Financial statements

Consolidated financial statements

» Due to rounding differences, figures or percentages may not add up to the total.

Consolidated statement of income

NOK millions, except share information	Notes	2015	2014
Revenue		108,011	95,047
Other income	3	3,683	293
Commodity based derivatives gain/(loss)		203	2
Revenue and other income	5	111,897	95,343
Raw materials, energy costs and freight expenses		(79,941)	(71,581)
Change in inventories of own production		874	1,023
Payroll and related costs	6	(8,047)	(6,616)
Depreciation, amortization and impairment loss	7,17	(6,933)	(4,678)
Other operating expenses	6	(3,745)	(3,186)
Operating costs and expenses	5	(97,793)	(85,037)
Operating income	5	14,104	10,305
Share of net income in equity-accounted investees	14,17	(310)	786
Interest income and other financial income	8	605	550
Earnings before interest expense and tax (EBIT)	5	14,398	11,642
Foreign currency translation gain/(loss)	8	(2,463)	(698)
Interest expense and other financial items	8	(1,291)	(909)
Income before tax		10,644	10,035
Income tax expense	9	(2,209)	(2,092)
Net income		8,435	7,944
Net income attributable to			
Shareholders of the parent	10	8,083	7,625
Non-controlling interests	23	351	319
Net income		8,435	7,944
Earnings per share [1]		29.38	27.59
Weighted average number of shares outstanding [2]	10	275,114,375	276,385,013

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 second, third and fourth quarter 2014 and 2015 due to the share buy-back program.

Consolidated statement of comprehensive income

NOK millions, except share information	Notes	2015	2014
Net income		8,435	7,944
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation on translation of foreign operations	29	6,259	8,057
Available-for-sale financial assets - change in fair value	31	31	(12)
Cash flow hedges	30	18	(20)
Hedge of net investments	30	(796)	(682)
Share of other comprehensive income of equity-accounted investees, excluding remeasurements		64	52
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		5,577	7,395
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Remeasurements of the net defined benefit pension liability	24	577	(1,026)
Remeasurements of the net defined benefit pension liability for equity-accounted investees	14,24	11	(160)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		588	(1,186)
Reclassification adjustments of the period:			
Cash flow hedges	30	6	13
Fair value adjustments on available-for-sale financial assets disposed of in the year	31	-	(16)
Foreign currency translation on foreign operations disposed of in the year	3	(341)	8
Net reclassification adjustment of the period		(335)	4
Total other comprehensive income, net of tax		5,830	6,214
Total comprehensive income		14,265	14,157
Total comprehensive income attributable to			
Shareholders of the parent		13,783	13,325
Non-controlling interests	23	481	832
Total		14,265	14,157

Consolidated statement of changes in equity

NOK millions	Share Capital [1]	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 shareholders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2013	471	117	1,887	30	(177)	(122)	1,618	51,415	53,621	2,152	55,773
Net income	-	-	-	-	-	-	-	7,625	7,625	319	7,944
Other comprehensive income, net of tax	-	-	7,551	(28)	(7)	(682)	6,834	(1,026)	5,808	514	6,322
Share of other comprehensive income of equity-accounted investees	-	-	8	-	39	-	47	(155)	(108)	-	(108)
Total other comprehensive income, net of tax	-	-	7,558	(28)	32	(682)	6,881	(1,181)	5,700	514	6,214
Long-term incentive plan	-	-	-	-	-	-	-	(2)	(2)	-	(2)
Transactions with non-controlling interests	-	-	-	-	-	-	-	33	33	1,047	1,080
Treasury shares	(1)	-	-	-	-	-	-	(229)	(230)	-	(230)
Redeemed shares, Norwegian State [2]	(1)	-	-	-	-	-	-	(210)	(211)	-	(211)
Share capital increase in subsidiary, non-controlling interest	-	-	-	-	-	-	-	-	-	180	180
Dividends distributed	-	-	-	-	-	-	-	(2,771)	(2,771)	(15)	(2,786)
Balance at 31 December 2014	468	117	9,445	3	(145)	(804)	8,499	54,681	63,765	4,196	67,962
Net income	-	-	-	-	-	-	-	8,083	8,083	351	8,435
Other comprehensive income, net of tax	-	-	5,787	31	24	(796)	5,047	577	5,624	130	5,755
Share of other comprehensive income of equity-accounted investees	-	-	20	-	44	-	64	11	75	-	75
Total other comprehensive income, net of tax	-	-	5,807	31	69	(796)	5,111	588	5,700	130	5,830
Long term incentive plan	-	-	-	-	-	-	-	(4)	(4)	-	(4)
Transactions with non-controlling interests [3]	-	-	743	-	-	-	743	(325)	418	(2,893)	(2,475)
Treasury shares	(2)	-	-	-	-	-	-	(362)	(364)	-	(364)
Redeemed shares, Norwegian State [4]	(1)	-	-	-	-	-	-	(127)	(127)	-	(127)
Share capital increase in subsidiary, non-controlling interest	-	-	-	-	-	-	-	-	-	298	298
Dividends distributed	-	-	-	-	-	-	-	(3,581)	(3,581)	(246)	(3,827)
Balance at 31 December 2015	466	117	15,996	34	(76)	(1,600)	14,353	58,954	73,890	1,837	75,727

1) Par value 1.70.
2) As approved by General Meeting 5 May 2014
3) See note 23 for more information.
4) As approved by General Meeting 11 May 2015

Consolidated statement of financial position

NOK millions	Notes	31 Dec 2015	31 Dec 2014
Assets			
Non-current assets			
Deferred tax assets	9	2,950	2,804
Intangible assets	11	9,583	12,008
Property, plant and equipment	12	52,424	44,584
Equity-accounted investees	14	9,769	10,934
Other non-current assets	16	2,956	2,729
Total non-current assets		77,681	73,059
Current assets			
Inventories	18	19,948	18,639
Trade receivables	19	12,098	12,100
Prepaid expenses and other current assets	20	4,383	4,196
Cash and cash equivalents	21	3,220	3,591
Non-current assets and disposal group classified as held-for-sale	13	1,533	47
Total current assets		41,182	38,573
Total assets		118,863	111,632

Consolidated statement of financial position

NOK millions, except share information	Notes	31 Dec 2015	31 Dec 2014
Equity and liabilities			
Equity			
Share capital reduced for treasury stock	22	466	468
Premium paid-in capital		117	117
Total paid-in capital		583	586
Other reserves		14,353	8,499
Retained earnings		58,954	54,681
Total equity attributable to shareholders of the parent		73,890	63,765
Non-controlling interests	23	1,837	4,196
Total equity		75,727	67,962
Non-current liabilities			
Employee benefits	24	3,751	3,897
Deferred tax liabilities	9	5,392	5,767
Other long-term liabilities		1,448	989
Long-term provisions	25	773	725
Long-term interest-bearing debt	26	9,354	10,609
Total non-current liabilities		20,718	21,987
Current liabilities			
Trade and other payables	27	14,674	14,628
Current tax liabilities	9	693	1,060
Short-term provisions	25	325	348
Other short-term liabilities		875	843
Bank loans and other short-term interest-bearing debt	28	3,635	4,460
Current portion of long-term debt	26	2,102	345
Liability associated with non-current assets or disposal group classified as held for sale	13	115	-
Total current liabilities		22,418	21,683
Total equity and liabilities		118,863	111,632
Number of shares outstanding [1]		274,173,369	275,497,775

1) The number of shares outstanding was reduced in the second, third and fourth quarters of 2014 and 2015 due to the share buy-back program.

The Board of Directors of Yara International ASA
Oslo, 17 March 2016

Leif Teksum
Chairperson

Maria Moræus Hanssen
Vice chair

John Thuestad
Board member

Hilde Bakken
Board member

Geir O. Sundbø
Board member

Geir Isaksen
Board member

Rune Bratteberg
Board member

Guro Mauset
Board member

Svein Tore Holsether
President and CEO

Consolidated statement of cash flows

NOK millions	Notes	2015	2014
Operating activities			
Operating Income		14,104	10,305
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation, amortization and impairment loss	7	6,933	4,678
Write-down inventory and trade receivables		265	53
Tax paid [1)]		(3,380)	(2,378)
Dividend from equity-accounted investees	14	807	1,322
Interest and bank charges received/(paid)		(40)	(384)
(Gain)/loss on disposal and revaluation of non-current assets [2)]	3	(3,280)	157
Other		(60)	(113)
Working capital changes that provided/(used) cash			
Trade receivables		256	(218)
Inventories		(1,520)	(2,439)
Prepaid expenses and other current assets		1,489	(662)
Trade payables		(200)	(1,170)
Other interest free liabilities		(744)	(544)
Net cash provided by operating activities		14,631	8,607
Investing activities			
Purchases of property, plant and equipment	12	(9,631)	(7,020)
Net cash outflow on acquisition of subsidiary	4	(1,406)	(2,280)
Purchases of other long-term investments	11	(904)	(524)
Net sales/(purchases) of short-term investments		(132)	-
Proceeds from sales of property, plant and equipment		138	26
Net cash inflow on disposal of subsidiary		-	-
Proceeds from sales of other long-term investments	3	5,048	98
Net cash used in investing activities		(6,888)	(9,700)
Financing activities			
Loan proceeds		19	5,165
Principal payments		(1,479)	(4,503)
Purchase of treasury shares		(364)	(230)
Redeemed shares Norwegian State		(127)	(211)
Dividend	22	(3,581)	(2,771)
Transactions with non-controlling interests	23	(2,825)	-
Other cash transfers from/(to) non-controlling interest	23	54	163
Net cash used in financing activities		(8,304)	(2,387)
Foreign currency effects on cash flows		189	246
Net increase/(decrease) in cash and cash equivalents		(371)	(3,233)
Cash and cash equivalents at 1 January		3,591	6,824
Cash and cash equivalents at 31 December	21	3,220	3,591
Bank deposits not available for the use of other group companies	21	436	463

1) Profit attributable to foreign shareholder (Yara) is subject to tax in Qatar. The tax is paid by Qafco, but refunded by Yara. Tax paid to Qatar was NOK 334 million in 2015 (2014: NOK 349 million).
2) Gain on sale of GrowHow UK is included with NOK (3.199) million in 2015.

Accounting policies

General
Yara (the Group) consists of Yara International ASA and its subsidiaries. Yara International ASA is a public limited company incorporated in Norway. The Company's registered office is at Drammensveien 131, Oslo, Norway.

The consolidated financial statements consist of the Group and the Group's interests in associated companies and jointly controlled entities. The principal activities of the Group are described in notes 5, 14 and 15.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB) and approved by the European Union (EU), as well as additional information requirements in accordance with the Norwegian Accounting Act.

Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention; modified to include revaluation to fair value of available-for-sale financial assets and derivative financial instruments.

Basis of consolidation
The consolidated financial statements include Yara International ASA and entities controlled by Yara International ASA (its subsidiaries). Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of Yara International ASA and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra group transactions, balances, income and expenses are eliminated in full on consolidation. Profit or losses from transactions with associated companies and joint ventures are recognized in the Group's consolidated financial statements only to the extent of interest in the associate or joint ventures that is not related to the Group. When a group entity transacts with a joint operation in which a group entity is a joint operator, such as a sale or contribution of assets, the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transaction are recognized in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation. When a group entity enters into a transaction with a joint operation in which it is a joint operator, such as purchase of assets, it does not recognize its share of the gain and losses until it resells those assets to a third party.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

New and revised standards - adopted
The accounting policies adopted are consistent with those of the previous financial year. The following amendments to IFRSs are effective for an accounting period beginning after 1 January 2015.

- IAS 19 Defined Benefit Plans: Employee Contributions – Amendments to IAS 19. Adoption 1 January 2015.
- Improvements to IFRSs, 2010-2012 cycle and 2011-2013 cycle (December 2013). Adoption 1 January 2015.

These amendments had no material impact on the disclosures or amounts recognized in the Group's consolidated financial statements.

New and revised standards – not yet effective
At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- IAS 1 Disclosure Initiative – Amendments to IAS 1. Adoption 1 January 2016.
- IAS 16 and IAS 41 Agriculture – Bearer Plants – Amendments to IAS 16 and IAS 41. Adoption 1 January 2016.
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization- amendments to IAS 16 and IAS 38. Adoption 1 January 2016.
- IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27. Adoption 1 January 2016.
- IFRS 15 Revenue from contracts with customers (issued 2014). Adoption 1 January 2018.
- IFRS 9 Financial Instruments (issued 2009). Expected adoption 1 January 2018.
- Improvements to IFRSs, 2012-2014 cycle and 2011-2013 cycle (September 2014). Adoption 1 January 2016.
- IFRS 16 Leases. Expected adoption 1 January 2019.

Impact on the group – selected standards not yet effective
IFRS 9 Financial Instruments (as revised in 2014) will supersede IAS 39 upon its effective date for annual periods beginning on or after 1 January 2018. The number of categories of financial assets have been reduced to financial assets measured at amortized cost and financial assets measured at fair value. However, the standard introduces a "fair value through other comprehensive income" measurement category for certain simple debt instruments. IFRS 9 also presents a new impairment model which is based on expected credit losses, rather than on incurred credit losses. As a credit event is not necessary for recognizing an impairment loss, the directors expect that there may be a change in timing of recognizing impairment losses as these may be recognized at an earlier stage but not necessarily a change in the amount of recognized losses. IFRS 9 also suggests more flexibility in hedge accounting as it allows entities to

hedge one or more risk components of non-financial contracts. It has not been assessed whether Yara will apply these possibilities. Full evaluation of the impact has not been completed at this stage.

IFRS 15 was issued in May 2014. The standard establishes a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction contracts and the related interpretations when it becomes effective. Under IFRS 15 an entity recognizes revenue when a performance obligation is satisfied, i.e. when control over the goods or services underlying the particular performance obligation is transferred to the customer. The evaluation of the impact will be completed during the next year, but as the majority of revenues in Yara stem from sale of goods with only one performance obligation, the directors do not anticipate the implementation of IFRS 15 to significantly impact the financial statements, except for more extensive disclosures.

IFRS 16 leases was issued in January 2016 and applies to annual periods beginning after 1 January 2019. IFRS 16 specifies how to recognize, measure and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The evaluation of the impact has not been completed at this stage, but the directors anticipate that the implementation of the lease standard will have an isolated negative effect on key figures using total assets as a variable, for example return on capital employed (ROCE). However, a positive impact on EBITDA is expected since the costs will be presented as depreciations and interest expense in the income statement, rather than operating lease expense. For cash return on gross investment (CROGI) there will be a positive effect on gross cash flow, but a negative effect on gross investments. The effects have not been quantified at this stage. See note 34 for more information about the Group's operating and financial lease commitments.

The Directors anticipate that the adoption of other new and revised standards will not significantly impact the financial statement.

Foreign currencies

Translation to Norwegian krone (NOK) of foreign companies

The individual financial statements of a subsidiary company are prepared in the company's functional currency, normally the currency of the country where the company is located. Yara International ASA has NOK as its functional currency, which is also used as the presentation currency for the consolidated financial statements. In preparing the consolidated financial statements, the financial statements of foreign operations are translated using the exchange rates at year-end for statement of financial position items and monthly average exchange rates for statement of income items. Translation gains and losses, including effects of exchange rate changes on transactions designated as hedges of net foreign investments, are included in other comprehensive income as a separate component. The translation difference derived from each foreign subsidiary, associated company or jointly controlled entity, accumulated from 1 January 2004 by using the direct method of consolidation, is reversed through the statement of income as part of the gain or loss arising from the divestment or liquidation of such a foreign operation.

In individual companies, transactions in currencies other than the entity's functional currency are recorded at the exchange rate at the date of transaction. Monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

All foreign currency translations are recognized in the income statement with the exception of foreign currency translations on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, or monetary items that are regarded as a part of the net investments. These foreign currency translations are recognized as a separate component of other comprehensive income until the disposal of the net investment or settlement of the monetary item, at which time they are recognized in the consolidated statement of income. Tax charges and credits attributable to foreign currency translations on those borrowings are also recognized in other comprehensive income.

Foreign exchange hedges

To hedge the Group's currency exposure the Group enters into currency-based derivative financial instruments. The Group's accounting policies for such contracts are explained below, under Financial Instruments.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except for deferred tax assets and liabilities, share-based payment arrangements and held-for-sale assets or disposal groups. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the business combination is achieved in stages, the acquisition date fair value of Yara's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

For each business combination, Yara measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Changes in the fair value of the contingent consideration that arise from additional information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date are adjusted retrospectively with corresponding adjustments against goodwill.

Any contingent consideration to be transferred by Yara will be recognized at fair value at the acquisition date. Contingent consideration is classified as an asset or liability and is measured at fair value with change in fair value recognized either in profit or loss or as a change in other comprehensive income. Contingent consideration not within the scope of IAS 39 is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured. Subsequent settlement is accounted for within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the

Group reports provisional amounts for the items where the accounting is incomplete. Those provisional amounts are adjusted or additional assets or liabilities are recognized within the next twelve months from the acquisition date, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorated on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

The Group's accounting policy for goodwill arising on the acquisition of an associate or joint arrangements is described under associated companies and joint arrangements below.

Assets held-for-sale

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. When the sale is highly probable the management is committed to the sale and the sale is expected to be completed within one year.

When the Group is committed to a sale plan involving disposal of an investment , or a portion of an investment, in an associate of joint venture, the investment or the portion of the investment that will be disposed of is classified as held-for-sale when the criteria described above are met. The Group discontinues the use of the equity method in relation to the portion that is classified as held-for-sale.

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell.

Fair value measurement

The Group measures financial instruments, such as derivatives, and non-financial assets at fair value at each balance sheet date and all identified asset and liabilities acquired through business combinations at fair value at the acquisition date. All assets and liabilities for which fair value is measured at the balance sheet date or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group may engage third party qualified valuers to perform the valuation. The Group does not hold significant non-financial assets or liabilities that are required to be measured at fair value at each balance sheet date.

Assets and liabilities acquired through a business combination are categorized in level 3 of the fair value hierarchy if nothing else is stated in note 4. The Group applies generally accepted valuation techniques for the relevant asset or liability. Discount factor used is entity specific, including various risk factors.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revenue recognition

Sale of goods

Revenue from the sale of products, including products sold in international commodity markets, is recognized when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Group
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products provided in the normal course of business, net of discounts and sales related taxes. Yara's rebate arrangements include fixed-rate rebates or variable rate rebates increasing with higher volumes. For variable rate rebates, the estimated rebate is accrued at each revenue transaction, and the accrual is adjusted at the end of each rebate period, which typically is the end of a fertilizer season.

In arrangements where Yara acts as an agent, such as commission sales, only the net commission fee is recognized as revenue.

Government grants
Government grants are recognized in the consolidated financial statement when the Group has reasonable assurance that it will receive them and comply with conditions attached to them. Government grants that compensate the Group for expenses are recognized in the statement of income as the expenses are incurred. Government grants that compensate the Group for the cost of an asset are deducted in the carrying amount of the asset and recognized in the statement of income on a systematic basis over the useful life of the asset as a reduction to depreciation expense.

Dividends received
Dividends from investments are recognized in the statement of income when the Group has a right to receive the dividends.

Interest income
Interest income is recognized in the statement of income as it is accrued, based on the effective interest method.

Tax
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year.

Deferred tax
Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent these can be utilized against probable taxable profits. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Current and deferred tax for the period
Current and deferred tax are recognized as expense or income in the statement of income, except when they relate to items recognized in other comprehensive income, in which case the tax is also recognized as other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of Yara's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Intangible assets
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Separately acquired intangible assets are recognized at fair value at the time of acquisition. As part of business combinations, intangible assets acquired as a result of contracts or legal rights, or rights that can be separated from the acquired entity, are recognized at fair value.

Research costs are expensed as incurred. Costs incurred in development of certain internally generated intangible assets, such as software, are expensed until all the recognition criteria are met. Qualifying costs incurred subsequently to meet the recognition criteria are capitalized.

Exploration and evaluation expenditure
Yara incurs costs related to evaluation and exploration of phosphate and potash. Expenditures to acquire such mineral interests and to drill and equip mines are capitalized as exploration and evaluation expenditure within intangible assets until the project has reached the development phase. If, following evaluation, the exploratory mine has not found proved reserves, the previously capitalized costs are evaluated for derecognition or tested for impairment.

Capitalized exploration and evaluation expenditure, including expenditures to acquire mineral interests, related to mines that find proven reserves are transferred from Exploration expenditure (Intangible assets) to Assets under construction (Property, plant and equipment) when the project reaches the development phase.

Property, plant and equipment
Measurement
Property, plant and equipment are measured at historic cost less accumulated depreciation and any impairment loss. If a legal or constructive obligation exists to decommission property, plant and equipment, the carrying value of the assets is increased with the discounted value of the obligation when it arises.

Repair and maintenance
Expenses in connection with periodic maintenance on property, plant and equipment are recognized as assets and depreciated on a systematic basis until the next periodic maintenance, provided the criteria for capitalizing such items have been met. Expenses in connection with ordinary maintenance and repairs are recognized in the statement of income as they are incurred. Expenses incurred in connection with major replacements and renewals that materially extend the life of property, plant and equipment are capitalized and depreciated on a systematic basis.

Useful life
Property, plant and equipment are depreciated on a straight-line basis over their expected useful life. If individual parts of property, plant and equipment have different useful lives they are accounted for and depreciated separately. Expected useful life and residual value is, unless immaterial, re-assessed annually. An asset's carrying amount is written down to its recoverable amount if the assets carrying amount is higher than its estimated

recoverable amount. Gain or loss due to sale or retirement of property, plant and equipment is calculated as the difference between sales proceeds and carrying value and is recognized in the statement of income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

Demolition costs

Costs incurred in respect of obligation for dismantling, removing and restoring a site are recognized as property, plant and equipment when such obligation incurs and when the recognition criteria are met when an asset is acquired or when the obligation incurs when the asset is still in use.

Stripping costs

Stripping costs (waste rock removal) in the production phase of existing mines are capitalized as tangible assets when the activity gives improved access to ore and when the following recognition criteria are met:

- It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity.
- The component of the ore body for which access has been improved can be clearly identified.
- The costs relating to the improved access to the ore component can be measured reliably.

Associated companies and joint arrangements

Associated companies are investments in companies where the Group has significant influence, but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Normally exists when the Group controls between 20% and 50% of the voting rights. Yara currently has one investment with ownership level less than 20% which is classified as an associate, see note 14 for more information.

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The classification of joint arrangements as a joint operation or a joint venture depends upon rights and obligations of the parties to the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates and joint ventures

The share of results, assets and liabilities of associated companies and joint ventures are incorporated into the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, investments are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associated companies and jointly controlled entities, less any impairment in the value of the investment.

The consolidated statement of income reflects the Group's share of the results after tax of the associated companies and joint ventures. The consolidated statement of comprehensive income reflects the Group's share of any income and expense recognized by the associate or joint ventures outside the statement of income. Any excess of the cost of acquisition of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Yara reviews the carrying amount of equity-accounted investments for impairment if indications of loss in value are identified. Impairment indicators may be operating losses or adverse markets conditions. As Yara's associated companies and joint ventures are generally not listed on a stock exchange or regularly traded, the impairment review for such investments can rarely be based on observable market prices. Fair value of the investment is estimated based on valuation model techniques. If it is considered probable that the fair value is below Yara's carrying value, an impairment loss is recognized.

In preparing their individual financial statements, the accounting policies of certain associated companies and joint ventures do not conform with the accounting policies of Yara. Where appropriate, adjustments are made in order to present the consolidated financial statements on a consistent basis.

Investments in joint operations

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- Its assets, including its share of assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation and;
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Inventory

inventories are stated at the lower of cost, using the first-in, first-out method ("FIFO"), and net realizable value. Net realizable value is estimated sales price reduced by costs of completion and other sales costs. Cost is direct materials, direct labor, other direct cost and an appropriate portion of production overhead, or the price to purchase inventory.

Impairment of non-current assets other than goodwill

The Group assesses the carrying amount of tangible assets and identifiable intangible assets annually, or more frequently if events or changes in circumstances indicate that such carrying amounts may not be recoverable. Factors considered material by the Group and that could trigger an impairment test include:

- Significant underperformance relative to historical or projected future results, or

- Significant changes in the manner of the Group's use of the assets or the strategy for the overall business, or
- Significant negative industry or economic trends.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost to sell and value in use. When it is determined that the carrying amount of tangible assets and identifiable intangible assets may not be recoverable based upon the existence of one or more of the above indicators of impairment, any impairment is measured based on discounted projected cash flows using a pre-tax discount rate. An impairment loss is recognized to the extent that the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.

Previously recognized impairment losses, except for goodwill, are reversed if the assumptions for impairment are no longer present. Impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognized.

Own shares

When own shares are repurchased, the amount of consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. Gain/loss from the sale of own shares is recognized as a change in equity.

Dividends paid

Dividends are recognized as a liability in the period that they are declared by the Annual General Meeting.

Employee benefits

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan. The amount is an estimation of future benefits that the employees have earned in return for their service in current and prior periods. The benefit is discounted to determine its present value, and the fair value of the plan assets and unvested past service cost is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds or government bonds where no market for high quality corporate bonds exists. If the bond has a different maturity from the obligation, the discount rate is adjusted. Qualified actuaries using the projected credit unit method perform the calculations.

Past service costs, arising from the amendment of plan benefits, are recognized immediately in profit or loss. Remeasurement gains and losses are recognized as retained earnings through other comprehensive income in the period they occur, and will not be reclassified to profit or loss in subsequent periods.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as an expense in the statement of income when employees have rendered services entitling them to the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or deduction in future payments is available.

Other long-term benefits

The Group's obligation in respect of other long-term benefits is the amount of future benefits that the employees have earned in return for their service in current and prior periods. The obligation is discounted based on the same principles as defined benefit plans.

Share-based compensation

In the long-term incentive program for Yara Management and top executives Yara shall purchase shares on behalf of the employees. The original purchase amount is recorded as reduction in equity and the recognition of costs takes place during the vesting period, see note 35. If an executive does not meet the vesting conditions the net proceeds must be returned to Yara and will be recognized directly against equity.

The Group may also give employees the option to purchase shares in Yara at a reduced price. The related cost is recognized when the employee exercises this option.

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) following a past event and it is likely that this will result in an outflow of cash or transfer of other assets to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of the cash flow.

Restructuring

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as a provision. An onerous contract is considered to exist where the Group has a contract where the unavoidable costs of meeting the obligations under a contract exceeds the economic benefits expected to be received from it.

Site restoration

A provision for an obligation to restore a site is recognized when it occurs as a consequence of a constructive or legal obligation.

Guarantees

A provision for guarantees is recognized when the products or services are sold. The provision is based on historical information on actual guarantee payments incurred and the probability that claims will be made.

Environmental expenditures

Environmental expenditures that increase the life, capacity, safety or efficiency of a facility are capitalized. Expenditures that relate to an existing condition caused by past operations are expensed. When environmental assessments, clean-ups or restoration are probable and the cost can be reliably measured, a provision is recognized.

Emission rights

Due to EU regulations in regard to greenhouse gas emissions, Yara receives annual emissions rights. These emission rights can be used to settle the Group's obligation that arises as a result of actual emissions. Granted emission rights received in a period are initially recognized at nominal value (nil value). Purchased emission rights are initially recognized at cost (purchase price) within intangible assets. A provision is recognized when the level of emissions exceeds the level of allowances granted.

If Yara's emissions are less than the emission rights allocated to its operations, these may be sold in the market. Gains are recognized if and when such transactions occur.

Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes part to the contractual obligations of the instrument.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and monetary items which are due in less than three months.

Other liquid assets

Other liquid assets comprises bank deposits and all other monetary items which are due between three and twelve months.

Trade receivables and other short-term receivables

Trade receivables and other short-term receivables are measured at initial recognition at fair value and subsequently measured at amortized cost. Short-term receivables, which are due within three months, are normally not discounted.

Available-for-sale financial assets

Available-for-sale financial assets are initially recognized at fair value. Subsequently, such assets are recognized at fair value, with gains and losses arising from changes in fair value recognized in the statement of comprehensive income, until the asset is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the consolidated statement of income for the period.

Impairment of financial assets

Financial assets, other than those recognized at fair value through the statement of income, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced directly by the impairment loss for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of income. With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of income. This is done to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In addition to the above impairment of available-for-sale equity securities, impairment may occur if the decline in fair value is significant or prolonged. In respect of available-for-sale equity securities, any increase in fair value subsequent to an impairment loss is recognized as other comprehensive income.

Trade payables and other short-term liabilities

Trade payables are initially measured at fair value and are subsequently measured at amortized cost. Short-term payables, which are due within three months, are normally not discounted.

Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less direct transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortized cost with any difference between cost and redemption being recognized in the statement of income over the period of the borrowings on an effective interest basis.

Derivative financial instruments

The Group uses derivative financial instruments to hedge exposure against currency risk, interest rate risk and commodity risk arising in operating, financing and investment activities. Derivatives are initially recognized at fair value at the date a derivative contract is entered into, and are subsequently remeasured to their fair value at each balance sheet date. The Group routinely enters into sale and purchase transactions for physical gas, ammonia and other commodities. The majority of these transactions take the form of contracts that were entered into and continue to be held for the purpose of receipt or delivery of the physical position in accordance with the Group's expected sale, purchase or usage requirements, and are therefore not within the scope of IAS 39 (own use exemption). Certain purchase and sales contracts are within the scope of IAS 39 as they can be settled net and do not qualify for the own use exemption. Such contracts are accounted for as derivatives under IAS 39 and are recognized in the statement of financial position at fair value. Gains and losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recognized in the consolidated statement of income.

Fair value for derivatives is measured based on quoted market prices when these are available. When quoted prices from active markets are not available, the Group estimates fair value by using valuation models that make maximum use of observable market data. The resulting change in fair value is recognized immediately in the statement of income unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in the consolidated statement of income depends on the nature of the hedge relationship.

A derivative is classified as a non-current asset or a non-current liability if the remaining maturity of the derivative is more than 12 months and as a current asset or a current liability if the remaining maturity of the derivative is less than 12 months.

Embedded derivatives

Derivatives embedded in other financial instruments or other non-financial host contracts are separated and treated as derivatives when the risks and characteristics of the derivative are not closely related to the host contract and the host contract is not measured at fair value with changes in fair value recognized in the consolidated statement of income.

Hedge accounting

The Group designates certain derivatives as either hedges of the fair value of recognized assets or liabilities (fair value hedges), hedges of foreign currency risk of recognized assets or liabilities (cash flow hedges), or hedges of net investments in foreign operations.

Cash flow hedges

Changes in fair value of financial instruments used as hedging instruments in cash flow hedges are recognized in equity until the hedged transactions are recognized. Any ineffective part of a hedge is recognized in the statement of income.

Fair value hedges

Changes in fair value of financial instruments designated as fair value hedges are recognized in the consolidated statement of income. The carrying amount of the hedged item is adjusted for changes in the fair value attributable to the hedged risk.

Hedge of net investment

Changes in fair value of financial instruments used as hedges of net investment in foreign operations are recognized as other comprehensive income. Any ineffective part of a hedge is recognized in the consolidated statement of income.

Hedge accounting ceases when the hedging instrument expires, is sold, terminated or exercised or the hedge relationship does not fulfill the requirements for hedge accounting.

Leasing

Property, plant and equipment which is leased on conditions which substantially transfer all the economic risks and rewards to Yara (finance lease) are accounted for as property, plant and equipment at the present value of minimum lease payments or fair value if this is lower. The corresponding finance lease liabilities are included in long-term debt. Property, plant and equipment are depreciated over the estimated useful lives of the assets. The related liabilities are reduced by the amount of lease payments less the effective interest expense.

Other leases are accounted for as operating leases with lease payments recognized as an expense over the lease terms.

Eu-directive 83/349

Yara GmbH & Co. KG with legal seat in Dülmen/Germany and its directly and indirectly owned subsidiaries are included in the consolidated financial statement of Yara International ASA as defined by sec. 291 HGB (German commercial code). For the purpose of sec. 264b HGB, Yara GmbH & Co. KG makes use of the relief to not disclose any independent financial statement and notes.

Notes to the accounts

Note 1 Key sources of estimation uncertainty, judgments and assumptions

General

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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. The accounting policies applied by Yara in which judgments, estimates and assumptions may significantly differ from actual results are discussed below.

Impairment of assets

Property, plant and equipment

Yara has significant carrying amounts related to property, plant and equipment recognized in the consolidated statement of financial position. The value in use of some of these assets could be influenced by changes in market conditions where Yara carries out its business. Significant and prolonged adverse market conditions related for example to increases in natural gas cost and/or lower market prices for products sold could lead to temporary or permanent closures of production facilities. Such closures will be considered as an impairment indicator and an impairment test will be carried out. The outcome of such impairment tests may be that significant impairment losses are recognized in the statement of income. A reduction to the expected useful life of the assets can also lead to periods with higher depreciation expense going forward. Yara has carried out impairment tests for certain production facilities during 2015, mainly due to uncertain economic conditions in local markets. None of these facilities were temporarily or permanently closed at the end of 2015. Total impairment write-down recognized on property, plant and equipment in 2015 was NOK 1,183 million. The carrying amount of property, plant and equipment at 31 December 2015 is NOK 52,424 million. See note 12 and 17 for further details.

Equity-accounted investees

Yara has a number of associated entities and joint ventures. These are recognized in the financial statements based on the equity method. In addition to being influenced by changes in market conditions, for example increases in natural gas costs and/or lower market prices for products sold, the carrying value will to some degree be subject to partner risk and political risk in the area where it operates. Yara carries out impairment testing if and when there are impairment indicators. Total impairment write-down recognized on equity-accounted investees in 2015 was NOK 920 million of which Lifeco was NOK 893 million. The impairment were triggered by the worsening security outlook in Libya and an assessment of Lifeco's operating ability. The total carrying value of equity-accounted investees at 31 December 2015 is NOK 9,769 million. See note 14 and 17 for more information.

Goodwill and other intangible assets

Determining whether goodwill and other intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and other intangible assets have been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying value of goodwill and other intangible assets at 31 December 2015 is NOK 7,016 million and NOK 2,567 million, respectively. Yara recognized impairment of goodwill and other intangible assets of NOK 308 million in 2015. Details of recognized goodwill are provided in note 11 and the impairment information, including sensitivity disclosures, is provided in note 17. Other intangible assets mainly comprises supplier contracts, evaluation and exploration assets, licenses, customer relationships, software, patent and trademarks either identified as part of the purchase price allocation of new business combinations or internally developed. See note 11 and 17 for further details.

Assessment of influence and control and classification of joint arrangements

Management has used judgment in relation to the classification of a new joint operation that is constructing an ammonia plant in the US. The company is owned 68% by Yara but controlled jointly with the other owner. Further information about this investment and the classification is provided in note 15.

Inventory

Yara has significant carrying amounts related to inventory recognized in the consolidated statement of financial position. As most of Yara's products are traded in markets where there are limited observable market references available, judgment is required in determining net realizable value. Management has used its best estimates in setting net realizable value for inventory. The carrying amount of inventory at 31 December 2015 is NOK 19,948 million and write-down at year-end is NOK 152 million. See note 18 for more information.

Deferred tax

Judgement is required in determining the Group's deferred tax assets and liabilities. Yara recognizes deferred tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management has considered future taxable income in assessing whether deferred income tax assets as well as the outcome of tax cases should be recognized. The amount of unrecognized tax assets has increased from NOK 559 million at 31 December 2014 to NOK 1,404 million at 31 December 2015, mainly due to later expected utilization of tax losses. The carrying amounts of deferred tax assets and deferred tax liabilities are NOK 2,950 million and NOK 5,392 million, respectively, at 31 December 2015. See note 9 for further details. The transaction with the non-controlling interest in Yara Pilbara Holding (Pilbara) in 2015 resulted in a reduced deferred tax liability of NOK 359 million for Yara and is provisionally determined at 31 December 2015. The estimate is based on available information but the final amount might change in future periods. See note 23 for more information about this transaction.

Pension liabilities

The fair value of pension liabilities is calculated based on several actuarial and economic assumptions. Any changes in the assumptions used would affect the estimated pension obligation. Changes in the discount rate have the most significant impact. The discount rate and other key assumptions are determined locally for each individual pension plan, based on the economic environment in which the plan is established. Assumptions are normally reviewed annually when the actuarial calculation is carried out, unless there are significant changes during the year. The carrying amount of the net pension liabilities at 31 December 2015 is NOK 2,971 million. The gross pension liabilities have a carrying value of NOK 16,805 million at the same date. Detailed information, including sensitivity disclosures, is provided in note 24.

Note 2 Composition of the group

The consolidated financial statement of Yara comprises 160 legal companies that are controlled by Yara. The material subsidiaries are disclosed in the table below, including the main parent(s). This list also includes major holding companies.

Subsidiaries	Ownership	Registered office	Main parent(s)
Yara Argentina S.A.	100.0%	Argentina	Yara Holdings Spain S.A.U.
Yara Australia Pty Ltd.	100.0%	Australia	Yara Technology B.V.
Yara Nipro Pty Ltd.	100.0%	Australia	Yara Australia Pty Ltd.
Yara Pilbara Fertilisers Pty Ltd.	100.0%	Australia	Yara Pilbara Holdings Ltd.
Yara Pilbara Holdings Pty Ltd.	100.0%	Australia	Yara Australia Pty Ltd. (51%) and Chemical Holdings Pty Ltd. (49%)
Chemical Holdings Pty Ltd.	100.0%	Australia	Yara Australia Pty Ltd.
Yara Barbados Inc.	100.0%	Barbados	Fertilizer Holdings AS
Yara Belgium S.A.	100.0%	Belgium	Yara Nederland B.V.
Yara s.a.	100.0%	Belgium	Yara Belgium S.A.
Yara Tertre SA/NV	100.0%	Belgium	Yara Belgium S.A.
Yara Trinidad Ltd.	100.0%	Bermuda	Yara Caribbean Ltd.
Yara Agrofertil S.A. Indústria e Comércio de Fertilizantes	100.0%	Brazil	Yara Brasil Fertilizantes S.A.
Galvani Industria, Comercio e Servicos S/A	60.0%	Brazil	Yara Agrofértil S/A Indústria e Comércio de Fertilizantes
Yara Brasil Fertilizantes S.A.	100.0%	Brazil	Yara South America Investments B.V. (72%) and Fertilizer Holdings AS (28%)
Yara Cameroun S.A.	65.0%	Cameroon	Yara France SAS
Yara Belle Plaine Inc.	100.0%	Canada	Yara Canada Holding Inc.
Yara Canada Holding Inc.	100.0%	Canada	Fertilizer Holdings AS
Yara Canada Inc.	100.0%	Canada	Fertilizer Holdings AS
Yara Trading (Shanghai) Co. Ltd.	100.0%	China	Yara Asia Pte Ltd.
Yara Colombia S.A.	97.3%	Colombia	OFD Holding S. de RL (65.1%) and Yara International ASA (32.2%)
Compania Costarricense del Cafe S.A.	82.7%	Costa Rica	Yara Iberian S.A.U.
Yara Chemicals A/S	100.0%	Denmark	Yara Chemical Holding Danmark AS
Yara Danmark Gødning A/S	100.0%	Denmark	Yara Holding Danmark AS
Yara Chemical Holding Danmark AS	100.0%	Denmark	Fertilizer Holdings AS
Yara Agri Trade Misr.	51.0%	Egypt	Yara Trade Misr.
Yara Phosphates Oy	100.0%	Finland	Yara Suomi Oy
Yara Suomi Oy	100.0%	Finland	Yara Nederland B.V.
Yara France SAS	100.0%	France	Yara Nederland B.V.
Yara Besitz GmbH	100.0%	Germany	Yara GmbH & Co. KG
Yara Beteiligungs GmbH	100.0%	Germany	Yara Nederland B.V.
Yara Brunsbüttel GmbH	100.0%	Germany	Yara GmbH & Co. KG
Yara Environmental Technologies GmbH	100.0%	Germany	Yara GmbH & Co. KG
Yara GmbH & Co. KG	100.0%	Germany	Yara Investments Germany B.V.

Table continues >>

>> Table continued

Subsidiaries	Ownership	Registered office	Main parent(s)
Yara Industrial GmbH	100.0%	Germany	Yara GmbH & Co. KG
Yara Investment GmbH	100.0%	Germany	Yara GmbH & Co. KG
Yara Ghana Ltd.	100.0%	Ghana	Yara Nederland B.V.
Yara Hellas S.A.	100.0%	Greece	Yara International ASA
Nutrientes y Nitratos Quetzales, S.A.	99.0%	Guatemala	Yara Guatemala S.A.
Yara Hungaria Gyarto es Kereskedelmi KFT	100.0%	Hungary	Yara Suomi Oy
P.T. Yara Indonesia	100.0%	Indonesia	Yara Asia Pte Ltd.
Yara Insurance Ltd.	100.0%	Ireland	Fertilizer Holdings AS
Yara Italia S.p.A.	100.0%	Italy	Yara Investment GmbH (72.3%) and Yara Nederland B.V. (27.7%)
Yara Côte d'Ivoire S.A.	100.0%	Ivory coast	Fertilizer Holdings AS
Yara East Africa Ltd.	100.0%	Kenya	Yara Overseas Ltd.
Yara International (Malaysia) Sdn. Bhd.	70.0%	Malaysia	Yara Asia Pte Ltd.
Yara México S. de R.L. de C.V.	99.9%	Mexico	OFD Holding S. de R.L. (70.7%) and Yara Nederland B.V. (29.2%)
Fertilizer Holdings AS	100.0%	Norway	Yara International ASA
Yara Marine Technologies AS	63.3%	Norway	Marine Global Norway AS
Marine Global Holding AS	63.3%	Norway	Fertilizer Holdings AS
OFD Holding S. de RL	100.0%	Norway	Fertilizer Holdings AS
Yara AS	100.0%	Norway	Fertilizer Holdings AS
Yara Gas Ship A.S	100.0%	Norway	Yara Norge AS
Yara Norge AS	100.0%	Norway	Yara International ASA
Yara Peru S.R.L.	100.0%	Peru	OFD Holding S. de R.L.
Yara Fertilizers Philippines Inc.	92.6%	Philippines	Yara Asia Pte Ltd.
Yara Poland Sp. zo. o	100.0%	Poland	Yara Nederland B.V.
Yara Asia Pte Ltd.	100.0%	Singapore	Yara International ASA
Yara Animal Nutrition South Africa (Pty) Ltd.	100.0%	South Africa	Yara Phosphates Oy
Yara Africa Fertilizers (Pty) Ltd.	100.0%	South Africa	Yara Nederland B.V.
Yara Holdings Spain S.A.	100.0%	Spain	Yara Nederland B.V.
Yara Iberian S.A.U.	100.0%	Spain	Yara Holdings Spain S.A.U.
Yara AB	100.0%	Sweden	Yara Holding Sverige AB
Yara Holding Sverige AB	100.0%	Sweden	Fertilizer Holdings AS
Yara Switzerland Ltd.	100.0%	Switzerland	Yara Nederland B.V.
Yara Tanzania Ltd.	100.0%	Tanzania	Fertilizer Holdings AS
Yara Thailand	100.0%	Thailand	Yara Asia Pte Ltd.
Yara Benelux B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara Dallol B.V.	51.8%	The Netherlands	Yara Nederland B.V.
Yara Finance Coöperatief W.A.	100.0%	The Netherlands	Fertilizer Holdings AS
Yara Finance Netherlands B.V.	100.0%	The Netherlands	Yara Finance Coöperatief W.A.
Yara Gas B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara Holding Netherlands B.V.	100.0%	The Netherlands	Fertilizer Holdings AS
Yara Industrial B.V.	100.0%	The Netherlands	Yara Holding Netherlands B.V.
Yara Investments Germany B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara Nederland B.V.	100.0%	The Netherlands	Yara Holding Netherlands B.V.
Yara Sluiskil B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara South America Investments B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara Technology B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara Vlaardingen B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara Caribbean Ltd.	100.0%	Trinidad and Tobago	Yara Barbados Inc.
Yara Overseas Ltd.	100.0%	United Kingdom	Yara UK Ltd. - North Europe
Yara UK Ltd. - North Europe	100.0%	United Kingdom	Fertilizer Holdings AS
Yara North America Inc.	100.0%	United States	Yara International ASA
Freeport Ammonia LLC	100.0%	United States	Yara North America Inc.
Yara West Sacramento Terminal LLC	100.0%	United States	Yara North America Inc.

Note 3 Business initiatives

Acquisitions

In December 2015, Yara acquired the assets of West Sacramento Nitrogen Operations (USA) from Agrium for a purchase price of NOK 239 million, mainly allocated to property, plant and equipment. Yara will utilize the location as an import terminal for finished products, optimizing the site within the total footprint of Yara's West Coast operations. The West Sacramento terminal will provide Yara with greater market access to Northern California and its intensive agricultural market. The site will be used as an import terminal for finished products and complements Yara's terminals in San Diego, Stockton and Port Hueneme.

On 4 December 2015, Yara announced that it had signed an agreement to acquire Greenbelt Fertilizers for USD 51 million. Greenbelt Fertilizers is a leading distributor of fertilizers in Zambia, Malawi and Mozambique. Zambia with its neighboring countries makes up a fast-growing agricultural region with low but increasing fertilizer application rates, and Yara expects continued fertilizer demand growth in the region. Greenbelt started operations in Zambia in 2004 and has become a leading fertilizer distributor in Zambia, Malawi and Mozambique, with sales of 80 kilotons and an EBITDA of USD 5 million in the fiscal year ending 31 March 2015. Greenbelt owns three blending plants and three warehouses. The transaction value includes net working capital of USD 32 million.
The transaction is expected to close within second quarter 2016 latest, subject to competition authority approval and other customary closing conditions.

In November 2015, Yara paid NOK 1,091 million (USD 132 million) deferred consideration and capital injection on behalf of the minority shareholders for the Salitre phosphate project based on project progress and in accordance with agreements entered into with the acquisition of 60% of Galvani (Brazil) on 1 December 2014. The amount is presented on the line "Net cash outflow on acquisition of subsidiary" within investing activities in the statement of cash flows.

On 29 October 2015, Yara acquired an additional 49% interest in Yara Pilbara Holding (Pilbara). More information is provided in note 23.

Other business initiatives

Yara announced on 29 July 2015 that it will be investing USD 263 million in Sluiskil, Netherlands, to increase granulation capacity enabling increased production of granular urea with sulphur, and nitrates. In 2011, Yara completed the construction of a new world scale urea solution plant in Sluiskil which partly feeds an old prilling unit producing 400,000 tons of urea annually. With this investment, the prilling unit will be replaced by a new urea granulator also designed for production of urea with sulphur, a product that is sold with a premium to regular urea. The new granulator will have an annual capacity of 660,000 tons of urea with sulphur. In parallel with increasing urea production, Sluiskil will reduce UAN production by approximately 230,000 tons per annum, freeing up nitric acid capacity enabling 130,000 tons per annum of additional CAN production. The new plant will be based on technology developed by Yara. Construction has started in 2016, with completion expected in second half 2017.

On 19 February 2015, Yara announced that it has agreed with BASF to build a world scale ammonia plant in Texas. The ammonia plant is owned 68% by Yara and 32% by BASF. The plant will have a capacity of about 750,000 metric tons per year. Each party will off-take ammonia from the plant in accordance with its equity share. Total capital investment for the plant is estimated to USD 600 million. The feedstock contracts have take-or-pay clauses, partly supported by guarantees from Yara and BASF.
The total take-or-pay commitment on Yara's share is USD 488 million (undiscounted). In addition, Yara is building an ammonia tank at the BASF terminal bringing Yara's total investments to USD 490 million. BASF will upgrade its current terminal and pipeline assets. The plant is expected to be completed by the end of 2017. Yara is managing the construction of the plant, while BASF will operate the plant and the export terminal. The entity is classified as a joint operation and Yara accounts for the assets, liabilities, revenues and expenses relating to its 68% interest in the investment.

Disposals

On 30 November 2015, Yara reduced its ownership in Yara Dallol (Dallol) from 69% to 51.8%. More information is provided in note 23.

On 15 September 2015, Yara announced that it had signed a non-binding Heads of Terms with U.S.-based Praxair, Inc. to sell its European CO_2 business. More information is provided in note 13.

On 31 July 2015, Yara sold its 50% stake in GrowHow UK Group Limited to CF Industries. Yara and CF Industries have each owned 50% of GrowHow UK since 2007 and 2010 respectively. GrowHow UK has two production sites in Ince and Billingham with a total production capacity of approximately 0.8 million tons of ammonia, 1.1 million tons of ammonium nitrate and 0.5 million tons of compound NPK. With limited export possibilities, GrowHow UK primarily serves the UK fertilizer market. The investment in GrowHow UK has been accounted for based on the equity method. The sale generated a tax free gain in 2015 reported as "other income" within operating income of NOK 3,199 million. This includes a cumulative foreign currency translation gain of NOK 312 million recognized in other comprehensive income during the ownership period which have been recognized in the statement of income at closing. The gain is reported in the Production segment. The cash consideration received at closing was NOK 4,794 million and is presented on the line "Proceeds from sales of other long-term investments" within investing activities in the statement of cash flows.

The table below presents the impact of GrowHow UK on the various financial statements of Yara:

NOK millions	2015	2014
Statement of income		
Other income	3,199	-
Share of net income in equity-accounted investees	131	232
Statement of other comprehensive income		
Exchange differences on foreign operations disposed of in the year	(312)	-
Exchange differences on translation of foreign operations	180	248
Remeasurements of the net defined benefit pension liability for equity-accounted investees	11	(157)
Statement of changes in equity		
Translation of foreign operations (cumulative closing balance)	-	131
Statement of financial position		
Equity-accounted investees	-	1,583
Statement of cash flows		
Proceeds from sales of other long-term investments	4,794	-
Dividend from equity-accounted investees	-	285

Business initiatives 2014

Major acquisitions

On 1 December 2014, Yara acquired a 60% stake in Galvani Indústria, Comércio e Serviços S/A (Galvani), for an enterprise value of USD 318 million. Galvani was an independent, privately held fertilizer company. The company is engaged in phosphate mining, Single Super Phosphate (SSP) production (approximately 1 million tons per annum) and distribution of fertilizers in the center and northeast of Brazil. Galvani also owns licenses for two greenfield phosphate mine projects in Brazil. The primary reason for the Galvani acquisition was to secure phosphate fertilizer capacity in the center of Brazil. Furthermore, Galvani brings industry competence with cost-effective solutions for mining, production, blending and warehousing facilities. The unit is included in the Production segment. More detailed information can be found in note 4.

On 1 October 2014, Yara closed the acquisition of OFD Holding Inc (OFD) with an enterprise value of USD 423 million. OFD owns and operates a fertilizer production facility in Cartagena with an annual capacity of approximately 320 kilotons (kt) compound NPK, 100 kt calcium nitrate (CN) and 70 kt ammonium nitrate (AN), with integrated ammonia production. OFD also controls approximately 700 kt of NPK blending capacity across 12 sites and 100 kt liquid fertilizer capacity as part of its fertilizer distribution network across Colombia, Mexico, Peru, Bolivia, Costa Rica and Panama. The primary reason for the OFD acquisition is further development in Latin America, creating value for Yara's shareholders and contributing to agricultural, industrial and mining sector growth in the region. The units are consolidated into Yara's financial statements, and are included in the Crop nutrition segment. More detailed information can be found in note 4.

Other acquisitions

Yara acquired the flue gas cleaning division of Strabag SE after approval by all relevant regulatory bodies. The consideration was EUR 2 million. The assets are included in the company Yara Environmental Technologies GmbH, Austria, which is included in the Industrial segment.

Yara acquired the Borealis' 52.15% stake in Le Havre urea plant, situated on the northwest coast of France. Yara held 47.85% prior to the acquisition. The production facilities produce 320,000 metric tons urea and 400,000 metric tons ammonia per annum. The consideration was EUR 4 million. The Le Havre urea plant is included in the Production segment.

Yara acquired a majority 63.33% stake in Green Tech Marine (GTM), a sulphur oxide (SO_X) scrubber supplier to the marine industry during second quarter 2014. Yara paid NOK 47.5 million for the shares. In addition, there is an earn-out arrangement with a minimum amount of NOK 10 million. The company is included in the Industrial segment.

Yara acquired the Kynoch business in the Cape regions of South Africa on 1 March 2014. The business represents 140 kt of fertilizer sales, with a differentiated product portfolio offering crop nutrition solutions. The consideration was USD 31 million, and the unit is included in the Crop nutrition segment.

Yara acquired H+H Umwelt- und Industrietechnik GmbH. H+H specializes in Selective Catalytic Reduction (SCR) systems for NO_X abatement in ships and power plants. The company provides SCR systems to the shipping and industrial markets, with over 1,200 installed SCR units around the world. The consideration was EUR 15.4 million and the company is included in the Industrial segment.

Yara acquired the German water sensor company ZIM Plant Technology GmbH on 2 January 2014. The company has developed technology to monitor the water status of the crop. The consideration was EUR 3.5 million and the company is included in the Crop nutrition segment.

More detailed information can be found in note 4.

Note 4 Business combinations

Business combinations 2015

The business combinations completed in 2015 are regarded non-material both individually and combined, therefore no detailed information is disclosed. Yara paid significant deferred considerations in 2015 related to business combinations in 2014. These cash flows are presented in the table below.

Net cash outflow on business combinations

NOK millions	Galvani	OFD	Other 2015
Cash transferred	-	-	260
Deferred considerations paid	1,091	58	-
Cash and cash equivalent balances acquired	-	-	(3)
Net cash outflow on business combinations	1,091	58	257

Business combinations 2014

Considerations

NOK millions	Galvani 1 December 2014	OFD 1 October 2014	Other 2014
Cash transferred	266	1,153	404
Debt settled as part of the transaction	172	502	19
Deferred consideration and earn-out [1]	1,212	46	35
Total considerations	1,650	1,701	459

1) The deferred consideration related to Galvani can maximum be USD 186 million (nominal value) of which Yara paid USD 132 million (NOK 1,091 million) during 2015.

Identifiable assets acquired and liabilities recognized at the date of acquisitions (fair value)

NOK millions, except percentages	Galvani 1 December 2014	OFD 1 October 2014	Other 2014
Assets			
Deferred tax asset	55	54	1
Exploration and evaluation assets, part of intangible assets	1,010	-	-
Trademarks, part of intangible assets	44	39	-
Patents and technologies, part of intangible assets	-	-	43
Customer relationships, part of intangible assets	115	113	104
Other, part of intangible assets	12	-	-
Property, plant and equipment	1,352	1,181	66
Mineral rights, part of property, plant and equipment	456	-	-
Equity-accounted investees	-	42	1
Other non-current assets	276	12	-
Inventories	527	995	107
Trade receivables	409	964	44
Prepaid expenses and other current assets	94	210	26
Cash and cash equivalents	27	162	28
Total assets	4,376	3,773	420
Liabilities			
Long-term provisions	91	12	14
Deferred tax liabilities	620	144	39
Long-term interest-bearing debt	114	263	-
Other long-term liabilities	-	16	-
Trade and other payables	650	507	86
Current tax liabilities	-	2	1
Bank loans and other interest-bearing short-term debt	897	1,153	8
Other short-term liabilities	-	34	9
Total liabilities	2,372	2,130	157
Total identifiable net assets at fair value	2,004	1,643	264

The receivables (trade receivables and other non-current assets) acquired in the business combination of Galvani had a gross contractual amount of NOK 718 million compared to a fair value of NOK 685 million. The receivables acquired in the business combination of OFD had a gross contractual amount of NOK 1,059 million compared to a fair value of NOK 976 million. For the other business combinations the gross contractual amount was equal to the fair value.

Non-controlling interests

NOK millions	Galvani 1 December 2014	OFD 1 October 2014	Other 2014
Non-controlling interest [1]	40 %	5.2%	
Non-controlling interest's share the fair value of identifiable assets and liabilities	985	66	30

1) The non-controlling interest in "Other" is mainly related to the 36.67% non-controlling interest in Green Tech Marine.

Yara has used the option to recognize the non-controlling interest in Galvani and OFD based on fair value.

Yara's voting rights for all acquisitions are equal to the equity share.

Goodwill arising on acquisitions

NOK millions	Galvani 1 December 2014	OFD 1 October 2014	Other 2014
Cash transferred, deferred consideration and earn-out	1,478	1,200	440
Debt settled as part of the transaction	172	502	19
Non-controlling interest	985	66	30
Fair value of net identifiable assets acquired	(2,004)	(1,643)	(264)
Goodwill arising on acquisition	632	124	225

The goodwill arising from the Galvani acquisition reflects plans for increased upgrading capacity for phosphate fertilizer, the value on assembled workforce and Yara specific synergies from balancing its Production and Crop Nutrition positions in Brazil. The goodwill arising from the OFD acquisition reflects synergies through increased presence and growth in Latin America.

None of the goodwill arising on the acquisitions is deductible for tax purposes.

Net cash outflow on business combinations

NOK millions	Galvani 1 December 2014	OFD 1 October 2014	Other 2014
Consideration paid in cash at date of acquisition	266	1,153	380
Deferred consideration paid in cash	-	-	25
Debt settled as part of the transaction	172	502	-
Cash and cash equivalent balances acquired	(27)	(162)	(30)
Net cash outflow on business combinations	412	1,493	375

Net cash outflow is presented as a part of "investing activities" in the consolidated statement of cash flows.

Note 5 Segment information

The operating segments presented are the key components of Yara's business. These are evaluated on a regular basis by Yara's senior management on the basis of financial and operational information prepared specifically for each segment for the purpose of assessing performance and allocating resources. The information disclosed is on the same basis as presented internally and used for follow-up of the company's development by Yara Management.

On 8 February 2016, Yara announced organization and management changes, including renaming of the Downstream segment to "Crop Nutrition" and the Upstream segment to "Production".

As of 1 January 2015, Yara transferred seven plants from the Crop Nutrition and Industrial segments to the Production segment. These plants have historically been included in Crop Nutrition and Industrial as they have mainly served the local markets. The transfer is reflecting that Production has the operational responsibility of the plants.

Plants transferred from Crop Nutrition are: Montoir (France), Ambes (France), Ravenna (Italy), Rostock (Germany) and Glomfjord (Norway). Plants transferred from Industrial are: Pardies (France) and Köping (Sweden). Total property, plant and equipment transferred to Production is NOK 2,974 million, of which NOK 2,466 million is transferred from Crop Nutrition and NOK 508 million is transferred from Industrial.

It has not been practically possible to restate the 2014 comparative figures on segment level as this would require implementation of transfer pricing on historical transactions. Instead, Yara will present two sets of 2015 segment figures based on the new and the previous segment structure. The 2015 figures based on previous segment structure will then be comparable with prior year figures.

Segment structure
The current segment structure was implemented 1 October 2003. Yara's segments are managed as separate and strategic businesses. The segment information is presented for operating segments. In addition, information about geographical areas is provided.

Crop Nutrition
The Crop Nutrition segment consists of Yara's worldwide marketing organization and global distribution network for fertilizer products and agronomic solutions. With a global network of sales offices, terminals and warehouses, Crop Nutrition is present in 54 countries and sells to more than 150 countries. The segment also includes smaller production facilities which upgrade intermediate products to finished fertilizers, which are primarily marketed in the region where production takes place. Following the transfer of five production plants from the Crop Nutrition segment to the Production segment as of 1 January 2015, most of the segment's sales volume is purchased on an arm's-length basis from the Production segment or third parties. The Crop Nutrition segment is mainly a margin business, which reduces volatility in Yara's earnings. With a relatively lower investment in chemical manufacturing capacity, the Crop Nutrition operation, particularly outside of Europe, is more focused on distribution margins and operating capital management than on manufacturing margins. The segment is characterized by a high capital turnover, a low ratio of property, plant and equipment to total assets compared to a production-oriented fertilizer operation, and by a relatively low EBITDA margin in relation to revenues.

Industrial
The Industrial segment creates value by developing and selling chemical products and industrial gases (mostly CO_2) to non-fertilizer market segments. Industrial sells nitrogen chemicals, including ammonia-derived products, animal feed, industrial explosives and environmental applications (technology & services). Sales of nitrogen chemicals to the European process industry and the global industrial explosives industry constitute the segment's main markets, while sales of chemicals for environmental application is the fastest-growing business.

Production
The Production segment comprises the manufacturing plants producing ammonia and finished fertilizer and industrial products such as urea, nitrates and NPK, phosphate mining, and the global trade and shipping of ammonia. The Production segment includes significant ownership interests in associates and joint arrangements. Our investments in the joint arrangements Trinidad Nitrogen Company Ltd and Yara Pilbara Nitrates Pty Ltd are classified as joint operations, for which we consolidate our share of assets, liabilities, revenues and expenses. Please see note 15 for further details. Our investments in joint ventures and associates are accounted for using the equity method of accounting. Therefore, their operating results are not reflected in our operating income, but Yara's share of net income from these investees is included in EBITDA and net income. The Production segment's operating results are strongly linked to its production margins, which are primarily driven by the price levels for ammonia, urea, nitrates, NPK and phosphoric acid and the price level of energy and raw materials such as phosphate rock and potash. In addition, operating results can be strongly influenced by movements in currency exchange rates. The fluctuation of the Production segment's operating results is similar to other fertilizer producers and is typically less stable than the operating results of Yara's Crop Nutrition and Industrial segments.

Operating segment information
Yara's steering model reflects management's focus on cash flow-based performance indicators, before and after taxes. EBITDA is an approximation of cash flows from operating activities before tax and is considered an important measure of performance for the company's operating segments. Yara defines EBITDA as operating income plus interest income, other financial income and results from equity-accounted investees. It excludes depreciation, amortization and impairment loss, as well as amortization of excess value in associated companies and joint ventures. In addition the segments are measured on CROGI (defined as gross cash flow after tax divided by gross investment). 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. See also page 50 - 51 for more info.

Inter-segment sales and transfers reflect arm's-length prices as if sold or transferred to third parties. Results of activities considered incidental to Yara's main operations as well as revenues, expenses, liabilities and assets not originating in, or defined as part of, either the Production, Crop Nutrition or Industrial segment, are reported separately under "Other and eliminations". These amounts principally include interest income and expenses, realized and unrealized foreign currency translation gains and losses and the net effect of pension plans. In addition, elimination of gains and losses related to transactions between the segments will be accounted for as part of "other and eliminations". "Other and eliminations" also includes corporate overhead costs and other costs not allocated to the operating segments.

Operating segment information, Consolidated statement of income

NOK millions	Notes	New segment structure 2015	Previous segment structure 2015	Previous segment structure 2014
External revenues and other income				
Crop Nutrition		80,198	80,313	71,494
Industrial		17,233	17,400	14,928
Production		14,383	14,153	8,874
Other and eliminations		82	32	46
Total		111,897	111,897	95,343
Internal revenues and other income				
Crop Nutrition		1,591	2,401	1,724
Industrial		113	160	164
Production		41,429	36,471	31,976
Other and eliminations		(43,132)	(39,031)	(33,864)
Total		-	-	-
Revenues and other income				
Crop Nutrition		81,789	82,713	73,219
Industrial		17,346	17,560	15,092
Production		55,812	50,624	40,850
Other and eliminations		(43,050)	(39,000)	(33,819)
Total		111,897	111,897	95,343
Operating expenses excl depreciation, amortization and impairment loss				
Crop Nutrition		(76,056)	(77,260)	(67,738)
Industrial		(15,968)	(16,209)	(13,814)
Production		(41,103)	(35,537)	(31,718)
Other and eliminations		42,267	38,146	32,910
Total		(90,860)	(90,860)	(80,359)
Depreciation, amortization and impairment loss				
Crop Nutrition		(760)	(1,699)	(993)
Industrial		(204)	(398)	(306)
Production		(5,867)	(4,733)	(3,276)
Other and eliminations		(102)	(102)	(102)
Total	7,17	(6,933)	(6,933)	(4,678)
Operating Income				
Crop Nutrition		4,973	3,754	4,488
Industrial		1,174	952	973
Production		8,842	10,354	5,856
Other and eliminations		(886)	(956)	(1,011)
Total		14,104	14,104	10,305
Share of net income in equity-accounted investees				
Crop Nutrition		26	26	53
Industrial		102	102	96
Production		(438)	(438)	638
Total	14	(310)	(310)	786
Interest income and other financial income				
Crop Nutrition		428	428	457
Industrial		6	6	8
Production		117	117	16
Other and eliminations		54	54	69
Total	8	605	605	550
EBITDA				
Crop Nutrition		6,188	5,907	5,991
Industrial		1,489	1,461	1,385
Production		14,414	14,792	9,871
Other and eliminations		(729)	(800)	(840)
Total		21,361	21,361	16,407

Operating segment information, Other

NOK millions	Notes	New segment structure 2015	Previous segment structure 2015	Previous segment structure 2014
Reconciliation of EBITDA to Income before tax				
EBITDA		21,361		16,407
Depreciation, amortization and impairment loss [1]	7	(6,962)		(4,766)
Foreign currency translation gain/(loss)	8	(2,463)		(698)
Interest expense and other financial items	8	(1,291)		(909)
Income before tax		10,644		10,035
EBIT				
Crop Nutrition		5,428	4,208	4,998
Industrial		1,282	1,060	1,076
Production		8,521	10,032	6,510
Other and eliminations		(832)	(902)	(942)
Total		14,398	14,398	11,642
Investments [2]				
Crop Nutrition		1,455	2,372	3,143
Industrial		242	712	766
Production		9,519	8,132	9,326
Other and eliminations		101	101	176
Total		11,316	11,316	13,411

1) Including amortization and impairment of excess value in equity-accounted investees
2) Includes investments in property, plant and equipment, intangible assets, equity-accounted investees and other equity investments.

Operating segment information, Non-GAAP measures

NOK millions, except percentages	New segment structure 2015	Previous segment structure 2015	Previous segment structure 2014
Gross cash flow after tax [1]			
Crop Nutrition	4,837	4,862	4,755
Industrial	1,194	1,221	1,140
Production	12,174	12,174	8,403
Other and eliminations	323	270	(199)
Total	18,528	18,528	14,099
Gross investment [2]			
Crop Nutrition	27,710	34,930	26,288
Industrial	5,464	7,886	6,756
Production	100,661	91,018	73,257
Other and eliminations	(1,585)	(1,584)	(621)
Total	132,250	132,250	105,679
Cash Return on Gross Investment (CROGI)			
Crop Nutrition	17.5%	13.9%	18.1%
Industrial	22.0%	15.5%	16.9%
Production	12.1%	13.4%	11.5%
Total [3]	14.0%	14.0%	13.3%

1) Defined as EBITDA less total tax expense, excluding tax on net foreign currency translation gain/(loss).
2) 12-month average.
3) Cash and other liquid assets are included in gross investments when calculating the CROGI for the segments, but not included for Total. In addition, actual Yara tax is used for calculating the Yara CROGI while a standardized tax rate of 25% is used for the segments. These two effects explain the higher CROGI for Yara in total than for the segments. See page 50 "Definitions and variance analysis" for more information.

NOK millions, except percentages	New segment structure 2015	Previous segment structure 2015	Previous segment structure 2014
Earnings before interest, after tax			
Crop Nutrition	4,077	3,163	3,762
Industrial	987	821	831
Production	6,281	7,415	5,042
Other and eliminations	220	167	(301)
Total	11,565	11,565	9,333
Capital employed [1]			
Crop Nutrition	24,607	27,685	20,284
Industrial	4,009	4,872	4,108
Production	63,202	59,287	46,886
Other and eliminations	(2,094)	(2,120)	(1,049)
Total	89,723	89,723	70,229
Return on capital employed (ROCE)			
Crop Nutrition	16.6%	11.4%	18.5%
Industrial	24.6%	16.8%	20.2%
Production	9.9%	12.5%	10.8%
Total [2]	12.9%	12.9%	13.3%

1) Capital employed is defined as total assets adjusted for deferred tax assets minus other current liabilities, and is calculated on a 12-month rolling average basis.
2) Cash and other liquid assets are included in capital employed when calculating the ROCE for the segments, but not included for Total. In addition, actual Yara tax is used for calculating the Yara ROCE while a tax rate of 25% is used for the segments. These two effects explain the variance in ROCE between Yara segments. See page 50 "Definitions and variance analysis" for more information.

Operating segment information, Consolidated statement of financial position

NOK millions	Notes	New segment structure 2015	Previous segment structure 2015	Previous segment structure 2014
Assets [1]				
Crop Nutrition		36,057	40,234	37,551
Industrial		6,509	7,584	6,860
Production		75,077	70,306	64,897
Other and eliminations		1,220	739	2,323
Total		118,863	118,863	111,632
Current assets [1]				
Crop Nutrition		26,373	28,194	25,298
Industrial		5,126	5,365	4,112
Production		12,638	11,010	10,900
Other and eliminations		(2,956)	(3,387)	(1,737)
Total		41,182	41,182	38,573
Non-current assets [1]				
Crop Nutrition		9,683	12,040	12,253
Industrial		1,383	2,220	2,748
Production		62,465	59,322	54,013
Other and eliminations		4,150	4,099	4,044
Total		77,681	77,681	73,059
Equity-accounted investees				
Crop Nutrition		357	357	453
Industrial		276	276	371
Production		9,136	9,136	10,109
Total	14	9,769	9,769	10,934

1) Assets excludes internal cash accounts and accounts receivable related to group relief.

Information about products and major customers

Revenues by product group [1)]

NOK millions	2015		2014	
Ammonia		11,813		11,208
of which industrial products	3,435		3,245	
Urea		20,394		19,168
of which fertilizer	14,038		13,820	
of which Yara-produced fertilizer	5,490		5,565	
of which Yara-produced industrial products	5,058		4,221	
of which sourced from equity-accounted investees	5,695		6,093	
Nitrate		15,972		14,719
of which fertilizer	13,746		12,525	
of which Yara-produced fertilizer	12,415		11,433	
of which Yara-produced industrial products	1,721		1,795	
NPK		32,811		29,393
of which Yara-produced compounds	17,887		14,744	
of which Yara-produced blends	13,560		13,457	
CN		4,187		3,451
of which fertilizer	3,329		2,646	
of which Yara-produced fertilizer	3,271		2,564	
of which Yara-produced industrial products	796		749	
UAN		2,803		2,540
of which Yara-produced fertilizer	2,221		2,280	
DAP/MAP		3,827		2,606
MOP/SOP		3,841		2,671
SSP		1,840		656
Other products		10,523		8,635
of which industrial products	4,162		3,241	
Total sales		108,011		95,047

1) The product groups are presented differently from previous years, as industrial products are included in the relevant product groups instead of being presented as a separate group of products.

Yara serves a large number of customers. No revenues from transactions with any single customer amount to ten percent or more of Yara's total revenues.

Information about geographical areas

	Revenues [1]		Non-current assets [2]		Investments [2]	
NOK millions	2015	2014	2015	2014	2015	2014
Belgium	1,662	1,510	1,733	1,794	236	531
Denmark	1,687	1,469	229	250	15	10
Finland	1,950	2,017	6,590	5,502	1,395	999
France	7,506	6,549	1,387	1,876	419	599
Germany	4,773	4,870	2,509	2,098	699	473
Great Britain	5,303	4,972	412	2,247	130	95
Italy	3,354	3,392	1,613	1,049	669	206
Spain	1,970	1,875	58	61	1	13
Sweden	2,189	2,219	1,213	717	500	106
The Netherlands	2,071	1,969	5,431	5,176	587	806
Other	4,134	3,582	95	93	5	26
Total EU	36,599	34,423	21,269	20,864	4,658	3,863
Norway	1,893	1,771	4,169	3,728	1,175	1,084
Other Europe	1,316	997	2,181	1,648	810	1
Total Europe	39,808	37,191	27,619	26,239	6,643	4,948
Africa	6,548	5,189	1,974	2,599	239	340
Asia	10,809	9,365	9,163	7,508	19	10
Australia and New Zealand	1,570	1,309	11,910	10,467	419	1,538
North America	13,267	11,944	12,781	11,295	2,240	250
Brazil	26,401	24,103	7,601	8,587	1,195	4,372
Other South and Central America	9,609	5,946	2,586	2,769	561	1,953
Total outside Europe	68,203	57,856	46,015	43,225	4,673	8,463
Total	108,011	95,047	73,634	69,464	11,316	13,411

1) Revenues are identified by customer location
2) The identification of non-current assets and investments is based on location of operation. Excluded from non-current assets are financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts. Investments include the acquisition cost for property, plant and equipment, intangible assets, equity-accounted investees and other equity investments. Brazil investments in 2014 included NOK 3,620 million related to the acquisition of Galvani, and Other South and Central America investments in 2014 included NOK 1,500 million related to the acquisition of OFD Holding.

Note 6 Operating expense

NOK millions	Notes	2015	2014
Payroll and related costs			
Salaries		(6,263)	(5,219)
Social security costs		(1,075)	(889)
Social benefits		(68)	(65)
Net periodic pension cost	24	(642)	(443)
Total		(8,047)	(6,616)
Other operating expenses			
Selling and administrative expense		(1,927)	(1,927)
Rental of buildings etc.		(257)	(226)
Travel expense		(421)	(327)
Gain /(loss) on trade receivables		(213)	(71)
Fees auditors, lawyers, consultants		(541)	(380)
Other expenses		(387)	(255)
Total		(3,745)	(3,186)
Research costs [1]		(161)	(154)

1) Over the last few years, Yara has focused on orienting research and development resources towards commercial activities, both with respect to process and product improvements and agronomical activities. It is impracticable to give a fair estimate of possible future financial returns of these activities.

Note 7 Depreciation, amortization and impairment loss

NOK millions	Notes	2015	2014
Depreciation of property, plant and equipment	12	(4,663)	(3,738)
Impairment loss property, plant and equipment	12,17	(1,183)	(222)
Reversal of impairment loss property, plant and equipment	12,17	22	12
Total depreciation and impairment loss property, plant and equipment		(5,824)	(3,948)
Amortization of intangible assets	11	(800)	(622)
Impairment loss intangible assets	11,17	(308)	(107)
Total amortization and impairment loss intangible assets		(1,108)	(729)
Total depreciation, amortization and impairment loss		(6,933)	(4,678)

Note 8

Financial income and expense

NOK millions	Notes	2015	2014
Interest income on customer credits		444	314
Interest income, other		135	170
Dividends and net gain/(loss) on securities		26	66
Interest income and other financial income		605	550
Net foreign currency translation gain/(loss)	29	(2,463)	(698)
Interest expense		(1,001)	(739)
Capitalized interest		111	1
Return on pension plan assets	24	316	418
Interest expense defined pension liabilities	24	(398)	(487)
Reclassification adjustments cash flow hedge [1]	30,31	(7)	(18)
Other financial expense		(312)	(84)
Interest expense and other financial expense		(1,291)	(909)
Net financial income / (expense)		(3,150)	(1,056)

1) Interest rate swap designated as cash flow hedge transferred from equity.

Note 9

Income taxes

The major components of income tax expense for the year ended 31 December 2015 are:

NOK millions	2015	2014
Consolidated statement of income		
Current taxes		
Current year	(2,879)	(2,306)
Prior years adjustment	83	(58)
Total	(2,796)	(2,363)
Deferred taxes		
Deferred tax income / (expense) recognized in the current year	1,519	255
Adjustments to deferred tax attributable to changes in tax rates and laws	(53)	4
Reversal of previous write-downs / (write-downs) of deferred tax assets	(879)	12
Total	587	272
Total tax income / (expense) recognized in statement of consolidated income	(2,209)	(2,092)
Other comprehensive income		
Current tax		
Hedge of net investment	294	252
Intercompany currency effect on debt treated as part of net investment	130	(69)
Total current tax	425	183
Deferred tax		
Pensions	(138)	296
Available-for-sale financial assets	(7)	3
Cash flow hedges	(7)	8
Total	(152)	307
Transfers to profit and loss		
Cash flow hedges	(1)	(5)
Total	(1)	(5)
Total tax income / (expense) recognized directly in other comprehensive income	272	486
Total tax income / (expense) recognized in comprehensive income	(1,938)	(1,606)

Taxable income differs from net income before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in future years (temporary differences). It also excludes items that are never taxable or deductible (permanent differences).
The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Reconciliation of Norwegian nominal statutory tax rate to effective tax rate

NOK millions, except percentages	2015	2015	2014
Income before tax		10,644	10,035
Expected income taxes at statutory tax rate [1]	27.0 %	(2,874)	(2,710)
Tax law changes	0.7 %	(79)	6
Foreign tax rate differences	(7.9 %)	845	548
Unused tax losses and tax offsets not recognized as deferred tax assets	6.5 %	(689)	(90)
Previously unrecognized and unused tax losses and deductible temporary differences now recognized as deferred tax assets	(0.4 %)	39	55
Non-deductible expenses	0.9 %	(93)	(106)
Share of net income equity-accounted investees	0.9 %	(92)	224
Tax free income sale of GrowHow UK	(8.1 %)	864	-
Tax free income miscellaneous	(2.0 %)	209	153
Prior year assessment	(0.8 %)	82	(58)
Withholding and capital tax	2.1 %	(222)	(42)
Other, net	1.9 %	(201)	(73)
Total income tax expense		(2,209)	(2,092)
Effective tax rate		20.8%	20.8%

1) Calculated as Norwegian nominal statutory tax rate of 27% applied to income before tax.

Specification of deferred tax assets/(liabilities)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

2015

NOK millions	Opening balance	Charged to income	Reclassified from equity to profit or loss	Changes in tax rate	Recognized in other comprehensive income	Transfer	Acquisitions/ disposals [1]	Foreign currency translation	Closing balance
Non-current items									
Intangible assets	(846)	513	-	(4)	-	-	28	(14)	(323)
Property, plant and equipment	(4,343)	236	-	12	-	38	282	(110)	(3,885)
Pensions	820	27	-	(6)	(138)	-	-	24	726
Equity securities available-for-sale	(4)	-	-	-	(7)	-	-	(1)	(12)
Other non-current assets	(967)	(1,036)	-	89	-	8	-	(12)	(1,918)
Other non-current liabilities and accruals	471	415	(1)	(23)	(7)	-	-	32	888
Total	(4,869)	155	(1)	68	(152)	45	310	(81)	(4,525)
Current items									
Inventory valuation	178	87	-	(12)	-	4	1	(12)	244
Accrued expenses	247	66	-	(11)	-	-	-	(17)	284
Assets classified as held for sale	-	-	-	-	-	(49)	-	(3)	(51)
Total	425	153	-	(24)	-	(45)	1	(33)	477
Tax loss carry forwards	2,035	1,214	-	(98)	-	-	-	(140)	3,011
Unused tax credits	2	(2)	-	-	-	-	-	-	1
Valuation allowance	(559)	(879)	-	-	-	-	-	34	(1,404)
Net deferred tax asset/(liability)	(2,963)	641	(1)	(53)	(152)	-	311	(220)	(2,442)

1) Step-up of the tax values in Yara Pilbara and includes NOK 51 million of intangible assets and NOK 308 million for property, plant and equipment. It is related to the acquisition of the remaining 49% of Yara Pilbara. See note 23 for more information.

2014

NOK millions	Opening balance	Charged to income	Reclassified from equity to profit or loss	Changes in tax rate	Recognized in other comprehensive income	Transfer	Acquisitions/ disposals	Foreign currency translation	Closing balance
Non-current items									
Intangible assets	(562)	149	-	2	-	-	(326)	(109)	(846)
Property, plant and equipment	(3,311)	(112)	-	(3)	-	-	(453)	(463)	(4,343)
Pensions	453	(2)	-	-	296	-	13	60	820
Equity securities available-for-sale	(11)	-	4	-	3	-	-	-	(4)
Other non-current assets	(161)	(809)	-	-	-	-	(12)	14	(967)
Other non-current liabilities and accruals	98	302	(5)	-	8	-	21	47	471
Total	(3,494)	(472)	(1)	(1)	307	-	(758)	(451)	(4,869)
Current items									
Inventory valuation	4	157	-	4	-	-	11	3	178
Accrued expenses	311	(117)	-	5	-	-	26	21	247
Total	316	40	-	8	-	-	37	24	425
Tax loss carry forwards	1,229	698	-	1	-	-	50	56	2,035
Unused tax credits	11	(10)	-	-	-	-	-	-	2
Valuation allowance	(501)	12	-	(5)	-	-	(14)	(50)	(559)
Net deferred tax asset/(liability)	(2,439)	269	(1)	4	307	-	(685)	(421)	(2,963)

Unrecognized deductible temporary differences and tax losses

NOK millions	2015	2014
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following		
Tax losses [1]	927	230
Deductible temporary differences	478	328
Total	1,404	559

1) Unrecognized tax losses in Brazil is NOK 754 million (2014: NOK 104 million). The increase is due to a later expected utilization of these losses.

Deferred tax presented in the statement of financial position

NOK millions	2015	2014
Deferred tax assets	2,950	2,804
Deferred tax liabilities	(5,392)	(5,767)
Net deferred tax asset/(liability)	(2,442)	(2,963)

Undistributed earnings of foreign subsidiaries and in foreign associates and joint arrangements is amounting to approximately NOK 85 billion that for the main part can be distributed as tax-free dividends. For the expected part of dividend that cannot be distributed as tax-free income, a deferred tax liability of NOK 70 million is recognized.

Specification of expiration of tax loss carry forwards

NOK millions	
2016	24
2017	20
2018	80
2019	34
2020	66
After2020	154
Without expiration	9,946
Total tax loss carry forwards	10,324
Deferred tax effect of tax loss carry forwards	3,011
Valuation allowance	(927)
Deferred tax assets recognized in statement of financial position	2,084

Yara’s recognized tax losses carry forwards primarily relate to the business in Norway and Brazil, where tax losses are without expiration.

Note 10 Earnings per share

NOK millions, except number of shares	2015	2014
Earnings		
Net income for the purposes of basic earnings per share (profit for the year attributable to the equity holders of Yara International ASA)	8,083	7,625
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	275,114,375	276,385,013

The denominators for the purposes of calculating basic earnings per share have been adjusted for the buy-back of own shares and redemption of shares held by the Norwegian State, see note 22.

Note 11

Intangible assets

2015

NOK millions, except percentages	Goodwill	Exploration and evaluation assets [1]	Supplier contracts	Other intangibles [2]	Total
Cost					
Balance at 1 January	6,995	2,324	1,977	3,731	15,028
Addition at cost	-	418	-	247	665
Disposal	-	-	-	(32)	(32)
Acquisition new companies	81	-	-	2	83
Transfer to assets held for sale	(32)	-	-	(51)	(83)
Other transfer [3]	(105)	(2,259)	-	60	(2,305)
Foreign currency translation	229	(8)	373	93	687
Balance at 31 December	7,168	475	2,350	4,050	14,043
Amortization and impairment					
Balance at 1 January	(101)	-	(1,200)	(1,718)	(3,020)
Amortization	-	-	(450)	(350)	(800)
Impairment loss [4]	(43)	(261)	-	(4)	(308)
Disposal	-	-	-	31	31
Transfer to assets held for sale	-	-	-	33	33
Foreign currency translation	(7)	(5)	(267)	(116)	(396)
Balance at 31 December	(152)	(267)	(1,918)	(2,124)	(4,460)
Carrying value					
Balance at 1 January	6,894	2,324	777	2,014	12,008
Balance at 31 December	7,016	208	433	1,926	9,583
Useful life in years			5	3 - 15	
Amortization rate			20 %	5 - 35 %	

1) Exploration and evaluation assets are intangible assets under development, and are not amortized.
2) Other intangibles comprises mainly customer relationships in addition to patents/trademarks and software.
3) Includes transfer of carrying amounts from Dallol and Salitre projects with a total of NOK 2,198 million which was previously classified as exploration and evaluation assets. These projects have entered the development phase and have therefore been reclassified to plant under construction.
4) See note 17 for more information.

2014

NOK millions, except percentages	Goodwill	Exploration and evaluation assets [1]	Supplier contracts	Other intangibles [2]	Total
Cost					
Balance at 1 January	5,267	927	1,621	2,542	10,357
Addition at cost	-	173	-	348	522
Disposal	-	-	-	(13)	(13)
Acquisition new companies [3]	981	1,010	-	472 [4]	2,462
Transfer	-	-	-	98	98
Foreign currency translation	748	214	356	284	1,602
Balance at 31 December	6,995	2,324	1,977	3,731	15,028
Amortization and impairment					
Balance at 1 January	(34)	-	(649)	(1,255)	(1,938)
Amortization	-	-	(351)	(272)	(622)
Impairment loss	(58)	-	-	(50)	(107)
Disposal	-	-	-	11	11
Foreign currency translation	(9)	-	(201)	(152)	(363)
Balance at 31 December	(101)	-	(1,200)	(1,718)	(3,020)
Carrying value					
Balance at 1 January	5,233	927	972	1,286	8,419
Balance at 31 December	6,894	2,324	777	2,014	12,008
Useful life in years			5	3 - 15	
Amortization rate			20 %	5 - 35 %	

1) Exploration and evaluation assets are intangible assets under development, and are not amortized.
2) Other intangibles comprises mainly customer relationships in addition to patents/trademarks and software.
3) See note 4 for more information.
4) Mainly customer relationship in Galvani of NOK 115 million and OFD group of NOK 113 million.

Assets used as security

Intangible assets pledged as security was NOK 57 million in 2015 (2014: NOK 46 million). See note 32 for more information.

Note 12 Property, plant and equipment

2015

NOK millions, except percentages	Land	Machinery and equipment	Buildings	Asset under construction	Other	Total
Cost						
Balance at 1 January	1,895	60,393	12,383	5,149	1,054	80,874
Addition at cost	20	2,182	350	7,630	124	10,307
Disposal	(20)	(1,747)	(81)	(7)	-	(1,855)
Acquisition new companies	15	196	72	-	11	295
Transfer to assets held for sale [1]	(35)	(1,564)	(505)	(53)	(345)	(2,502)
Other transfer [2]	(6)	4,093	224	(2,315)	104	2,100
Foreign currency translation	(82)	3,219	213	774	(67)	4,058
Balance at 31 December	1,788	66,774	12,655	11,178	881	93,276
Depreciation and impairment						
Balance at 1 January	(31)	(31,851)	(4,138)	(40)	(230)	(36,290)
Depreciation	-	(4,041)	(542)	-	(80)	(4,663)
Impairment loss	(30)	(898)	(255)	-	-	(1,183)
Reversed impairment	12	2	8	-	-	22
Disposal	12	1,693	65	-	-	1,770
Transfer to assets held for sale [1]	-	1,213	206	-	88	1,507
Other transfer	-	(2)	2	-	-	-
Foreign currency translation	(2)	(1,880)	(123)	-	(9)	(2,014)
Balance at 31 December	(39)	(35,766)	(4,777)	(40)	(230)	(40,852)
Carrying value						
Balance at 1 January	1,864	28,542	8,244	5,109	825	44,584
Balance at 31 December	1,749	31,007 [3]	7,878 [4]	11,138	652	52,424
Useful life in years		4 - 20	20 - 50		5 - 10	
Depreciation rate		5 - 25 %	2 - 5 %		10 - 20 %	

1) Transfer to assets held for sale consists mainly of the assets of the European CO_2 business that will be divested in 2016.
2) Includes transfer of carrying amounts from Dallol and Salitre projects previously classified as exploration and evaluation assets within intangible assets. These projects have entered the development phase and are now presented as assets under construction.
3) Includes net carrying value related to finance leases of NOK 164 million in 2015.
4) Includes net carrying value related to finance leases of NOK 120 million in 2015.

2014

NOK millions, except percentages	Land	Machinery and equipment	Buildings	Asset under construction	Other	Total
Cost						
Balance at 1 January	1,059	51,389	9,358	3,305	561	65,672
Addition at cost	57	2,684	917	3,597	1	7,256
Disposal	(1)	(1,250)	(163)	-	(5)	(1,419)
Acquisition new companies [1]	623	942	775	255	460	3,055
Transfer	33	2,051	556	(2,782)	-	(141)
Foreign currency translation	124	4,577	940	773	37	6,451
Balance at 31 December	1,895	60,393	12,383	5,149	1,054	80,874
Depreciation and impairment						
Balance at 1 January	(27)	(27,335)	(3,477)	(36)	(186)	(31,062)
Depreciation	-	(3,284)	(421)	-	(34)	(3,738)
Impairment loss	-	(78)	(133)	(10)	-	(222)
Reversed impairment	-	5	4	3	-	12
Disposal	-	1,047	139	7	3	1,196
Transfer	-	-	3	-	-	3
Foreign currency translation	(4)	(2,205)	(255)	(4)	(12)	(2,479)
Balance at 31 December	(31)	(31,851)	(4,138)	(40)	(230)	(36,290)
Carrying value						
Balance at 1 January	1,032	24,054	5,881	3,269	375	34,611
Balance at 31 December	1,864	28,542 [2]	8,244 [3]	5,109	825	44,584
Useful life in years		4 - 20	20 - 50		5 - 10	
Depreciation rate		5 - 25 %	2 - 5 %		10 - 20 %	

1) See note 4 for more information.
2) Includes net carrying value related to finance leases of NOK 219 million in 2014.
3) Includes net carrying value related to finance leases of NOK 138 million in 2014.

Assets used as security

Property, plant and equipment pledged as security was NOK 6,371 million in 2015 (2014: NOK 5,938 million). See note 32 for more information.

Government grants

Government grants related to assets have been recognized as deduction to the carrying value by reducing "Addition at cost" with NOK 12 million in 2015 (2014: NOK 20 million).

Borrowing costs

The amount of borrowing cost capitalized amounted to NOK 111 million in 2015 (2014: NOK 1.3 million). The average rate for the borrowing cost capitalized was 10.5% in 2015.

Compensations

Compensations from insurance companies recognized in the consolidated statement of income amounted to NOK 144 million in 2015 (2014: NOK 49 million).

Note 13 Non-current assets and disposal groups held-for-sale

On 15 September 2015, Yara announced that it had signed a non-binding Heads of Terms with U.S.-based Praxair, Inc. to sell its European CO_2 business for EUR 218 million. The agreement also includes a sale of Yara's remaining 34% stake in the Yara Praxair Holding AS joint venture with Praxair for an estimated EUR 94 million. The European CO_2 business has been defined as a disposal group and together with the Yara Praxair joint venture, reclassified to held-for-sale. The proposed transaction is conditional upon final transaction agreements, obtaining necessary approvals from competition authorities and other customary closing conditions. The transaction is expected to close in the second quarter 2016, with a provisionally estimated post-tax gain of EUR 150 million including the sale of Yara Praxair.

In 2014, Yara's European CO_2 business sold more than 850 thousand metric tons of liquid CO_2 and 50 thousand metric tons of dry ice, delivering an EBITDA of EUR 21.5 million and revenues of EUR 112 million primarily from the food and beverage industry. The business operates 5 CO_2 liquefaction plants, 3 CO_2 ships, 7 ship terminals and 6 dry ice production facilities.

The equity-accounted investee, Yara Praxair, operating in Scandinavia and formed in 2007, had an EBITDA of EUR 35 million and revenues of EUR 145 million in 2014 (100% basis). Yara's share of the net results in 2015 was NOK 46 million on a year-to-date basis. The Heads of Terms also includes an agreement for Yara to supply Praxair with raw CO_2, gas and continue to operate three of the CO_2 liquefaction units which are integrated within Yara's fertilizer plants.

The CO_2 business is part of Yara's Industrial segment.

NOK millions	CO_2 business	Other	Total
Intangible assets and goodwill	51	-	51
Property, plant and equipment	917	108	1,025
Equity-accounted investee [1]	231	-	231
Inventories	40	-	40
Trade receivables	152	-	152
Other current assets	33	-	33
Assets held-for-sale	1,424	108	1,533
Other non-current liabilites	2	-	2
Trade and other payables	105	-	105
Other short-term liabilities	7	-	7
Liabilities directly associated with assets held-for-sale	114	-	114
Net assets held-for-sale	1,310	108	1,418

1) Yara Praxair Holding AS.

Note 14 Associated companies and joint ventures

2015

NOK millions	Balance at 1 January	Investments / (sale, and assets held-for-sale), net and long-term loans	Yara's share of net income/ (loss)	Amortization, depreciation and write-down	Total share of net income in equity-accounted investees	Dividends/ Repayment of capital	Posted directly in equity	Foreign currency translation and other	Balance at 31 December
Qafco	7,436	374 [1]	549	-	549	(757)	44	1,370	9,016
GrowHow UK [2]	1,583	(1792)	131	-	131	(129)	11	195	-
Lifeco [3]	1,017	-	(1091)	-	(1,091)	-	-	84	10
Yara Praxair Holding [4]	172	(231)	46	-	46	-	-	14	-
IC Potash Corp	47	-	(14)	(27)	(41)	-	-	6	12
Other	679	(115)	98	(2)	96	(42)	5	107	731
Total	10,934	(1,764)	(281)	(29)	(310)	(928)	61	2,007	9,769

1) Profit attributable to foreign shareholder (Yara) is subject to tax in Qatar. The tax is paid by Qafco, but refunded by Yara.
2) Yara sold its 50% stake in GrowHow UK Group Limited to CF Industries. See note 3 for more information.
3) Yara made an impairment write-down of its investment of NOK 893 million. See note 17 for more information.
4) Yara Praxair Holding is classified as assets held-for-sale as Yara agreed to sell the European CO_2 business including Yara Praxair Holding to Praxair Inc. See note 13 for more information.

2014

NOK millions	Balance at 1 January	Investments / (sale, and assets held-for-sale), net and long-term loans	Yara's share of net income/ (loss)	Amortization, depreciation and write-down	Total share of net income in equity-accounted investees	Dividends/ Repayment of capital	Posted directly in equity	Foreign currency translation and other	Balance at 31 December
Qafco	6,006	349 [1]	677	-	677	(981)	39	1,346	7,436
GrowHow UK	1,546	-	232	-	232	(285)	(157)	248	1,583
Lifeco	1,017	-	(189)	-	(189)	-	-	189	1,017
Yara Praxair Holding	127	-	42	-	42	-	(3)	6	172
IC Potash Corp [2]	128	-	(6)	(85)	(91)	-	5	6	47
Other	538	32	119	(3)	116	(64)	8	49	679
Total	9,361	381	874	(88)	786	(1,330)	(108)	1,844	10,934

1) Profit attributable to foreign shareholder (Yara) is subject to tax in Qatar. The tax is paid by Qafco, but refunded by Yara.
2) Yara made an impairment write-down of NOK 85 million on shares in IC Potash Corp.

Due to it being impractical to obtain financial report at the same reporting date as Yara uses, there is for some of the associated companies and jointly controlled entities a lag of 1-3 month for the numbers included.

Ownership, sales and receivables/payables

NOK millions, except percentages	Place of incorporation and operation	Percentage owned by Yara 2015 [1]	Sales from Investees to Yara Group [2]		Yara's current receivables/ (payables) net with investees	
			2015	2014	2015	2014
Qafco [3]	Qatar	25.0 %	-	-	-	-
GrowHow UK Ltd [4]	Great Britain	0.0 %	(942)	(972)	-	(116)
Lifeco	Libya	50.0 %	(1,046)	(910)	94	(112)
Yara Praxair Holding	Norway	34.0 %	(4)	(4)	(8)	6
Other			(129)	(36)	(12)	(98)
Total			(2,120)	(1,921)	73	(319)

1) Equals voting rights.
2) Included in raw materials, energy cost and freight expenses.
3) During the year, there were no direct sales of product from Qafco to Yara. Muntajat is the legal unit in Qatar buying all Qafco products and selling them further on to Yara.
4) Yara sold its 50% stake in GrowHow UK Group Limited to CF Industries. "Sales from Investees to Yara Group" represents sales recorded before the sale in the third quarter.

Business in equity-accounted investees

Qafco

Yara is the owner of 25% of Qatar Fertiliser Company (S.A.Q.), ("Qafco"), the owner and operator of a fertilizer complex in Mesaieed in Qatar. The remaining 75% of Qafco is owned by Industries Qatar, a Doha Stock Market listed company, owned 51% by Qatar Petroleum, and the rest is shared between various Qatari funds and by general public. Qafco operates six ammonia plants and six urea plants. Qafco 5 and Qafco 6, the two newest ammonia and urea trains, commenced production during 2012. Total production capacity is approximately 3.5 and 5.6 million tons of ammonia and urea, respectively. Yara is, through a cooperation with Muntajat, a Qatari company coordinating sales and marketing of chemical products produced in Qatar, marketing and distributing a significant amount of urea produced by Qafco. Qafco has 70% ownership in Gulf Formaldehyde Company, which produces and sells Urea Formaldehyde Concentrate, mainly used in the urea production process. In addition, Qafco owns 60% of Qatar Melamine Company, which owns a melamine plant located at the Qafco site, and with a capacity of 60,000 tons per year. Qafco is operating and providing marketing services for this plant.

GrowHow UK

During the year, Yara sold its 50% stake in GrowHow UK Group Limited to CF industries. Yara and CF Industries have each owned 50% of GrowHow UK since 2007 and 2010 respectively. GrowHow UK has two production sites in Ince and Billingham with a total production capacity of approximately 0.8 million tons of ammonia, 1.1 million tons of ammonium nitrate and 0.5 million tons of compound NPK. With limited export possibilities, GrowHow UK primarily serves the UK fertilizer market. The sale generated a tax free gain reported as "other income" within operating income of NOK 3,199 million. See note 3 for more information.

Lifeco

Yara owns 50% in Libyan Norwegian Fertilizer Company (Lifeco), while Libya's National Oil Corporation (NOC) and the Libyan Investment Authority (LIA) each hold a 25% stake. Lifeco owns and operates two urea and two ammonia plants with nominal capacity of approximately 900,000 tons of urea and 150,000 tons of merchant ammonia per year. More than 90% of the ammonia and urea from Lifeco is exported, and Yara is Lifeco's exclusive global export product distributor. During the year, Yara made an impairment write-down of its investment in Lifeco of NOK 893 million and impaired receivables against the same company of NOK 36 million, all reported within the Production segment. The impairments were triggered by the worsening security outlook in Libya, as Yara saw a high likelihood of a further deterioration in 2015 of Lifeco's operating ability. The plant did operate throughout all of 2015, but at less than 50% load due to highly insufficient gas supply. Yara is evaluating the security of the operation of the plants on an on-going basis in cooperation with the management and the other partners, with a view to protect the safety of the employees as well as the assets.

Yara Praxair Holding

Yara Praxair Holding is classified as assets held-for-sale as Yara agreed to sell the European CO_2 business including Yara Praxair Holding to Praxair Inc. See note 13 for more information.

Carrying value and share of net income by segment for associated companies and joint ventures are disclosed in note 5.

Financial information

The following table sets forth summarized unaudited financial information of Yara's associated companies and joint ventures based on a 100% combined basis . Yara's share of these investments, which is also specified above, is accounted for using the equity method. Qafco, Lifeco, ICP and others are all classified as associated companies.

Financial position

NOK millions (unaudited, 100% basis)	31 December 2015			31 December 2014			
	Qafco	Lifeco	Others	Qafco	Lifeco	GrowHow UK	Others
Cash and cash equivalents	6,505	952	384	3,955	679	141	212
Current Assets excluding cash and cash equivalents	3,872	942	1,860	3,851	1,074	1,352	2,386
Non-current assets	37,119	298 [3]	2,533	32,719	2,012	3,531	2,324
Current liabilities	(2,890)	(2,172)	(1,658)	(2,545)	(1,737)	(513)	(1,928)
Non-current liabilities [1]	(6,150)	-	(809)	(5,857)	-	(1,777)	(769)
Non-controlling interest	(1,117)	-	(25)	(979)	-	-	(21)
Net assets	37,339	20	2,285	31,144	2,028	2,734	2,204
% Share of Yara	25 %	50 %		25 %	50 %	50%	
Yara's share of total equity (percentage)	9,335	10		7,786	1,017	1,367	
Tax effect of Qafco [2]	(319)			(350)			
Yara's share of total equity (carrying amount)	9,016	10	965	7,436	1,017	1,367	927

1) Yara's goodwill and excess values related to investments in "other" are not included in net assets in the table.
2) Tax effect is tax on profit attributable to Yara from Qafco. The tax is paid by Qafco, but refunded by Yara.
3) Adjusted with Yara's impairment write-down of Lifeco on a 100% basis.

Income statement

NOK millions (unaudited, 100% basis)	2015 Qafco	2015 Lifeco	2015 GrowHow UK [1]	2015 Others	2014 Qafco	2014 Lifeco	2014 GrowHow UK	2014 Others
Total operating revenues	14,576	-	2,818	6,658	12,594	847	4,535	7,149
Interest income	-	-	62	39	112	1	121	11
Depreciation, amortisation & impairment loss	(47)	(2,013) [4]	(196)	(176)	(29)	(150)	(352)	(165)
Operating income	3,155	(485)	370	445	4,141	(386)	629	560
Interest expense	(315)	-	(89)	(55)	(270)	(1)	(164)	(41)
Income tax expense	-	-	(67)	(127)	-	-	(125)	(139)
Minority interest	43	-	-	(15)	4	-	-	(10)
Net income	3,217	(2,199)	277	297	3,992	(375)	460	382
% Share of Yara	25%	50%	50%	-	25%	50%	50%	-
Yara's share of net income (percentage)	804	(1,100)	139	-	998	(188)	230	-
Tax effect of Qafco [2]	(374)	-	-	-	(299)	-	-	-
Currency translation effects [3]	119	8	(7)	-	(22)	(1)	2	-
Yara's share of net income (as per books)	549	(1,091)	131	-	677	(189)	232	-
Net other comprehensive income that may be reclassified to profit and loss account in subsequent period	184	-	-	45	175	-	-	23
Net other comprehensive income that will not be reclassified to profit and loss account in subsequent period	-	-	-	(1)	-	-	(296)	24
Total other comprehensive income, net of tax	184	-	-	44	175	-	(296)	47
Total comprehensive income	3,401	(2,199)	277	341	4,167	(375)	164	430

1) Yara sold its 50% stake in GrowHow UK Group Limited to CF Industries. Figures accounted in the income statement were for the periods until the sale.
2) Tax effect is tax on profit attributable to Yara from Qafco.The tax is paid by Qafco, but refunded by Yara.
3) Certain financial information from equity-accounted investees is only collected once per year and translated at the average rate for the year. Deviations towards figures reported and translated on a monthly basis can occur.
4) Adjusted with Yara's impairment write-down of Lifeco on a 100% basis.

Note 15 Joint operations

Yara has three investments that are classified as joint operations:

Yara Pilbara Nitrates

The construction of the TAN plant is progressing and is close to completion. The company is 55% owned by Yara post the acquisition of Apaches' 10% indirect share, and 45% by Orica. The plant is expected to commence commercial operations in second half 2016.

Tringen

Tringen owns an ammonia complex consisting of two separate ammonia plants which are managed and operated by Yara under a management and operating agreement. In addition, Yara provides marketing support through sales agency agreements. Yara has a 49% ownership stake in Tringen, the remaining 51% of Tringen is owned by National Enterprises Limited, which is a publicly listed Company, in which the Government of the Republic of Trinidad and Tobago has majority shareholding.

Yara Freeport LLC DBA Texas Ammonia

During the year, Yara and BASF Group agreed to build an ammonia plant at BASF's site in Freeport, Texas, US. The construction started in July, and is managed by Yara in partnership with Kellogg Brown & Root LLC (KBR). The plant is 30% complete and is expected to commence commercial operations in late 2017. BASF manages construction of the necessary site infrastructure and will operate the plant. The company is 68% owned by Yara and 32% by BASF. The reason why the investment has been classified as a joint operation is that the relevant activities that significantly affect the return on the investment must be made by the Board of Managers with unanimous consent. In the Board of Managers each party nominate three members. Each party will off-take ammonia from the plant in accordance with its equity share.

The following table shows the effect of consolidating joint operations according to IFRS 11 on Yara's financial statements. Yara Pilbara Nitrates is consolidated 55%, Tringen 49%, and Yara Freeport 68%. The table is based on unaudited financial information of Yara's joint operations based on their IFRS financial statements.

Financial position

NOK millions (unaudited)	31 Dec 2015				31 Dec 2014		
	Yara Pilbara Nitrates	Tringen	Yara Freeport LLC DBA Texas Ammonia	Yara's share of consolidated Joint Operations	Yara Pilbara Nitrates	Tringen	Yara's share of consolidated Joint Operations
Assets							
Deferred Tax assets	38	-	-	38	20	-	20
Intangible assets	3	-	-	3	-	-	-
Property, plant and equipment	3,938	705	825	5,467	2,976	685	3,662
Other non current assets	-	2	-	2	6	-	6
Total non current assets	3,978	706	825	5,509	3,003	685	3,688
Inventories	-	143	-	143	-	76	76
External trade receivables	2	-	-	2	-	-	-
Internal trade receivables	-	41	-	41	-	54	54
Prepaid expenses and other current assets	15	140	4	159	7	144	151
Cash and cash equivalents	21	2	187	211	20	16	36
Total Current assets	38	326	191	554	28	289	317
Total assets	4,016	1,032	1,016	6,063	3,030	974	4,005
Total equity	921	465	745	2,131	799	409	1,208
Liabilities							
Employee benefits	-	126	-	126	-	120	120
Deferred tax liabilities	-	63	5	68	-	44	44
Other long term liabilities	(12)	-	72	60	-	-	-
Long -term provisions	158	-	-	158	145	-	145
Internal long-term interest bearing debt	2,907	-	-	2,907	1,960	-	1,960
Total non-current liabilities	3,054	189	77	3,319	2,105	164	2,270
External trade and other payables	31	155	184	371	104	215	318
Internal trade and other payables	11	20	10	41	23	32	55
Other short-term liabilities	-	-	-	-	-	2	2
Bank loans and other interest-bearing short term debt	-	202	-	202	-	153	153
Total current liabilities	42	378	194	614	126	401	528
Total equity and liabilities	4,016	1,032	1,016	6,064	3,030	974	4,005

Income statement

NOK millions (unaudited)	2015				2014		
	Yara Pilbara Nitrates	Tringen	Yara Freeport LLC DBA Texas Ammonia	Yara's share of consolidated Joint Operations	Yara Pilbara Nitrates	Tringen	Yara's share of consolidated Joint Operations
Revenue and other income	-	1,276	-	1,276	-	1,116	1,116
Operating cost and expenses	(53)	(993)	(9)	(1,055)	(14)	(840)	(854)
Operating income / loss	(53)	283	(9)	221	(14)	275	261
Earning before interest expense and tax (EBIT)	(53)	284	(9)	222	(14)	275	262
Income before tax	(39)	274	5	240	(13)	269	256
Income tax	12	(93)	(5)	(85)	11	(84)	(73)
Non-controlling interest	6	-	-	6	-	-	-
Net income	(21)	181	-	161	(3)	186	183

Note 16 Other non-current assets

NOK millions	Notes	2015	2014
Prepayments for long-term employee obligations	24	780	426
Equity investments available-for-sale	31	223	176
Interest rate swap designated as hedging instrument	31	70	81
Prepayment for property, plant and equipment		-	498
Long-term loans and receivables [1]		1,883	1,548
Total		2,956	2,729

1) Mainly related to tax and VAT credits.

Note 17 Impairment on non-current assets

Recognized impairment loss

NOK millions	2015	2014
Asset class		
Goodwill	43	58
Other intangible assets	265	50
Property, plant and equipment	1,183	222
Equity-accounted investees [1]	909	85
Total impairment of non-current assets	2,400	415
Reversal of impairment of non-current assets	(22)	(12)
Net impairment loss	2,378	403

1) Presented as part of "Share of net income in equity-accounted investees" in the consolidated statement of income.

NOK millions	2015	2014
Segment split		
Production	2,273	169
Crop Nutrition	104	167
Industrial	1	62
Other	-	5
Net impairment loss	2,378	403

The goodwill impairment in 2015 is related to Crop Nutrition Australia and is reflecting lower than expected returns from its liquid fertilizer business.

Impairment of other intangible assets is related to the mining project in Sokli , Finland, and to the Mine Arnaud phosphate project in Quebec, Canada. The Sokli impairment of NOK 166 million was triggered by the preliminary decision to halt development due to the anticipated profitability of the project below Yara's requirement. Yara decided to limit the participation in the further development of the Mine Arnaud phosphate project due to an estimated financial return below Yara's requirement, resulting in an impairment of NOK 95 million.

The impairment loss on property, plant and equipment is NOK 1,183 million in 2015, of which NOK 1,070 million relates to three plants in the Production segment. The impairment charge for the Montoir plant (France) is NOK 544 million. This is one of Yara's smallest fertilizer plants, with an annual production capacity of approximately 300,000 tonnes nitrate and 300,000 tonnes NPK. In addition to small scale, the plant has limited export opportunities and is exposed to lower profitability in its home market, given lower grain prices and also lower phosphate and potash demand. The impairment charge for Yara's Trinidad plant is NOK 414 million. This is one of Yara's smallest ammonia plants, with an annual production capacity of approximately 270,000 tonnes ammonia. Plant profitability is impacted by lower ammonia prices. In addition to small scale, the plant suffers from frequent gas supply curtailments and also has lower energy efficiency than Yara's average. An impairment of NOK 112 million is related to the Pardies plant (France), reflecting lower TAN profitability. The recoverable amount for these three Production plants is NOK 521 million, including normalized working capital, and the pre-tax discount rate used for the testing is in the range 8% - 11.5%.

Total impairment loss on Yara's equity accounted investees is NOK 909 million in 2015, of which NOK 893 million is related to Lifeco (Libya) within the Production segment. The impairment was triggered by the worsening security outlook in Libya and an assessment of Lifeco's operating ability. Lifeco produced at less than 50% capacity during the year and Yara's share of net income (excluding the impairment write-down) was a negative NOK 198 million. Remaining carrying value is NOK 10 million at the end of 2015. If and when Yara sees improvements to the political situation and outlook in Libya and to Lifeco's operating conditions, parts or the whole impairment will be reversed.

Impairment testing

The mandatory impairment testing of cash generating units (CGUs) with allocated goodwill or assets with indefinite useful life are carried out during fourth quarter each year. The recoverable amounts have mainly been determined based on "value-in-use". Yara has also performed testing of other CGUs with various impairment indicators. Key assumptions used in the calculation of value-in-use are generally:

- EBITDA
- Growth rates
- Capital expenditures
- Discount rate

EBITDA

EBITDA represents the operating margin before depreciation and amortization and is estimated based on the expected future development for Yara's existing businesses and their main markets. Committed operational efficiency programs are taken into consideration. Changes in the outcome of these initiatives may affect future estimated EBITDA margin. EBITDA for the first year is based on the latest approved business plan for the CGU. The two most important assumptions in the corporate business plan are the expected agricultural commodity prices and the global urea supply/demand balance. Yara utilizes available internal and external information when setting business plan assumptions. For the following four years, management projections are applied based on available forecasts for volumes, sales prices, energy and other cost components, with the exception of some Crop Nutrition units where an estimated annual growth rate is applied.

Growth rates

Yara uses a steady growth rate normally not exceeding 2.0% (including inflation) for periods that are not based on management projections. For Latin America a higher growth rate is used due to market development expectations. The steady growth rate period starts after year five at the latest. Yara also prepares cash flow projections for the Production plants after year five, using long-term commodity and energy forecasts as supporting documentation to the terminal-year cash flow. The growth rates used are estimated not to exceed the growth rates for the products, industry or countries in which the units operate.

Capital expenditure

To the best of management's judgment, estimated capital expenditures do not include projects that enhance the current performance of assets unless they have been committed to and have substantively commenced. Cash outflows and cash inflows have been treated consistently.

Discount rate

Discount rates reflect the current market assessment of the risks specific to each cash generating unit. The discount rates were estimated based on the weighted average cost of capital for the industry. This rate is further adjusted to reflect the currency in which the CGU operates and market assessments of any risk specific to the CGU for which future estimates of cash flows have not been adjusted

Cash generating units with goodwill

Goodwill acquired through business combinations have been allocated for impairment testing to these CGUs, presented together with the applicable discount rates used in the impairment testing:

	Goodwill		Discount rate pre tax	
NOK millions, except percentages	2015	2014	2015	2014
Production				
Belle Plaine (Canada)	2,231	2,248	9.3%	8.6%
Pilbara Ammonia (Australia)	974	819	10.3%	9.5%
Finland	760	713	8.3%	8.4%
Galvani (Brazil)	424	647	15.1%	13.5%
Ammonia trade (Switzerland)	486	409	10.3%	8.5%
Yara Dallol (Ethiopia)	147	124	15.5%	15.3%
Other Production [1]	104	53		
Total Production	5,126	5,013		
Crop Nutrition				
Crop Nutrition segment allocation	729	613	10.4%	8.6%
Brazil	310	388	17.0%	12.4%
Belle Plaine (Canada)	125	126	9.6%	9.4%
Latin America	132	124	14.8%	11.4%
Other Crop Nutrition [1]	275	313		
Total Crop Nutrition	1,571	1,564		
Industrial				
Environmental Solutions Industry & Maritime	229	217	9.4%	8.1%
Other Industrial [1]	90	100		
Total Industrial	319	317		
Total	7,016	6,894		

1) Goodwill presented within "Other" per segment are allocated to various cash generating units but presented together due to materiality.

Further information about cash generating units with allocated goodwill:

Production and Crop Nutrition Belle Plaine

Goodwill in relation to the Saskferco (now Yara Belle Plaine) acquisition in 2008 was allocated to two CGUs; Production Belle Plaine and Crop Nutrition Canada. The Production site has one ammonia plant, one nitric acid plant and one urea granulation plant. It produces an average of 3,000 tons of urea, 700 tons of UAN and 1,900 tons of ammonia per day. The majority of the ammonia produced is used in the production of UAN and granular urea, however some products are sold for agricultural purposes during peak ammonia seasons. The change in carrying value of goodwill is fully explained by currency translation effects (CAD/NOK).

Production Pilbara Ammonia

Yara increased its ownership in Yara Pilbara Holdings from 34% to a controlling stake of 51% in 2012. In 2015, Yara acquired the remaining 49%. This entity owns 100% of Yara Pilbara Fertilisers, a company that owns and operates an ammonia plant located in Western Australia with an annual production capability of approximately 850,000 metric tons. The change in carrying value of goodwill is fully explained by currency translation effects (USD/NOK).

Production Finland

Goodwill in relation to the Kemira GrowHow acquisition in 2007 was allocated to five CGUs, of which Production Finland was the largest (rest is included in Other Crop Nutrition and Other Industrial in the table above). Production Finland has several production sites. The Siilinjärvi site produces mainly fertilizers and phosphoric acid, but also other industrial chemicals. It consists of several plants in addition to a mine. Uusikaupunki has three nitric acid plants as well as two fertilizer plants producing for the Finnish market and for export. Kokkola produces mainly potassium sulfate for the Mediterranean and Chinese markets and feed phosphates for markets worldwide. The change in carrying value of goodwill is fully explained by currency translation effects (EUR/NOK).

Production Galvani

Yara acquired a controlling 60% stake in Galvani in 2014. This company is engaged in phosphate mining, production of Single Super Phosphate (SSP) and distribution of fertilizers in Brazil. Total SSP production is approximately 1 million tons per year. Galvani also owns licenses for two new greenfield phosphate mine projects in Brazil. The change in carrying value of goodwill is mainly explained by currency translation effects (BRL/NOK).

Production Ammonia trade and Crop Nutrition Fertilizer trade

Goodwill in relation to the Balderton transaction in 2010 was allocated to two CGUs and is fully integrated in Yara's global supply and trade operation in ammonia and fertilizer products. The goodwill in relation to Fertilizer trade and supply is tested on Crop Nutrition segment level since the organization is serving all business units within the segment. Ammonia trade is tested as a separate CGU within Production. The change in carrying value of goodwill is fully explained by currency translation effects (USD/NOK).

Production Yara Dallol

Yara increased its ownership in Yara Dallol (former Ethiopotash) to a controlling position of 51% in 2012. Yara has made several subsequent capital injections that increased the ownership to 69%. In 2015, the ownership was reduced to 51.8% after a new partner was brought into the project. The company is developing a potash resource in Dallol in the Danakil Depression of Ethiopia. In February 2015, Yara announced that an independent study identified an annual production of 600,000 metric tons sulfate of potash (SOP) over 23 years from the reserves. Yara Dallol aims to begin mining activities by the end of 2018. The change in carrying value of goodwill is fully explained by currency translation effects (USD/NOK).

Crop Nutrition Brazil

Goodwill allocated to Crop Nutrition Brazil is mainly related to the acquisition of Bunge Fertilizers in 2013. The CGU is involved in SSP production, blending and distribution through 21 locations, delivering approximately 8 million tones of fertilizers and covering one fourth of the Brazilian market demand. The change in carrying value of goodwill is fully explained by currency translation effects (BRL/NOK).

Crop Nutrition Latin America

OFD was acquired in fourth quarter 2014 with production facilities in Cartagena, Colombia, and distribution companies across Latin America. Business unit Crop Nutrition Latin America comprise 18 blending units with a capacity of 1.6 million tones and distribution network that includes Mexico, Guatemala, Costa Rica, Panama, Colombia, Ecuador, Peru, Bolivia, Chile and Argentina. The production facility in Cartagena has one ammonia, three nitric acid plants, one NPK plant, three ammonium nitrate solution units and one calcium nitrate plant.

Industrial Environmental Solutions Industry & Maritime

Goodwill allocated to this Industrial unit comprises the 2014 acquisitions of H+H Umwelt- und Industrietechnik, Green Tech Marine and the flue gas cleaning division of Strabag, in addition to goodwill originating from the purchase of Yara Miljø (former Petromiljø) in 2011. The CGU markets urea and ammonia-based reagents as well as a broad technology portfolio for the reduction of air pollution from industrial plants and commercial ships. The change in carrying value of goodwill is fully explained by currency translation effects.

Sensitivity to changes in assumptions

Sensitivity calculations are done for all CGUs that are tested for impairment. As a basis for the sensitivity assessment, Yara uses the following assumption changes:

- An increase of discount rate of 1.0% points (after tax)
- A reduction to management projected EBITDA of 10% each year, in the period year one to five
- A reduction of nominal growth after year five of 1% point.

A combined change of all three assumptions would lead to total impairment write-down of approximately NOK 5 billion, of which NOK 2 billion is related to Pilbara Ammonia and NOK 1.2 billion is related to Yara Pilbara Nitrates (TAN plant under construction). Remaining sensitivity is mainly related to fertilizer plants in Europe. An isolated adjustment to the discount rate, EBITDA and nominal growth would give a loss of approximately NOK 1.5 billion, NOK 1.5 billion and NOK 650 million, respectively. The total carrying value of the CGUs that are sensitive to impairment is approximately NOK 27 billion, with a current headroom of approximately NOK 7 billion. The carrying value includes necessary working capital and non-current assets. In addition to the sensitivity information provided above, Yara regards its investments in mining projects to be sensitive to impairment due to other key uncertainties. These uncertainties are further described below.

Mining projects

In addition to the sensitivity presented above, Yara continues to regard its mining projects with a total carrying value of NOK 3,045 million to be sensitive for impairment. The cash inflows for these projects are several years in to the future and there are multiple uncertainties related to the projects' profitability, mineability of the reserves, financing, required infrastructure and necessary governmental permits. Any negative development to these uncertainties could trigger a decision to stop one or more of the projects and a resulting impairment loss.

Note 18 Inventories

NOK millions	2015	2014
Finished goods	11,425	10,085
Work in progress	637	707
Raw materials	7,885	7,847
Total	19,948	18,639
Write-down		
Balance at 1 January	(92)	(103)
New write-downs recognized during the year	(122)	(46)
Write-downs reversed due to product sold	41	52
Write-downs reversed, other	29	11
Foreign currency translation	(8)	(7)
Balance at 31 December	(152)	(92)

Inventories pledges as security were NOK 164 million in 2015 (2014: NOK 592 million). See note 32 for more information.

Note 19 Trade receivables

NOK millions	Notes	2015	2014
Trade receivables		12,809	12,614
Allowance for impairment loss		(711)	(514)
Total	31	12,098	12,100

Movement in allowance for impairment loss

NOK millions	2015	2014
Balance at 1 January	(514)	(421)
Impairment losses recognized on receivables	(262)	(80)
Amounts written off during the year as uncollectible	40	20
Impairment losses reversed	31	20
Foreign currency translation	13	(52)
Other changes	(19)	-
Balance at 31 December	(711)	(514)

Aging analysis of trade receivables at 31 December

Gross trade receivables

			Past due gross trade receivables			
NOK millions	Total	Not past due gross trade receivables	< 30 days	30 - 90 days	91 - 180 days	> 180 days
2015	12,809	10,710	834	337	137	791
2014	12,614	10,472	869	311	286	676

Net trade receivables

NOK millions	Total	Neither past due nor impaired	Past due but not impaired			
			< 30 days	30 - 90 days	91 - 180 days	> 180 days
2015	12,098	10,696	833	329	118	123
2014	12,100	10,466	865	297	281	191

Impairment of trade receivables

NOK millions	Total	Impairment on not past due receivables	Impairment on past due receivables			
			< 30 days	30 - 90 days	91 - 180 days	> 180 days
2015	(711)	(14)	(1)	(8)	(19)	(668)
2014	(514)	(6)	(4)	(14)	(5)	(485)

Note 20 Prepaid expenses and other current assets

NOK millions	2015	2014
VAT and sales related taxes	1,263	1,322
Foreign exchange contracts	133	86
Commodity derivatives and embedded derivatives	-	21
Prepaid income taxes	729	565
Prepaid expenses	1,263	1,128
Other current assets	995	1,074
Total	4,383	4,196

Note 21 Cash, cash equivalents and other liquid assets

NOK millions	Notes	2015	2014
Cash and cash equivalents	31	3,220	3,591
Other liquid assets	31	3	15

External bank deposits that are not available for use by the group at 31 December 2015 have a carrying value of NOK 436 million (2014: NOK 463 million), mainly related to a technical reserve in Yara Insurance required by the regulators. Information about bank deposits and dividend resolutions in subsidiaries with significant non-controlling interests is provided in note 23.

Other liquid assets comprises bank deposits with maturity between three months and one year.

The average interest rate for liquid assets is approximately 4.5% at 31 December 2015 (2014: 1.8%).

Yara minimizes the counterparty exposure by keeping its cash deposits in various Nordic and international banks with established limits for exposure towards each institution.

Note 22 Share information

On 11 May 2015, the Annual General Meeting approved a share buy-back program, authorizing the Board of Directors for a period of 12 months to let the Company acquire up to 5% of total shares in the open market and from the Norwegian State. The purchase price shall not be less than NOK 10 nor more than NOK 1,000. Shares acquired may either be used for cancellation, or, according to decision by the Board of Directors, as consideration in commercial transactions. The 2015 buy-back program is similar to previous years' programs.

Yara's largest shareholder, the Norwegian State, has committed to sell a proportionate part of its shares, leaving the State's ownership unchanged at 36.21%. The compensation to the State will be equal to the average price paid in the market for the buy-back of shares, plus interests of NIBOR +1%, calculated from the date of the acquisition of the corresponding shares.

During 2015, Yara purchased 910,000 shares for a total consideration of NOK 363.8 million under the 2015 share buy-back program. Shares will be cancelled.

During 2014, Yara purchased 730,000 shares for a total consideration of NOK 229.8 million under the 2014 share buy-back program. Shares were cancelled.

Dividend proposed for 2015 is NOK 15.00 per share, amounting to NOK 4,113 million. Dividend approved for 2014 and paid out in 2015 was NOK 3,581 million.

Yara has one class of shares, all with equal voting rights and the right to receive dividends.

	Ordinary shares	Own shares
Total at 31 December 2013	278,500,910	(1,450,000)
Redeemed shares Norwegian State [1]	(823,135)	
Shares cancelled [1]	(1,450,000)	1,450,000
Treasury shares - share buy-back program [1]	-	(730,000)
Total at 31 December 2014	276,227,775	(730,000)
Redeemed shares Norwegian State [2]	(414,406)	
Shares cancelled [2]	(730,000)	730,000
Treasury shares - share buy-back program [2]		(910,000)
Total at 31 December 2015	275,083,369	(910,000)

1) As approved by General Meeting 5 May 2014.
2) As approved by General Meeting 11 May 2015.

Note 23 Non-controlling interests

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.

2015

NOK millions	Total at 1 January	Share of profit	Dividend distributed	Additions	Disposals	Share capital increase	Companies acquired	Foreign currency translation	Total at 31 December
Yara Pilbara Holdings Ltd [1]	2,570	412	(235)	-	(3,057)	-	-	310	-
Galvani Industria, Comercio e Servicos S.A.	1,181	(10)	-	-	-	298	(2)	(222)	1,245
Yara Dallol B.V.	166	(8)	-	203	-	-	-	33	394
Other	279	(43)	(11)	-	(36)	-	-	9	197
Total	4,196	351	(246)	203	(3,094)	298	(2)	130	1,837

1) Including Yara Pilbara Fertilisers Pty Ltd.

2014

NOK millions	Total at 1 January	Share of profit	Dividend distributed	Additions	Disposals	Share capital increase	Companies acquired	Foreign currency translation	Total at 31 December
Yara Pilbara Holdings Ltd [1]	1,845	291	-	-	-	-	-	434	2,570
Galvani Industria, Comercio e Servicos S.A.	-	(10)	-	-	-	180	1,001	10	1,181
Yara Dallol B.V.	161	23	-	-	(47)	-	-	30	166
Other	146	15	(15)	-	13	-	98	23	279
Total	2,152	319	(15)	-	(35)	180	1,099	497	4,196

1) Including Yara Pilbara Fertilisers Pty Ltd.

Place of incorporation and percentage of non-controlling interests

Company name	Place of incorporation	Percentage non-controlling interests [1] 2015	Percentage non-controlling interests [1] 2014
Yara Pilbara Holdings Ltd [2]	Australia	-	49.0 %
Galvani Industria, Comercio e Servicos S.A.	Brazil	40.0 %	40.0 %
Yara Dallol B.V.[3]	The Netherlands	48.2 %	33.4 %

1) Equals voting rights.
2) Including Yara Pilbara Fertilisers Pty Ltd.
3) Place of operations is Ethiopia. Based on several capital injections during the year, Yara increased its ownership in Yara Dallol first to 69% early November 2015 before the reduction to 51.8% on 30 November 2015.

During 2015, Yara closed two major transactions with non-controlling interests. On 29 October 2015, Yara acquired an additional 49% interest in Yara Pilbara Holding (Pilbara) for NOK 3,068 million in cash, increasing its ownership from 51% to 100%. The carrying amount of Pilbara's net assets in the Group's financial statements on the date of the acquisition was NOK 7,482 million. This transaction made it possible for Yara to include Pilbara in Yara's Australian tax group and by that achieve a step-up of various tax assets. The effects of this tax step-up is provisionally determined and may change in future periods. Yara has decided to present this positive effect in equity since it is an equity transaction that triggers the tax effect. Any subsequent adjustment to this will also be recognized in equity. On 30 November 2015, Yara reduced its ownership in Yara Dallol (Dallol) from 69% to 51.8% for a total consideration of NOK 308 million in cash. The carrying amount of Dallol's net assets in the Group's financial statements on the date of the acquisition was NOK 1,161 million.

The shareholders in Yara Dallol have agreed that no dividends shall be distributed from the company before the start of production. After that, the company shall pay out as much as permitted by applicable law and possible restrictions in future financing agreements. At 31 December 2015, Yara Dallol held NOK 44 million in cash and cash equivalents. Yara has the overall management and control of the project development while the non-controlling interest is provided with minority protective rights.

A dividend resolution by Galvani requires the approval by 75% of the voting shares, providing the non-controlling interest with a protective right. At 31 December 2015, Galvani held NOK 773 million in cash and cash equivalents. The budget and business plan for the mining development projects require consent from at least one board member representing the non-controlling interest while approval of the budget and business plan for the ongoing business is controlled by Yara. The non-controlling interest is also provided with other protective rights.

Transactions with non-controlling interests

NOK millions	Yara Pilbara	Yara Dallol	Other	Total 2015
Carrying amount of non-controlling interests acquired/(divested)	3,052	(203)	45	2,893
Consideration received/(paid) [1]	(3,068)	308	(76)	(2,836)
Step-up of tax values	359	-		359
Increase/(decrease) in equity attributable to owners of the group	344	105	(31)	418
Presented in the statement of changes in equity:				
Increase /(decrease) to translation of foreign operations	813	(70)		743
Increase /(decrease) to retained earnings	(469)	175	(31)	(325)
Total	344	105	(31)	418

1) Of which net cash consideration paid is NOK 2,825 million.

Financial position for companies with significant non-controlling interests

NOK millions	2015		2014		
	Yara Dallol	Galvani	Yara Pilbara [1]	Yara Dallol	Galvani
Current assets	46	1,756	1,598	24	1,161
Non-current assets	1,588	3,571	8,461	1,175	4,045
Current liabilities	(116)	(1,613)	(1,224)	(62)	(1,440)
Non-current liabilities	(289)	(603)	(2,723)	(268)	(813)
Equity attributable to owners of the company	(835)	(1,866)	(3,542)	(702)	(1,772)
Non-controlling interests	(394)	(1,245)	(2,570)	(166)	(1,181)

1) Including Yara Pilbara Fertilisers Pty Ltd.

Income statement for companies with significant non-controlling interests

NOK millions	2015			2014		
	Yara Pilbara [1]	Yara Dallol	Galvani	Yara Pilbara [1]	Yara Dallol	Galvani
Total operating revenues and other income	2,590	-	1,765	2,183	-	47
Expenses	(1,878)	(38)	(1,790)	(1,594)	(10)	(71)
Net income/(loss)	712	(37)	(26)	589	(10)	(24)
Net income attributable to shareholders of the parent	318	(29)	(16)	311	(33)	(14)
Net income attributable to non-controlling interests	394	(8)	(10)	278	23	(10)
Net income/(loss)	712	(37)	(26)	589	(10)	(24)
Other comprehensive income attributable to shareholders of the parent	889	146	(333)	600	118	15
Other comprehensive income attributable to non-controlling interests	310	33	(222)	434	30	10
Other comprehensive income/(loss) for the year	1,199	179	(555)	1,034	148	25
Total comprehensive income attributable to shareholders of the parent	1,207	117	(349)	911	85	1
Total comprehensive income attributable to non-controlling interests	704	25	(232)	712	53	-
Total comprehensive income/(loss) for the year	1,911	142	(581)	1,623	138	1
Net cash inflow / (outflow) from operating activities	1,390	(70)	83	962	7	(88)
Net cash inflow / (outflow) from investing activities [2]	(254)	(135)	(568)	(750)	(157)	(15)
Net cash inflow / (outflow) from financing activities	(479)	220	457	(4)	158	(55)
Net cash inflow / (outflow)	657	14	(28)	208	8	(158)

1) Including Yara Pilbara Fertilisers Pty Ltd. showing full year, but non-controlling interests only included until October 2015.
2) Cash flow from investing activities in Yara Pilbara include funding of Yara Pilbara Nitrates (joint operation), representing Yara Pilbara Holdings 20.4% ownership interest.

Note 24 Employee retirement plans and other similar obligations

The Group companies provide various retirement plans in accordance with local regulations and practices in the countries in which they operate.

Defined benefit plans are generally based on years of service and average or final salary levels, offering retirement benefits in addition to what is provided by state pension plans. Most of the defined benefit plan obligations are covered by external insurance companies or by pension funds. By definition, both investment risk and actuarial risk (i.e. the actual level of benefits to be paid in the future) are retained by the Group companies.

Defined contribution plans require the companies to make agreed contributions to a separate fund when employees have rendered services entitling them to the contributions. The companies have no legal or constructive obligation to pay further contributions.

Some companies make contributions to multi-employer pension plans included in a joint arrangement with others. All multi-employer plans are accounted for as defined contribution plans.

Some companies have recognized provisions for jubilee benefits, which are classified as Other long-term employee benefits.

Long-term employee benefit obligations recognized in the statement of financial position

NOK millions	Notes	2015	2014
Defined benefit plans		(3,622)	(3,736)
Prepayments for defined benefit plans		779	425
Net liability for defined benefit plans		(2,842)	(3,312)
Termination benefits		(31)	(46)
Prepayments for other long term employee obligations		1	1
Other long-term employee benefits		(99)	(115)
Net long-term employee benefit obligations recognized in Statement of financial position		(2,971)	(3,471)
Of which classified as Prepayments for long-term employee obligations	16	780	426
Of which classified as Long-term employee benefit obligations		(3,751)	(3,897)

Expenses for long-term employee benefit obligations recognized in the statement of income

NOK millions	Notes	2015	2014
Defined benefit plans		(416)	(189)
Defined contribution plans		(173)	(148)
Multi-employer plans		(65)	(56)
Termination benefits		(19)	(29)
Other long-term employee benefits		(52)	(91)
Net expenses recognized in Statement of income		(725)	(513)
Of which classified as Payroll and related costs	6	(643)	(443)
Of which classified as Interest expense and other financial items	8	(82)	(69)

Defined benefit plans

Yara International ASA and Norwegian subsidiaries have incurred obligations under a funded defined benefit plan. The pension plan was closed to new entrants in 2006 and employees below the age of 55 at that time received a paid-up policy for previously earned benefit entitlements. The defined benefit plan was replaced by a defined contribution plan from the same date. Further pension obligations in Norway include certain unfunded pension arrangements as well as early retirement schemes. Retirement age is flexible from age 62 to age 67.

A majority of Yara's obligations under defined benefit plans are related to subsidiaries within the Eurozone.

Employees of Yara's Dutch subsidiaries hired before 1 August 2014 are members of a funded Defined Benefit pension plan. Employees born before 1950 and who were in service before 2006 are entitled to a pension scheme based on final salary at the age of retirement. The other employees are members of an Average Pay scheme. Retirement age is 67. The funded Defined Benefit pension plan has been closed for new members from 1 August 2014. New hires are enrolled in a Defined Contribution pension plan from the same date.

Obligations in Finland include the statutory TyEL pension scheme as well as a further defined benefit plan which is closed to new entrants. Both schemes are covered by pension funds. The TyEL pension scheme provides for a flexible retirement age from 63 to 68 based on the employee's salary each year and with accelerated earning of retirement benefits beyond the age of 63. There is also a possibility for early retirement at the age of 62 with a permanent reduction of benefits.

Subsidiaries of Yara are also liable to retirement benefits in France, Germany, Belgium and Italy within the Eurozone.

The pension plan in Great Britain is funded and provides retirement benefits based on final salary. Normal retirement age is 62 except for some contracts with retirement age of 65.

Other defined benefit plan obligations include employees of subsidiaries in Sweden, Trinidad and South Africa.

Most defined benefit plans include benefits in case of disability, death in service and death after retirement, which are included in the valuation of liabilities.

The provision for defined benefit plans also includes liabilities for medical plans in Great Britain, Trinidad and South Africa with a total of NOK 87 million (2014: NOK 46 million).

Defined benefit obligations and plan assets by origin

	2015		2014	
NOK millions	Obligations	Assets	Obligations	Assets
Finland	(2,678)	3,034	(2,795)	2,713
The Netherlands	(5,087)	4,575	(4,730)	4,170
Other Eurozone	(1,835)	494	(1,696)	446
Great Britain	(3,870)	3,504	(3,677)	3,114
Norway	(2,261)	1,731	(2,134)	1,699
Other	(944)	495	(818)	395
Total	(16,675)	13,833	(15,849)	12,538

Valuation of defined benefit obligations

The defined benefit plans are valued at 31 December using updated financial and demographical assumptions and taking into account the relevant economic environment of each pension plan.

The discount rate is a weighted average of the yields at the balance sheet date on high quality corporate bonds, or government bonds where no deep market exists for high quality corporate bonds. The discount rate is adjusted by extrapolation if necessary, to take into account differences in maturities.

The following financial assumptions have been applied for the valuation of liabilities

Discount rate (in %)	2015	2014
Finland	2.4	1.9
The Netherlands	2.1	2.1
Great Britain	3.7	3.4
Norway	2.5	2.4
Total [1]	2.7	2.5

1) Weighted average.

Expected salary increase (in %)	2015	2014
Finland	2.3	2.3
The Netherlands	2.8	2.8
Great Britain	3.7	3.7
Norway	2.4	2.8
Total [1]	2.9	3.0

1) Weighted average.

Expected pension indexation (in %)	2015	2014
Finland	1.5	1.9
The Netherlands	1.4	1.4
Great Britain	3.0	3.0
Norway	0.2	0.3
Total [1]	1.7	1.8

1) Weighted average.

The following table presents indicators of life expectancy of the mortality tables applied for valuation of the obligations, by showing expected longevity of a current employee aged 45 today from the date he or she reaches age 65, and the expected longevity of a current retiree aged 65.

Expected longevity (in years)	Expected longevity of current employee	Expected longevity of current retiree
Finland	25.9	23.4
The Netherlands	24.6	22.4
Great Britain	26.1	23.7
Norway	24.9	22.6

Actuarial valuations provided the following results

NOK millions	2015	2014
Present value of fully or partially funded liabilities for defined benefit plans	(14,552)	(13,921)
Present value of unfunded liabilities for defined benefit plans	(2,005)	(1,873)
Present value of liabilities for defined benefit plans	(16,557)	(15,794)
Fair value of plan assets	13,833	12,538
Social security tax liability on defined benefit plans	(118)	(55)
Net liability recognized for defined benefit plans	(2,842)	(3,312)

Duration of liabilities at the end of the year:

Duration of liabilities (in years)	2015
Finland	14
The Netherlands	18
Great Britain	16
Norway	15
Total [1]	16

1) Weighted average.

Pension cost recognized in Statement of income

The assumptions used to value the defined benefit obligations at 31 December are used in the following year to determine the net pension cost. The discount rate is used to calculate the interest income from plan assets.

The following items have been recognized in the Statement of income

NOK millions	2015	2014
Current service cost [1]	(303)	(240)
Contribution by employees	28	26
Past service cost [2]	(29)	99
Settlements [3]	(19)	2
Social security cost	(11)	(8)
Payroll and related costs	(334)	(120)
Interest expense on obligation	(398)	(487)
Interest income from plan assets	316	418
Net interest expense on the net obligation	(82)	(69)
Net pension cost recognized in Statement of income	(416)	(189)

1) The increase in current service cost is mainly due to the significant decrease in discount rates determined by year-end 2014, in particular within the Euro zone, which impacts the Statement of income in the subsequent year. Also, the depreciation of NOK towards EUR and GBP leads to an increase in current service cost.
2) The past service cost recognized in 2015 relates to certain plan amendments in Finland, UK and France. In 2014 a gain of NOK 94 million was recognized in the Statement of income relating to certain plan amendments in The Netherlands. An agreed compensation of NOK 37 million was recognized as Other long-term employee benefits.
3) In 2015 a loss on settlement of NOK 19 million was recognized in the Statement of income due to changes in the Norwegian early retirement plans.

NOK millions	2015	2014
Payroll and related costs		
Finland	(64)	(37)
The Netherlands	(104)	25
Great Britain	(28)	(21)
Norway	(74)	(49)
Net interest income / (expense) on the net obligation / asset		
Finland	(2)	10
The Netherlands	(11)	(3)
Great Britain	(19)	(17)
Norway	(9)	(12)

Sensitivity of assumptions

Measurement of defined benefit obligations and pension costs requires the use of a number of assumptions and estimates. The table below indicates the sensitivity of the most significant assumptions applied to the defined benefit obligation (DBO), by showing the estimated result from a reasonable increase or decrease in any one of the key assumptions applied. Holding all other assumptions constant represents a limitation of the analysis, as some of the assumptions may be correlated. The methods used in preparing the analysis are consistent with previous years.

NOK millions	2015	2014
Actual valuation	(16,557)	(15,794)
Discount rate +0.5%	(15,349)	(14,570)
Discount rate -0.5%	(17,917)	(17,100)
Expected rate of salary increase +0.5%	(16,714)	(15,954)
Expected rate of salary increase -0.5%	(16,403)	(15,640)
Expected rate of pension increase +0.5%	(17,296)	(16,513)
Expected rate of pension increase -0.5%	(15,979)	(15,098)
Expected longevity +1 year	(17,101)	(16,340)
Expected longevity -1 year	(16,012)	(15,252)

Development of defined benefit obligations

NOK millions	2015	2014
Defined benefit obligation at 1 January	(15,794)	(12,798)
Current service cost	(291)	(228)
Interest cost	(398)	(487)
Experience adjustments	(53)	171
Effect of changes in financial assumptions	622	(1,996)
Effect of changes in demographic assumptions	(13)	15
Past service cost	(29)	99
Settlements [1]	(19)	2
Benefits paid	662	559
Transfer of obligation (in)/out	-	(6)
Other	-	1
Foreign currency translation on foreign plans	(1,245)	(1,127)
Defined benefit obligation at 31 December	(16,557)	(15,794)

1) In 2015 a loss on settlement of NOK 19 million was recognized in the Statement of income due to changes in the Norwegian early retirement plans

Development of plan assets

NOK millions	2015	2014
Fair value of plan assets at 1 January	12,538	10,953
Interest income from plan assets	304	406
Return on plan assets (excluding the calculated interest income)	253	469
Employer contributions	275	194
Employees' contributions	28	26
Benefits paid	(563)	(477)
Transfer of plan assets in/(out)	-	5
Foreign currency translation on foreign plans	998	961
Fair value of plan assets at 31 December	13,833	12,538

The actual return on plan assets in 2015 was a positive NOK 557 million (2014: Positive NOK 875 million).

Depending on local regulations, Yara may be required to ensure a certain funding level of the pension plans. In the UK Yara is paying an annual contribution until 2018 in order to make good a funding deficit determined in the actuarial valuation of 2014. In The Netherlands, an agreement is in place in which Yara will need to ensure a minimum level of funding by making additional contribution to the fund. On the other hand, Yara will be able to recover parts of the contribution paid to the fund in case the funding ratio reaches a certain level. In Norway, Yara may be required to increase the capital buffer of the pension fund.

The pension funds have the legal form of foundations, independently governed by their Board of Directors or Board of Trustees. It is the responsibility of the Board to determine the investment strategy, and to review the administration of plan assets and the funding level of the pension plans.

Yara's defined benefit plan obligations are inherently exposed to inflation risk, interest rate risk and longevity risk. The investment strategies of the pension funds ensure diversement of investments in order to keep market volatility risk at a desired level. An exception is the pension fund of Yara in Finland, which has invested about 1/3 of the fair value of plan assets into shares of non-listed Pohjolan Voima Oy, a company producing electricity and heat for its shareholders on an at cost-basis. The Boards of the pension funds are targeting a satisfactory level of risk and return corresponding to the maturity profile of future pension benefit payments.

At the end of the year, the plan assets were invested as follows

NOK millions, except percentages	2015	2015	2014	2014
Cash and cash equivalents	318	2 %	255	2 %
Shares	3,994	29 %	3,625	29 %
Other equity instruments	58	-	51	-
High yield debt instruments	226	2 %	347	3 %
Investment grade debt instruments	6,363	46 %	5,963	48 %
Properties	529	4 %	275	2 %
Interest rate swap derivatives	4	-	3	-
Other plan assets [1]	1,018	7 %	960	8 %
Total investments quoted in active markets	12,510	90 %	11,479	92 %
Shares and other equity instruments	1,143	8 %	890	7 %
Other plan assets [2]	180	1 %	169	1 %
Total unquoted investments	1,323	10 %	1,059	8 %
Total plan assets	13,833		12,538	

1) Other plan assets include insurance policies, hybrid funds and other fund investments.
2) Other unquoted plan assets is mainly a loan to Yara Suomi Oy.

Contributions expected to be paid to the defined benefit plans for 2016 are NOK 386 million (including benefits to be paid for unfunded plans). The contributions paid in 2015 were NOK 373 million.

Remeasurement gains / (losses) recognized in other comprehensive income

NOK millions	2015	2014
Remeasurement gains / (losses) on obligation for defined benefit plans	557	(1,810)
Remeasurement gains / (losses) on plan assets for defined benefit plans	253	469
(Increase) / decrease in social security tax liability on remeasurement gains / (losses) for defined benefit plans (Norway only)	(56)	(4)
Net remeasurement gains / (losses) for defined benefit plans	754	(1,345)
Change in deferred tax related to remeasurement gains / (losses) for defined benefit plans [1]	(177)	319
Remeasurement gains / (losses) recognized from Equity Accounted Investees (net of tax)	11	(160)
Total remeasurement gains / (losses) recognized in other comprehensive income	588	(1,186)

1) 2015 includes impact from reduction of tax percentage in France, Norway and UK

Remeasurement gains and losses include experience adjustments, reflecting the difference between estimated and actual changes in obligations and plan assets during the year, as well as the impact of change in demographic and financial assumptions when measuring the present value of pension liabilities at year-end with revised assumptions.

Remeasurement gains and losses are permanently recognized directly in retained earnings in the period in which they occur. The cumulative amount of remeasurement losses recognized in other comprehensive income is NOK 2,700 million (2014: NOK 3,288 million).

Note 25 Provisions and contingencies

2015

NOK millions	Environmental	Restructuring	Legal Claims	Decommission	Other	Total
Balance at 1 January 2015	165	19	178	548	162	1,072
Additional provision in the year	48	6	59	37	70	220
Interest expense on liability	1	-	1	17	-	19
Unused provision	(1)	(2)	(36)	(3)	(33)	(75)
Utilisation of provision	(41)	(16)	(21)	(51)	(35)	(164)
Companies purchased/(sold)	18	-	-	-	-	18
Currency translation effects	3	-	(33)	28	9	8
Balance at 31 December 2015	193	7	148	576	173	1,098

2014

NOK millions	Environmental	Restructuring	Legal Claims	Decommission	Other	Total
Balance at 1 January 2014	169	14	135	297	240	856
Additional provision in the year	33	17	33	189	96	368
Interest expense on liability	1	-	3	11	-	15
Unused provision	(37)	(2)	(26)	(12)	(41)	(118)
Utilisation of provision	(18)	(10)	(23)	(30)	(160)	(242)
Companies purchased/(sold)	-	-	47	45	12	104
Currency translation effects	17	-	9	48	16	90
Balance at 31 December 2014	165	19	178	548	162	1,072

Provisions presented in the consolidated statement of financial position

NOK millions	2015	2014
Current liabilities	325	348
Non-current liabilities	773	725
Total	1,098	1,072

Environmental

Yara's future cost for environmental clean-up depends on a number of uncertain factors, such as the extent and type of remediation required. Due to uncertainties inherent in the estimation process, it is possible that such estimates could be revised in the near term. In addition, conditions which could require future expenditures may be determined to exist for various sites, including Yara's major production facilities and product storage terminals. The amount of such future costs is not determinable due to the unknown timing and extent of corrective actions which may be required.

Yara's operations are subject to environmental laws and regulations. These laws and regulations are subject to changes, and such changes may require that the company makes investments and/or incur costs to meet more stringent emission standards or to take remedial actions related to e.g. soil contamination.

Restructuring

Restructuring mainly relates to closure or significant reorganization of business locations in a country or region. The provision is a best estimate based on the detailed formal plan for the business and location affected.

Legal claims

Yara is party to a number of lawsuits in various jurisdictions arising out of the conduct of its business. None of these lawsuits, individually or in aggregate, are anticipated to have a material adverse effect on Yara.

Decommission

Provisions have been made where Yara has legal or constructive obligations for decommission as a result of past events.

Other

Other consists of onerous contracts and various provisions for constructive obligations as a result of past events.

Contingencies

Yara is involved in a number of legal proceedings during the normal course of its business. While acknowledging the uncertainties of litigation, Yara is of the opinion that based on the information currently available, these matters will be solved without any material adverse effect on Yara's consolidated results of operations, liquidity or financial position. In August 2015, two suppliers commenced arbitration against Yara Norge AS before the Arbitration Institute of the Stockholm Chamber of Commerce. The claims are related to earlier contracts for the supply of apatite concentrate. The claim is in an amount of approximately USD 140 million. The arbitral hearing is currently expected to take place during second quarter 2017, with an arbitral award expected before end of 2017. Yara believes the claims are without merit and will defend them forcefully.

Several subsidiaries are engaged in judicial and administrative proceedings related to various disputed tax matters. The majority of these contingencies are related to indirect taxes in Brazil, amounting to approximately NOK 675 million including cases where the probability of cash outflow is considered remote. Such cases have varying risk of loss, and the final outcome is normally several years into the future. Yara follows the development on case-by-case basis, making provisions if and when cash outflow is assessed to be probable.

Note 26 Long-term debt

NOK millions, except percentages and denominated amounts	Weighted average interest rates	Denominated amounts 2015	2015	2014
NOK (Coupon 8.80%) 1)	8.9%	1,000	1,007	1,033
NOK (Coupon NIBOR + 0.70%) 2)	1.8%	2,200	2,197	2,196
NOK (Coupon 2.55%) 3)	2.6%	700	705	696
NOK (Coupon 3.00%) 4)	3.0%	600	604	596
USD (Coupon 7.88%) 5)	8.3%	500	4,381	3,676
Total unsecured debenture bonds			8,893	8,198
USD	1.4%	125	1,099	1,045
BRL (Brazil)	19.2%	27	60	
COP (Colombia)	-	-	-	241
MYR (Malaysia)	2.5%	-	1	1
Total unsecured bank loans 2)			1,160	1,286
Lease obligation			290	300
Mortgage loans			1,093	1,146
Other long-term debt			19	24
Total			1,402	1,470
Outstanding long-term debt			11,456	10,954
Less: Current portion			(2,102)	(345)
Total			9,354	10,609

1) Fixed interest rate until 2016. Subject to fair value hedge accounting, see note 30.
2) Repricing within a year.
3) Fixed interest rate until 2021. Subject to fair value hedge accounting, see note 30.
4) Fixed interest rate until 2024. Subject to fair value hedge accounting, see note 30.
5) Fixed interest rate until 2019.

The carrying values include issuance discount, capitalized issuance costs and fair value hedge accounting adjustments as indicated above (see also note 31 for further information about fair value of financial instruments).

At 31 December 2015, the fair value of the long-term debt, including the current portion, was NOK 12,043 million and the carrying value was NOK 11,456 million.

Yara builds its funding on a negative pledge structure with the basic funding ranging pari passu. Substantially all unsecured debenture bonds and unsecured bank loan agreements therefore contain provisions restricting the pledging of assets to secure future borrowings.

Of the long-term debt at the end of 2015, the USD 500 million bond debt originated from Yara's June 2009 bond issue in the US market according to 144A/Regulation S. A further NOK 1,000 million originated from Yara's March 2009 bond issue in the Norwegian market, while NOK 3,500 million originated from Yara's December 2014 bond issues in the Norwegian market. The 2014 bond debt has been converted to USD exposure through cross-currency swaps.

Yara's additional long-term funding is based on bank loans. Yara's term loan from the Nordic Investment Bank has been reduced to USD 120 million through scheduled downpayments and linear installments will continue until December 2023. A further minor portion of the long-term bank loans was borrowed in emerging markets. Yara Pilbara's term loan due 2016 totaled USD 100 million per year end 2015 and is included under mortgage loans.

By year end, Yara had an undrawn revolving credit facility totaling USD 1,250 million due 2020. Three undrawn credit facilities of USD 485 million, USD 300 million and USD 60 million matured during 2015 and were not renewed.

Of the fixed interest rate debenture bonds, NOK 2,300 million is exposed to floating interest rates through interest rate swaps.

Contractual payments on long-term debt, including current portion

NOK millions	Debentures	Bank Loans	Capital lease and other long-term loans	Total [1]
2016	1,007	172	923	2,102
2017	-	161	58	219
2018	-	161	51	213
2019	6,577	138	46	6,761
2020	-	133	53	186
Thereafter	1,309	395	270	1,975
Total	8,893 [2]	1,160	1,402	11,456

1) Including current portion.
2) Yara International ASA is responsible for the entire amount.

Note 27 Trade payables and other payables

NOK millions	2015	2014
Trade payables	9,826	9,504
Payroll and value added taxes	1,882	1,778
Prepayments from customers	2,382	1,970
Other liabilities	584	1,377
Total	14,674	14,628

Terms and conditions to the above financial liabilities:

Trade payables are non-interest bearing and have an average term of 60 days. Payroll and value added taxes are mainly settled bimonthly or on quarterly basis. Other payables are non-interest bearing and normally settled within 12 months.

Note 28 Bank loans and other short-term interest bearing debt

NOK millions, except percentages	Notes	2015	2014
Bank loans and overdraft facilities		3,472	4,336
Other		163	124
Total	31	3,635	4,460
Weighted average interest rates [1]			
Bank loans and overdraft facilities		6.9%	4.9%
Other		2.6%	5.1%

1) Repricing minimum annually.

At 31 December 2015, Yara had unused short-term credit facilities with various banks totalling approximately NOK 2.7 billion.

Note 29 Risk management

Risk management policies

Risk management in Yara is based on the principle that risk evaluation is an integral part of all business activities. Yara has established procedures for determining appropriate risk levels or limits for the main risks and for monitoring these risk exposures. Based on the overall evaluation of risk, Yara may use insurance policies, trade finance contracts, guarantees or derivative instruments such as forward contracts, options and swaps to reduce exposures.

Yara's business model and positions provide natural hedges to reduce business risks inherent in the market. The most important of these is the quality and efficiency of Yara's production facilities, which ensures its competitive position. Furthermore, Yara's geographical spread supports a diversified gas supply, reducing the impact of regional price changes, and a reduced exposure to the inherent seasonality of the fertilizer business. Yara's substantial sales of differentiated products, comprising specialty fertilizers and industrial products, also contribute to more stable margins for the business as a whole. Finally, a certain correlation between energy prices and fertilizer prices reduces the volatility in Yara's results.

There were no principal changes in the Group's approach to capital management during the years ending 31 December 2015 and 31 December 2014. Through recent years, strong cash flow has generated a liquidity surplus kept as short-term bank deposits. At year end 2015 the volume of deposits is around the same level as at year end 2014, but throughout the year the average deposits have been lower than previous year.

Funding structure

Yara is focused on maintaining a sound funding structure. Main elements of the funding strategy are to secure long-term debt and to base the funding of Yara on diversified capital sources to avoid dependency on single markets.

The debt/equity ratio at the end of 2015 calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.16 compared with 0.17 at the end of 2014. The Yara Group is not subject to any externally imposed capital requirements.

Yara maintained the Baa2 rate from Moody's and the BBB rate from Standard & Poor's during 2015.

The financial structure of Yara gives Yara the necessary flexibility to capture the right industrial opportunities when they arise. As such opportunities typically materialize in periods characterized by industry margins and earnings below peak levels, Yara will seek to maintain adequate financial capacity throughout the business cycle. Yara aims to maintain a long-term mid investment grade rating level, i.e. minimum BBB according to Standard & Poor's methodology and Baa2 according to Moody's methodology.

Yara's Finance, Treasury & Insurance function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risks such as currency and interest rate risk, credit risk and liquidity risk. The Finance, Treasury & Insurance function reports regularly to the Group's management.

The Group may seek to reduce the exposure to such risks by using derivative financial instruments to hedge the inherent exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

Currency risk

Factor

Prices of Yara's most important products are either directly denominated or determined in US dollars. In markets outside the US, local prices will generally adjust to fluctuations in the US dollar exchange rate, however with a certain time lag. Yara's raw materials costs, such as natural gas used in the production of ammonia, are either denominated in US dollars or highly correlated to changes in the US dollar exchange rate. In order to hedge Yara's long-term exposure to fluctuations in the US dollar exchange rate, Yara incurs most of its debt in US dollars. Throughout the year, the part of Yara's US dollar debt established to hedge future earnings was kept around USD 900 million (2014: USD 830-900million). A certain portion of the total debt is kept in various local currencies in order to finance local currency exposed business positions.

Mitigation

Yara manages currency risks by adjusting the composition of the debt or liquidity portfolios to changes in Yara's overall risk exposure. Derivative instruments may also be used to manage currency risk related to forecast purchases and sales or to offset short-term liquidity needs in one currency with surplus liquidity in another currency. Such forward contracts are not designated as hedging instruments for accounting purposes. Changes in fair value are therefore recognized in the income statement.

Recognized currency gain/(loss) in the statement of income

NOK millions	2015	2014
Foreign currency translation gain (loss)	(2,463)	(698)
of which related to internal currency positions	157	523

Recognized exchange translation on other comprehensive income

NOK millions, except percentages	2015	2014
Foreign currency translation from foreign operations	6,259	8,057
less net investment hedges	(796)	(685)
Total foreign currency translation from foreign operations, including net investment hedges	5,463	7,372
Yara's exposure is mainly related to subsidiaries with functional currencies US dollars, euro, Canadian dollars and Qatari riyal		
US dollar	29 %	27 %
Euro	17 %	19 %
Canadian dollar	13 %	16 %
Qatari riyal [1]	12 %	11 %

1) Qatari riyal is pegged to US dollar

Sensitivity - profit or loss

A 10% weakening of the US dollar or the euro against the Norwegian krone and other functional currencies at 31 December would have increased/(decreased) profit or loss by the amounts shown below.

NOK millions	2015	2014
USD -10% gain/(loss)	1,131	659
EUR -10% gain/(loss)	(602)	(391)

This analysis is done for illustrative purposes only, taking into consideration only the effect on the value of financial instruments in the balance sheet as at year-end. Since all other variables are assumed to remain constant, the analysis does not reflect subsequent effects on operating income, EBITDA or equity. The analysis was performed on the same basis for 2014.

A 10% weakening of the Norwegian kroner against the above currencies at 31 December would have had the equal but opposite effect to the amounts shown above.

Sensitivity - Other comprehensive income

A 10% weakening of the US dollar, the Canadian dollar or the euro against the Norwegian krone and other functional currencies at 31 December would have increased/(decreased) other comprehensive income by the amounts shown below.

NOK millions	2015	2014
USD -10% increase/(decrease) in other comprehensive income	(2,191)	(1,266)
EUR -10% increase/(decrease) in other comprehensive income	(1,254)	(1,849)
CAD -10% increase/(decrease) in other comprehensive income	(979)	(1,072)

This analysis is done for illustrative purposes only, taking into consideration only the effect on equity in foreign operations as at year-end. Since all other variables are assumed to remain constant, the analysis does not reflect subsequent effects on equity. The analysis was performed on the same basis for 2014.

Interest rate risk

Factor

Yara's exposure to changes in interest rates is mainly linked to fair value risk and cash flow risk from its debt portfolio as disclosed in note 26. Yara has chosen to retain a significant part of its debt at fixed interest rates.

Mitigation

Yara has kept the entire USD 500 million fixed interest bond issued in 2009 as fixed interest rate debt during 2015. Information about financial instruments designated as hedge instruments is presented in the derivative section below.

At reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

NOK millions, except percentages	2015	2014
Net interest-bearing debt at 31 December	11,868	11,808
Fixed portion of bonds	4,381	3,676
Net interest-bearing debt/(deposits) less fixed portion of bonds	7,488	8,132

NOK millions, except percentages	2015	2014
An increase of 100 basis points in USD interest rates at the reporting date would have increased/(decreased) profit or loss by	(65)	(59)
An increase of 100 basis points in NOK interest rates at the reporting date would have increased/(decreased) profit or loss by	(7)	(8)

All other variables remain constant. This analysis is done for illustrative purposes only, taking into consideration only the effect on financial instruments in the balance sheet as at year-end. The analysis is performed on the same basis for 2014. A decrease of 100 basis points at the reporting date would have increased profit or loss with the same amounts.

Commodity price risk

Factor

A major portion of Yara's operating revenues is derived from the sale of ammonia, urea and other fertilizers that may generally be classified as commodities. Yara also purchases natural gas, electricity and other commodities. The prices of these commodities can be volatile and may create fluctuations in Yara's earnings.

Mitigation

To manage this risk, Yara's financial policy prioritizes maintaining a low debt/equity ratio and maintaining liquidity reserves. Periodically Yara utilizes derivative instruments to manage certain price risk exposures and also for some position taking within the limits established by the risk management policies. A limited number of ordinary sales and purchase contracts contain price links against other products that are regarded as embedded derivatives recognized at fair value. The reason for embedding other price links in these contracts is normally to secure a margin for Yara. Information about commodity derivatives is presented in the derivative section below. Besides that, there are no other financial instruments that are exposed to the commodity price risk.

Credit risk

Factor

Yara has a well-established system for credit management with established limits at both customer and country level. Yara's geographically diversified portfolio reduces the overall credit risk of the Group. Credit risk arising from the inability of the counterparty to meet the terms of Yara's financial instrument contracts is generally limited to amounts, if any, by which the counterparty's obligations exceed Yara's obligations.

The exposure to credit risk is represented by the carrying amount of each class of financial assets, including derivative financial instruments, recorded in the statement of financial position.

Mitigation

Yara's policy is to enter into financial instruments with various international banks with established limits for transactions with each institution. Yara also has agreed limits for credit exposure (collateral agreements) with most of its main banks. Due to Yara's geographical spread and significant number of customers there are no significant concentrations of credit risk. Therefore, Yara does not expect to incur material credit losses on its portfolio or on its financial instruments.

Yara may undertake a number of measures to reduce credit risk of particular receivables. Such measures include letters of credit, bank guarantees and credit insurance agreements. The effect of credit risk reduction from these measures is not considered to be material for the Group.

Funding and liquidity risk

Factor

The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 26 and 28, cash and cash equivalents and equity attributable to equity holders of the parent, comprising paid-in capital and retained earnings as disclosed in notes 21 and statement of changes in equity.

Mitigation

Main elements of the funding strategy are the establishment of a long-term debt base and the security and flexibility obtained by funding through diversified capital sources and avoidance of dependency on single institutions or markets. Yara manages liquidity risk by maintaining adequate reserves and committed bank facilities and by continuously monitoring forcasted and actual cash flows. Yara aims at an even debt repayment schedule and has secured committed undrawn credit facilities to provide sufficient reserves to meet unforeseen liquidity needs.

Included in notes 26 and 28 are overviews of undrawn facilities that the Group has at its disposal.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2015

NOK millions	Carrying amount	Contractual cash flows	On demand	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities								
Short-term interest-bearing debt	(3,635)	(3,822)	(288)	(2,806)	(729)	-	-	-
Long-term interest-bearing debt [1]	(11,456)	(13,311)	-	(1,330)	(1,299)	(664)	(8,878)	(2,076)
Accrued interest expense	(92)	(92)	-	(92)	-	-	-	-
Accounts payables	(9,826)	(9,782)	(112)	(9,618)	(43)	(3)	(4)	(1)
Payroll and value added taxes	(1,882)	(1,863)	(115)	(1,673)	(73)	-	(1)	-
Other short-term liabilities	(510)	(481)	(1)	(295)	(185)	-	-	-
Other long-term liabilities	(414)	(416)	-	-	(1)	(203)	(203)	(9)
Derivative financial instruments								
Freestanding financial derivatives	(544)							
Outflow		(9,174)	-	(4,584)	(20)	(85)	(2,841)	(1,644)
Inflow		8,494	-	4,615	34	54	2,384	1,407
Commodity derivatives	(294)							
Outflow		(294)	-	(1)	(6)	(21)	(199)	(67)
Inflow		-	-	-	-	-	-	-
Hedge designated derivatives	70							
Outflow		(285)	-	(42)	(14)	(23)	(98)	(107)
Inflow		357	-	88	36	36	108	90
Total	(28,582)	(30,669)	(516)	(15,738)	(2,300)	(909)	(9,732)	(2,407)

1) Includes current portion of long-term interest bearing debt amounting to NOK 2,102 million.

31 December 2014

NOK millions	Carrying amount	Contractual cash flows	On demand	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities								
Short-term interest-bearing debt	(4,460)	(4,461)	(7)	(3,866)	(569)	(11)	(8)	-
Long-term interest-bearing debt [1]	(10,954)	(13,063)	-	(333)	(323)	(1,907)	(8,179)	(2,322)
Accrued interest expense	(92)	(92)	-	(92)	-	-	-	-
Accounts payables	(9,504)	(9,483)	(50)	(9,210)	(224)	-	-	-
Payroll and value added taxes	(1,778)	(1,787)	(38)	(1,644)	(105)	(1)	-	-
Other short-term liabilities	(1,261)	(1,260)	-	(1,086)	(175)	-	-	-
Other long-term liabilities	(431)	(487)	-	(1)	(1)	(267)	(201)	(18)
Derivative financial instruments								
Freestanding financial derivatives	113							
Outflow		(5,856)	-	(1,838)	(36)	(58)	(2,483)	(1,441)
Inflow		5,922	-	1,923	39	65	2,445	1,451
Commodity derivatives	(425)							
Outflow		(446)	-	(22)	(32)	(111)	(282)	-
Inflow		21	-	21	-	-	-	-
Hedge designated derivatives	49							
Outflow		(494)	-	(76)	(46)	(58)	(100)	(214)
Inflow		481	-	88	36	124	107	126
Total	(28,744)	(31,005)	(95)	(16,136)	(1,436)	(2,224)	(8,701)	(2,418)

1) Includes current portion of long-term interest bearing debt amounting to NOK 345 million.

Derivative instruments

NOK millions, except percentages	2015	2014
Fair value of derivatives		
Forward foreign exchange contracts	65	19
Interest rate swaps	(609)	62
Interest rate swaps designated for hedging	70	81
Embedded derivatives in sales and purchase contracts	(294)	(423)
Commodity derivatives	-	(2)
Balance at 31 December	(768)	(264)
Derivatives presented in the statement of financial position		
Non-current assets	70	144
Current assets	133	107
Non-current liabilities	(896)	(399)
Current liabilities	(74)	(115)
Balance at 31 December	(768)	(264)

Yara is committed to outstanding forward foreign exchange contracts as follows

NOK millions	2015	2014
Forward foreign exchange contracts, notional amount	8,027	3,763

All outstanding forward foreign exchange contracts at 31 December 2015 have maturity in 2016. Buy positions are mainly in Norwegian kroner against US dollars and US dollars toward Brazilian reals. Sell positions are in various operating currencies towards Norwegian kroner.

Note 30 Hedge accounting

Fair value hedges

NOK bond debt

Two long-term NOK interest swaps have been designated as hedging instruments since 2011. The hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,000 million bond debt from 2009. The swaps have different interest payment dates (semi-annually vs. annually), but identical interest basis and maturity as the hedged debt and are assessed to be highly effective.

A second portfolio of long-term NOK interest swaps was designated as hedging instruments since 2014. The hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,300 million fixed rate bond debt from 2014. The swaps have different interest payment dates (quarterly vs. annually), but identical interest basis and maturity as the hedged debt and are assessed to be highly effective.

USD bond debt

There are no fair value hedges of USD debt outstanding at 31 December 2015.

NOK millions	2015	2014
USD bond debt fair value hedge		
Change in fair value of the derivatives	-	(1)
Change in fair value of the bond	-	1
Ineffectiveness	-	-
Loss on fair value hedge included in the carrying amount of the fixed rate debt	-	-
NOK bond debt fair value hedge		
Change in fair value of the derivatives	8	13
Change in fair value of the bonds	(11)	(10)
Ineffectiveness	(2)	3
Loss on fair value hedge included in the carrying amount of the fixed rate debt	(18)	(29)

Cash flow hedges

In 2004, Yara used interest rate swaps to hedge the future cash flows of a USD 300 million portion of the December 2004 bond issue. In 2007, Yara used treasury locks to hedge the future cash flows of a USD 300 million portion of the June 2009 bond issue. The losses on these contracts were recognized directly in equity and are reclassified into interest expense and deferred tax over the duration of the bonds. The cash flow hedge of the 2004-bond expired in 2014 while the cash flow hedge of the 2009-bond expires in 2019.

During the second half of 2014 and the first half of 2015, Yara used treasury locks to hedge future cash flows of a planned bond issue. Throughout 2015, however, liquidity inflow from divestments and a revision of Yara's interest rate strategy led to a deferral of the planned bond issue and the criteria for hedge accounting were no longer present. The hedging relationship was therefore terminated during third quarter 2015 and a loss of NOK 100 million was recognized in the statement of income.

Effect booked in statement of income

NOK millions	2015	2014
Interest expense		
2004-bond cash flow hedge	-	13
2009-bond cash flow hedge	5	5
2014 cash flow pre-hedge [1]	2	-
Total	7	18
Deferred tax	(1)	(5)
Net effect in statement of income	6	13

1) Discontinued in Q3 2015

Effects booked in statement of comprehensive income

NOK millions	2015	2014
Period gain/(loss)		
2004-bond cash flow hedge	-	-
2009-bond cash flow hedge	-	-
2014 cash flow pre-hedge	25	(28)
Total	25	(28)
Deferred tax	(7)	8
Net effect in statement of comprehensive income	18	(20)

Hedges of net investment

At 31 December 2015, the Group held in total USD 780 million (2014: USD 780 million) of debt designated as hedges of net investments in foreign entities. The hedges were assessed to be highly effective. At 31 December 2015, the hedges had a negative fair value of NOK 1,600 million recognized in other comprehensive income (2014: negative NOK 804 million), net change after tax of NOK 796 million. There is not recognized any ineffectiveness in 2015 or 2014.

Note 31 Financial instruments

Below is an overview of gains and losses from financial instruments recognized in the consolidated statement of income and consolidated statement of other comprehensive income, including amounts recognized on disposal of financial instruments:

NOK millions	Notes	Derivatives at fair value through profit and loss	Derivatives designated as hedging instruments	Available-for-sale financial assets	Financial liabilities at amortized cost	Total
2015						
Consolidated statement of income						
Commodity based derivatives gain/(loss)	29	203	-	-	-	203
Interest income/(expense) and other financial income/(expense)	29	(99)	34	5	-	(60)
Foreign currency translation gain/(loss)	29	(539)	-	-	-	(539)
Consolidated statement of comprehensive income [1]						
Available-for-sale investments - change in fair value		-	-	38	-	38
Hedge of net investments	30	-	-	-	(1,090)	(1,090)
Reclassification adjustments related to:						
- cash flow hedges [2]	30	-	7	-	-	7
- available for sale investments disposed of in the year [2]		-	-	-	-	-
Total		(435)	41	43	(1,090)	(1,441)
2014						
Consolidated statement of income						
Commodity based derivatives gain/(loss)	29	2	-	-	-	2
Interest income/(expense) and other financial income/(expense)	29	-	17	56	-	73
Foreign currency translation gain/(loss)	29	23	-	-	-	23
Consolidated statement of comprehensive income [1]						
Available-for-sale investments - change in fair value		-	-	(16)	-	(16)
Hedge of net investments	30	-	-	-	(934)	(934)
Reclassification adjustments related to:						
- cash flow hedges [1]	30	-	18	-	-	18
- available for sale investments disposed of in the year [2]		-	-	(20)	-	(20)
Total		26	35	21	(934)	(853)

1) Amounts are presented before tax.
2) Effects of foreign currency translation on other financial instruments than derivatives are not included in the overview.

Carrying amounts shown in the statement of financial position, presented together with fair value per category

31 December 2015

NOK millions	Notes	Derivatives at fair value through profit and loss	Derivatives designated as hedging instruments	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Non-financial assets and liabilities	Total
Non-current assets								
Other non-current assets	16	-	70	1,883	223		780	2,956
Long-term loans to equity-accountes investees	14	-	-	-				0
Current assets								
Trade receivables	19	-	-	12,098	-		-	12,098
Prepaid expenses and other current assets	20	133	-	2,256	-		1,992	4,380
Other liquid assets	21	-	-	3	-		-	3
Cash and cash equivalents	21	-	-	3,220	-		-	3,220
Non-current liabilities								
Other long-term liabilities		(896)	-	-	-	(414)	(138)	(1,448)
Long-term interest-bearing debt	26	-	-	-	-	(9,354)	-	(9,354)
Current liabilities								
Trade and other payables	27	(74)	-	-	-	(12,217)	(2,382)	(14,674)
Other short-term liabilities		-	-	-	-	(92)	(782)	(875)
Bank loans and other interest-bearing debt	28	-	-	-	-	(3,635)	-	(3,635)
Current portion of long-term debt	26	-	-	-	-	(2,102)	-	(2,102)
Total		(837)	70	19,460	223	(27,815)	(531)	(9,430)
Fair value [1]		(837)	70	19,460	223	(28,401)		
Unrecognized gain/(loss)		-	-	1	-	(586)		

1) Unrecognized loss on financial instruments at amortized cost is mainly related to long-term interest-bearing debt with fixed interest rate. See note 26.

31 December 2014

NOK millions	Notes	Derivatives at fair value through profit and loss	Derivatives designated as hedging instruments	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Non-financial assets and liabilities	Total
Non-current assets								
Other non-current assets	16	62	81	1,984	176	-	425	2,729
Long-term loans to equity-accounted investees	14	-	-	8	-	-	-	8
Current assets								
Trade receivables	19	-	-	12,100	-	-	-	12,100
Prepaid expenses and other current assets	20	107	-	2,381	-	-	1,693	4,181
Other liquid assets	21	-	-	15	-	-	-	15
Cash and cash equivalents	21	-	-	3,591	-	-	-	3,591
Non-current liabilities								
Other long-term liabilities		(393)	-	-	-	(431)	(165)	(989)
Long-term interest-bearing debt	26	-	-	-	-	(10,609)	-	(10,609)
Current liabilities								
Trade and other payables	27	(88)	-	-	-	(12,542)	(1,998)	(14,628)
Other short-term liabilities		-	-	-	-	(92)	(750)	(843)
Bank loans and other interest-bearing debt	28	-	-	-	-	(4,460)	-	(4,460)
Current portion of long-term debt	26	-	-	-	-	(345)	-	(345)
Total		(311)	81	20,079	176	(28,480)	(795)	(9,250)
Fair value [1]		(311)	81	20,079	176	(29,599)		
Unrecognized gain/(loss)		-	-	-	-	(1,119)		

1) Unrecognized loss on financial instruments at amortized cost is mainly related to long-term interest-bearing debt with fixed interest rate. See note 26.

Principles for estimating fair value

The following summarizes the major methods and assumptions used in estimating fair values of financial instruments reflected in the above table.

Equity securities available-for-sale

The fair value of investments in listed companies is based on year-end quoted market prices. Available-for-sale instruments that are not traded in active markets are measured based on recent market transactions and valuation techniques. An approach to maximize the use of market inputs and rely as little as possible on entity-specific inputs is used when measurements are based on valuation techniques.

Trade receivables and other receivables

Interest-free receivables are discounted if it has a material impact on fair value. The carrying amount has been reduced for impaired receivables and reflects a reasonable approximation of fair value.

Cash and cash equivalents

Fair value is assumed to be equal to the carrying amount.

Long-term interest-bearing debt and other long-term liabilities

Since there is no active market with quoted prices, we have used valuation techniques to estimate the fair value. Fair value for disclosure purposes is thus calculated based on the present value of future principal and interest cash flows. Cash flows have been estimated by using LIBOR with different maturities as a benchmark rate and adding a credit margin derived from recent transactions or other information available.

Trade payables and other short-term debt

Interest-free short-term payables are discounted if it has material impact on fair value. Fair value is assumed to be equal to the carrying amount.

Foreign exchange contracts and interest rate swaps

The fair value of foreign exchange contracts and interest rate swaps is based on their listed market price, if available. If a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) if this has material impact on fair value.

Commodity derivatives and embedded derivatives

Certain of the Group's purchase and sales contracts constitute derivatives or contain embedded derivatives within the scope of IAS 39. Derivatives under IAS 39 are recognized at fair value in the statement of financial position with changes through the statement of income. The commodity derivative category constitutes derivatives with a range of different characteristics and comprises both commodity based financial contracts as well as non-financial purchase and sales contracts with maturity mainly from 3 months to 8 years.

The fair value of commodity contracts constitute the unrealized gains and losses represented by the present value of future gains and losses for which the price is fixed in advance of delivery. Fair value of the embedded derivatives is calculated as present value of the difference between the price of non-closely related commodity (embedded derivative) and a pricing model which in the best way reflects market price of the contract commodity. All commodity contracts are bilateral contracts, or embedded derivatives in bilateral contracts, for which there are no active markets. Fair value of all items in this category, is therefore calculated using valuation techniques with maximum use of market inputs and assumptions that reasonably reflect factors that market participants would consider in setting a price, relying as little as possible on entity-specific inputs. Fair values of commodity contracts are especially sensitive to changes in forward commodity prices. None of the derivatives in this category are designated in hedge relationships.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method, at 31 December 2015. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2015

NOK millions	Level 1	Level 2	Level 3	Total
Equity securities available-for-sale	-	-	223	223
Foreign exchange contracts	-	133	-	133
Interest rate derivative contracts	-	-	-	-
Interest rate contracts designated as hedging instrument	-	70	-	70
Commodity derivatives and embedded derivatives	-	-	-	-
Total assets at fair value	-	202	223	426
Foreign exchange contracts	-	(67)	-	(67)
Interest rate derivative contracts		(609)		(609)
Commodity derivatives and embedded derivatives	-	-	(294)	(294)
Total liabilities at fair value	-	(676)	(294)	(970)

There were no transfers between Level 1 and Level 2 in the period.

The following tables shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

2015

NOK millions	Equity securities available-for-sale	Derivatives - assets	Derivatives - liabilities	Total
Balance at 1 January	176	18	(448)	(255)
Total gains or (losses):				
In income statement [1]	-	(20)	221	201
In other comprehensive income	38	-	-	38
Foreign currency translation	9	2	(66)	(55)
Balance at 31 December	223	-	(294)	(71)

2014

NOK millions	Equity securities available-for-sale	Derivatives - assets	Derivatives - liabilities	Total
Balance at 1 January	227	80	(416)	(110)
Total gains or (losses):				
In income statement	56	(60)	24	20
In other comprehensive income	(35)	-	-	(35)
Disposals	(82)	-	-	(82)
Foreign currency translation	10	(2)	(57)	(48)
Balance at 31 December	176	18	(448)	(255)

Although Yara believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, changing one or more of the assumptions would have the following effects:

Sensitivity of fair value measurement for Level 3, financial instruments

	Effect on profit or loss		Effect on other comprehensive income	
NOK millions	Favorable	(Unfavorable)	Favorable	(Unfavorable)
Embedded derivative in energy contract (20% decrease/increase in ammonia price)	176	(246)	-	-
Unlisted equity securities (20% increase/decrease in electricity price)	-	-	44	(44)
Total	176	(246)	44	(44)

The favorable and unfavorable effects on the embedded derivatives in the energy contracts are calculated by increasing/ decreasing the input of ammonia prices by 20 percent for the whole contract period, also for long-term contracts. All other variables remain constant.

The favorable and unfavorable effects on the fair value of the unlisted equity securities are calculated using the same model but with an increasing/decreasing of the forward electricity prices used in the model by 20 percent. All other variables remain constant.

Note 32 Secured debt and guarantees

NOK millions	2015	2014
Amount of secured debt	1,144	2,163
Assets used as security		
Machinery and equipment, etc.	4,849	3,806
Buildings and structural plant	1,428	1,988
Inventories [1]	164	592
Other (including land and shares) [1]	298	1,029
Total	6,739	7,415
Guarantees (off-balance sheet)		
Contingency for discounted bills	13	1
Guarantees of debt in the name of equity-accounted investees	-	11
Non-financial parent company guarantees	9,941	8,490
Non-financial bank guarantees	1,155	1,019
Total	11,109	9,521

1) Decreases in inventories and other are mainly due to expiry of working capital loans in Galvani.

The amount of secured debt has decreased with NOK 1,019 million during 2015 reflecting the integration of Latin American entities acquired in 2014. The volume of assets pledged as security has decreased correspondingly.

Guarantees of debt in the name of equity-accounted investees are parent company guarantees covering external credit facilities established in such entities. Yara could be required to perform in the event of a default by the entity guaranteed. Guarantees of debt issued on behalf of consolidated companies are not included since the drawings under such credit lines are included in the consolidated statement of financial position. The guarantee obligation under such guarantees is at any time limited to the amount drawn under the credit facility.

Non-financial guarantees consist of commercial guarantees related to contract obligations (Bid Bonds, Performance Guarantees and Payment Guarantees) and various mandatory public guarantees (Customs Guarantees, Receivable VAT Guarantees) recorded as off-balance sheet liabilities. These guarantees are issued on behalf of Yara International ASA, its subsidiaries and equity-accounted investees. The guarantor could be required to perform in the event of a default of a commercial contract or non-compliance with public authority regulations.

Guarantees related to pension liabilities are included to the extent such guarantees exceed the liability included in the consolidated statement of financial position.

Guarantees issued to public authorities covering tax and VAT liabilities are not included as these obligations are already included in the consolidated statement of financial position.

Total non-financial guarantees increased with NOK 1,588 million compared with 2014, with the increase mainly related to construction and energy contracts. The increase also reflects the depreciation of the Norwegian krone vs. most of Yara's other main currencies.

Contingent liabilities related to the demerger from Norsk Hydro ASA

Yara is contingently liable for unfunded pension liabilities accrued prior to the consummation of the demerger from Norsk Hydro ASA (Hydro) as a matter of the joint and several liability provided by Norwegian law. Hydro's unfunded pension liabilities, calculated in accordance with Hydro's accounting policies, amounted to approximately NOK 2 billion at demerger March 24, 2004 and have been reduced by payments thereafter.

Note 33 Contractual obligations and future investments

NOK millions	Investments 2016	Investments Thereafter	Investments Total
Contract commitments for investments in property, plant and equipment	9,235	2,148	11,383
Contract commitments for other future investments	-	-	-
Contract commitments for acquisition or own generated intangible assets	25	-	25
Total	9,260	2,148	11,408

Yara has publicly communicated committed growth investments of NOK 11.7 billion in the time period 2016-2018. These investments are related to projects in Porsgrunn, Köping, Uusikaupunki, Sluiskil, Pilbara TAN plant, ammonia vessels, joint project with BASF to build an ammonia plant in Texas and the Salitre mining project (Galvani). Of this amount, NOK 9.9 billion is included in contractual commitments in the table above.

Commitments related to equity-accounted investees

NOK millions	Investments 2016	Investments Thereafter	Investments Total
Contract commitments for investments in property, plant and equipment:	1,400	-	1,400
Total	1,400	-	1,400

Figures in the table above are presented on a 100% basis. Yara's share of committed investments related to equity accounted investees in 2016 is NOK 350 million. The commitments are mainly related to investments in Qafco.

Take-or-pay and Long-term contracts

Yara has entered into take-or-pay and long-term contracts providing for future payments to transportation capacity, raw materials and energy. Yara has marketing and off-take agreements with some of its equity-accounted investees, see note 14.

The non-cancelable future obligation at 31 December 2015 (undiscounted amounts)

NOK millions	Total
2016	5,532
2017	4,060
2018	3,451
2019	3,387
2020	2,163
Thereafter	4,773
Total	23,366

The non-cancelable future obligations are mainly related to gas and raw material contracts. The amounts are calculated based on minimum contracted quantities and minimum contracted prices according to each contract

Yara did not need to pay any significant amount to fulfill take-or-pay clauses in 2015.

NOK millions	2016	2017	2018	2019	2020	Total
Sales commitments [1]	720	219	193	193	-	1,325

1) Sales commitments are mainly related to industrial products.

For further information regarding future obligations, see note 24 for future obligations related to pensions, note 25 for provisions and contingencies and 34 for future commitments related to lease arrangements.

Note 34 Operating and financial lease commitments

Operational lease

Operating leases related to buildings, offices, equipment and vessels. Total minimum future rentals due under non-cancelable operating leases are:

NOK millions	2015	2014
Within year 1	1,424	1,388
Within year 2	785	850
Within year 3	608	505
Within year 4	440	350
Within year 5	279	261
After 5 years	1,151	1,049
Total	4,688	4,403

There are no restrictions imposed by lease arrangements, such as those concerning dividends and additional debt. For some of the contracts there are renewal options that Yara can exercise.

Operating lease expenses included in operating cost and expenses

NOK millions	2015	2014
Operating lease expenses	(1,900)	(1,493)

Operating lease expenses of NOK 1,643 million (2014: NOK 1,267 million) is included in raw materials, energy costs and freight expenses and the remaining is presented as part of other operating expenses in the consolidated statement of income.

Financial lease

Financial leases related to buildings, offices, machinery and equipment. Total minimum future rentals due under non-cancelable financial leases and their present values are:

	2015		2014	
NOK millions	Nominal value	Present value	Nominal value	Present value
Within year 1	47	40	55	51
Within year 2	57	50	43	39
Within year 3	58	50	55	48
Within year 4	55	47	52	44
Within year 5	66	56	50	39
After 5 years	114	60	164	69
Total	397	303	419	290

There are no restrictions imposed by lease arrangements, such as those concerning dividends and additional debt. Renewal or purchase options clauses are common among Yara's financial lease agreements.

See note 12 for information regarding the carrying amount of financial leased assets.

Note 35 Related parties

The Norwegian State
On 31 December 2015, the Norwegian State owned 99,611,727 shares, representing 36.21% of the total number of shares issued. On the same date, the National Insurance Fund, Norway owned 16,099,877 shares, representing 5.85% of the total number of shares issued.

Equity-accounted investees
Transactions with equity-accounted investees are described in note 14.

Yara Pension fund
One of Yara International ASA's pension plans is arranged through Yara Pension Fund. This plan has been closed for new members since July 2006. During 2015, Yara has contributed to the pension fund through deductions from the premium fund.

Board of directors
Members of the Board of Directors are elected for two-year terms. Their rights and obligations as board members are solely and specifically provided for the company's articles of association and Norwegian law. The company has no significant contracts in which a Board Member has a material interest.

Board of Directors compensation 2015 and number of shares owned per 31 December 2015

NOK thousands, except number of shares	Compensation earned in 2015	Number of shares
Leif Teksum, Chairperson [1]	550	1,500
Maria Moræus Hanssen (from 11 May 2015) [2]	336	-
Hilde Merete Aasheim (till 11 May 2015) [2]	200	-
Geir Isaksen [1]	334	84
Hilde Bakken [1]	327	-
John Gabriel Thuestad [2]	445	1,200
Rune Asle Bratteberg [2] [3]	381	157
Guro Mauset [3]	294	181
Geir O. Sundbø [3]	294	129

1) Member of the Compensation Committee in 2015.
2) Member of the Audit Committee in 2015.
3) Interest-free loan of NOK 11.794 given through a trust in accordance with a Yara share purchase offer.

Compensation of Board of Directors was NOK 3,161 thousand in 2015 compared to NOK 3,072 thousand in 2014.

The Chairperson and the members of the Board have no agreements for further compensation due to termination or changes in the position.

Compensation 2015 and number of shares owned by the deputy Board Members at per December 2015

	Compensation earned in 2015	Number of shares
Per Rosenberg [1]	-	276
Kari Marie Nøstberg [2]	-	278
Inge Stabæk [1]	-	314
Vigleik Heimdal [1]	-	458

1) Interest-free loan of NOK 11.794 given through a trust in accordance with a Yara share purchase offer.
2) Interest-free loan of NOK 5.790 given through a trust in accordance with a Yara share purchase offer.

Yara Executive Management: Compensation and number of shares owned per 31 December 2015

NOK thousands, except number of shares	Salary 2)	Performance related bonus 3)	Long term incentive plan 1)	Other benefits	Pension benefits	Number of shares	Accrued compensation 5)
Svein Tore Holsether (from 9 September 2015)	1,869	-	1,800	6,057	438	10,393	1,421
Torgeir Kvidal (CEO till 9 September 2015) 4)	4,166	1,505	715	296	1,160	7,137	1,602
Gerd Löbbert	6,120	2,713	1,551	712	799	7,274	2,203
Egil Hogna (till 1 May 2015)	1,128	1,692	-	83	324	8,418	-
Terje Knutsen (from 1 May 2015)	1,896	-	667	238	426	3,054	1,003
Yves Bonte	5,642	2,636	1,429	374	731	9,959	3,306
Thor Giæver (till 9 September 2015) 4)	1,500	504	-	145	301	2,864	418
Trygve Faksvaag	2,413	985	482	342	614	7,907	1,042
Kaija Korolainen	2,543	805	513	226	588	1,651	804
Bente Slaatten	2,258	917	448	286	550	5,053	1,055
Alvin Rosvoll	2,700	1,370	684	371	879	5,775	1,208

1) Fixed cash amount as part of Long Term Incentive plan (see description on page 131).
2) The base salaries of Yara Executive Management employed in Norway increased with 2.6% on average with the exception of members employed in Belgium. For Yara Executive Management members employed in Belgium, an increase of 6.4% was applied. The salary amounts for Yara Executive Management members employed in Belgium are influenced by currency fluctuations. The development in base salary and actual paid salary may differ from one year to the next due to effects of the Norwegian holiday pay system, where a change in number of days holiday taken and/or annual holiday allowance impact salary paid.
3) Bonus earned in 2014, paid in 2015.
4) Torgeir Kvidal took on the position as acting CEO and Thor Giæver was acting CFO till 9 September 2015.
5) Estimated bonus (including holiday allowance) earned in 2015 to be paid in 2016.

Yara Executive Management: Compensation and number of shares owned per 31 December 2014

NOK thousands, except number of shares	Salary 2)	Performance related bonus 3)	Long term incentive plan 1)	Other benefits	Pension benefits	Number of shares	Accrued compensation 5)
Torgeir Kvidal (CEO from 7 October 2014)	3,228	1,074	697	234	906	6,168	1,561
Jørgen Ole Haslestad (till 7 October 2014)	4,570	1,633	1,739	190	1,386	25,413	1,552
Gerd Löbbert	5,104	2,338	1,278	274	649	4,992	2,380
Egil Hogna	3,393	1,363	846	266	984	14,318	1,895
Yves Bonte	4,705	2,140	1,178	95	593	8,441	2,633
Thor Giæver (from 13 October 2014) 4)	467	-	-	51	53	2,478	528
Trygve Faksvaag	2,363	757	469	280	658	7,258	1,016
Elin Tvedt (till 31 May 2014) 4)	643	209	-	76	113	1,627	213
Kaija Korolainen (from 1 June 2014) 4)	1,458	-	500	375	336	946	902
Bente Slaatten	2,194	698	437	282	599	4,433	946
Alvin Rosvoll	2,620	1,020	653	324	1,179	4,946	1,413

1) Fixed cash amount as part of Long Term Incentive plan (see description on page 131).
2) The base salaries of Yara Executive Management employed in Norway increased with 3% on average with the exception of members employed in Belgium. For Yara Executive Management members employed in Belgium, only an inflation of 2 % was applied due to salary moderation applicable in Belgium. The salary amounts for Yara Executive Management members employed in Belgium are influenced by currency fluctuations of 7%. The development in base salary and actual paid salary may differ from one year to the next due to effects of the Norwegian holiday pay system, where a change in number of days holiday taken and/or annual holiday allowance impact salary paid.
3) Bonus earned in 2013, paid in 2014.
4) Elin Tvedt was acting CHRO from 1 January until 1 June 2014 when Kaija Korolainen commenced as permanent CHRO. Torgeir Kvidal took on the position as acting CEO from 7 October 2014 and Thor Giæver was acting CFO from 13 October 2014.
5) Estimated bonus (including holiday allowance) earned in 2014 to be paid in 2015.

Torgeir Kvidal was appointed acting CEO on 7 October 2014 until Svein Tore Holsether commenced on 9 September 2015. He temporarily withdrew from the position as Yara CFO. During the acting CEO period, he was entitled to a monthly compensation of NOK 175,000 in addition to compensation and benefits according to his CFO Employment Agreement.

Svein Tore Holsether's annual base salary is NOK 6,000,000. As a partial compensation for loss of specified benefits from his previous employer he was granted a taxable benefit of NOK 6,000,000 upon commencement with Yara (see "Other Benefits" in the table above). He is obliged to use the net after tax amount to buy shares of Yara International ASA with a lock-in period of 1, 2 and 3 years for each one third of the net amount.

On 8 February 2016 Gerd Löbbert, Kaija Korolainen and Bente Slaatten stepped down from Yara Executive Management and will leave the company with severance packages. Gerd Löbbert has got a termination compensation of NOK 5,971,465. Kaija Korolainen and Bente Slaatten got termination compensation of respectively NOK 2,047,500 and 1,805,090, representing nine months of salary. For Kaija Korolainen and Bente Slaatten the termination compensation comes in addition to three months notice period.

Pensions benefits and termination agreements

Yves Bonte and Gerd Löbbert are members of the Yara Belgium pension plan. This plan is a defined contribution plan and provides the members with a lump sum when they reach the age of 65. The employer contribution is calculated on the annual base salary and amounts to 4.79% up to the legal ceiling and 15% above that.

Other members of Yara Executive Management are included in Yara's ordinary pension plans for employees in Norway. A funded defined contribution plan has contribution equal to 5% of part of pensionable salary between 1 times Norwegian Social Security Base Amount (1G) and 6G plus 8% of salary between 6G and 12G. All Norwegian employees with pensionable salary above 12 G including Yara Executive Management are members of an unfunded defined contribution plan for salaries above 12G with contribution equal to 25% of pensionable salary in excess of 12G. This plan has been closed for new members from 3 December 2015. Egil Hogna, Terje Knutsen, Kaija Korolainen, Bente Slaatten and Alvin Rosvoll are members of an unfunded early retirement plan. The plan covers the period from age 65 to 67 with a defined benefit equal to 65% of final salary. From 2006 accrual of pension in this plan has been limited to a salary of 12G. For Torgeir Kvidal, Thor Giæver and Trygve Faksvaag membership in the early retirement plan ceased from 1 January 2015. As compensation for the loss of this plan they are enrolled in an unfunded defined contribution plan with contribution equal to 2.5% of pensionable salary up to 7.1G and 11.5% of salary between 7.1G and 12G.

Svein Tore Holsether is member of the following three of Yara's ordinary pension plans for employees in Norway: A funded defined contribution plan with contribution equal to 5% of salary between 1G and 6G plus 8% of salary between 6G and 12G, the unfunded defined contribution plan with contribution equal to 2.5% of salary up to 7.1G plus 11.5% of salary between 7.1 and 12G, and the unfunded defined contribution plan for salaries above 12G with contribution equal to 25% of pensionable salary in excess of 12G.

Statement on remuneration to members of Executive management

In accordance with the Norwegian Public Limited Companies Act § 6-16 a, the Board of Directors prepares a separate statement related to the determination of salary and other benefits for the Executive Management. The statement will be presented to the Annual General Meeting for voting. The Ministry of Trade, Industry and Fisheries disclosed amended Guidelines for Remuneration of Executives in State Owned Companies with effect from 13 February 2015. During 2015 Yara has evaluated the remuneration principles applying to the Executive Management to comply with the new guidelines. Consequently the rules applying for membership in the company pension plan for salaries above 12G has been amended accordingly and the plan was closed for new members from 3 December 2015.

General Principle

Yara's policy concerning remuneration of the CEO and other members of Yara's Executive Management is to provide remuneration opportunities which:
- Are competitive to recruit and retain executives
- Reward the executives' performance, measured as their contribution to the overall success of Yara
- Support the creation of sustainable shareholder value

Yara's remuneration of the Executive Management Group consists of the following elements: Base pay, an annual incentive bonus, a Long Term Incentive plan, a retirement plan, death and disability coverage and other components such as car, phone expenses, etc. In addition, executives on expatriate contracts have various other costs covered by the company. The annual salary adjustment for employees in Yara International ASA and Norwegian subsidiaries forms the basis for the Yara Executive Management salary development. Members of Yara Executive Management do not receive separate remuneration for board membership in Yara subsidiaries.

Short Term Incentive bonus

The annual incentive bonus represents performance-driven variable compensation components based on financial and non-financial performance at company and/or segment level. The specific performance components vary by unit and position and are set individually on an annual basis. The annual incentive bonus is not linked to the Yara share price, but is conditional on Yara's CROGI (Cash Return on Gross Investment) excluding special items reaching 7%, with progressively higher payout levels up to a maximum level when CROGI exceeds 14,5%. The annual incentive bonus pay-out is calculated according to the formula shown below. For Executives on Norwegian employment contracts, the maximum pay-out shall not exceed 50% of annual base salary.

CROGI multiplier x Individual relative performance multiplier x Target bonus = Bonus payout

Individual Relative Performance

The Individual Relative Performance is determined based on an overall performance evaluation and achievements of operational and organizational key performance indicators (KPIs). The KPIs are established based on targets set up in the business plan for the actual year and reflect the role and responsibility of each position covering the following areas:
- Safety & Compliance
- Achievement of production and sales volumes
- Cost efficiency and Profitability
- Achievement on specific projects

Target Bonus

The Target Bonus is a percentage of base salary. The percentage is set according to position level and content and comparison with the market. The target bonuses for Executives on Norwegian employment contract are between 28% and 40%.

Long Term Incentive plan

To increase the alignment between Executive and Shareholder interests and to ensure retention of key talent in the company, a Long Term Incentive plan has been approved by the Board. This program provides a fixed cash amount to eligible executives, who are required to invest the net amount after tax in Yara shares within a period of one month after grant. The acquired shares are locked in for a period of three years after the purchase. After this period executives are free to keep or sell the shares at their discretion. The annual amount granted under the Long Term Incentive plan is not linked to Yara's financial results, and shall not exceed 30% of annual base salary. The amount granted is linked to individual position and is determined annually by the CEO. The grant to Yara CEO is determined annually by Yara Board of Directors.

Benefit Plans

All new pension plans in Yara should be defined contribution (DC) plans. For all new hires and internal recruits to Yara Executive Management on Norwegian employment contracts, future contributions to the pension plan is limited to a salary of 12 times Norwegian Social Security Base Amount (12G).

At 3 December 2015, the membership rules of the DC pension plan covering salary in excess of 12G were changed. The plan was closed for new members. For internal recruits to Yara Executive Management who are members of the plan at commencement, future contribution to the plan stops and they become deferred members of the plan. Current members of Yara Executive Management at 3 December 2015 remain active members of the plan with future contributions.

For Executives on Norwegian employment contracts, Yara has a company set upper limit for retirement at age 67 (age 70 from 1 July 2016) with the possibility for flexible retirement from age 62 in the company paid DC plans. Yara has a defined benefit early retirement plan for Executives on Norwegian employment contracts covering the period from age 65 to 67 with a defined benefit equal to 65% of final salary limited to 12G. From 1 January 2015, this plan ceased for employees below age 50. A DC pension plan was established to compensate the shortfall .

The Executives are members of the personal insurance schemes applicable to Yara employees. These are Group Life Insurance, Disability Pension, lump-sum payment in the event of disability, occupational diseases, occupational and non-occupational accident, Health Insurance and Travel Insurance for the Executive and family.

Others

Executive Management members employed in Norway can take part in the annual offer to all permanent Yara employees in Norway where they can buy Yara shares to a value of NOK 7,500 alternatively NOK 13,500 with a tax-exempt discount of NOK 1,500 in both cases. This comes in addition to the Long Term Incentive plan.

New members of Yara Executives on Norwegian Contracts entered into after March 2015, are entitled to a severance pay equal to six months basic salary on certain conditions. The severance pay is calculated from the end of the notice period. Other income the Executive receives during the Severance Pay period will be deducted from the Severance Pay.

Salary and other benefits earned in 2015 are disclosed above. For additional information about existing pension plans see note 24.

Note 36 External audit remuneration

Deloitte AS (Deloitte) is Yara's auditor. A few subsidiaries of Yara International ASA have appointed other audit firms. The following table shows total audit and other services delivered to the group by the appointed auditor.

NOK thousands	Audit fee	Assurance services	Tax services	Other audit services	Total
2015					
Deloitte Norway	4,602	808	28	106	5,544
Deloitte abroad	33,244	460	1,788	781	36,273
Total Deloitte	37,846	1,268	1,816	887	41,817
Others	2,216	48	918	289	3,471
Total	40,062	1,316	2,734	1,176	45,288
2014					
Deloitte Norway	5,015	911	346	91	6,363
Deloitte abroad	25,550	868	2,507	174	29,098
Total Deloitte	30,565	1,779	2,853	265	35,461
Others	3,633	275	1,629	369	5,906
Total	34,198	2,054	4,482	634	41,367

Note 37 Post balance sheet events

Yara Board will propose to the Annual General Meeting a dividend of NOK 15 per share for 2015. The total dividend payment will be NOK 4,113 million based on current outstanding shares.

Financial statements

Financial statements for Yara International ASA

» Due to rounding differences, figures or percentages may not add up to the total.

YARA INTERNATIONAL ASA

Income statement

NOK millions	Notes	2015	2014
Revenues	6	1,921	1,134
Other income		11	-
Revenues and other income		1,931	1,134
Raw materials, energy costs and freight expenses		(25)	(8)
Change in inventories of own production		6	(12)
Payroll and related costs	3	(685)	(574)
Depreciation and amortization	4,5	(34)	(23)
Other operating expenses	6	(1,665)	(1,004)
Operating costs and expenses		(2,402)	(1,623)
Operating income		(471)	(488)
Financial income (expense), net	7	9,986	5,989
Income before tax		9,515	5,501
Income tax expense	8	65	374
Net income		9,580	5,875
Appropriation of net income and equity transfers			
Dividend proposed		4,113	3,581
Retained earnings		5,466	2,294
Total appropriation	13	9,580	5,875

YARA INTERNATIONAL ASA

Balance sheet

NOK millions	Notes	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Deferred tax assets	8	1,000	929
Intangible assets	5	320	204
Property, plant and equipment	4	103	105
Shares in subsidiaries	9	19,426	19,424
Intercompany receivables	15	16,455	14,560
Shares in associated companies		-	18
Other non-current assets	10	465	542
Total non-current assets		37,769	35,782
Current assets			
Inventories	10	25	19
Trade receivables		16	18
Intercompany receivables	15	20,856	20,477
Prepaid expenses and other current assets	12	665	503
Cash and cash equivalents		808	1,141
Total current assets		22,371	22,158
Total assets		60,140	57,940

YARA INTERNATIONAL ASA

Balance sheet

NOK millions	Notes	31 Dec 2015	31 Dec 2014
Liabilities and shareholders' equity			
Equity			
Share capital reduced for treasury stock		466	468
Premium paid-in capital		117	117
Total paid-in capital		583	586
Retained earnings		10,321	5,216
- Treasury shares		(362)	(229)
Shareholders' equity	13	10,542	5,573
Non-current liabilities			
Employee benefits	2	798	723
Long-term interest bearing debt	14	7,887	8,198
Other long-term liabilities		609	6
Total non-current liabilities		9,293	8,927
Current liabilities			
Bank loans and other interest-bearing short-term debt	10	1,929	2,207
Current portion of long-term debt	14	1,007	-
Dividends payable	13	4,113	3,581
Intercompany payables	15	32,699	37,088
Current income tax	8	20	20
Other current liabilities	12	537	543
Total current liabilities		40,305	43,440
Total liabilities and shareholders' equity		60,140	57,940

The Board of Directors of Yara International ASA
Oslo, 17 March 2016

Leif Teksum
Chairperson

Maria Moræus Hanssen
Vice chair

John Thuestad
Board member

Hilde Bakken
Board member

Geir O. Sundbø
Board member

Geir Isaksen
Board member

Rune Bratteberg
Board member

Guro Mauset
Board member

Svein Tore Holsether
President and CEO

YARA INTERNATIONAL ASA

Cash flow statement

NOK millions	Notes	31 Dec 2015	31 Dec 2014
Operating activities			
Operating Income		(471)	(488)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation, amortization and impairment loss	4,5	34	23
Write-down inventory and trade receivables		11	2
Tax received/(paid)	8	(5)	(55)
Dividend received from subsidiary and associated companies		-	27
Group relief received		7,000	-
Interest and bank charges received/(paid)		618	354
Other		19	21
Change in working capital			
Trade receivables		(17)	(13)
Short term intercompany receivables/payables		(1,984)	(6,625)
Prepaid expenses and other current assets		(522)	(144)
Trade payables		(35)	105
Other current liabilities		(649)	(360)
Net cash (used in)/ provided by operating activities		3,997	(7,153)
Investing activities			
Acquisition of property, plant and equipment	4	(7)	(84)
Acquisition of other long-term investments	5	(144)	(141)
Net cash from/(to) long term intercompany loans	15	277	5,604
Proceeds from sales of long-term investments		88	2
Net cash (used in)/provided by investing activities		214	5,381
Financing activities			
Loan proceeds		-	3,500
Principal payments		(472)	(2,431)
Purchase of treasury stock	13	(364)	(230)
Redeemed shares Norwegian State	13	(127)	(211)
Dividend paid	13	(3,581)	(2,771)
Net cash used in financing activities		(4,545)	(2,142)
Net increase/(decrease) in cash and cash equivalents		(333)	(3,915)
Cash and cash equivalents at 1 January		1,141	5,056
Cash and cash equivalents at 31 December		808	1,141

Notes to the accounts

Note 1 Accounting policies

General

The financial statements for Yara International ASA have been prepared in accordance with the rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway (NGAAP). Financial statement preparation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as disclosures of contingencies. Actual results may differ from estimates.

Yara International ASA was established on 10 November 2003, for the purpose of acting as the transferee company in the demerger of Hydro Agri from Norsk Hydro ASA. Until the completion of the demerger, there were no subsidiaries or operational activity in Yara International ASA.

For information about risk management see note 12 to the Yara International ASA financial statements and note 29 to the consolidated financial statements.

Yara International ASA provides financing to most of its subsidiaries in Norway as well as abroad. See note 15. The information given in note 26 to the consolidated financial statements on payments on long-term debt also applies to Yara International ASA.

The accompanying notes are an integral part of the financial statements.

Foreign currency transactions

Realized and unrealized gains and losses on transactions, assets and liabilities denominated in a currency other than the functional currency of Yara International ASA that do not qualify for hedge accounting treatment, are included in net income.

Revenue

Sale of goods

Revenue from the sale of products, including products sold in international commodities markets, is recognized when the products are delivered to the customer, assuming the risk and rewards have been transferred to the customer.

Sale of services

Revenues from the sale of intercompany services are recognized when the services are delivered.

Dividends and group contribution

Dividends and group contribution from subsidiaries are recognized in the income statement when the subsidiary has proposed these.

Interest income

Interest income is recognized in the income statement as it is accrued, based on the effective interest method.

Receivables

Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

Cost of sales and other expenses

in principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Income taxes

Deferred income tax expense is calculated using the liability method in accordance with Norsk Regnskaps Standard ("NRS") regarding Income Taxes ("Resultatskatt"). Under this standard, deferred tax assets and liabilities are measured based on the differences between the carrying values of assets and liabilities for financial reporting and their tax basis, which is considered temporary in nature. Deferred income tax expense represents the change in deferred tax asset and liability balances during the year except for deferred tax related to items charged to equity. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates are adopted.

Intangible assets

Intangible assets acquired individually or as a group are recorded at fair value when acquired. Intangible assets with finite useful lives are amortized on a straight-line basis over their benefit period.

Research costs are expensed as incurred. Costs incurred in development of certain internally generated intangible assets, such as software, are expensed until all the recognition criteria are met. Qualifying costs incurred subsequently to meeting the recognition criteria are capitalized.

Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Depreciation is determined using the straight-line method.

Subsidiaries and associated companies

Shares in subsidiaries and associated companies are in Yara International ASA's financial statements presented according to the cost method. Group relief received is included in dividends from subsidiaries. Yara reviews subsidiaries and associated companies for impairment if indications of loss in value are identified. Indicators of impairment may include operating losses or adverse market conditions. Fair value of the investment is estimated based on valuation model techniques. If it is considered probable that the fair value is below Yara's carrying value, the investment is impaired. The impairment is reversed if indicators of impairment are no longer present.

Inventories

Inventories are valued at the lower of cost, using the "first-in, first-out method" ("FIFO"), and net realizable value. Cost includes direct materials, direct labor, other direct cost, and the appropriate portion of production overhead or the price to purchase inventory.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and all other monetary instruments with a maturity of less than three months at the date of purchase.

The level of cash held by Yara International ASA reflects that most external bank deposits are channeled through the group treasury function and should thus be seen in context with the intercompany receivables and payables.

Leased assets

Leases that provide Yara with substantially all the rights and obligations of ownership are accounted for as finance leases. Such leases are valued at the present value of minimum lease payments or fair value if this is lower, and recorded as assets under property, plant and equipment. The liability is included in long-term debt. The assets are subsequently depreciated and the related liabilities are reduced by the amount of the lease payments less the effective interest expense. Other leases are accounted for as operating leases with lease payments recognized as an expense over the lease term.

Financial assets and liabilities

Financial assets, other than derivatives, are initially recognized in the balance sheet at fair value (cost) and subsequently at the lower of cost or fair value. Financial liabilities are initially recognized in the balance sheet at fair value (cost) and subsequently at amortized cost.

Forward currency contracts

Forward currency contracts are initially recognized in the balance sheet at fair value. Changes in fair value are recognized in the income statement.

Interest rate and foreign currency swaps

Interest income and expense relating to swaps that are not designated as hedge instruments are netted and recognized as income or expense over the life of the contract. Foreign currency swaps are translated into Norwegian kroner at the applicable exchange rate at the balance sheet date with the resulting unrealized currency translation gain or loss recorded in "Financial income (expense), net" in the income statement.

Shared-based compensation

The long term incentive program for Yara Management and top executives provides a fixed cash amount to the eligible top executive, who is required to invest the net amount after tax in Yara shares within a period of one month after the grant. The acquired shares are locked in for a period of three years after the purchase. After this period the executive is free to keep or sell the shares at his or her discretion. If an executive does not meet the vesting conditions the net proceed must be returned to Yara. The costs for the long term incentive program is expensed in the year when the shares are granted. However, the costs are re-invoiced within the same year to Yara units globally as part of the shared cost model.

The Company also gives employees the possibility to purchase shares in Yara at a reduced price. The cost of this is recognized when the employee exercises this option.

Employee retirement plans

Employee retirement plans are measured in accordance with IAS 19, as allowed by NRS 6. Past service cost is recognized immediately in the Statement of income together with any gains and losses arising from curtailments and settlements. Remeasurement gains and losses are recognized directly in retained earnings.

Note 2 Employee retirement plans and other similar obligations

Yara International ASA has incurred obligations under a funded defined benefit plan. The pension plan was closed to new entrants in 2006 and employees below the age of 55 received a paid-up policy for previously earned benefit entitlements. The defined benefit plan was replaced by a defined contribution plan from the same date, which requires Yara International ASA to make agreed contributions when employees have rendered service entitling them to the contributions. Yara International ASA has no legal or constructive obligation to pay further contributions. This new plan applies to the future pension earnings of existing employees below the age of 55 in 2006 and all new employees.

Other long-term employee benefits include a provision for jubilee benefits.

Yara International ASA is obliged to and does fulfill the requirements of the act regarding mandatory occupational pension scheme ("Lov om obligatorisk tjenestepensjon").

Long-term employee benefit obligations recognized in the statement of financial position

NOK millions	2015	2014
Pension liabilities for defined benefit plans	(790)	(716)
Termination benefits and other long-term employee benefits	(7)	(8)
Surplus on funded defined benefit plans	349	342
Net long-term employee benefit obligations	(448)	(381)

Expenses for long-term employee benefit obligations recognized in the statement of income

NOK millions	2015	2014
Defined benefit plans	(57)	(49)
Defined contribution plans	(22)	(17)
Termination benefits and other long-term employee benefits	(6)	(5)
Net expenses recognized in Statement of income	(85)	(71)

Defined benefit plans

Yara International ASA is the sponsor of Yara Pensjonskasse, a funded pension plan which also covers employees of its subsidiaries Yara Norge AS and Yaraship Services AS. Plan benefits are based on years of service and final salary levels. Determination of the required annual contribution to Yara Pensjonskasse from each of the participating legal entities is defined by the bylaws of the pension fund, and is based on actuarial calculations. The distribution of pension costs to the participating entities is based on the same calculations. At 31 December 2015, the number of active participants in the funded defined benefit plan who were employed by Yara International ASA, was 8 and the number of retirees was 149. In addition, 312 current and previous employees of Yara International ASA have earned paid-up policies in the pension fund.

Yara International ASA participates in a multi-employer plan (AFP - "Avtalefestet pensjon") which entitles most of its employees the right to retire from the age of 62. Participating entities are required to pay an annual fee for each of its active employees. As the information required to account for this part of the plan as a defined benefit plan is not available from the plan administrator, it is accounted for as if it were a defined contribution plan. The provision for defined benefit plans includes however the calculated obligation to pay a percentage of benefits paid to its employees who have chosen early retirement under this plan. A further defined benefit obligation is recognized to account for a gratuity offered by Yara International ASA to its employees who retire with the AFP scheme.

Norwegian employees at position level of department manager or above are members of an unfunded early retirement plan. The plan covers the period from age 65 to 67 with a defined benefit equal to 65% of final salary. From 2006 accrual of pension in this plan has been limited to a salary of 12G.

Effective 1 January 2015 Yara International ASA implemented changes to the early retirement schemes, both the AFP gratuity plan and the 65 to 67 plan for department managers or above, in which all employees below age 50 are transferred to new contribution-based plans which offer increased contribution rates compared to the ordinary defined contribution plan, as well as compensation contributions, where applicable. Employees aged 50 or above retained their rights from the old plans, however with the option to choose a transfer to the new contribution-based plans. As Yara International ASA retains investment risk on the new contribution-based plans, they have been accounted for as defined benefit plans.

All Norwegian employees with salary above 12G as of 3 December 2015 (i.e. 12 times the Norwegian Social Security Base Amount, which from 1 May 2015 was NOK 90,068) are members of an unfunded plan which requires Yara International ASA to contribute with an amount equal to 25% of pensionable salary in excess of 12G for each year of service, with the addition of annual return on the accumulated balance. The plan was closed to new members from 3 December 2015. As investment risk is retained by Yara International ASA, the plan is included in the obligation for defined benefit plans.

Valuation of defined benefit obligations

The defined benefit plans are valued at 31 December using updated financial and demographical assumptions and taking into account relevant economic environment factors.

It is the opinion of the management of Yara International ASA that there is a sufficiently deep market for high quality corporate bonds in Norway, which is therefore used as reference for determination of the discount rate. Normal assumptions for demographical and retirement factors have been used by the actuary when calculating the obligation. Estimated future mortality is based on published statistics and mortality tables. The actuary has used the K2013 mortality table. According to K2013 a current female employee aged 45 today would be expected to live 25.8 years after reaching the retirement age of 65, whereas a female employee aged 65 today would on average be expected to live 24.1 years. Corresponding expectations for male employees are 22.6 years for current employees and 21.0 years for a male employee aged 65.

The following financial assumptions have been applied for the valuation of liabilities (in %):

In percentages	2015	2014
Discount rate	2.5	2.4
Expected rate of salary increases	2.4	2.8
Future rate of pension increases	0.2	0.2

Actuarial valuations provided the following results:

NOK millions	2015	2014
Present value of unfunded obligations	(693)	(627)
Present value of wholly or partly funded obligations	(640)	(648)
Total present value of obligations	(1,333)	(1,275)
Fair value of plan assets	990	948
Social security on defined benefit obligations	(98)	(46)
Total recognized liability for defined benefit plans	(441)	(374)

Duration of liabilities at the end of the year:

Duration of liabilities (in years)	2015
Funded plan	15
Unfunded plans	13
AFP plan	6

Pension cost recognized in Statement of income

The assumptions used to value the defined benefit obligations at 31 December are used in the following year to determine the net pension cost. The discount rate is used to calculate the interest income from plan assets.

The following items have been recognized in the Statement of income:

NOK millions	2015	2014
Current service cost	(31)	(31)
Administration cost	(2)	(1)
Settlements [1]	(9)	-
Social security cost	(8)	(6)
Payroll and related costs	(50)	(38)
Interest on obligation	(30)	(46)
Interest income from plan assets	23	35
Interest expense and other financial items	(8)	(11)
Total expense recognized in income statement	(57)	(49)

1) A settlement loss of NOK 9 million is recognized in 2015 related to the changes in early retirement schemes.

Sensitivity of assumptions

Measurement of defined benefit obligations and pension costs requires the use of a number of assumptions and estimates. Below table indicates the sensitivity of the most material financial assumptions applied to the defined benefit obligation (DBO), by showing the result from an increase or decrease in any one of the assumptions applied (all other assumptions held constant).

NOK millions	2015	2014
Actual valuation	(1,333)	(1,275)
Discount rate +0.5%	(1,246)	(1,203)
Discount rate -0.5%	(1,429)	(1,356)
Expected rate of salary increase +0.5%	(1,341)	(1,281)
Expected rate of salary increase -0.5%	(1,325)	(1,270)
Expected rate of pension increase +0.5%	(1,402)	(1,353)
Expected rate of pension increase -0.5%	(1,303)	(1,204)
Expected longevity +1 year	(1,369)	(1,322)
Expected longevity -1 year	(1,297)	(1,229)

Development of defined benefit obligations

NOK millions	2015	2014
Defined benefit obligation as of 1 January	(1,275)	(1,213)
Current service cost	(31)	(31)
Interest cost	(30)	(46)
Experience adjustments	(49)	20
Effect of changes in financial assumptions	15	(46)
Remeasurement gains / (losses) on obligation	(35)	(26)
Settlements [1]	(9)	-
Benefits paid	48	41
Defined benefit obligation as of 31 December	(1,333)	(1,275)

1) A settlement loss of NOK 9 million is recognized in 2015 related to the changes in early retirement schemes.

Development of plan assets

NOK millions	2015	2014
Fair value of plan assets as of 1 January	948	915
Interest income from plan assets	23	35
Administration cost	(2)	(1)
Return on plan assets (excluding the calculated interest income)	41	15
Benefits paid	(20)	(17)
Fair value of plan assets as of 31 December	990	948

The actual return on plan assets in 2015 was a positive NOK 64 million (2014: positive NOK 50 million).

Yara Pensjonskasse (the pension fund) is a separate legal entity, independently governed by its Board of Directors. It is the responsibility of the pension fund Board of Directors to determine the investment strategy, and to review the administration of plan assets and the funding level of the pension fund. If needed, Yara International ASA will be required to increase the capital buffer of the pension fund.

Yara International ASA's defined benefit plan obligations are inherently exposed to inflation risk, interest rate risk and longevity risk. The investment strategies of the pension fund ensures diversity of investments in order to keep market volatility risk at a desired level. The pension fund Board of Directors is targeting a satisfactory level of risk and return corresponding to the maturity profile of future pension benefit payments.

At the end of the year, the plan assets were invested as follows:

NOK millions, except percentages	2015	2015	2014	2014
Cash and cash equivalents	34	3 %	3	-
Shares	393	40 %	390	41 %
Other equity instruments	33	3 %	28	3 %
High yield debt instruments	42	4 %	98	10 %
Investment grade debt instruments	464	47 %	405	43 %
Properties	21	2 %	21	2 %
Interest rate swap derivatives	2	-	2	-
Total plan assets	990		948	

Yara Pensjonskasse (the pension fund) does not hold any investments that do not have a quoted market price in an active market. Nor does it hold any financial instruments issued by Yara Group companies.

Contributions expected to be paid by Yara International ASA to the defined benefit plans for 2016 are NOK 25 millions. The amount includes any premium to be paid to Yara Pensjonskasse and all benefits to be paid for unfunded plans.

Remeasurement gains / (losses) recognized in retained earnings

NOK millions	2015	2014
Cumulative amount recognized directly in retained earnings pre tax at 1 January	(27)	(14)
Remeasurement gains / (losses) on obligation for defined benefit plans	(35)	(26)
Remeasurement gains / (losses) on plan assets for defined benefit plans	41	15
Social security on remeasurement gains / (losses) recognized directly in equity this year	(47)	(2)
Remeasurement gain / (loss) recognized during the period	(41)	(12)
Cumulative amount recognized directly in retained earnings pre tax at 31 December	(67)	(27)
Deferred tax related to remeasurement gains / (losses) recognized directly in retained earnings	17	7
Cumulative amount recognized directly in retained earnings after tax at 31 December	(50)	(19)

Note 3 Remunerations and other

Remuneration and direct ownership of shares of the chairperson and of the board of directors are disclosed in note 35 to the consolidated financial statement.

Remuneration to the President and Yara management, as well as number of shares owned and Long Term Incentive Plan, are disclosed in note 35 to the consolidated financial statements.

Partners and employees of Yara's independent auditors, Deloitte AS, own no shares in Yara International ASA, or in any of its subsidiaries. Yara International ASA's fee to Deloitte AS (Norway) for ordinary audit was NOK 3.650 thousand (2014: NOK 3.965 thousand), fee for assurance services NOK 665 thousand (2014: NOK 565 thousand), no fee for tax services (2014: NOK 335 thousand) and fee for non-audit services NOK 46 thousand (2014: NOK 90 thousand). Audit remuneration for the group is disclosed in note 36 to the consolidated financial statement.

At 31 December 2015 the number of employees in Yara International ASA was 417 (2014: 361)

NOK millions	Notes	2015	2014
Payroll and related costs			
Salaries		(580)	(495)
Social security costs		(75)	(62)
Net periodic pension costs	2	(78)	(60)
Internal invoicing of payroll related costs		48	43
Sum		(685)	(574)

External commercial banks provide the Norwegian employees with a range of banking services, including unsecured personal loans at favorable rates of interest. Yara does not compensate the banks for these services. In connection with the replacement of transferred employee loans related to the demerger from Hydro, Yara provides a guarantee for all such loans as well as of new unsecured loans by the banks to the Norwegian employees. For most employees the amount guaranteed will not exceed NOK 100,000. At 31 December 2015, the aggregate balance of all the outstanding loans for which Yara are providing a guarantee is approximately NOK 990 thousand, and the number of loans are 14.

Yara continued to give employees in Norway an opportunity to take part in a share purchase program in 2015. All permanent employees in Norway have been offered shares with a discount and given an interest-free loan with a 12-month repayment profile. In order to handle this arrangement in an efficient way, Yara has established a foundation for employees' shares in Yara. The foundation has purchased 26,200 shares during 2015. In total 25,242 shares have been sold during 2015 to 854 persons, 196 persons were allotted 18 shares and 658 persons were allotted 33 shares. As at 31 December 2015 the foundation owns 1,126 shares in Yara.

Note 4 Property, plant and equipment

2015

NOK millions, except percentages and years	Property, plant and equipment
Cost	
Balance at 1 January	155
Addition at cost	7
Balance at 31 December	162
Depreciation	
Balance at 1 January	(50)
Depreciation	(8)
Balance at 31 December	(58)
Carrying value	
Balance at 1 January	105
Balance at 31 December	103
Useful life in years	4 - 50
Depreciation rate	2 - 25%

2014

NOK millions, except percentages and years	Property, plant and equipment
Cost	
Balance at 1 January	104
Addition at cost	94
Disposal	(5)
Transfer	(37)
Balance at 31 December	155
Depreciation	
Balance at 1 January	(49)
Depreciation	(6)
Disposal	5
Balance at 31 December	(50)
Carrying value	
Balance at 1 January	55
Balance at 31 December	105
Useful life in years	4 - 50
Depreciation rate	2 - 25%

Property, plant and equipment mainly comprises machinery and equipment. The main additions in 2014 were pilot plants at the Yara Research Center and the new headquarters in Drammensveien 131.

There were no assets pledged as security at 31 December 2015 and 2014.

Note 5 Intangible assets

2015

NOK millions, except percentages and years	Intangible assets
Cost	
Balance at 1 January	397
Addition at cost	144
Balance at 31 December	540
Amortization	
Balance at 1 January	(193)
Amortization	(26)
Balance at 31 December	(220)
Carrying value	
Balance at 1 January	204
Balance at 31 December	320
Useful life in years	3 - 5
Amortization rate	20 - 35 %

2014

NOK millions, except percentages and years	Intangible assets
Cost	
Balance at 1 January	218
Addition at cost	141
Transfer	37
Balance at 31 December	397
Amortization	
Balance at 1 January	(176)
Amortization	(17)
Balance at 31 December	(193)
Carrying value	
Balance at 1 January	42
Balance at 31 December	204
Useful life in years	3 - 5
Amortization rate	20 - 35 %

Intangible assets mainly consist of computer software systems and capitalized technology assets.

The main additions in 2015 were capitalized IT project costs.

Note 6 Specification of items in the income statement

Revenue

Information about sales to geographical areas

NOK millions	2015			2014		
	External	Internal [1)2)]	Total	External	Internal	Total
Norway	2	95	97	7	49	56
European Union	36	1,568	1,604	17	1,025	1,042
Europe, outside European Union	-	4	4	-	-	-
Africa		15	15	-	-	-
Asia	7	23	30	1	-	1
North America	10	31	41	-	-	-
Latin America	10	103	113	18	-	18
Australia and New Zealand	-	16	16	-	16	16
Total	66	1,855	1,921	43	1,091	1,134

1) Change of business model related to shared IT costs results in increase of both internal revenues and operating expense.
2) See note 15 for more information.

Other operating expenses

NOK millions	2015	2014
Selling and administrative expense	(1,389) [1)]	(792)
Rental and leasing [2)]	(56)	(60)
Travel expense	(62)	(52)
Other	(158)	(100)
Total	(1,665)	(1,004)
Of which research costs [3)]	(138)	(140)

1) Change of business model related to shared IT costs results in increase of both internal revenues and operating expense.
2) Expenses mainly relate to property and lease contracts for company cars.
3) Over the last few years, Yara has focused on orienting research and development resources towards commercial activities, both with respect to process and product improvements and agronomical activities. It is impracticable to give a fair estimate of possible future financial returns of these activities.

Note 7 Financial income and expense

NOK millions	Notes	2015	2014
Dividends and group relief from subsidiaries		11,534	7,016
Sale of associated companies		69	-
Dividends from associated companies		-	21
Interest income group companies	15	627	982
Other interest income		25	59
Interest expense group companies	15	(142)	(150)
Other interest expense		(457)	(529)
Interest expense defined pension liabilities	2	(30)	(47)
Return on pension plan assets	2	23	35
Net foreign currency translation gain/(loss)		(1,442)	(1,350)
Other financial income/(expense)		(221)	(50)
Financial income/(expense), net		9,986	5,989

Note 8

Income taxes

Specification of income tax expense

NOK millions	2015	2014
Current tax expense	(5)	(36)
Deferred tax income/(expense) recognized in the current year	70	410
Income tax expense	65	374

Reconciliation of Norwegian nominal statutory tax rate to effective tax rate

NOK millions	2015	2014
Income before taxes	9,515	5,501
Expected income taxes at statutory tax rate, 27 %	(2,569)	(1,485)
Non-deductible expenses	(1)	(3)
Dividend exclusion	-	4
Effect of valuation allowances	1	3
Loss and write-down shares, not tax deductible	17	(5)
Group relief received from daughter company with no tax effect	2,700	1,890
Tax law changes	(78)	-
Other, net	(6)	(29)
Income tax expense	65	374

Reconciliation of current tax liability

NOK millions	Current tax 2015	Current tax 2014
Balance at 1 January	(20)	(39)
Payments	(5)	53
Current year	5	(34)
Balance as at 31 December	(20)	(20)

Specification of deferred tax assets/(liabilities)

NOK millions	Deferred tax 2015	Deferred tax 2014
Non-current items		
Intangible assets	19	-
Pension liabilities	154	148
Property, plant & equipment	(3)	(3)
Other non-current assets	(923)	(559)
Other non-current liabilities and accruals	479	173
Total	(274)	(240)
Current items		
Inventory valuation	1	2
Accrued expenses	90	14
Total	91	16
Tax loss carry forwards	1,183	1,155
Valuation allowance	-	(2)
Net deferred tax assets	1,000	929
Change in deferred tax		
Balance at 1 January	929	508
Charge (credit) to equity for the year	2	11
Charge (credit) to profit or loss for the year	70	410
Balance at 31 December	1,000	929

Note 9 Shares in subsidiaries

Company name	Ownership [1)]	Ownership by other group companies	Registered office	Local currency	Total equity in the company 2015 local currency millions	Net income /(loss) in 2015 local currency millions	Carrying value 2015 NOK millions
Subsidiaries owned by Yara International ASA							
Yara Guatemala S.A.	100 %	-	Guatemala	GTQ	78	16	24
Yara Colombia S.A.	32.2 %	65.1 %	Colombia	COP	213,295	(61,580)	17
Hydro Agri Russland AS	100 %	-	Norway	NOK	22	-	21
Yaraship Services AS	100 %	-	Norway	NOK	20	-	1
Yara Hellas S.A.	100 %	-	Greece	EUR	34	6	21
Yara Norge AS	100 %	-	Norway	NOK	3,027	1,173	1,303
Fertilizer Holdings AS	100 %	-	Norway	NOK	22,590	9,814	16,453
Yara Rus Ltd.	100 %	-	Russia	RUB	(84)	(14)	-
Yara North America Inc.	100 %	-	USA	USD	242	21	468
Yara Asia Pte. Ltd.	100 %	-	Singapore	USD	849	129	1,114
Yara International Employment Co. AG	100 %	-	Switzerland	EUR	1	-	1
Profesionalistas AAL / Operaciones BPT	10 %	90 %	Mexico	MXN	(7)	1	7
Total							19,426

1) Percentage of shares owned equals percentage of voting shares owned. A number of the above mentioned companies also own shares in other companies as specified in their annual reports. See also note 2 to the consolidated financial statements.

Note 10 Specification of balance sheet items

NOK millions	Notes	2015	2014
Other non-current assets			
Surplus on funded defined benefit plans	2	349	342
Long term loans, mortgage bonds and non-marketable shares 0-20%		12	23
Interest rate swap designated as hedging instrument	12	70	144
Other		34	33
Total		465	542
Inventories			
Raw materials		1	1
Work in progress		7	4
Finished goods		17	15
Total		25	19
Bank loans and other interest-bearing short-term debt			
External loans		1,619	2,121
Bank overdraft		309	86
Total		1,929	2,207

Note 11 Guarantees

NOK millions	2015	2014
Guarantees (off-balance sheet)		
Guarantees of debt in the name of equity accounted investees	-	11
Guarantees of debt in subsidiaries	3,220	1,762
Non-financial guarantees	11,831	10,552
Total	15,051	12,326

Yara International ASA provides guarantees arising in the ordinary course of business, including performance bonds and various payment or financial guarantees. See note 32 to the consolidated financial statements for further information about guarantees.

Note 12 Risk management and hedge accounting

Risk management in Yara and the use of derivative instruments are described in note 29 to the consolidated financial statement. Yara International ASA has the following derivative instruments outstanding at 31 December:

NOK millions	2015	2014
Fair value of derivatives		
Forward foreign exchange contracts (external)	(50)	(21)
Forward foreign exchange contracts (Yara Group internal)	(166)	39
Interest rate swaps designated for hedging (external)	70	144
Balance at 31 December	(146)	161
Derivatives presented in the balance sheet		
Non-current assets	70	144
Current assets	-	42
Current liabilities	(216)	(25)
Balance at 31 December	(146)	161

Forward foreign exchange contracts

Yara is committed to outstanding forward foreign exchange contracts as follows:

NOK millions	2015	2014
Forward foreign exchange contracts (external), notional amount	4,556	1,838
Forward foreign exchange contracts (Yara Group internal), notional amount	7,129	6,987

All outstanding contracts at 31 December 2015 have maturity in 2016. External buy positions are mainly in US dollars towards Norwegian kroner. External sell positions are mainly in euro, Canadian dollars and other operating currencies towards Norwegian kroner.

Fair value hedges

NOK bond debt

Two long-term NOK interest swaps have been designated as hedging instruments since 2011. The hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,000 million bond debt from 2009. The swaps have different interest payment dates (semi-annually vs. annually), but identical interest basis and maturity as the hedged debt and are assessed to be highly effective.

A second portfolio of long-term NOK interest swaps was designated as hedging instruments since 2014. The hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,300 million fixed rate bond debt from 2014. The swaps have different interest payment dates (quarterly vs. annually), but identical interest basis and maturity as the hedged debt and are assessed to be highly effective.

USD bond debt

There are no fair value hedges of USD debt outstanding at 31 December 2015.

NOK millions	2015	2014
USD bond debt fair value hedge		
Change in fair value of the derivatives	-	(1)
Change in fair value of the bond	-	1
Ineffectiveness	-	-
Loss on fair value hedge included in the carrying amount of the fixed rate debt	-	-
NOK bond debt fair value hedge		
Change in fair value of the derivatives	8	13
Change in fair value of the bonds	(11)	(10)
Ineffectiveness	(2)	3
Loss on fair value hedge included in the carrying amount of the fixed rate debt	(18)	(29)

Cash flow hedges

In 2004, Yara used interest rate swaps to hedge the future cash flows of a USD 300 million portion of the December 2004 bond issue. In 2007, Yara used treasury locks to hedge the future cash flows of a USD 300 million portion of the June 2009 bond issue. The losses on these contracts were recognized directly in equity and are reclassified into interest expense and deferred tax over the duration of the bonds. The cash flow hedge of the 2004-bond expired in 2014 while the cash flow hedge of the 2009-bond expires in 2019.

During the second half of 2014 and the first half of 2015, Yara used treasury locks to hedge future cash flows of a planned bond issue. Throughout 2015, however, liquidity inflow from divestments and a revision of Yara's interest rate strategy led to a deferral of the planned bond issue and the criteria for hedge accounting were no longer present. The hedging relationship was therefore terminated during third quarter 2015 and a loss of NOK 100 million was recognized in the statement of income.

Interest expense

NOK millions	2015	2014
2004-bond cash flow hedge	-	13
2009-bond cash flow hedge	5	5
2014 cash flow pre-hedge	27	(28)
Total	32	(10)
Deferred tax	(8)	3
Net effect in statement of income	24	(7)

Note 13 Number of shares outstanding, shareholders, equity reconciliation etc.

Yara International ASA was established 10 November 2003. The company was established with a share capital of 108,610,470 consisting of 63,888,512 shares at NOK 1.70 per share. At 31 December 2015, the company has a share capital of 467.641.727 consisting of 275,083,369 ordinary shares at NOK 1.70 per share.

Yara owns 910,000 own shares at 31 December 2015. For further information on these issues see note 22 to the consolidated financial statement.

Shareholders holding 1% or more of the total 275,083,369 shares issued as of 31 December 2015 are according to information in the Norwegian securities' registry system (Verdipapirsentralen):

Name	Number of shares	Holding (%)
Ministry of Trade, Industry and Fisheries	99,611,727	36.2%
Norwegian National Insurance Scheme fund	16,099,877	5.9%
Clearstream Banking (nominee)	7,813,908	2.8%
State Street Bank (nominee)	6,578,267	2.4%
FLPS - PRINC ALL SEC	4,119,200	1.5%
State Street Bank (nominee)	3,699,956	1.4%
Bank of New York (nominee)	3,138,430	1.1%
J.P.Morgan Chase Bank (nominee)	2,847,271	1.0%
State Street Bank (nominee)	2,804,783	1.0%
J.P.Morgan Chase Bank (nominee)	2,604,005	1.0%

Shareholders equity

NOK millions	Paid in capital	Retained earnings	Total shareholders equity
Balance 31 December 2013	588	3,149	3,737
Net income of the year	-	5,875	5,875
Dividend proposed	-	(3,581)	(3,581)
Cash flow hedges	-	(7)	(7)
Actuarial gain/(loss) 1)	-	(9)	(9)
Redeemed shares, Norwegian State 2)	(1)	(210)	(211)
Treasury shares 4)	(1)	(229)	(230)
Balance 31 December 2014	586	4,987	5,573
Net income of the year	-	9,580	9,580
Dividend proposed	-	(4,113)	(4,113)
Cash flow hedges	-	24	24
Actuarial gain/(loss) 1)	-	(31)	(31)
Redeemed shares, Norwegian State 3)	(1)	(127)	(127)
Treasury shares 4)	(2)	(362)	(364)
Balance 31 December 2015	583	9,959	10,542

1) Yara International ASA has decided to use the option in NRS 6A to adopt IAS19. For further information, see the accounting principles note 1.
2) As approved by General Meeting 5 May 2014.
3) As approved by General Meeting 11 May 2015.
4) See note 22 to the consolidated financial statement for more information.

Note 14 Long-term debt

NOK millions, except percentages and denominated amounts	Weighted average interest rates	Denominated amounts 2015	2015	2014
Unsecured debenture bonds in NOK (Coupon 8.80%) [1]	8.9 %	1,000	1,007	1,033
Unsecured debenture bonds in NOK (Coupon NIBOR + 0.70%) [2]	1.8 %	2,200	2,197	2,196
Unsecured debenture bonds in NOK (Coupon 2.55%) [3]	2.6 %	700	705	696
Unsecured debenture bonds in NOK (Coupon 3.00%) [4]	3.0 %	600	604	596
Unsecured debenture bonds in USD (Coupon 7.88%) [5]	8.3 %	500	4,381	3,676
Outstanding long-term debt			8,893	8,198
Less: Current portion			(1,007)	-
Total			7,887	8,198

1) Fixed interest rate until 2016. Subject to fair value hedge accounting, see note 12.
2) Repricing within a year.
3) Fixed interest rate until 2021. Subject to fair value hedge accounting, see note 12.
4) Fixed interest rate until 2024. Subject to fair value hedge accounting, see note 12.
5) Fixed interest rate until 2019.

At 31 December 2015, the fair value of the long-term debt, including the current portion, was NOK 9,524 million and the carrying value was NOK 8,893 million. See note 26 to the consolidated financial statements for further information about long-term debt.

Payments on long-term debt fall due as follows:

NOK millions	Debentures	Bank loans	Other long-term debt	Total [1]
2016	1,007	-	-	1,007
2017	-	-	-	-
2018	-	-	-	-
2019	6,577	-	-	6,577
2020	-	-	-	-
Thereafter	1,309	-	-	1,309
Total	8,893	-	-	8,893

1) Including current portion.

Note 15 Transactions with related parties

Transactions with related parties are mainly associated with the group treasury function and rendering of group services by the employees of Yara International ASA.

NOK millions	Notes	2015	2014
Income statement			
Yara Belgium S.A.		1,088	896
Yara Norge AS		94	48
Yara Suomi Oy		93	17
Other		580	130
Internal revenues	6	1,855	1,091
Yara Nederland B.V.		376	393
Yara UK Ltd		54	49
Yara Holding Netherlands B.V.		53	194
Other		144	346
Interest income group companies	7	627	982
Fertilizer Holdings AS		(75)	(54)
Yara AS		(48)	(58)
Yara UK Ltd		(6)	(4)
Other		(14)	(34)
Interest expense group companies	7	(142)	(150)
Non-current assets			
Yara Nederland B.V.		8,942	7,978
Yara Holding Netherlands B.V.		4,397	3,698
Yara Suomi Oy		767	270
Yara Colombia S.A.		704	-
Yara UK Limited		552	1,647
Yara AB		541	483
Other		553	484
Intercompany receivables		16,455	14,560
Current assets			
Fertilizer Holdings AS		10,000	7,000
Yara Australia Pty Ltd		4,981	1,223
Yara Norge AS		1,547	3,338
Freeport Ammonia LLC		941	-
Other		3,387	8,915
Intercompany receivables		20,856	20,477
Trinidad Nitrogen Company Ltd.		192	312
Other		7	7
ST Interest-bearing lending to Group associates and joint arrangements		199	319
Current liabilities			
Fertilizer Holdings AS		(9,961)	(7,909)
Yara Asia Pte Ltd		(3,924)	(2,750)
Yara S.A.		(3,573)	(3,208)
Yara Nederland B.V.		(2,772)	(3,307)
Yara Caribbean Ltd		(2,165)	(1,727)
Yara Belgium S.A.		(1,472)	(643)
Yara Switzerland Ltd		(1,317)	(1,011)
Yara GmbH & Co. KG		(1,127)	(1,197)
Yara UK Limited		(873)	(1,421)
Other		(5,514)	(13,916)
Intercompany payables		(32,699)	(37,088)
Yara Freeport LLC DBA Texas Ammonia		275	-
ST Interest-bearing loans from Group associates and joint arrangements		275	-

Remuneration to the Board of Directors and Yara Management is disclosed in note 35 to the consolidated financial statements. Yara International ASA has transactions with Yara Pensjonskasse (pension fund). See note 2 for more information.

Directors' responsibility statement
2015

WE CONFIRM TO THE BEST OF OUR KNOWLEDGE THAT:

- The consolidated financial statements for 2015 have been prepared in accordance with IFRS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that
- The financial statements for the parent company for 2015 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that
- The information presented in the financial statements gives a true and fair view of the Company's and Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that
- The Board of Directors' report gives a true and fair view of the development, performance and financial position of the Company and Group, and includes a description of the principle risks and uncertainties.

The Board of Directors of Yara International ASA
Oslo, 17 March 2016

Leif Teksum Chairperson	Maria Moræus Hanssen Vice chair	John Thuestad Board member	Hilde Bakken Board member
Geir O. Sundbø Board member	Geir Isaksen Board member	Rune Bratteberg Board member	Guro Mauset Board member

Svein Tore Holsether
President and CEO

Deloitte AS
Dronning Eufemias gate 14
P.O.Box 221 Sentrum
0103 OSLO

Tel: +47 23 27 90 00
Fax: +47 23 27 90 01
www.deloitte.no

To the Annual Shareholders' Meeting of Yara International ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Yara International ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2015, and the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the statement of financial position as at 31 December 2015, and the statement of income, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors' and the President and CEO's Responsibility for the Financial Statements

The Board of Directors and the President and CEO are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway for the company accounts and in accordance with International Financial Reporting Standards as adopted by EU for the group accounts, and for such internal control as the Board of Directors and the President and CEO determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Page 2
Independent Auditor's Report to the Annual Shareholders' Meeting of Yara International ASA

Deloitte.

Opinion on the financial statements for the parent company
In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Yara International ASA as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements for the group
In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the group Yara International ASA as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility
Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and in the statements on Corporate Governance and Corporate Social Responsibility and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation
Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 17 March 2016
Deloitte AS

Aase Aa. Lundgaard
State Authorised Public Accountant (Norway)

Reconciliation of non-GAAP measures
2015

Reconciliation of operating income to gross cash flow

NOK millions	2015	2014
Operating income	14,104	10,305
Share of net income in equity-accounted investees	(310)	786
Interest income	579	484
Net gain/(loss) on securities	5	56
Dividend from 0-20% companies	21	11
Earnings before interest expense and tax (EBIT)	14,398	11,642
Depreciation, amortization and impairment loss	6,933	4,678
Amortization of excess value in equity-accounted investees	29	88
Earnings before interest, tax and depreciation/amortization (EBITDA)	21,361	16,407
Income tax less tax on net foreign currency translation gain/(loss)	(2,833)	(2,308)
Gross Cash Flow	18,528	14,099

Reconciliation of net income after non-controlling interests to gross cash flow

NOK millions	2015	2014
Net income attributable to shareholders of the parent	8,083	7,625
Non-controlling interests	351	319
Interest expense and foreign currency translation gain/(loss)	3,754	1,606
Depreciation, amortization and impairment loss	6,933	4,678
Amortization of excess value in equity-accounted investees	29	88
Tax effect on foreign currency translation gain/(loss)	(624)	(217)
Gross Cash Flow	18,528	14,099

Reconciliation of total assets to gross investments

12-months average

NOK millions	2015	2014
Total assets	114,559	93,708
Cash and cash equivalents	(4,430)	(5,668)
Other liquid assets	(82)	(3)
Deferred tax assets	(2,677)	(2,155)
Other current liabilities	(17,647)	(15,654)
Accumulated depreciation and amortization	42,422	35,409
Gross investment 12-months average	132,145	105,638
Cash Return on Gross Investment, CROGI	14.0%	13.3%

Reconciliation of EBIT to EBIT after tax

NOK millions	2015	2014
Earnings before interest expense and tax (EBIT)	14,398	11,642
Income tax less tax on net foreign currency translation gain/(loss)	(2,833)	(2,308)
EBIT after tax (EBITAT)	11,565	9,333

Reconciliation of total assets to capital employed

12-months average

NOK millions	2015	2014
Total assets	114,559	93,708
Cash and cash equivalents	(4,430)	(5,668)
Other liquid assets	(82)	(3)
Deferred tax assets	(2,677)	(2,155)
Other current liabilities	(17,647)	(15,654)
Capital employed 12-months average	89,723	70,229
Return on capital employed, ROCE	12.9%	13.3%

Reconciliation of EBITDA to income before tax and non-controlling interests

NOK millions	2015	2014
EBITDA Crop Nutrition	6,188	5,991
EBITDA Industrial	1,489	1,385
EBITDA Production	14,414	9,871
EBITDA Other and eliminations	(729)	(840)
EBITDA Yara	21,361	16,407
Depreciation, amortization and impairment loss	(6,933)	(4,678)
Amortization of excess value in equity-accounted investees	(29)	(88)
Interest expense	(1,407)	(1,244)
Capitalized interest	111	1
Foreign currency translation gain/(loss)	(2,463)	(698)
Other financial income/expense, net	5	334
Income before tax and non-controlling interests	10,644	10,035

Reconciliation of operating income to EBITDA

NOK millions	2015	2014
Operating income	14,104	10,305
Share of net income in equity-accounted investees	(310)	786
Interest income	579	484
Dividends and net gain/(loss) on securities	26	66
EBIT	14,398	11,642
Depreciation, amortization and impairment loss [1]	6,962	4,766
EBITDA	21,361	16,407

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