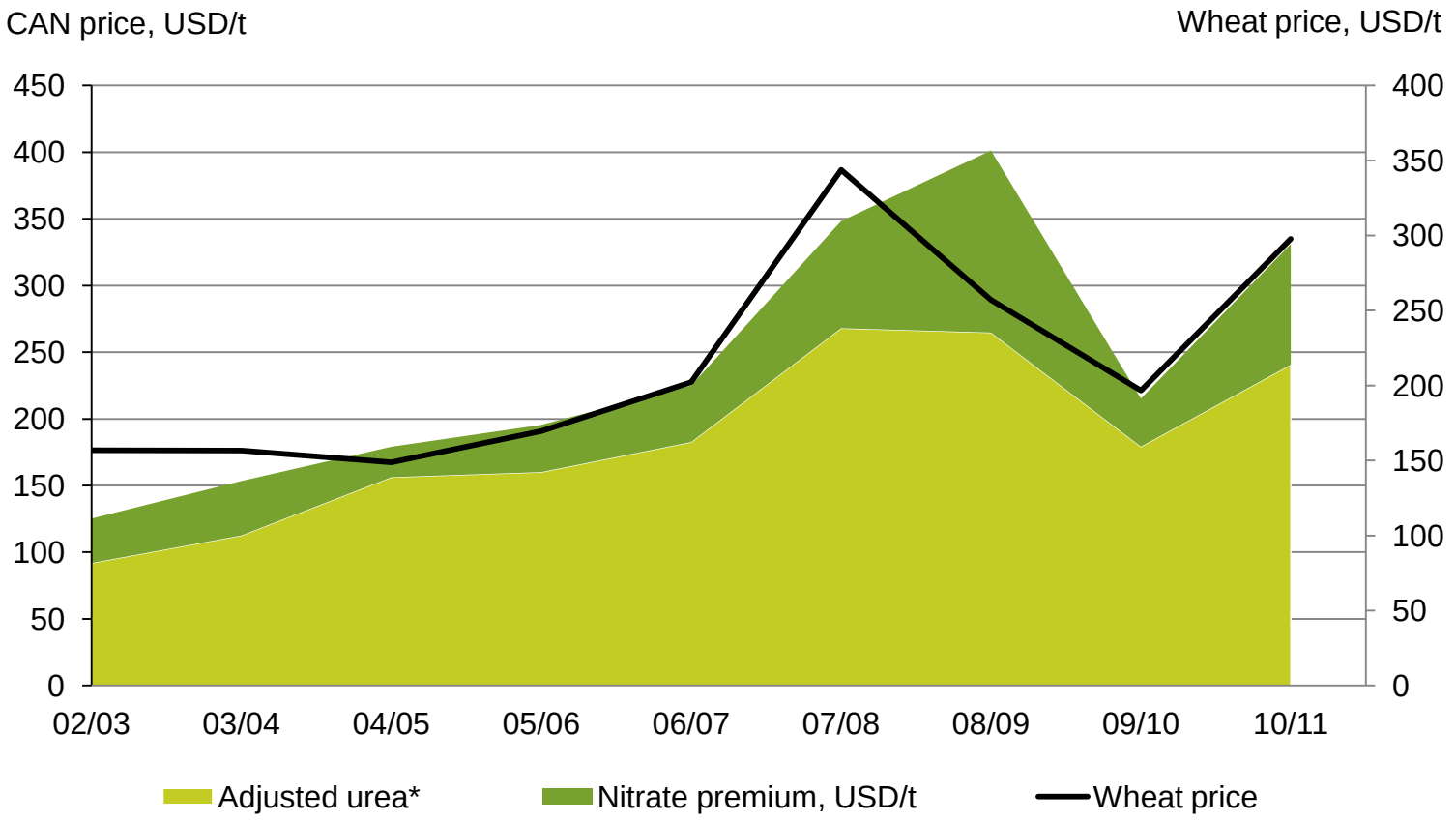
The carbon footprint is lower than for Urea



Although urea is more CO_2 efficient in production, CO_2 emissions and ammonia volatilization on application more than offset for this

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

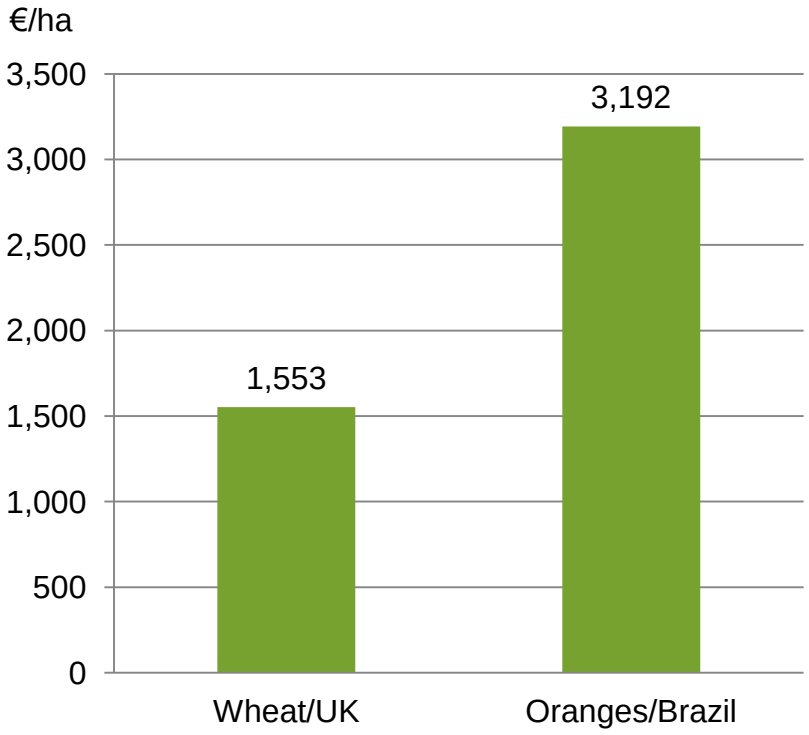
Nitrate premium is mainly a function of crop prices and proper marketing



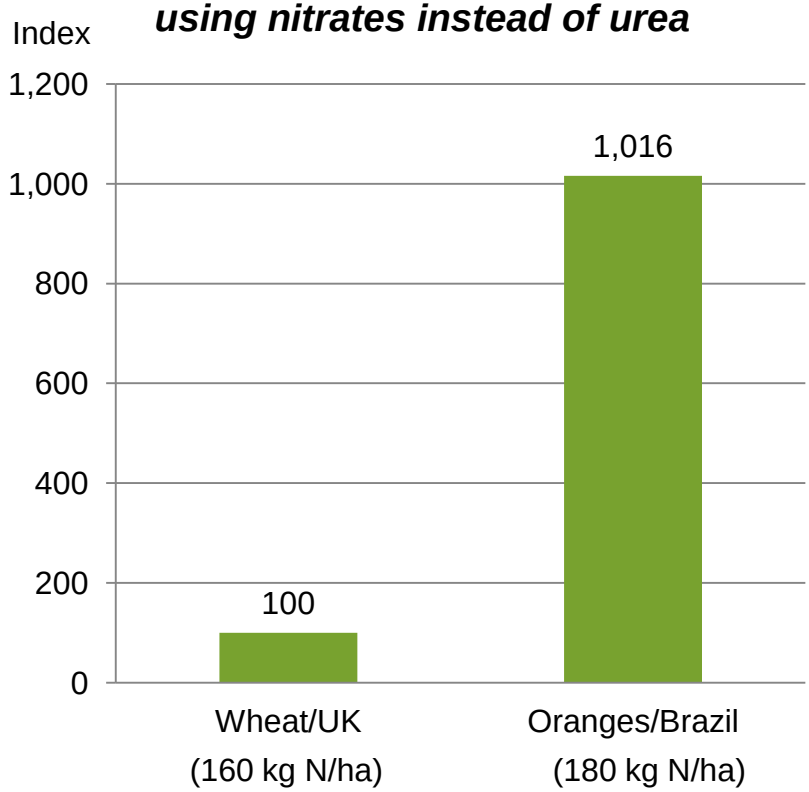
* Urea fob Black sea adjusted for import costs into Europe and nitrogen content similar to CAN

Nitrates' agronomic advantage has higher value for cash crops than for commodity crops

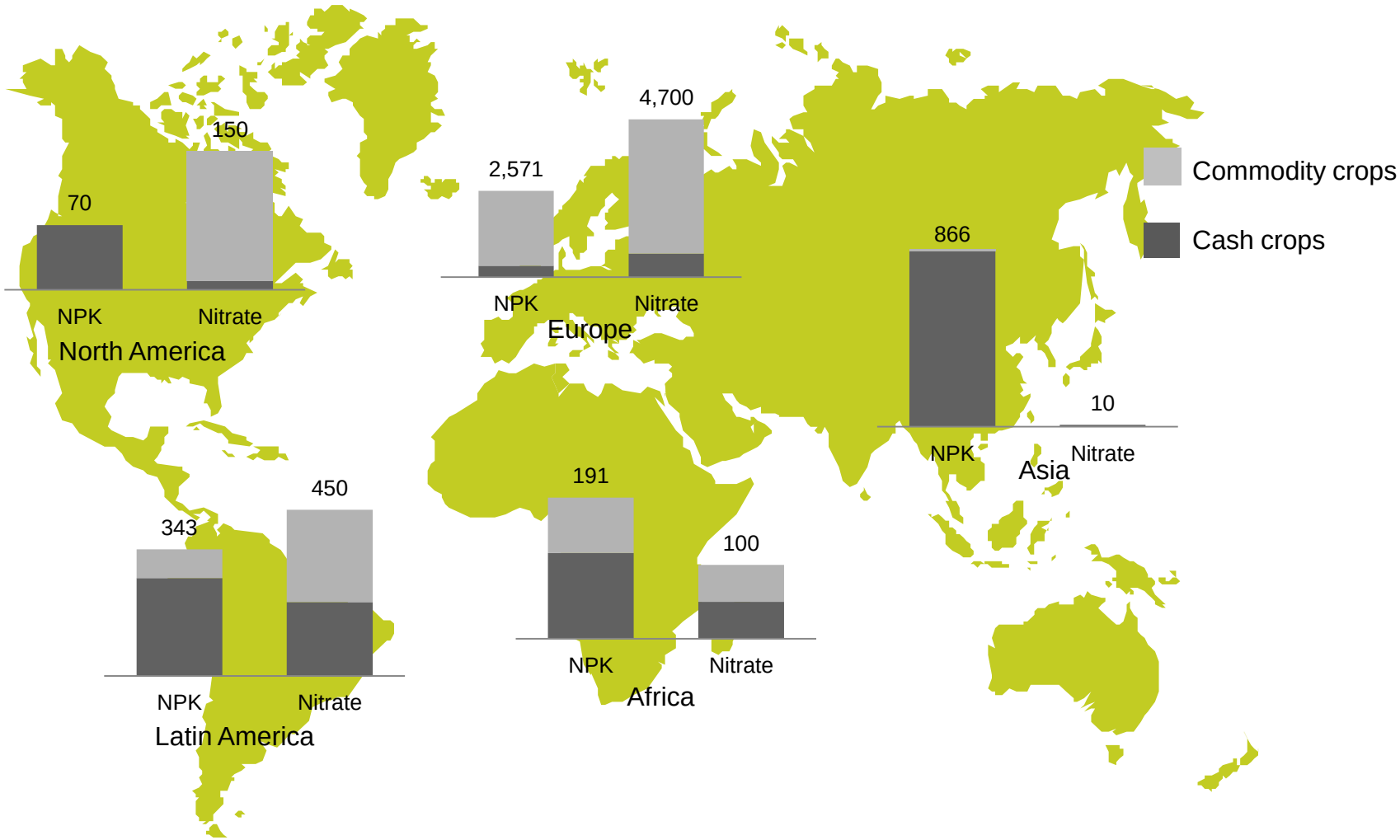
Crop value with nitrates



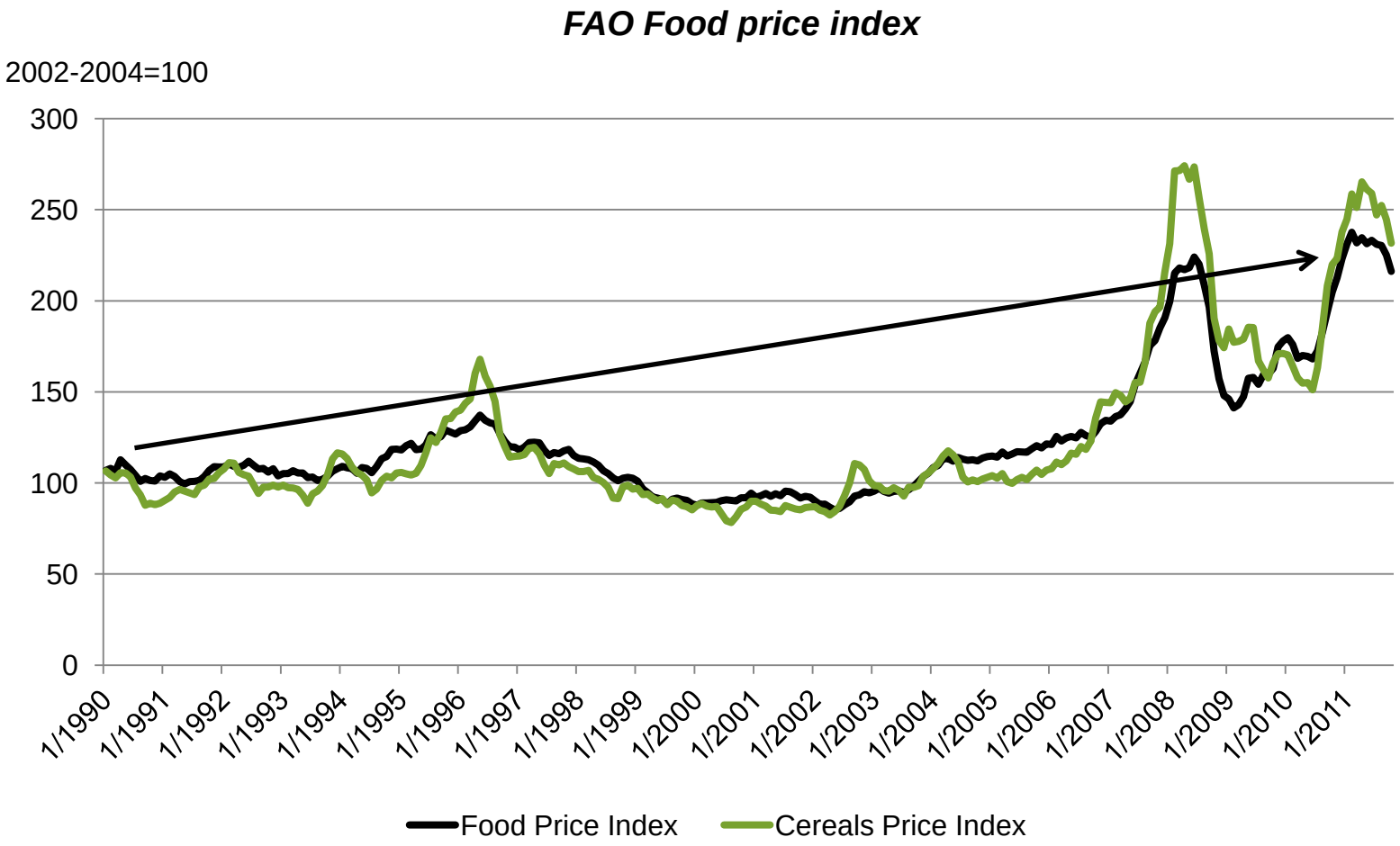
Increase in crop production value using nitrates instead of urea



NPKs have significant cash crop share, while nitrates today mainly serve commodity crops

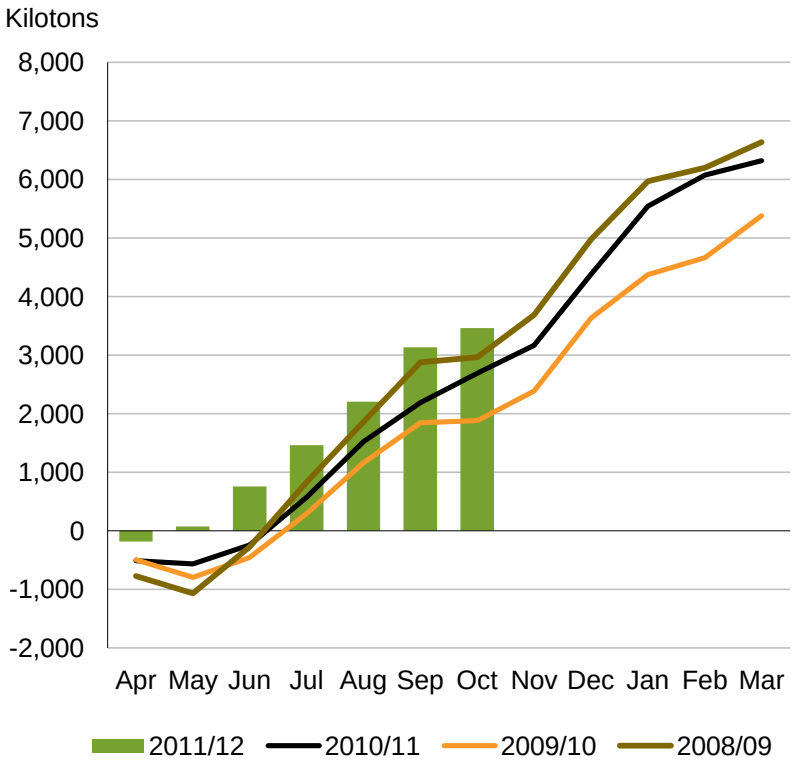


Long-term grain price development underlines productivity challenge



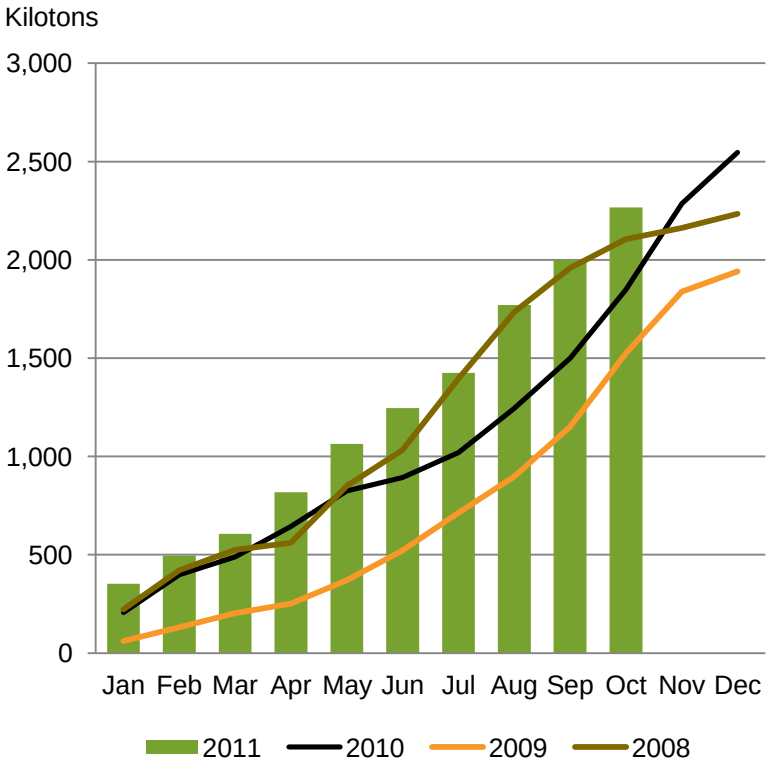
Strong demand in regions that are in season

Record Indian import need



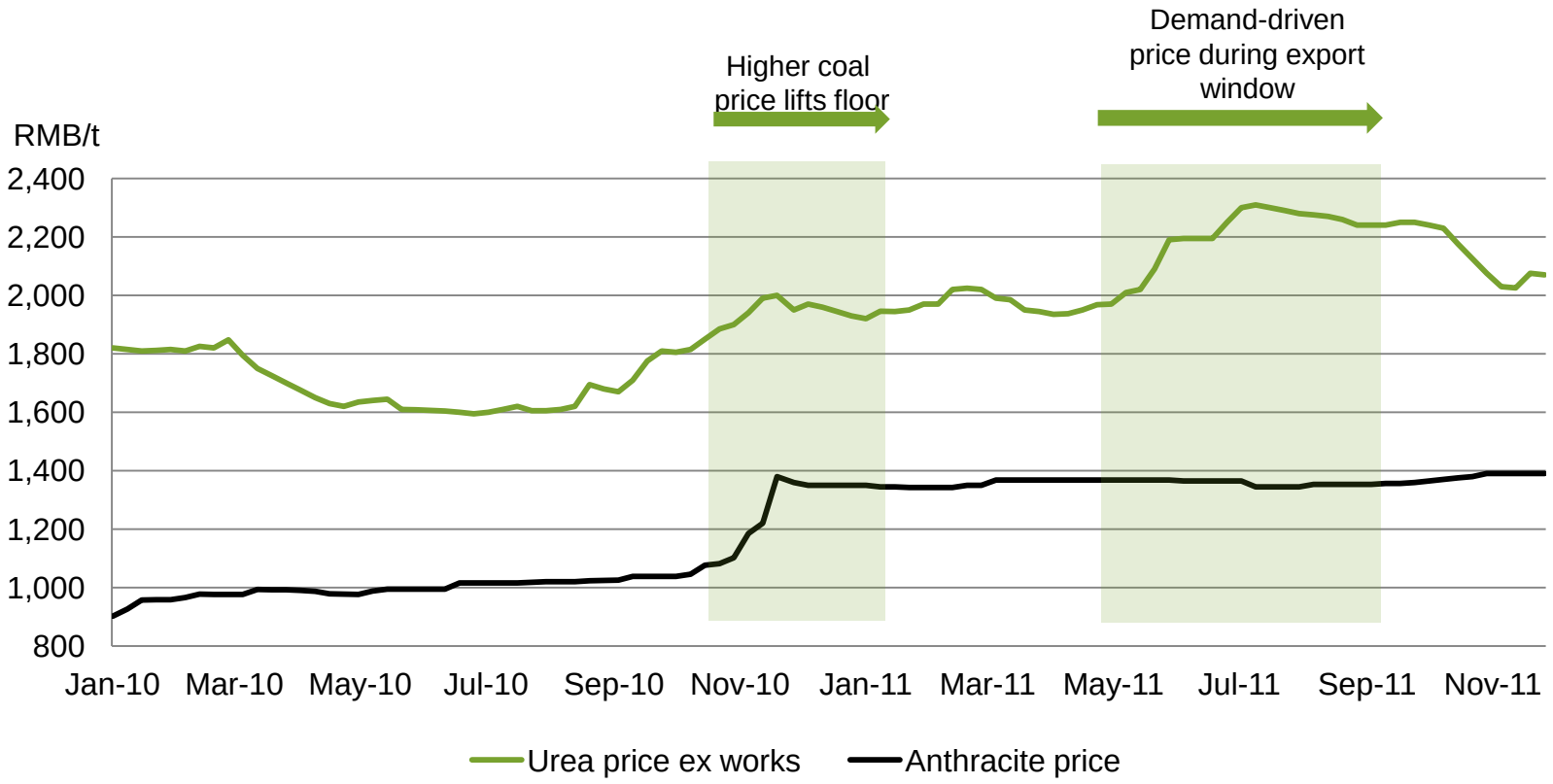
Source: Indian Statistics

Brazilian urea import



Source: GTIS

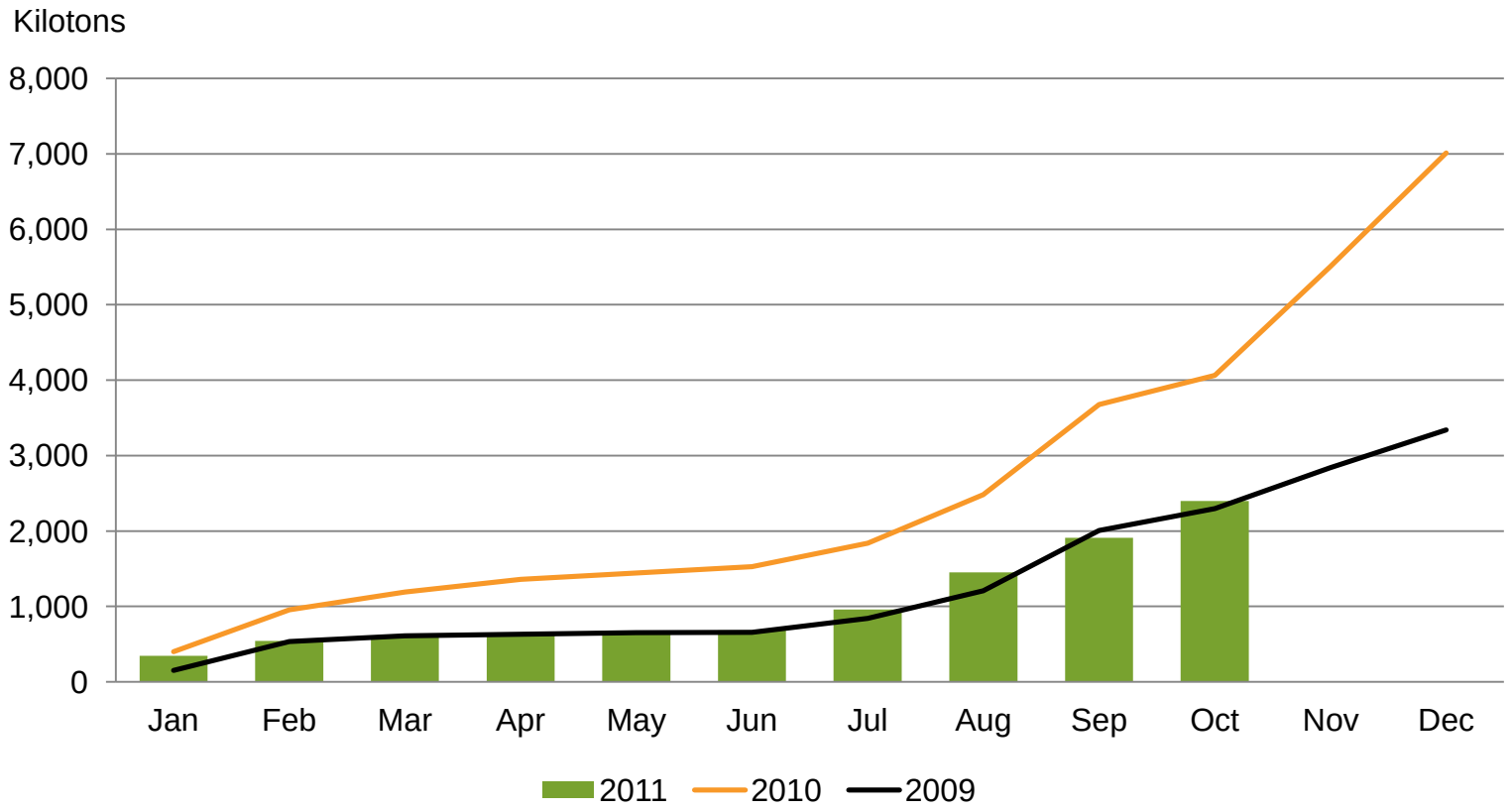
Chinese urea cost and domestic price established at higher level in 2011



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

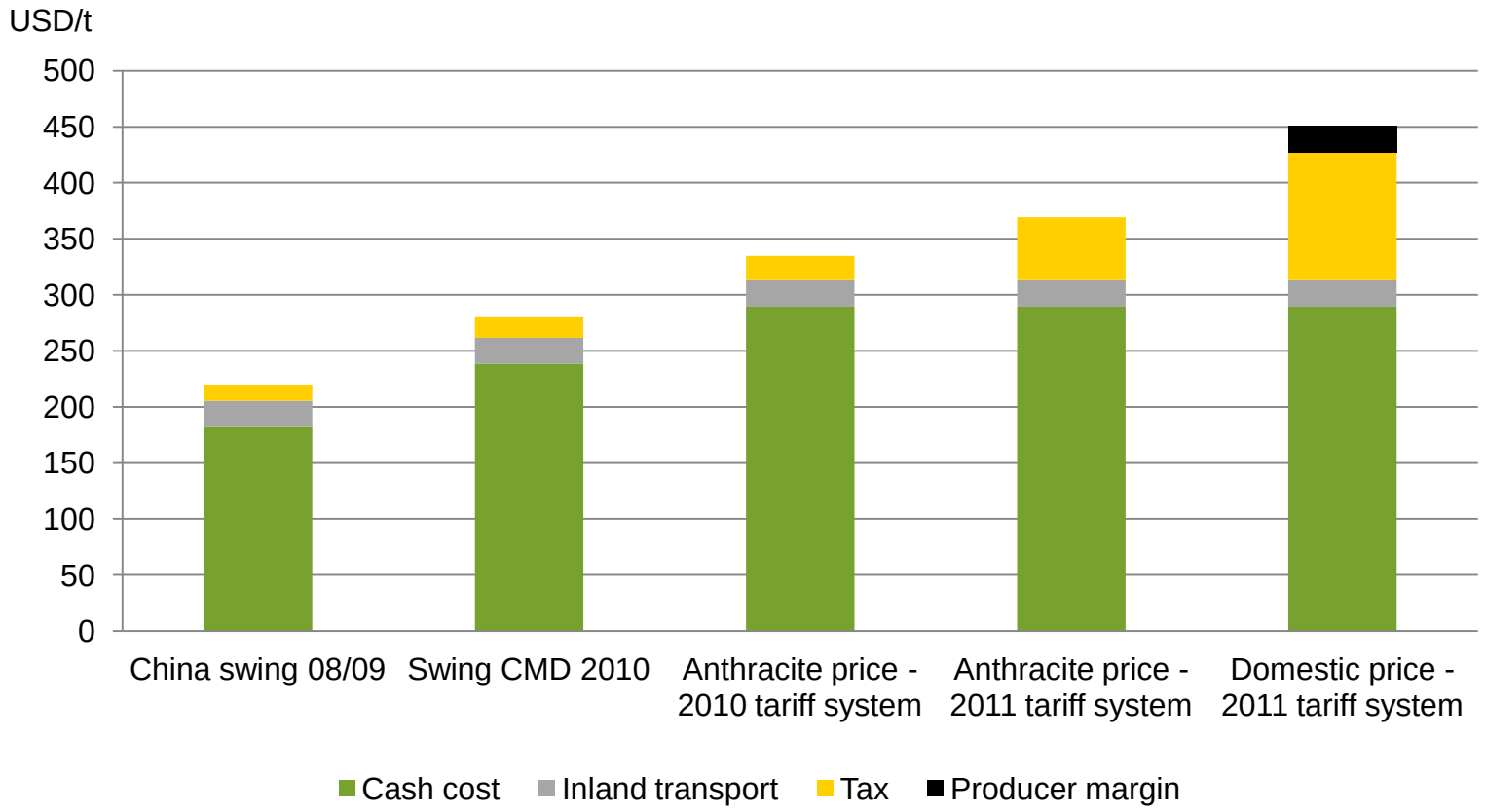
Source: China Fertilizer Market Week

2011 net urea export from China ~50% lower



Source: BOABC

Chinese swing price USD 150 higher compared with 2008/09

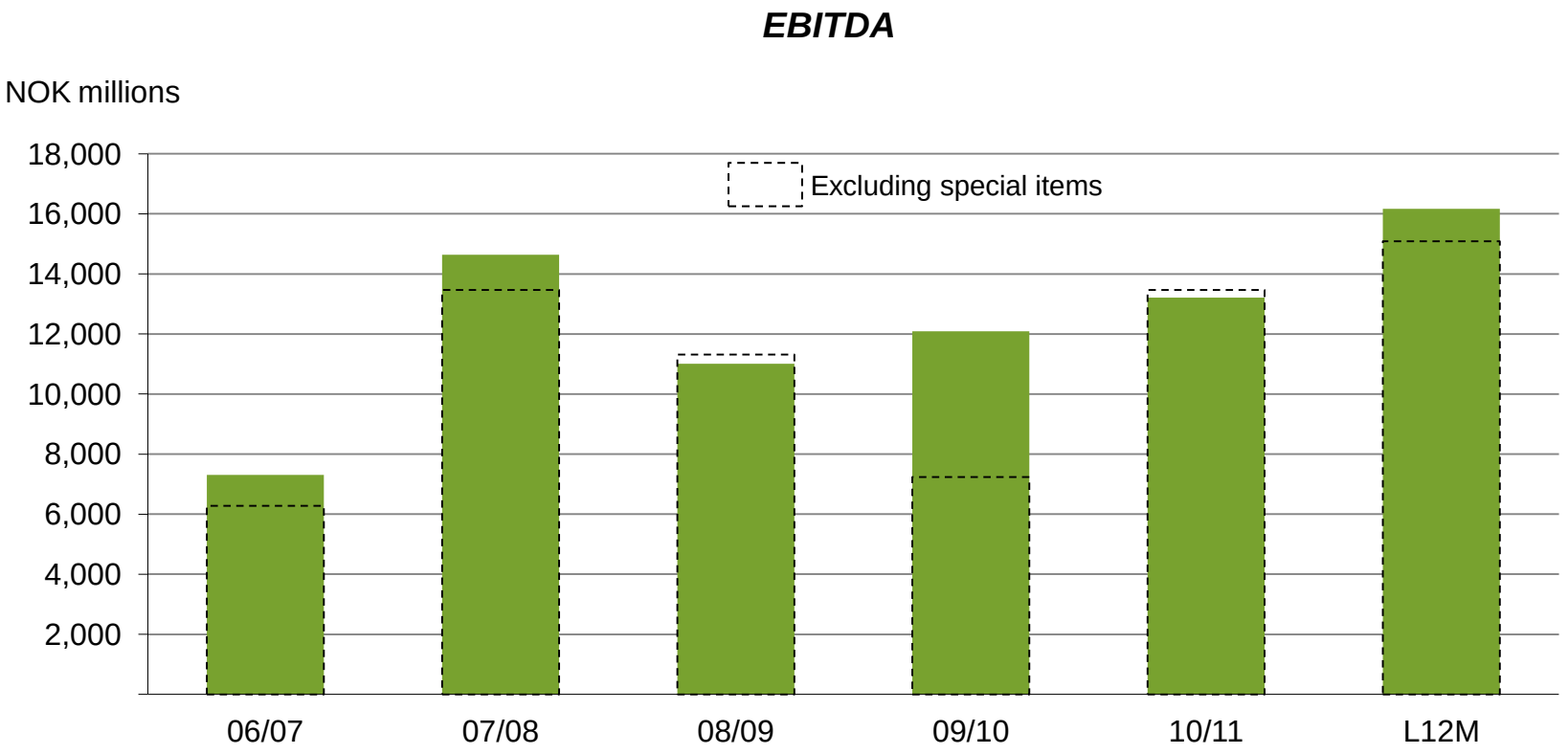


Projected nitrogen capacity additions in line with historical consumption growth

Year	Driving regions		Urea capacity growth relative to nitrogen capacity	
	World	Excluding China	World	Excluding China
2010	China 52% Trinidad 7%	Trinidad 15% Iran 12%	2.5% (2.5%)	1.9% (2.0%)
2011	China 53% Pakistan 15%	Pakistan 31% Iran 15%	2.0% (2.0%)	1.5% (1.5%)
2012	China 61% Algeria 10%	Algeria 26% Qatar 21%	3.9% (4.2%)	2.5% (3.1%)
2013	China 27% Algeria 19%	Algeria 27% UAE 17%	2.3% (2.0%)	2.7% (2.2%)
2014	India 16% Indonesia 14%	India 16% Indonesia 14%	1.0% (0.9%)	1.5% (1.4%)
Gross annual addition 2011-2014				**~2.1%**
Assumed annual closures				~0.5%
Net annual addition 2011-2014				**~1.6%**
Trend consumption growth from 2001			**2.5%**	**2.0%**

Source: Fertecon urea update October 2011 - Algeria capacity aligned with Fertecon ammonia update November 2011. Consumption data source is IFA.

Last 4 quarters EBITDA exceeds record 07/08 season



Prospects 2012

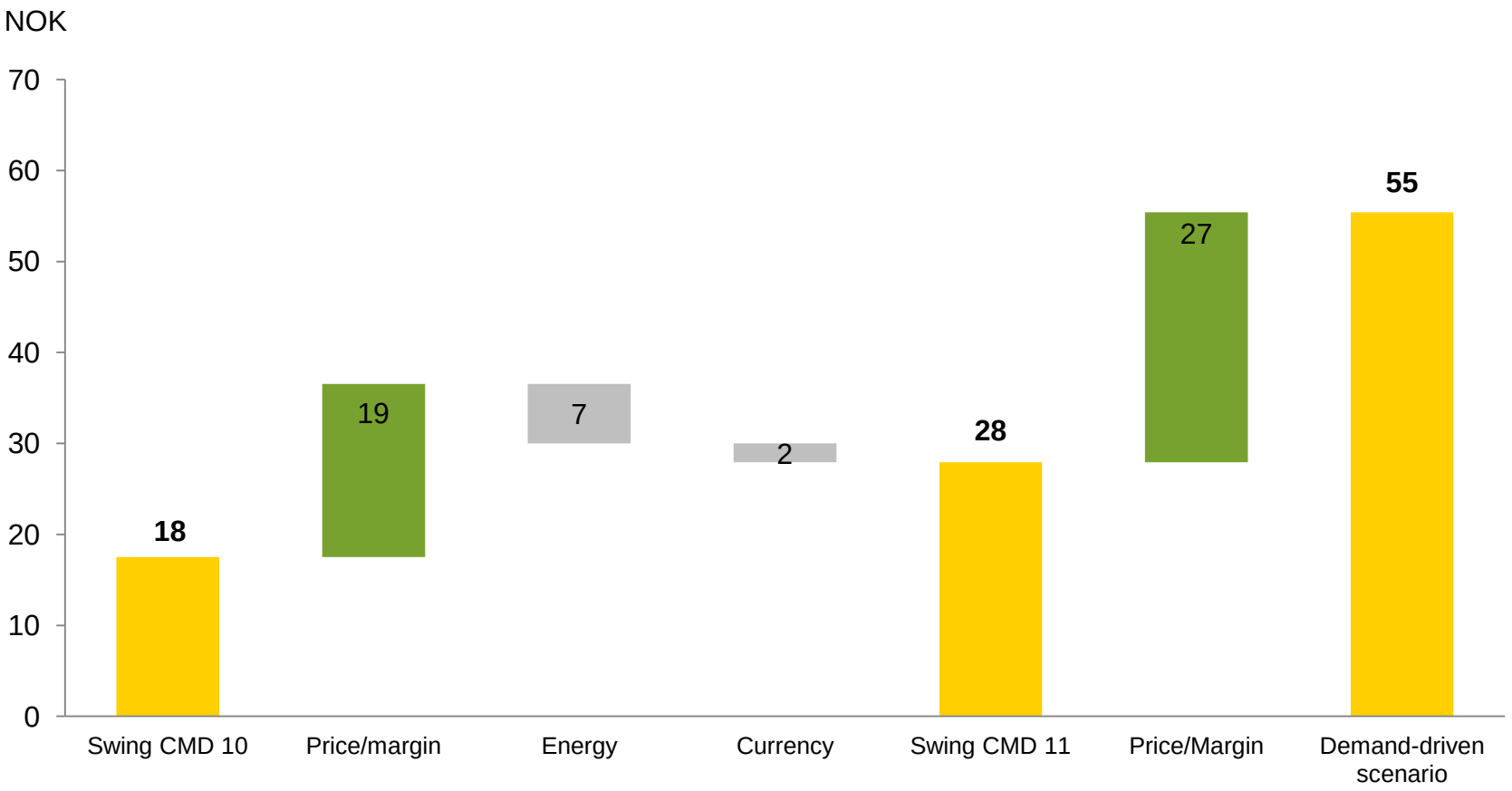
- Current agricultural prices provide healthy farm economics, with good incentives for continued strong fertilizer demand
- Limited new capacity outside China, roughly in line with trend consumption growth
- Urea prices likely to operate between demand-driven pricing and Chinese price floor around USD 360 fob Black Sea
- At current grain prices, rebound in European deliveries likely during first half

Price and currency assumptions in scenarios

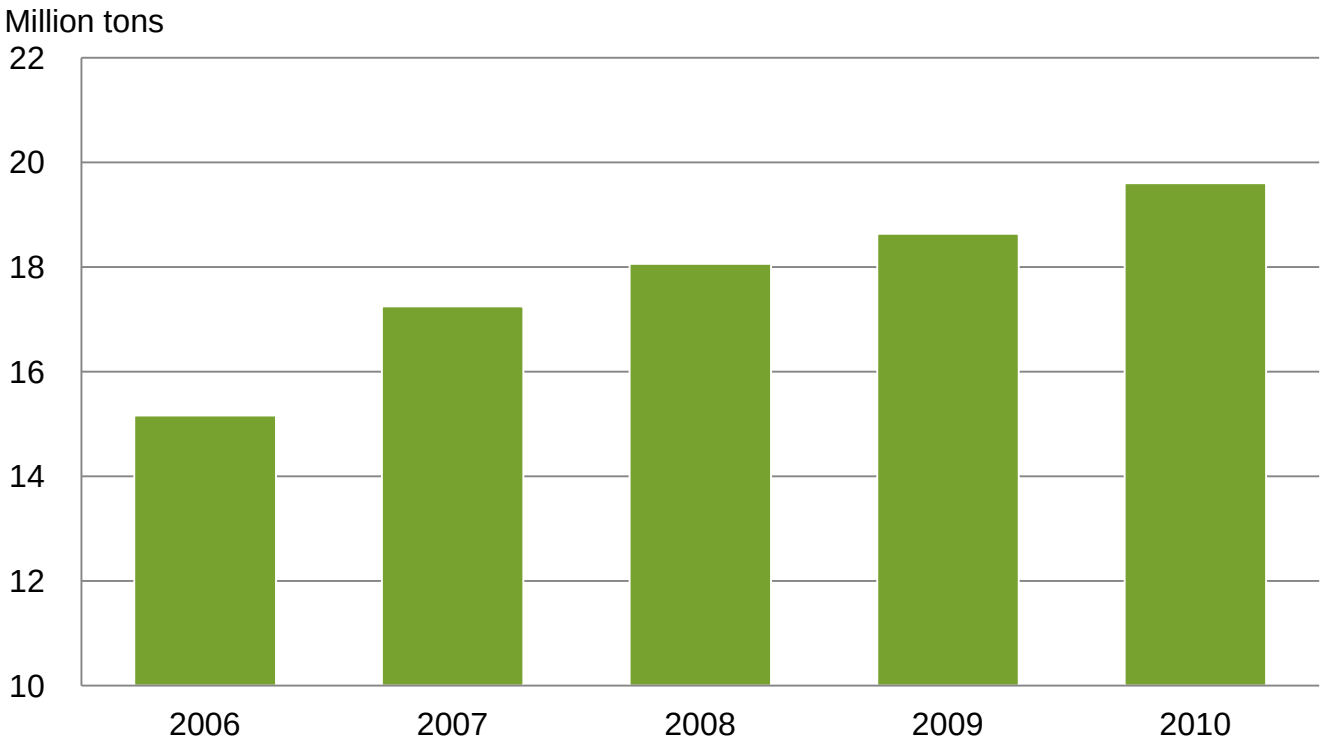
	Last 4 quarters	5-year avg. to 30 Sep 11	Chinese swing*	Demand-driven**
Ammonia fob Black Sea (USD/t)	459	366	450	550
Urea prilled fob Black Sea (USD/t)	386	342	360	510
Nitrate premium , USD/t	94	77	62	68
Phos rock fob North Africa (USD/t)	164	158	200	200
DAP fob Morocco (USD/t)	594	575	600	600
Zeebrugge natural gas (USD/MMBtu)	8.8	7.3	9.3	9.3
Henry hub natural gas (USD/MMBtu)	4.1	5.8	3.9	3.9
Yara's European energy price (USD/MMBtu)	10.1	8.8	10.8	10.8
Brent blend crude oil price (USD/bbl)	98	81	106	106
NOK/USD	5.7	5.9	5.8	5.8

* Ammonia and urea prices equal to marginal producers' cash cost, energy prices are forward prices as of 21 November
** Given example to illustrate effect of urea price USD 150 per ton above marginal cost.

Demand-driven USD 150 per ton margin on urea improves EPS by close to NOK 30



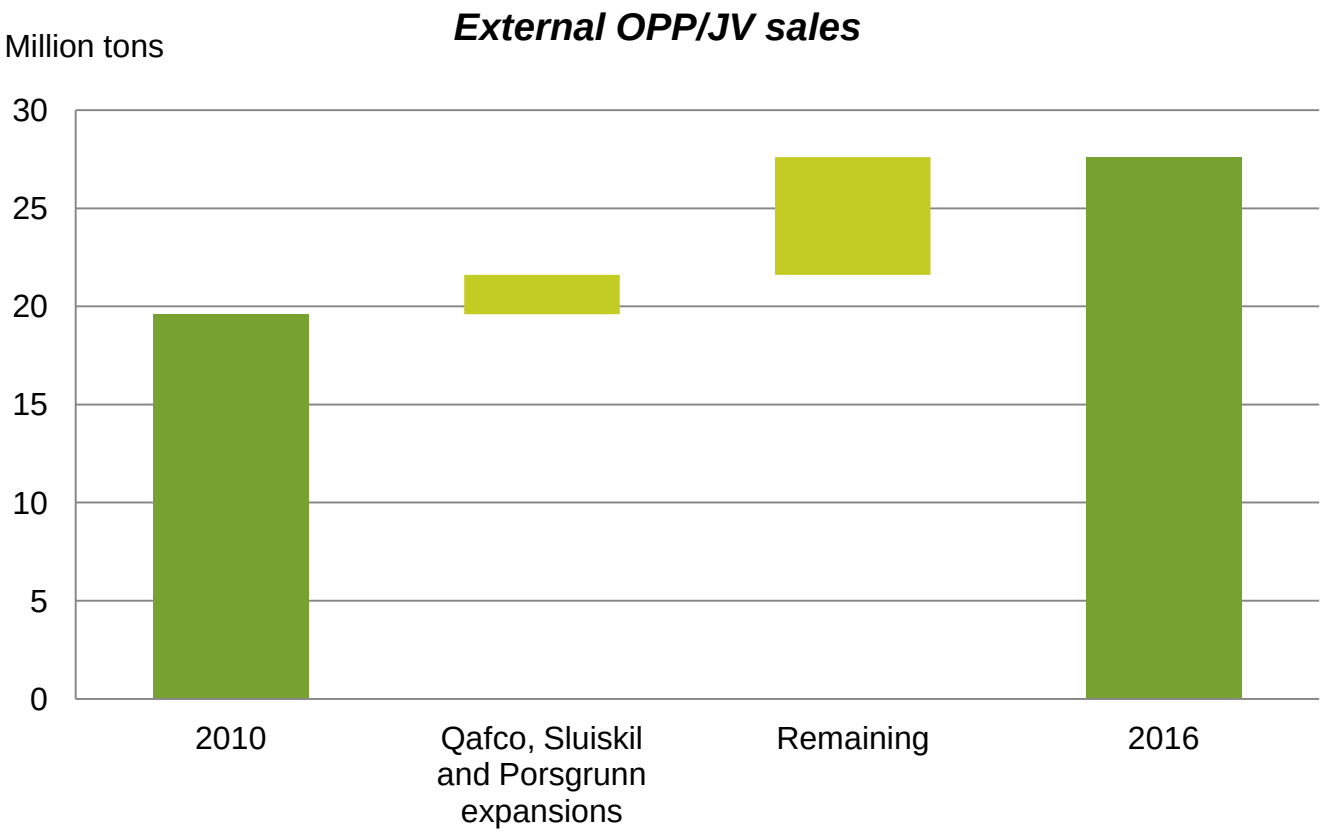
Growth in production has resulted in significantly improved earnings



In five years Yara's OPP/JV sales grew by almost

30%

We aim to increase own-produced and JV volumes by 8 million tons by 2016

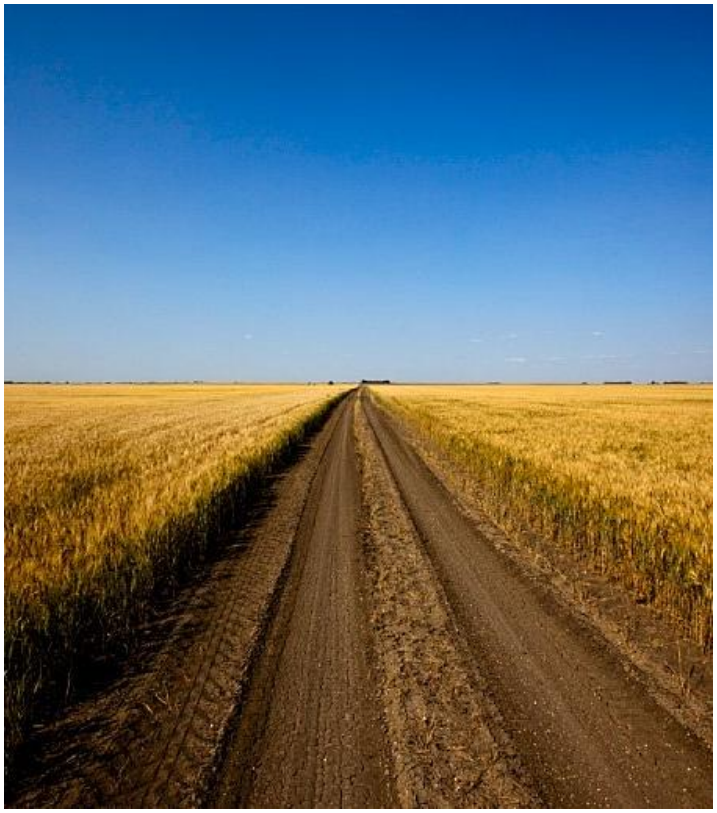


In the five years to 2016, Yara's OPP/JV sales will grow by

40%

Well positioned for profitable operations and growth

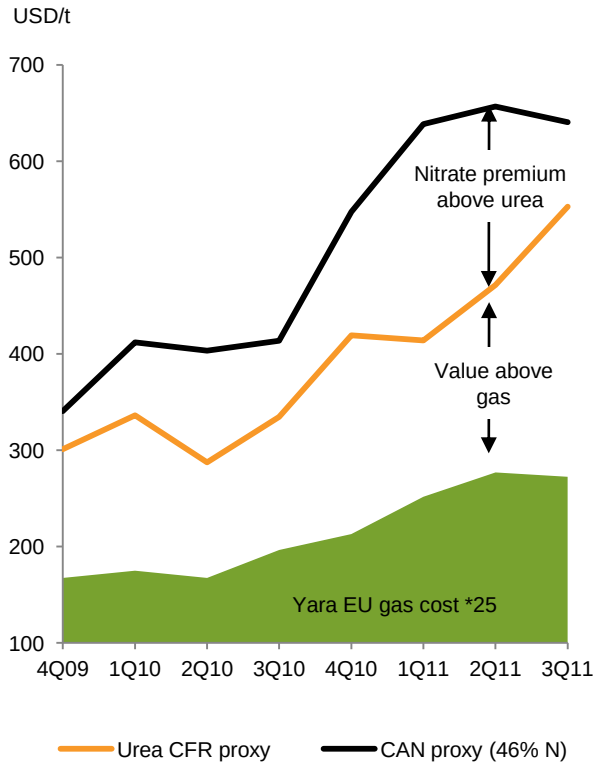
- Strong need for sustainable improvements in agricultural productivity
- Yara's premium products provide additional productivity while also addressing climate change and water scarcity challenges
- Committed to delivering sustained shareholder value generation, through profitable growth and cash returns



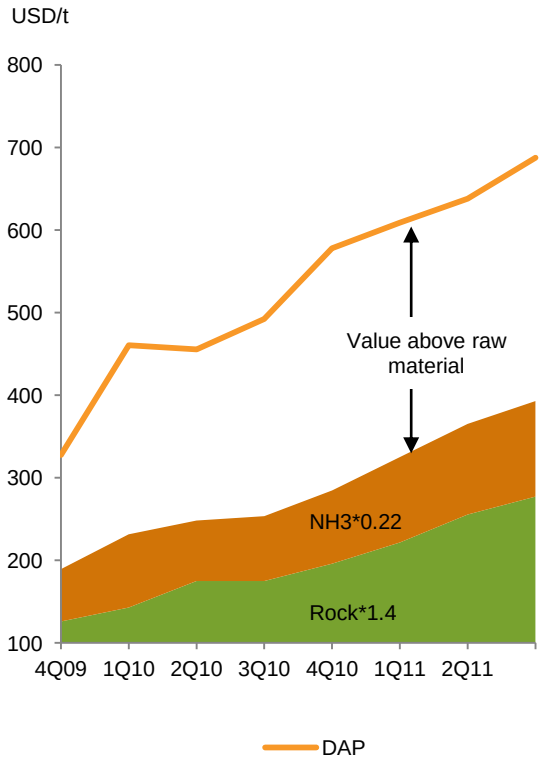
More information can be found at www.yara.com

Significant margin expansion for nitrogen and phosphate fertilizer

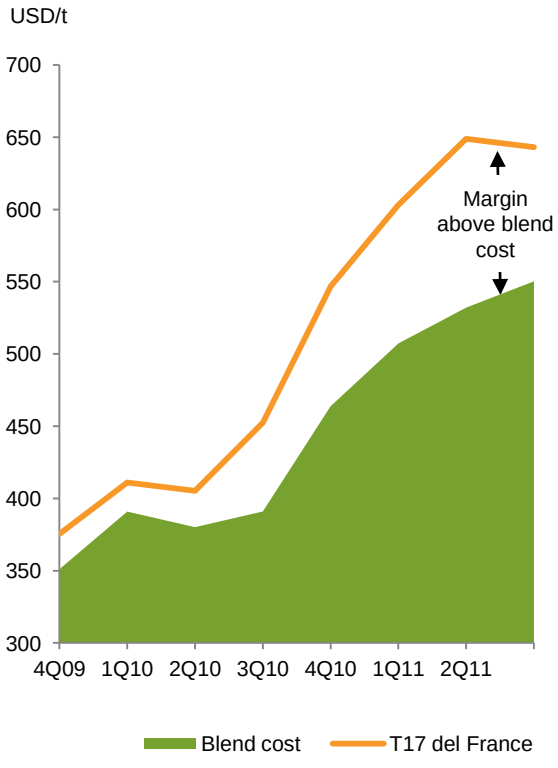
Nitrogen upgrading margins



Phosphate upgrading margins



NPK blend premium



Yara sensitivities

	Operating Income USD million	EBITDA USD million	EPS* USD
Urea sensitivity +100 USD/t	**944**	**1,095**	**2.8**
…of which pure Urea	*304*	*422*	*1.2*
…of which Nitrates	*367*	*391*	*1.0*
…of which NPK	*198*	*207*	*0.5*
Nitrate premium +50 USD/t	**439**	**467**	**1.2**
…of which pure Nitrates	*273*	*294*	*0.8*
Hub gas Europe + 1 USD/MMBtu	**(90)**	**(110)**	**(0.3)**
Ammonia + 100 USD/t	-	50	0.2
Phos rock + 50 USD/t	50	50	0.1
Hub gas North Am + 1 USD/MMBtu	(27)	(27)	(0.1)
Crude oil + 10 USD/brl	(80)	(80)	(0.2)
Currency + 1 USD/NOK **	90	90	0.2

*Assuming 30% marginal tax rate on underlying business and 287.2 million shares

** Net fixed costs in EUR and NOK

Sensitivities assume stable value-added margins and no inter-correlation between factors

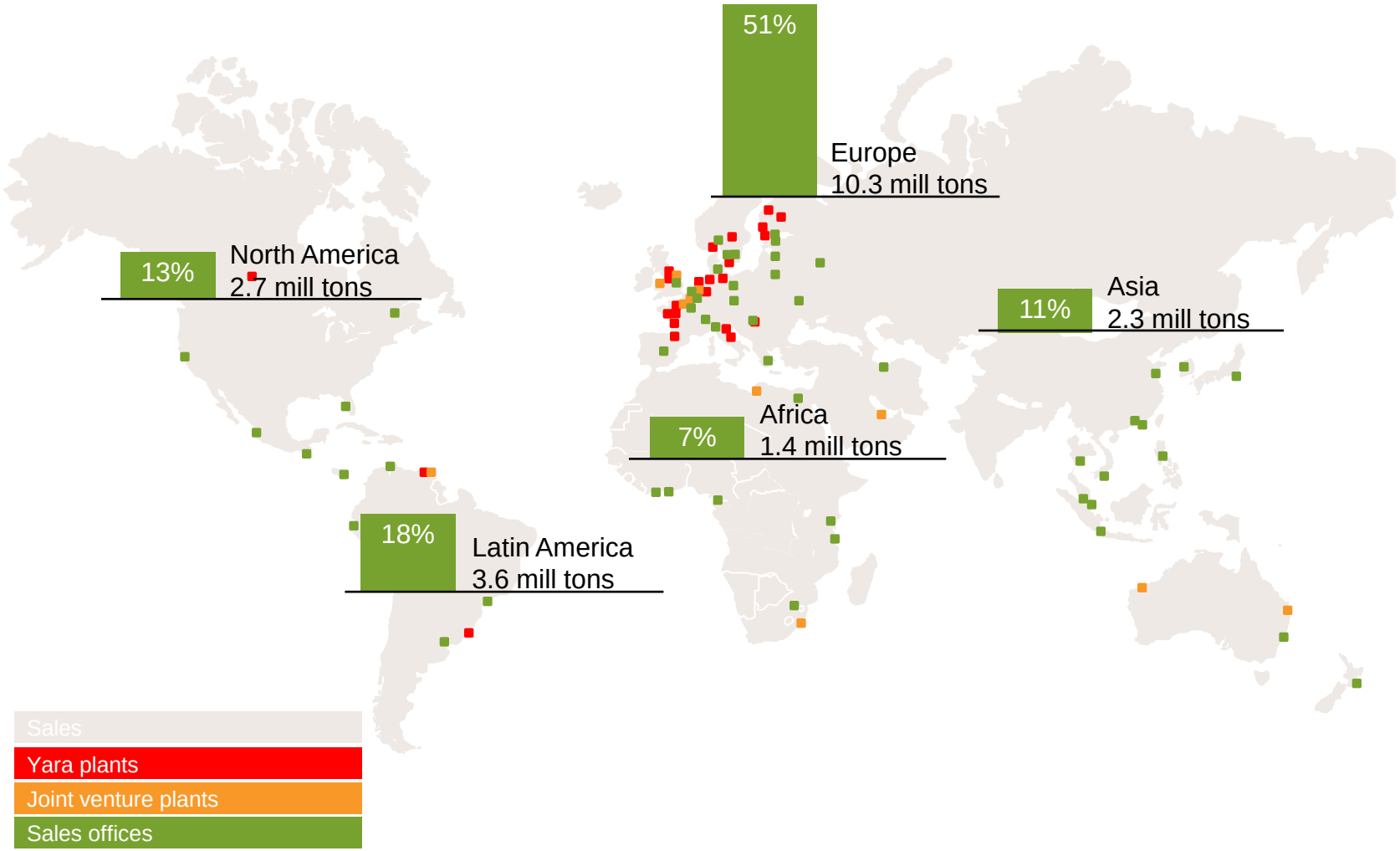
Simplified P&Ls for scenarios

NOK	Last 4 quarters	5-year avg. to 30 Sep 2011[2)]	Chinese swing	Demand-driven
EBITDA[1)]	14,800	15,200	13,500	23,600
Depreciation	-2,600	-2,600	-2,600	-2,600
Interest expense	-800	-700	-700	-700
Income before tax	11,400	11,900	10,200	20,300
Tax	-2,400	-2,800	-2,100	-4,500
Net income	9,000	9,100	8,100	15,800
Number of shares (millions)	287.9	287.2	287.2	287.2
Earnings per share (NOK)	**31**	**32**	**28**	**55**

Currency translation +1 USD/NOK	*2,600*	*2,550*	*2,300*	*4,100*

[1)] Including interest income, assumed in line with last 4 quarters in all scenarios.
[2)] Not historical earnings, but estimated earnings for today's Yara business, using 5-year average price conditions.

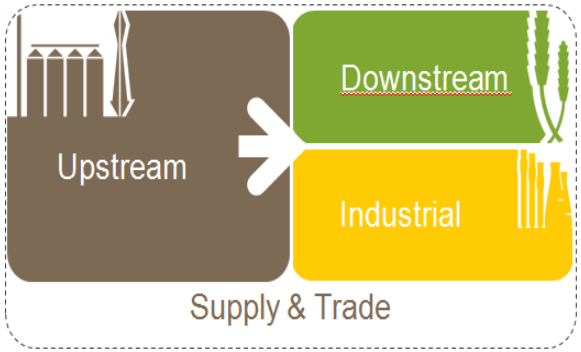
Global downstream presence with sales offices in more than 50 countries



Basis for Yara's profitable growth ambitions

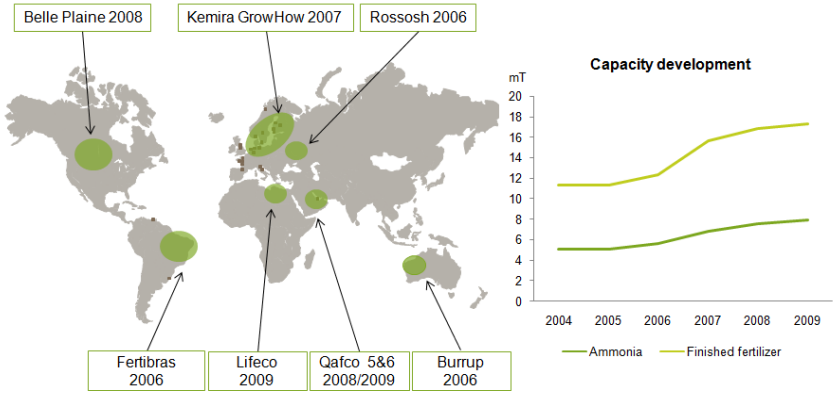
Strong earnings through the cycle

A scalable business model giving synergies



- Scale
- Flexibility
- Presence

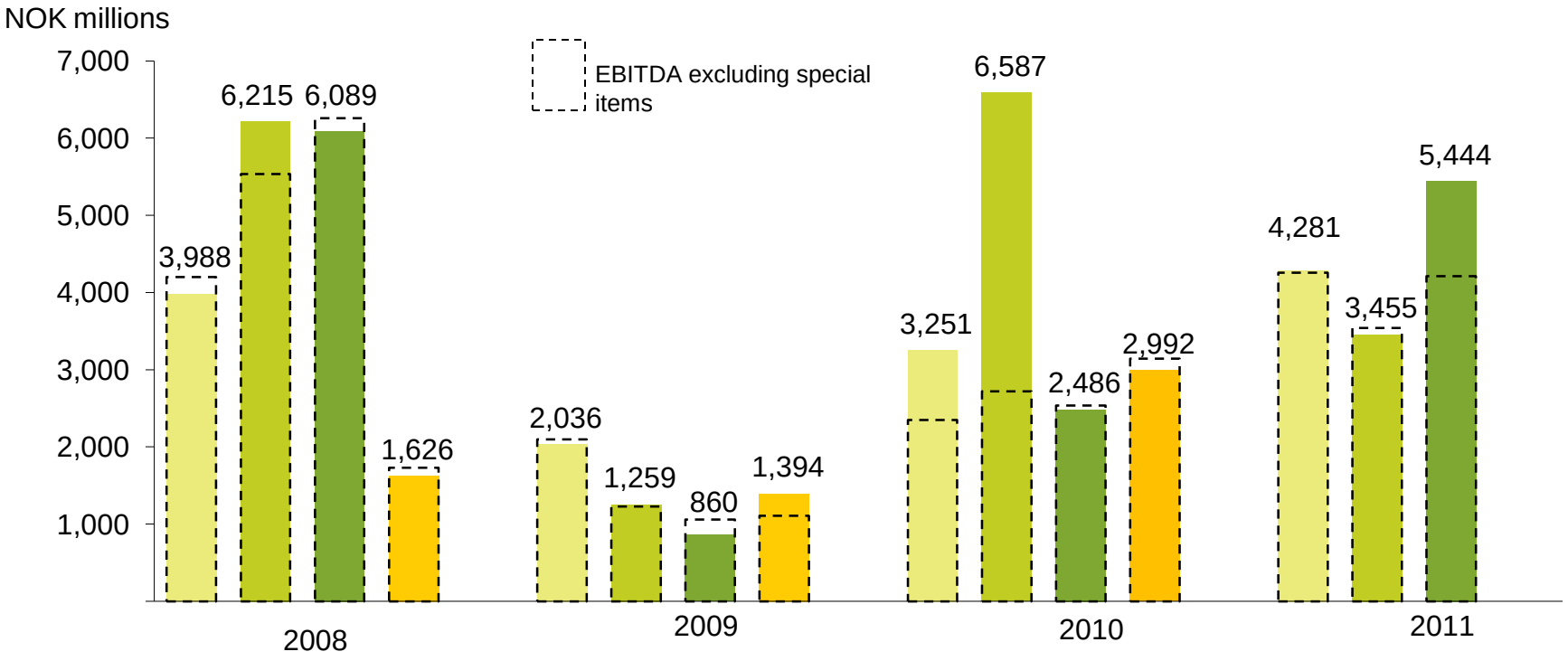
Industry-leading acquisition track-record



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

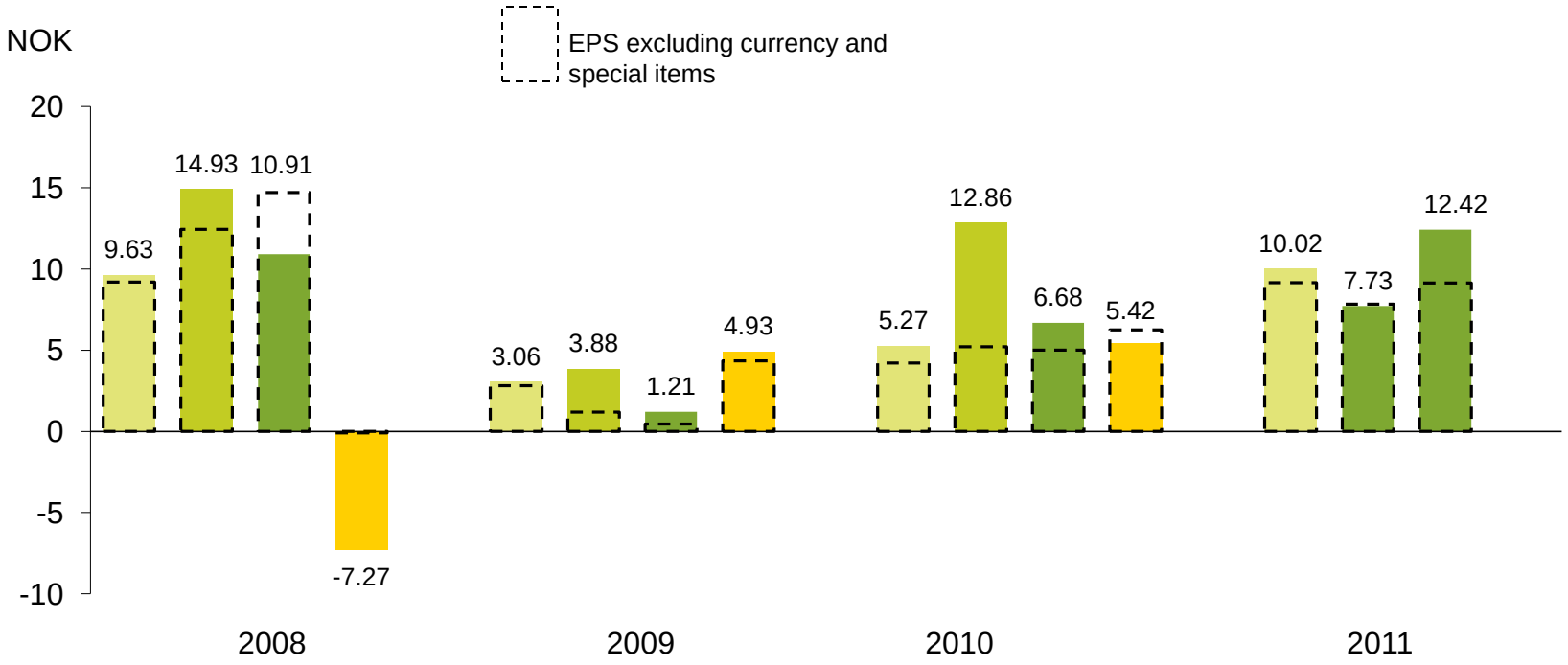
Earnings before interest, tax, depreciation and amortization (EBITDA)



Annual

NOK millions	17,917	5,549	15,315	13,180

Earnings per share*

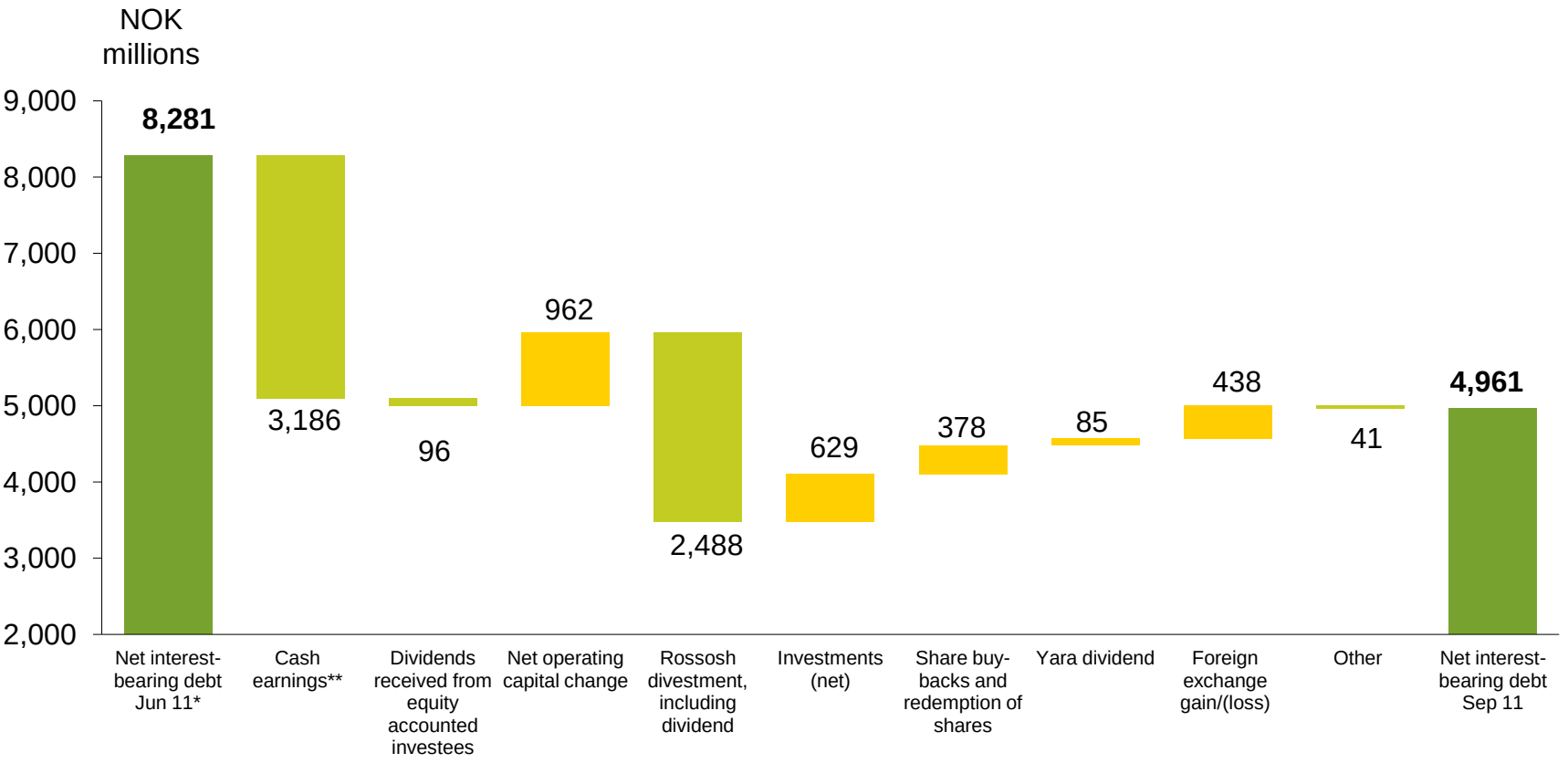


Annual

NOK	28.27	13.08	30.24	30.16

* Average number of shares for 3Q 2011: 287.2 million (3Q 2010: 288.7 million).

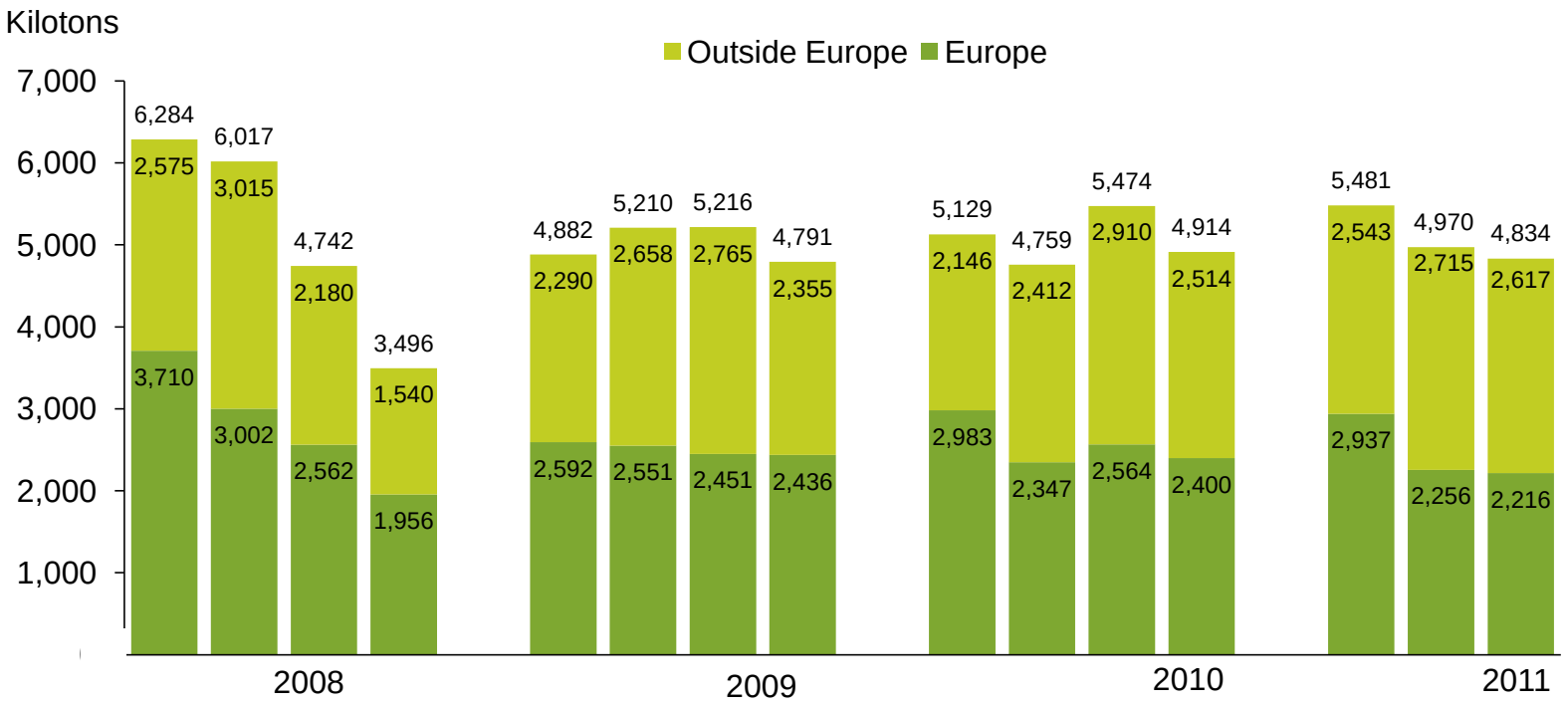
Net debt development



* Included in net interest-bearing debt are external bank time deposits (4-12 months), this is part of other current assets in balance sheet

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

Fertilizer sales volumes

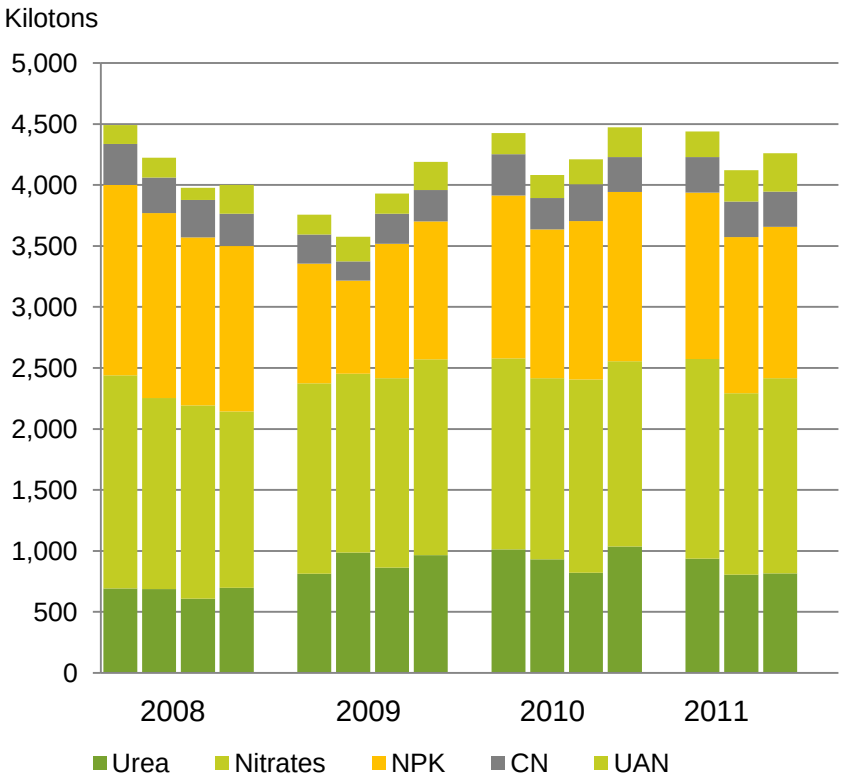


Accumulated, Kt

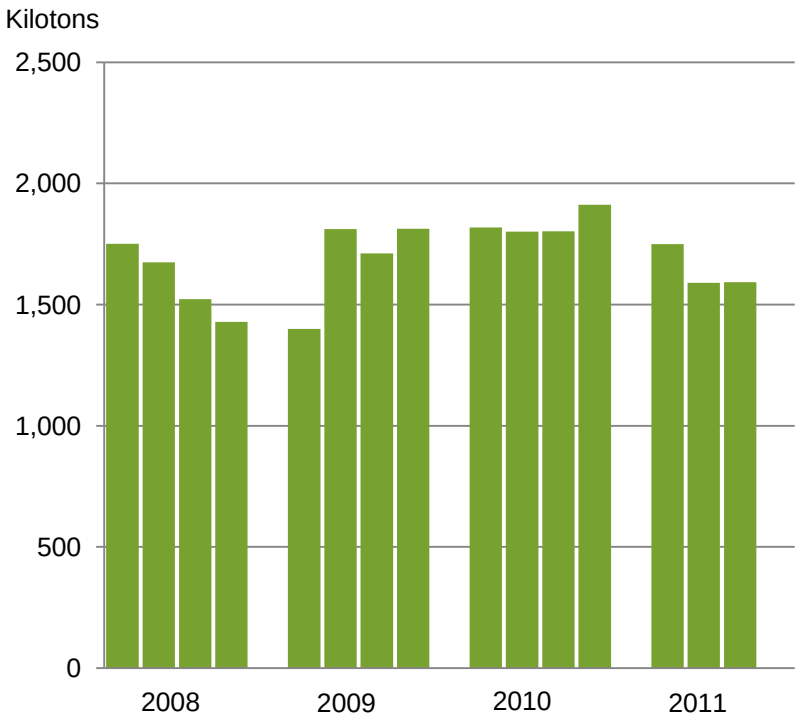
Fin. fertilizer	20,540	20,099	20,276	15,285

Yara – production volume*

Finished fertilizer



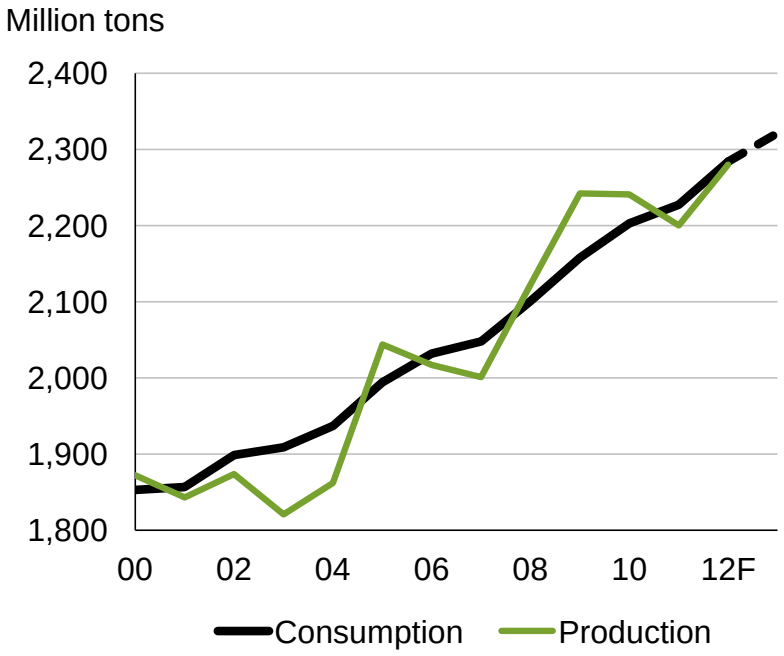
Ammonia



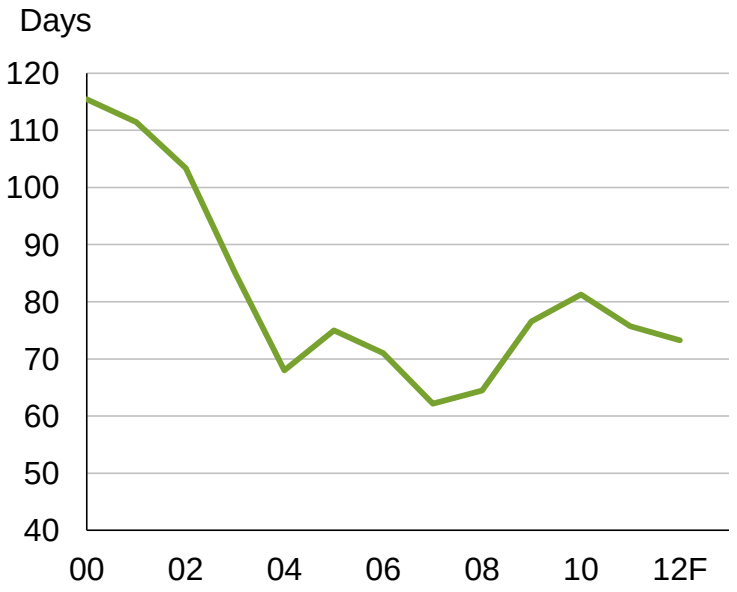
* Including share of equity-accounted investees

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

Grain production and consumption



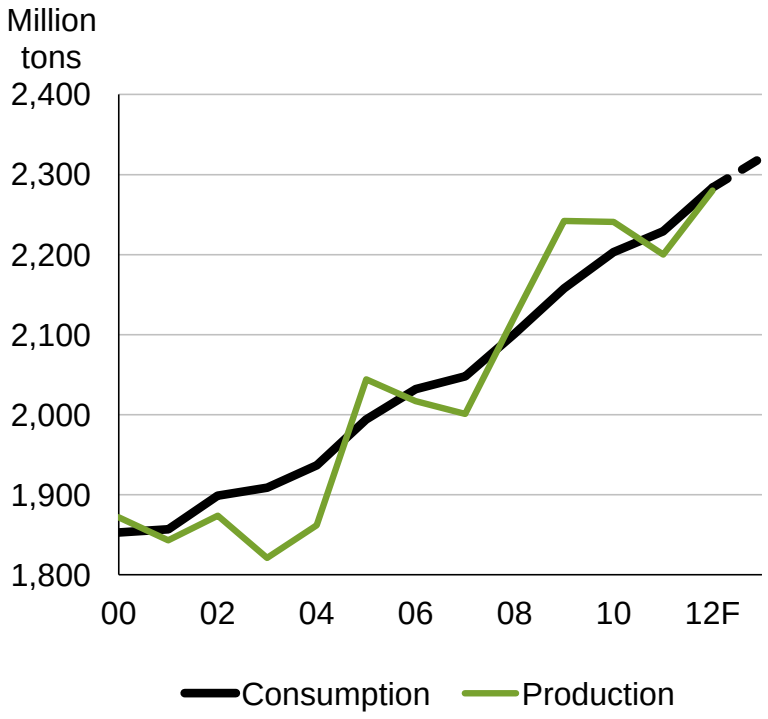
Days of consumption in stocks



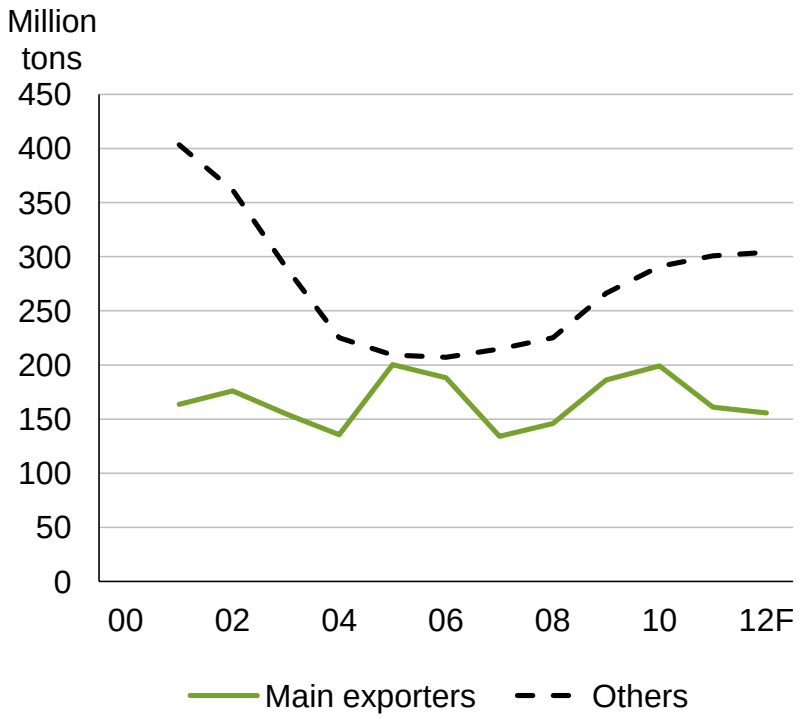
Source: USDA, November 2011

Grain stocks in exporting regions below average

Grain production and consumption

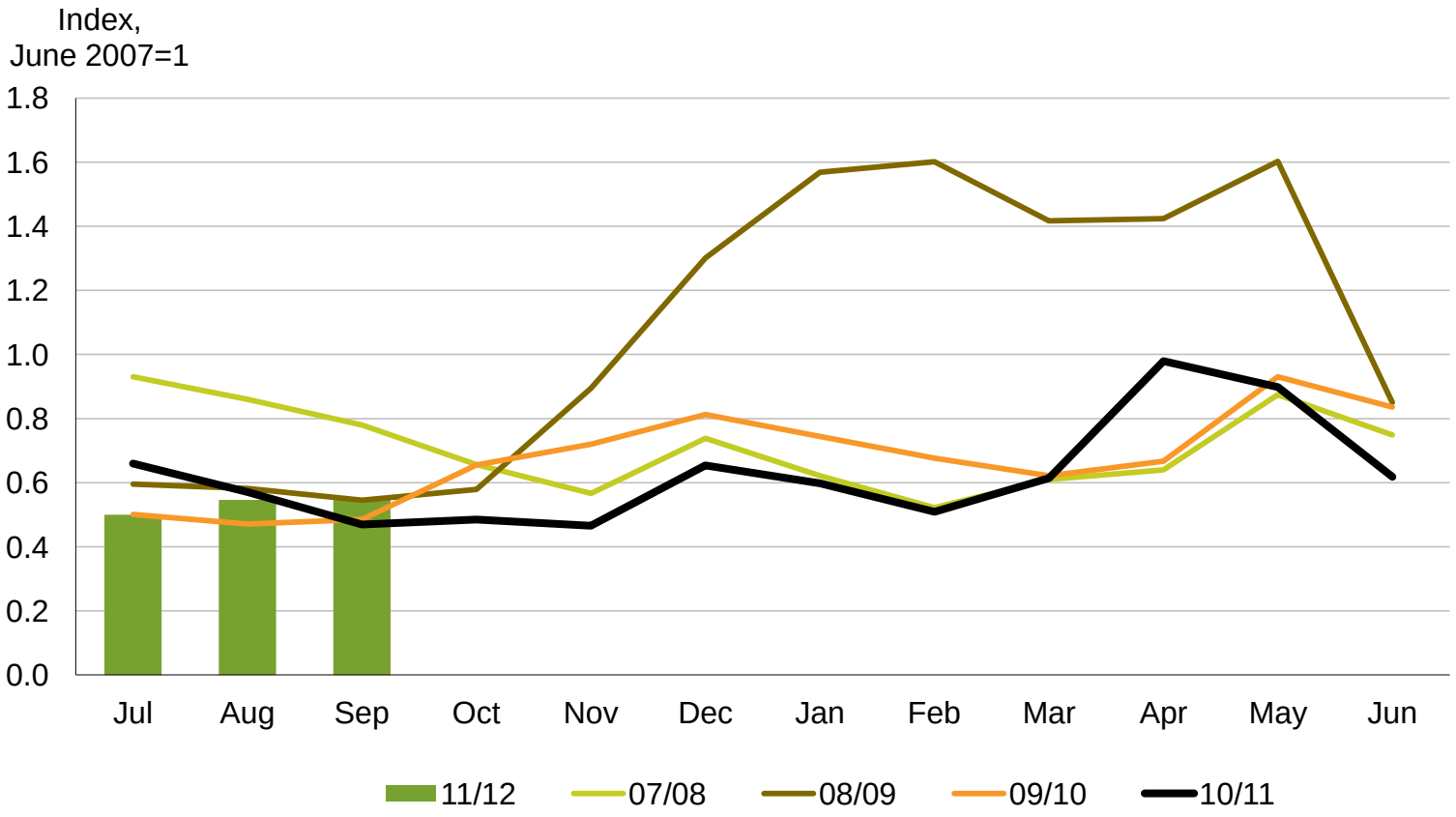


Global stocks



Source: USDA, November 2011

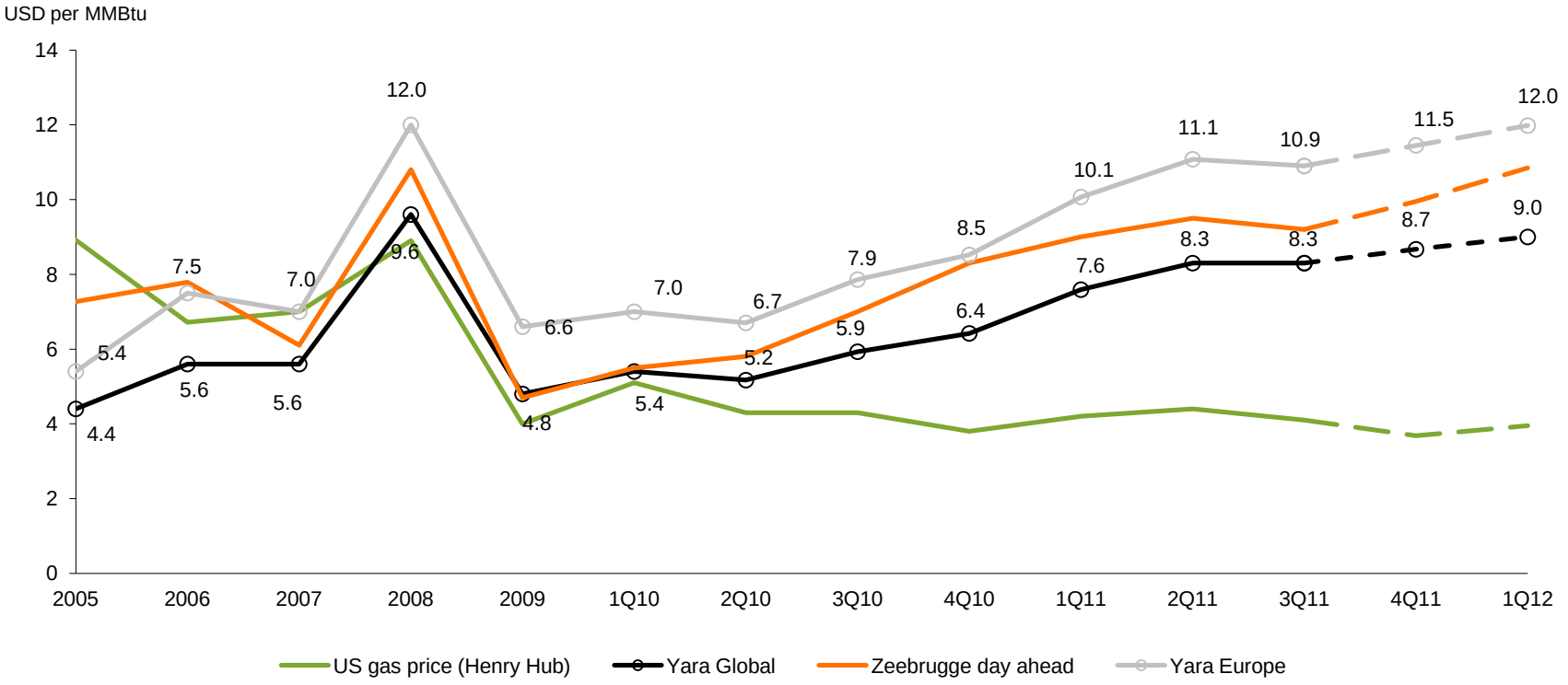
Low European producer nitrate stocks



Source: Fertilizers Europe, September estimate from Yara

Spot natural gas versus Yara average

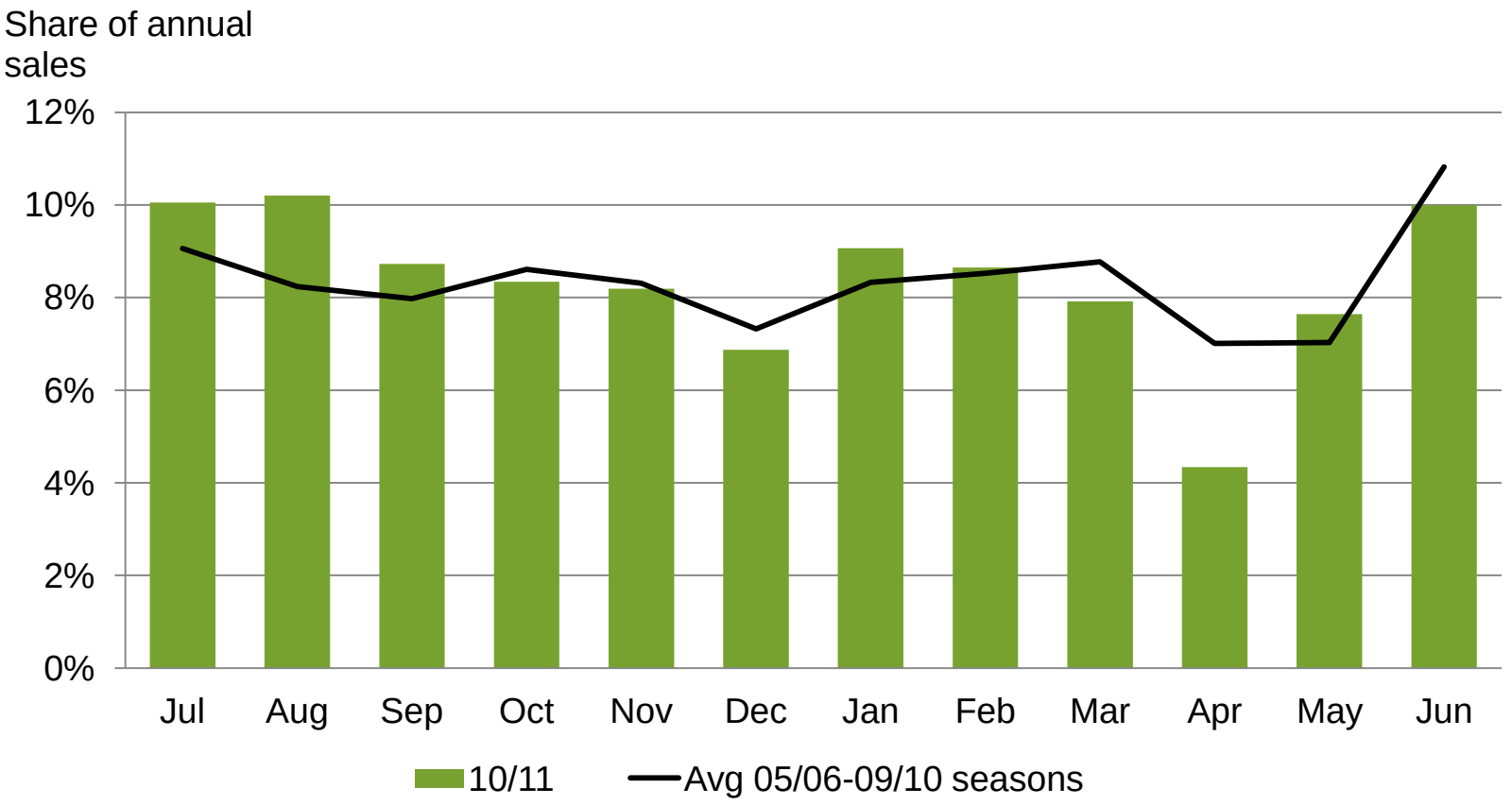
Yearly averages 2005 – 2009, quarterly averages for 2010-12 with forward prices* for 4Q11 and 1Q12



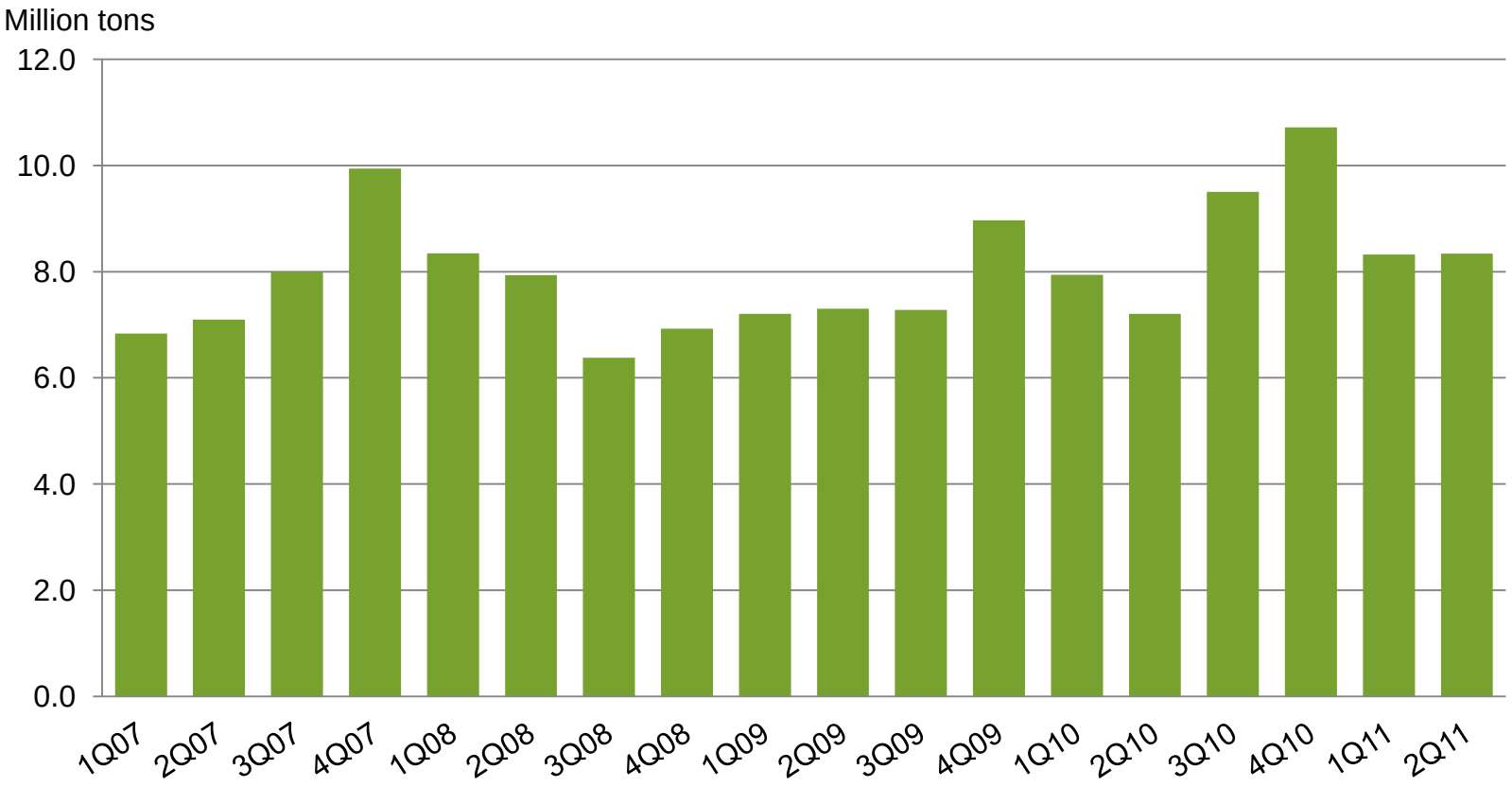
*Dotted lines denote forward prices as of 7 October

Source: Yara, World Bank, Platts

Yara nitrate sales



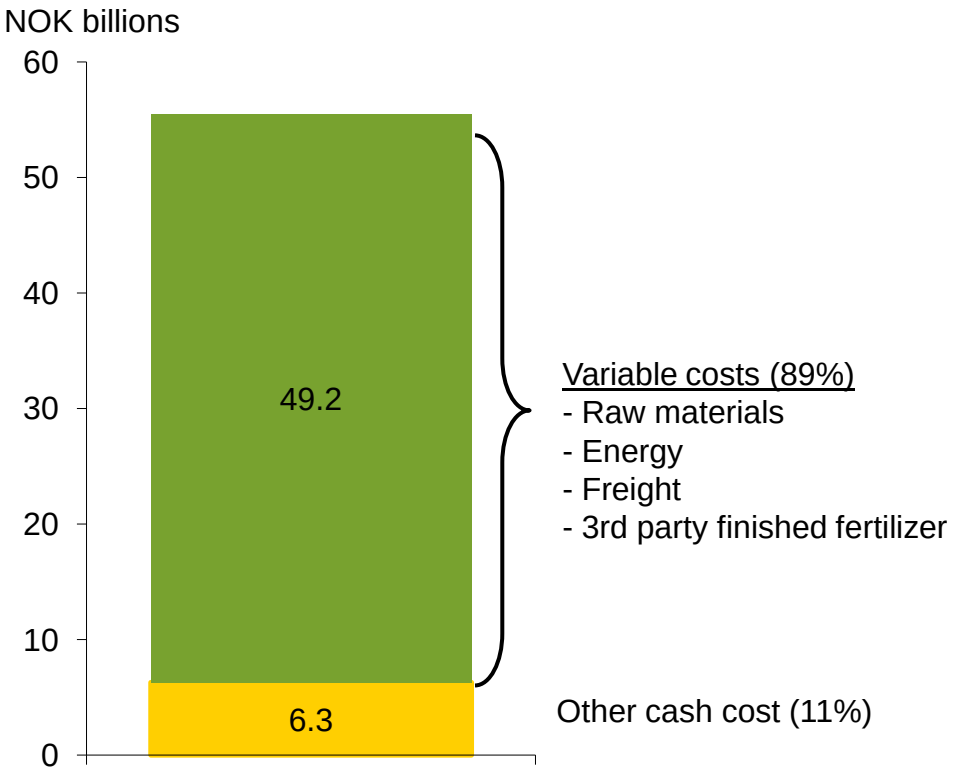
Quarterly urea trade



Source: IFA, Iran from GTIS

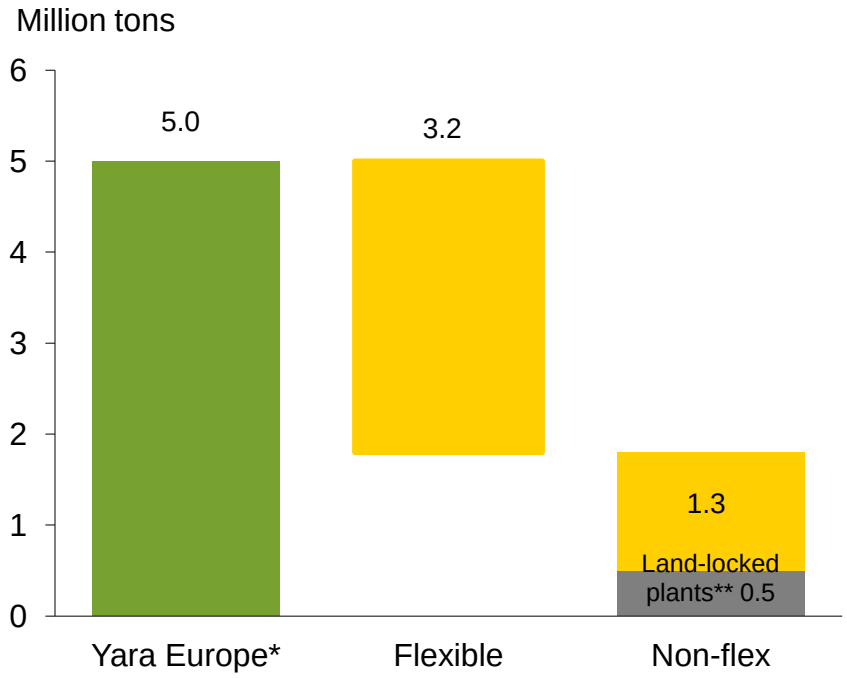
Yaras operating cash costs are mainly variable

Operating cash costs 2010



- 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



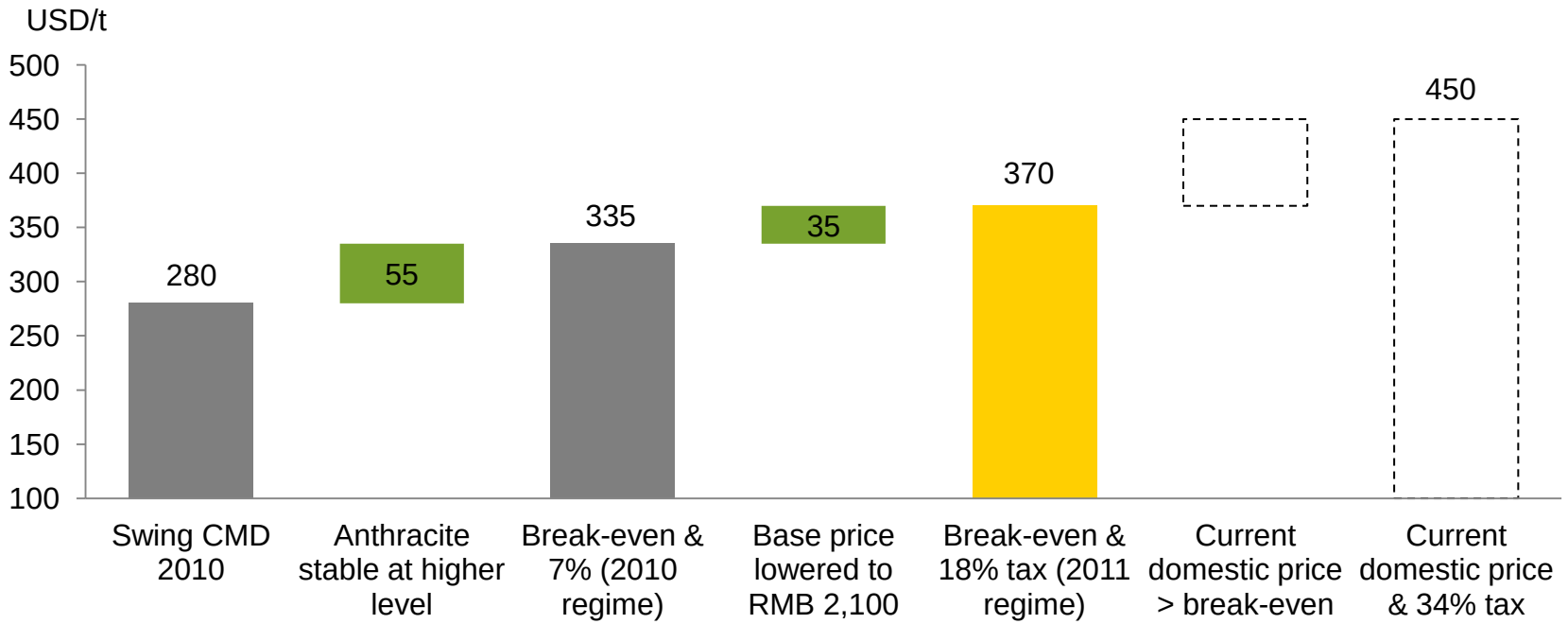
- Yara can swing 2/3 of European ammonia production without affecting fertilizer production
- Almost all Yara nitrate and NPK capacity has ammonia import flexibility

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

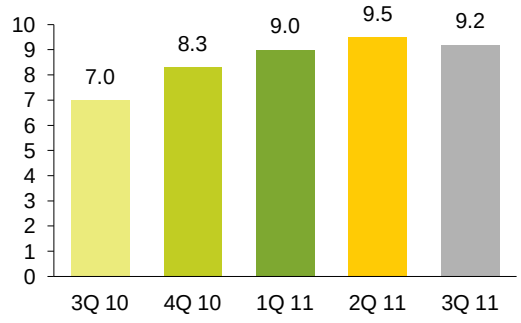
Current anthracite price and tariff system implies swing price of USD 370



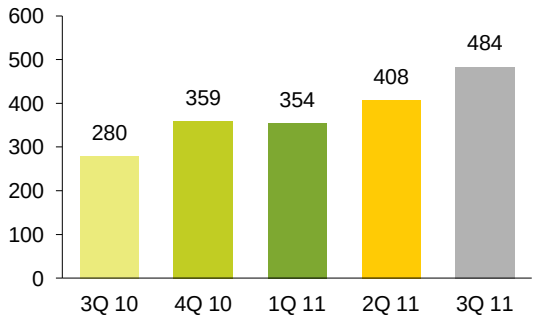
Formula for calculating the tax rate is (1.07 - (RMB 2,100 / FOB price))*100%

Key value drivers – quarterly averages

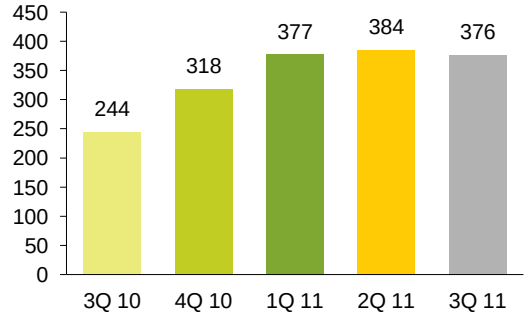
Zeebrugge day ahead(USD/MMBtu)



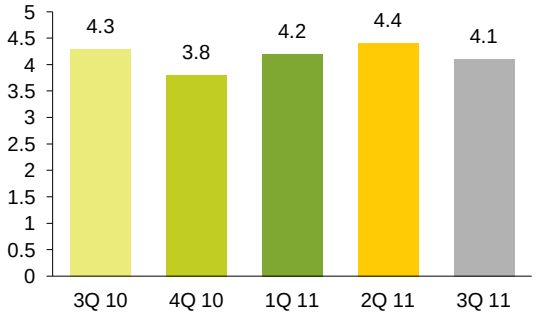
Urea prilled fob Black Sea (USD/t)



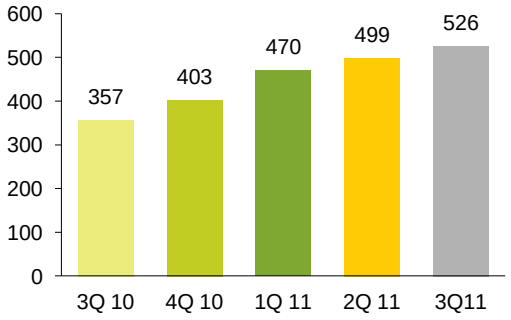
CAN cif Germany (USD/t)



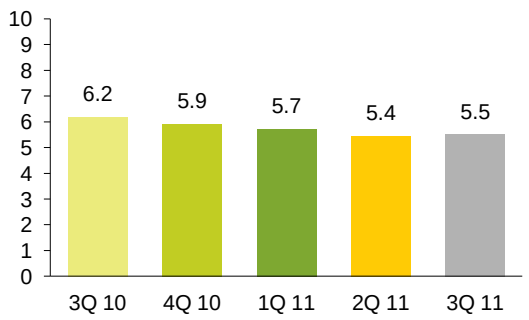
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)



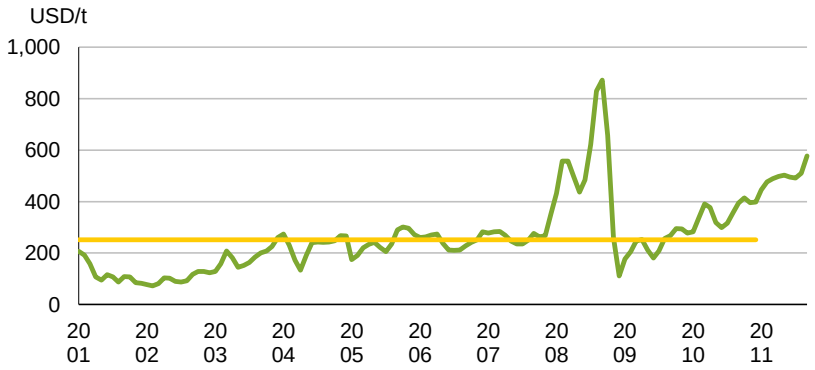
NOK/USD exchange rate



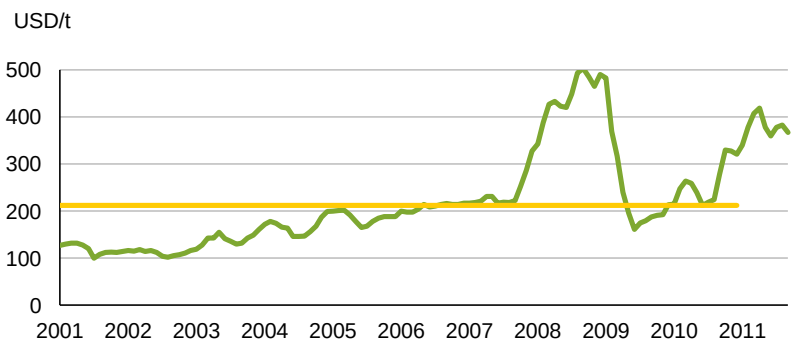
Source: Fertilizer Market Publications, CERA, World Bank, Norges Bank

10-year fertilizer prices – monthly averages

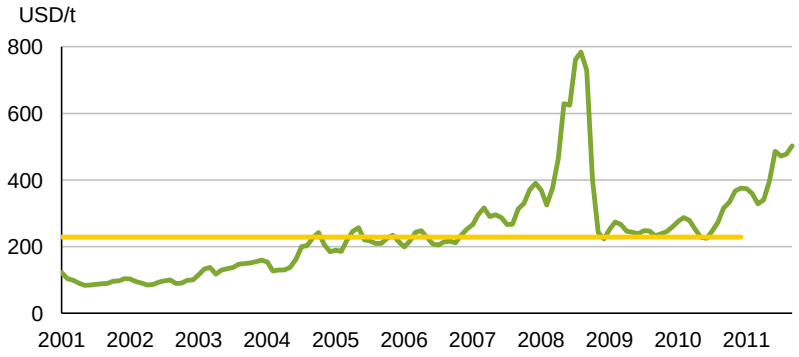
Ammonia fob Black Sea



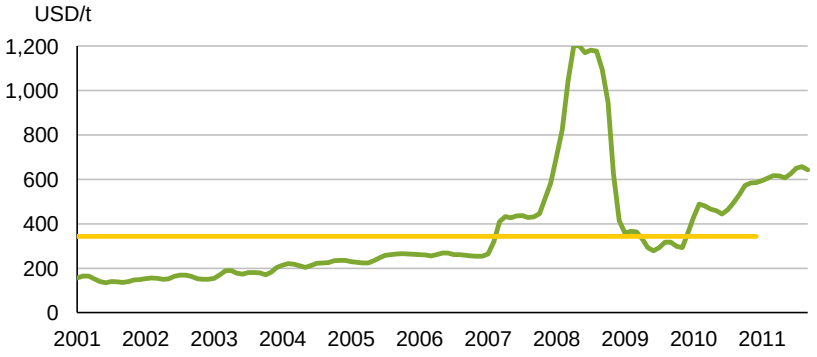
CAN cif Germany



Urea prilled fob Black Sea



DAP fob US Gulf



Average prices 2001 - 2010

Source: Average of international publications