



Knowledge grows

Yara International ASA

Torgeir Kvidal, CFO

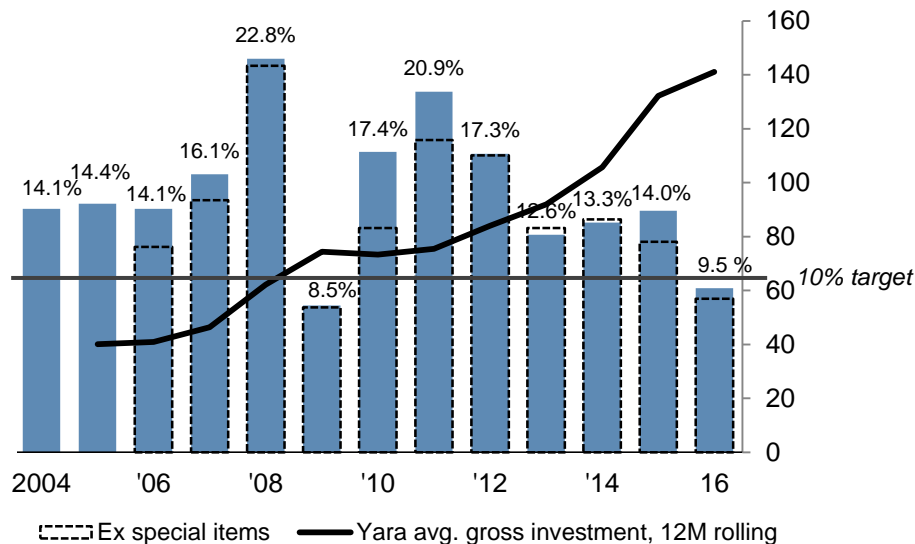
Thor Giæver, IR

29 March 2017



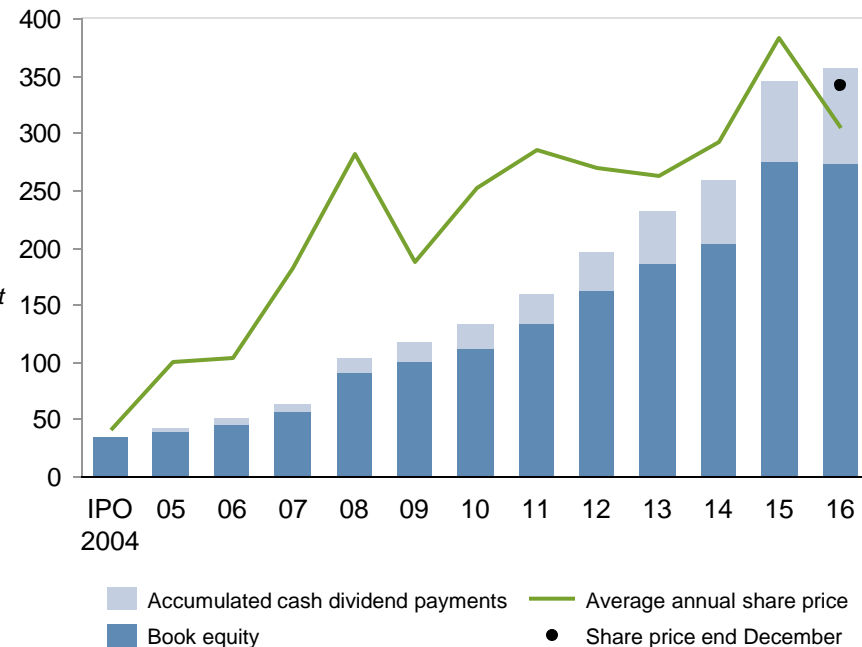
Strong growth and profitability track record

Average cash return on gross investment (CROGI) well above the Yara CROGI target of 10%



Average annual shareholder return of 23%¹

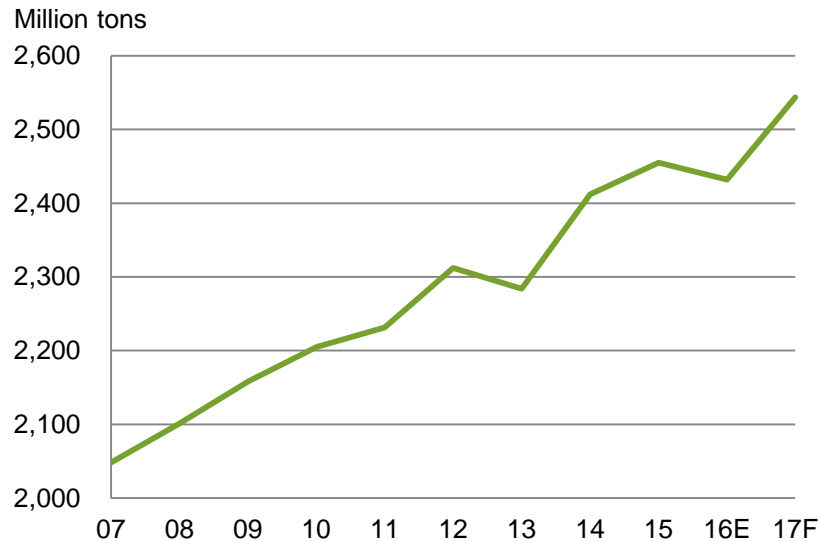
NOK/share



1) Share price appreciation (end 2016) plus dividend payments

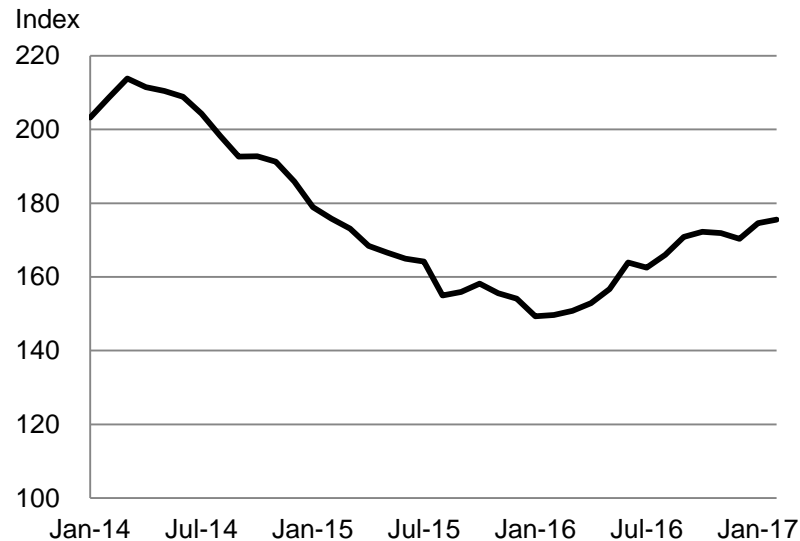
Steady growth in grain consumption, and pick-up in food prices

Steady growth in grain consumption



Source: USDA February 2017

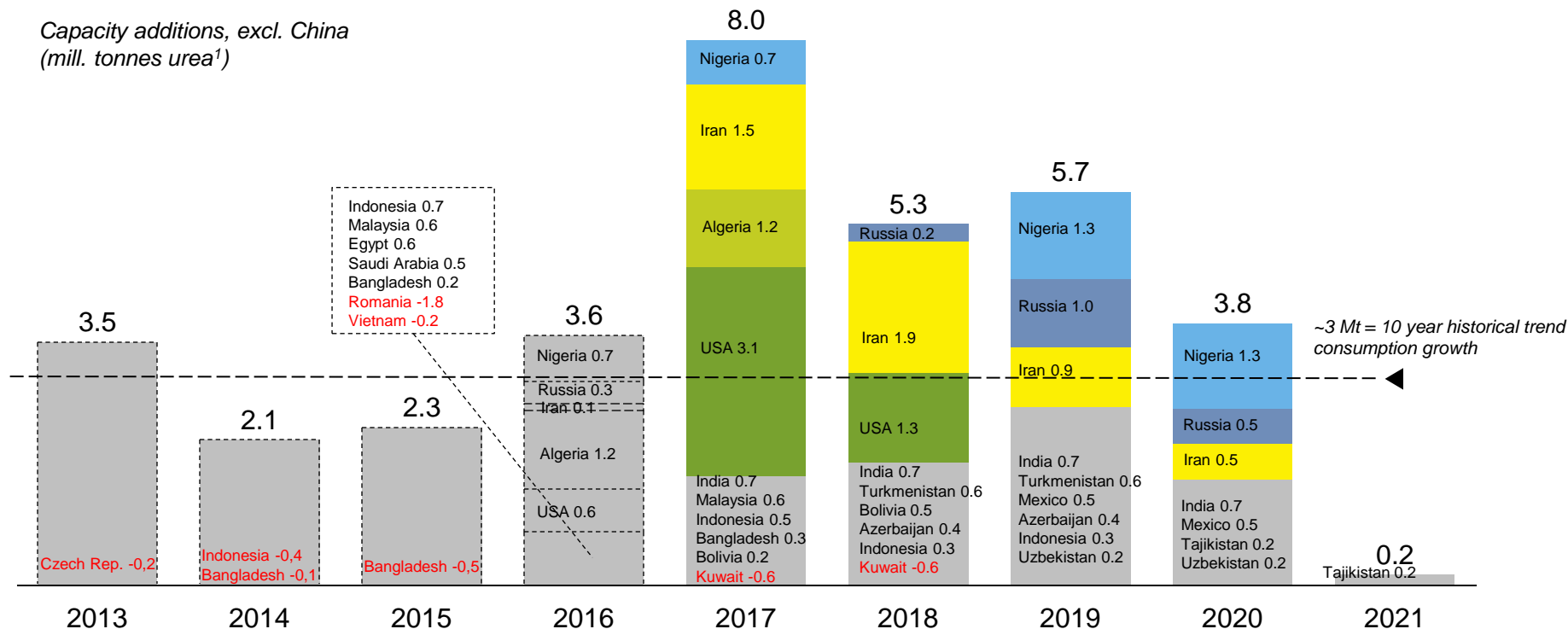
FAO food price index increase L12M



Source: FAO, February 2017

Projected capacity additions outside China

Capacity additions, excl. China
(mill. tonnes urea¹)

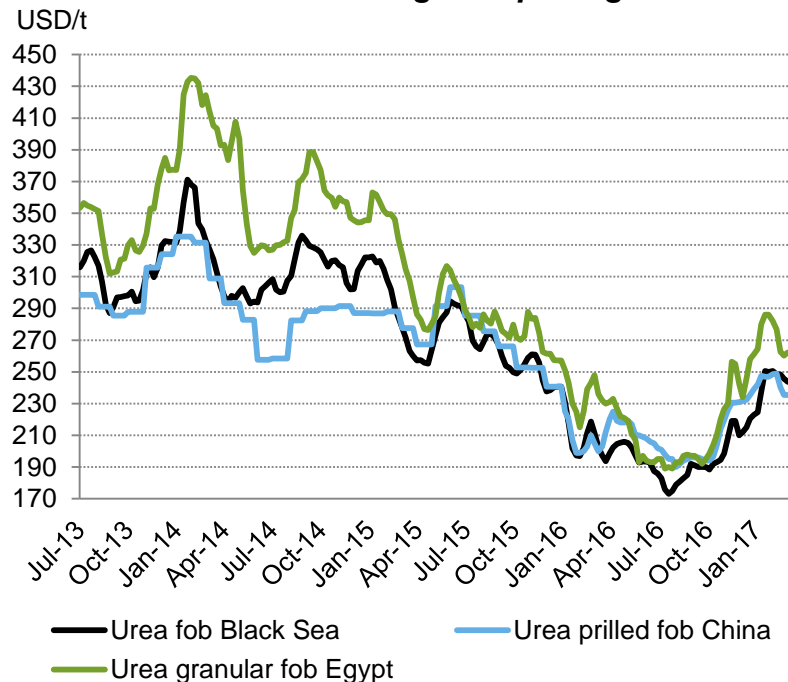


Source: CRU, December 2016. Numbers include both additions and closures of capacity.

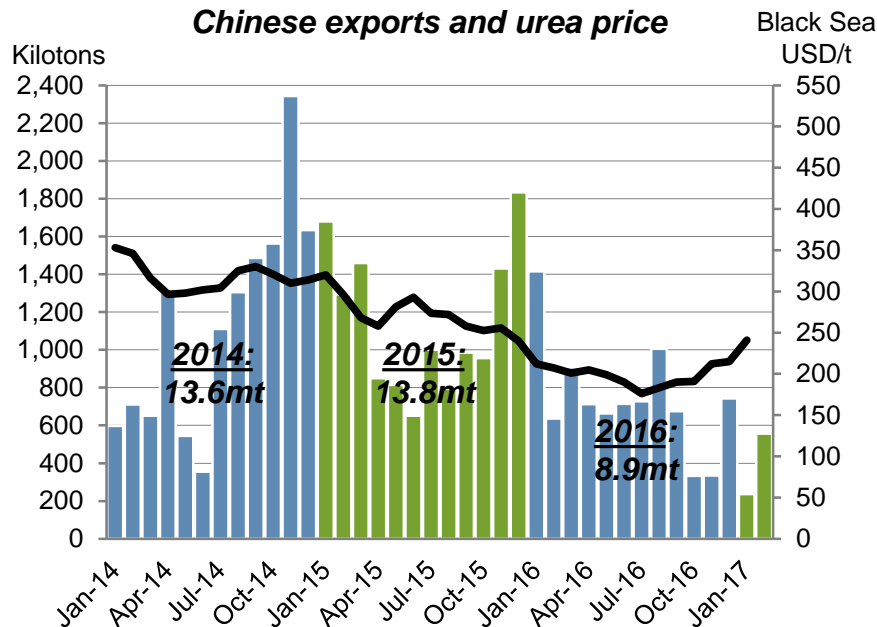
1) Using 50% operating rate in new plants' first year of production.

Higher production and logistical costs have significantly reduced Chinese urea production and exports

Increasing urea pricing

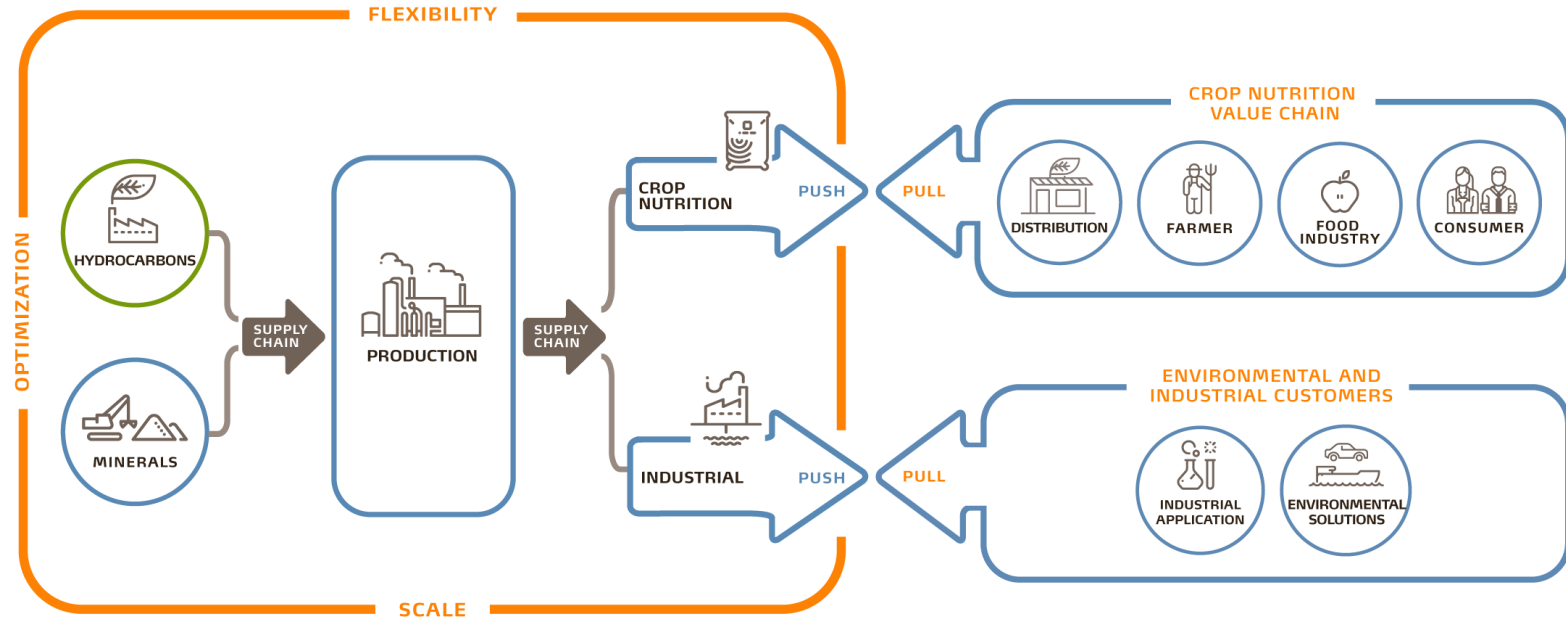


Chinese exports and urea price



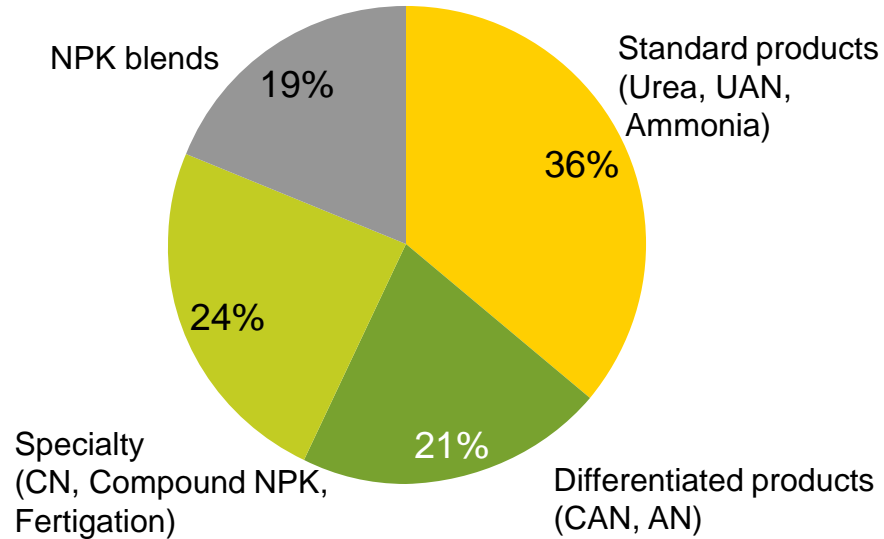
Source: BOABC, CFMW

Integrated business model creates value through scale, flexibility and value chain presence



Differentiated product portfolio represents a key source of competitive edge

Fertilizer product portfolio (2015/16 season volume)



Sustaining profitable growth and competitive edge within three focus areas

Implications of market outlook

- Increased relative strength of integrated business model
- Reduced trade liquidity; market positions are key
- Timing of investments is critical
- Pressure on commodity crop margins
- Significant fertilizer market growth opportunities in emerging markets

Strategic response

1

Organic growth and market development

Shape the markets where we are present, and grow our positions

2

Operational improvement

Improve productivity and returns through company-wide program

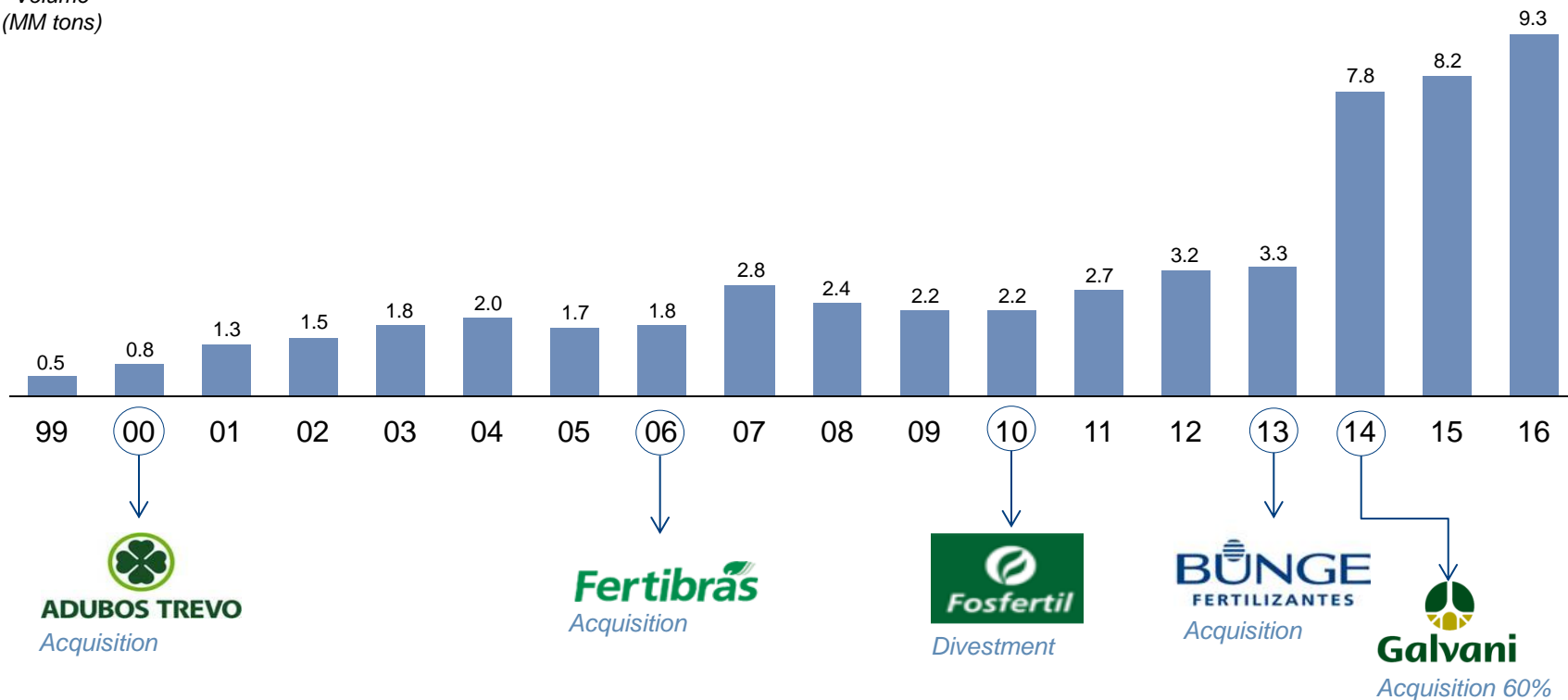
3

Profitable step growth

Drive growth through M&A, as well as capacity expansions and new builds

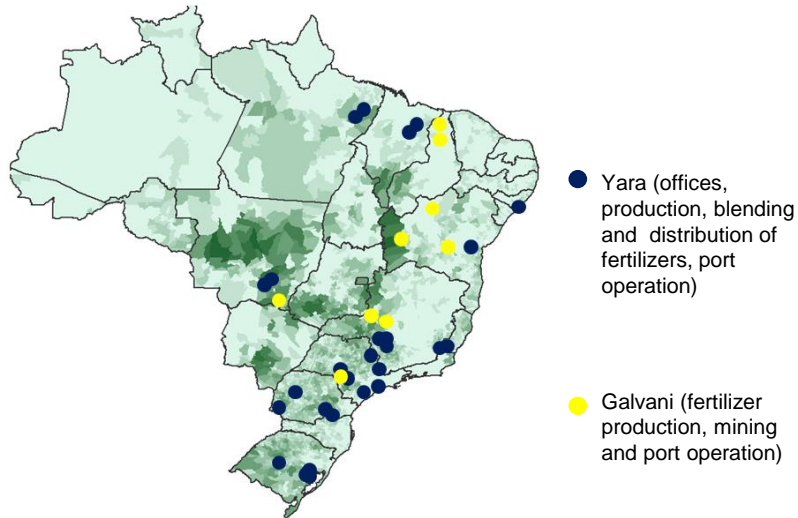
Yara has invested for the long term in Brazil; Bunge acquisition brought critical mass in distribution

Volume
(MM tons)



Yara Brazil today: unrivalled market presence and farmer-centric strategy

Unrivalled presence: 28 sites in 11 states



Farmer-centric strategy drives growth

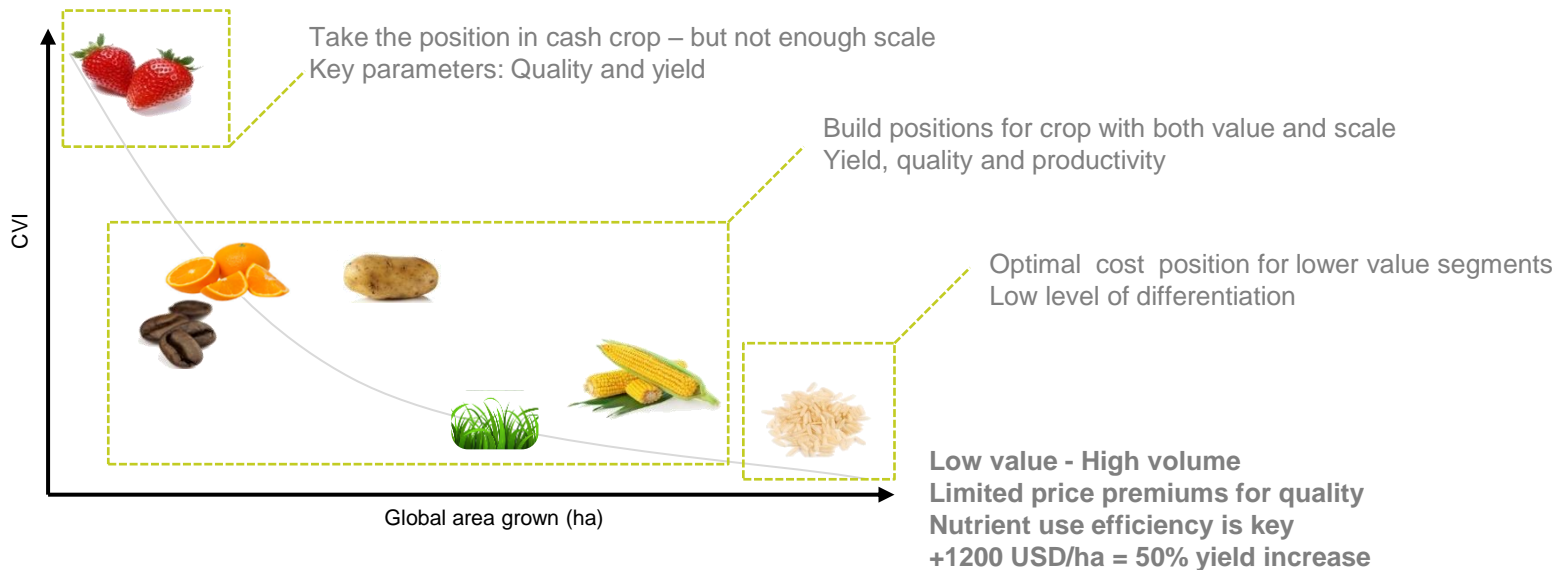
- > 20,000 growers using Yara solutions
- > 200 Yara agronomists and 600 sales representatives
- > 55% of Yara deliveries are direct to farmer
- > 55,000 interactions with growers p.a.

Crop Value Index – a key guide to our approach

What is CVI:

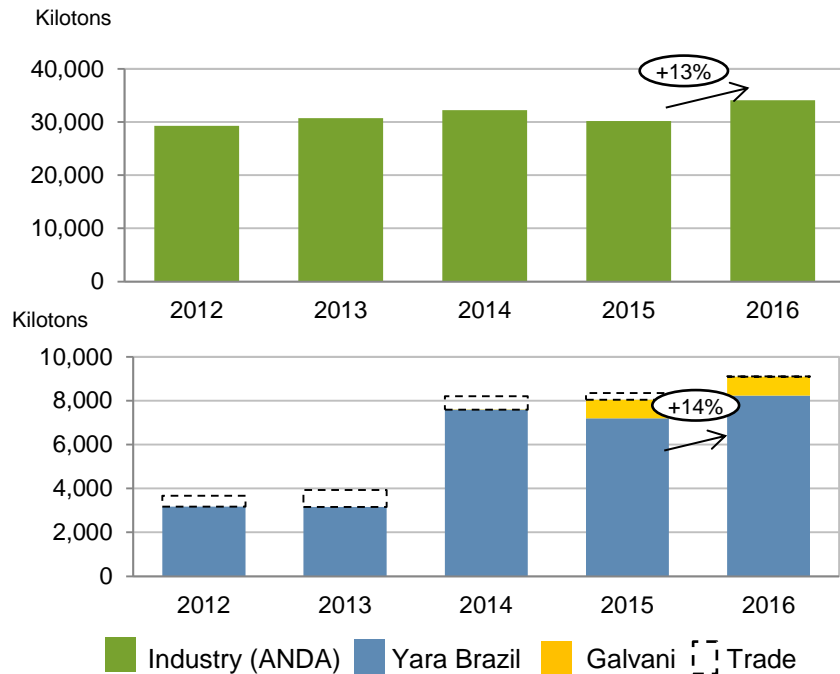
$$\frac{\text{Crop revenue}}{\text{Fertilizer costs}}$$

High value, Low volume
Double price premium for high quality
2% yield increase = +1200 USD/ha

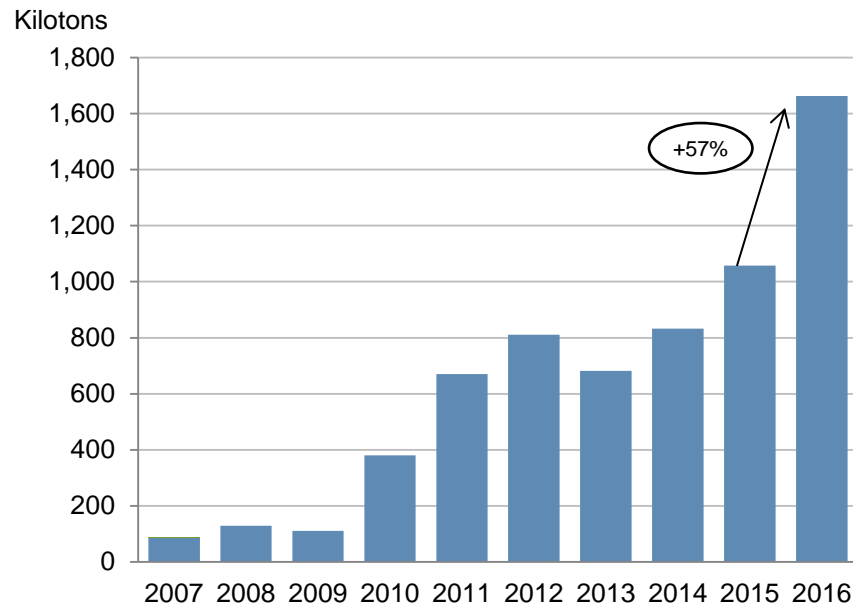


Brazil: focus on premium products and solutions drives growth

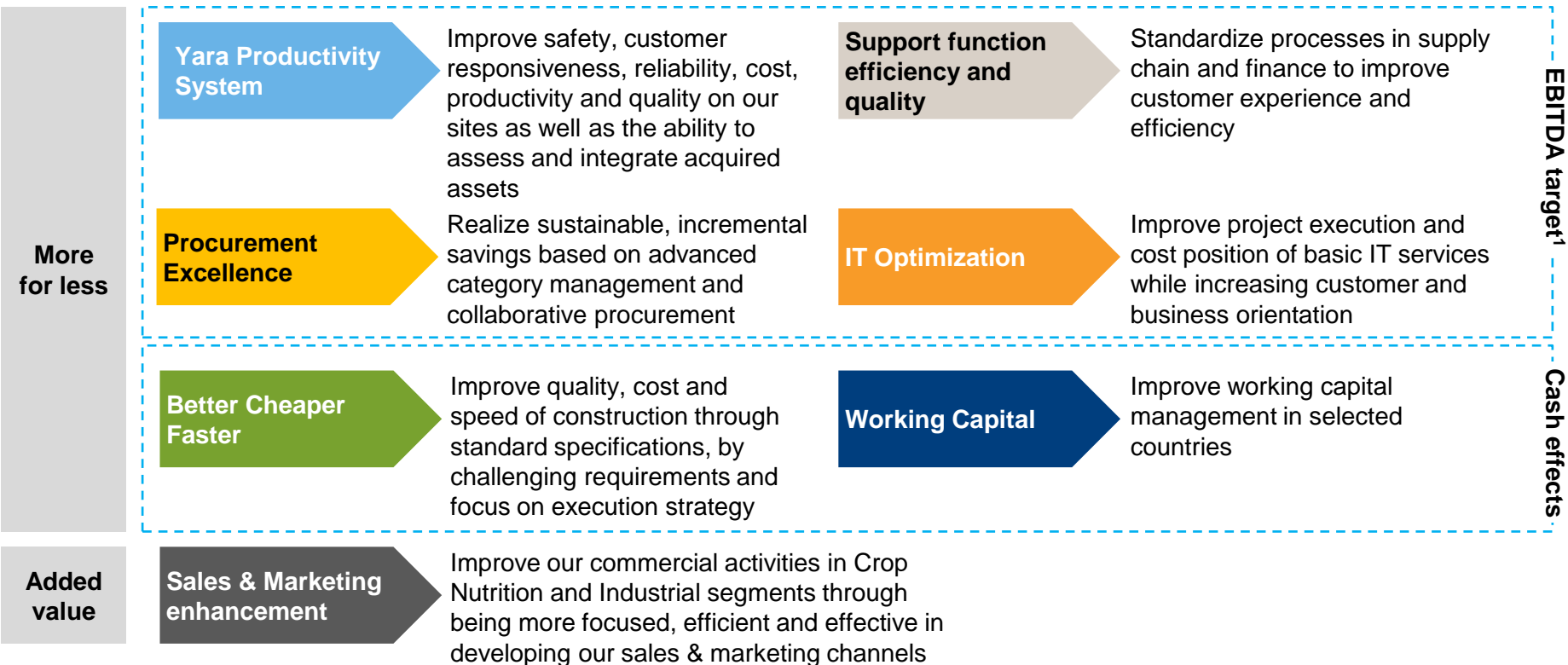
Brazil 2016 fertilizer deliveries



Yara premium product deliveries

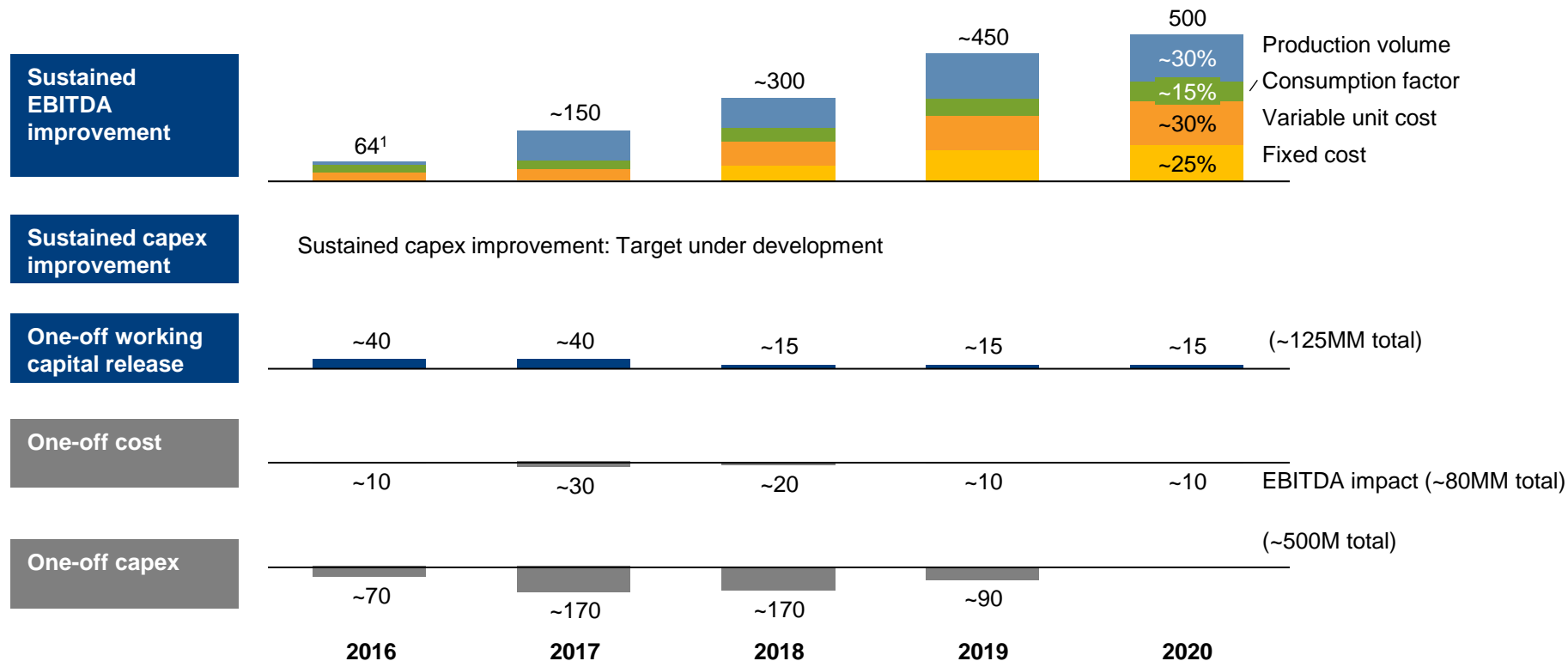


The program is organized into concrete projects across the company

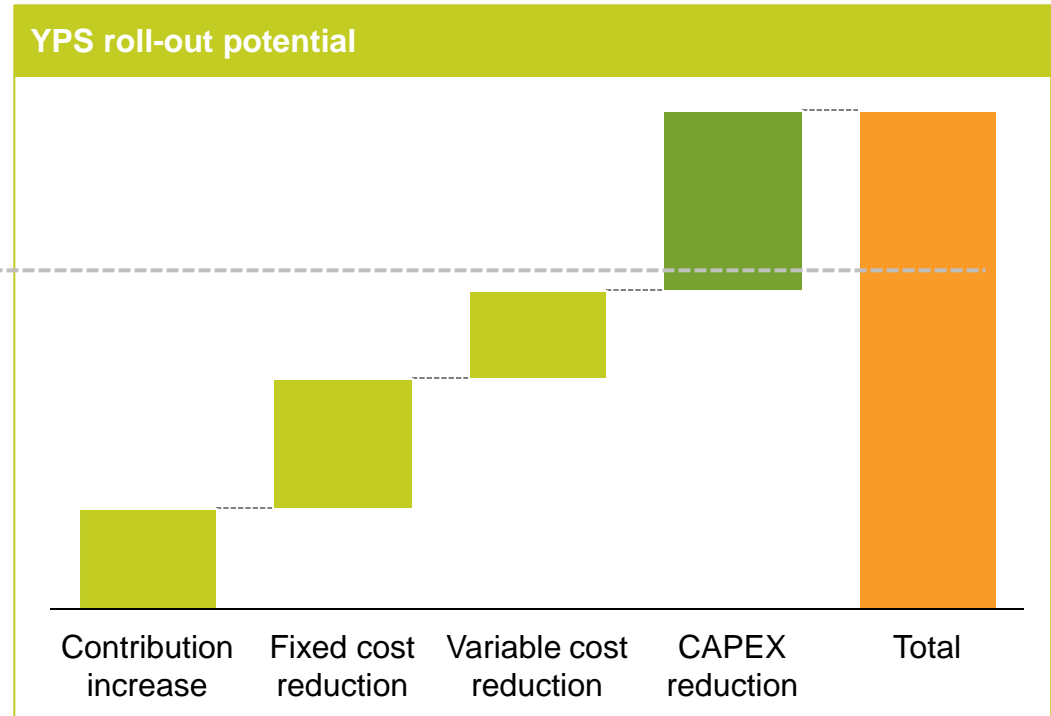
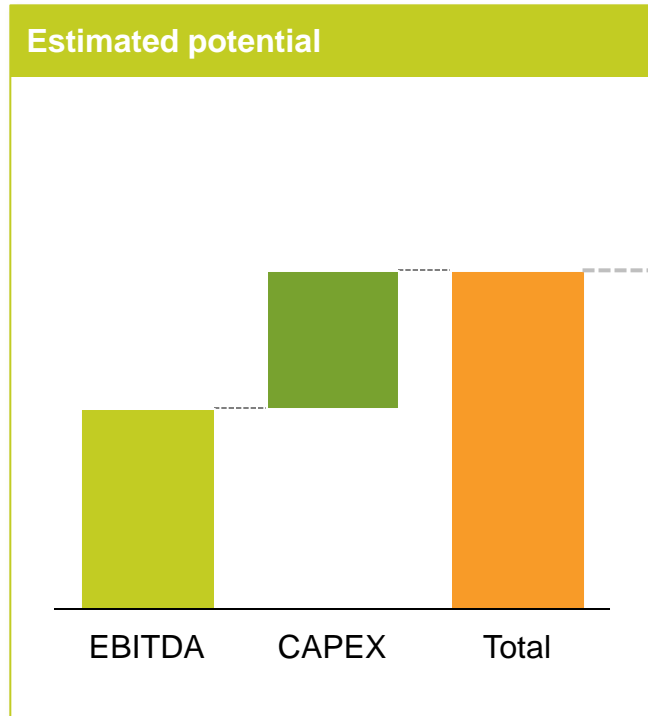


Sustained improvement of \$500MM EBITDA, plus cash benefits

USD\$MM, vs. 2015 baseline and 2015 prices



Roll-out at Sluiskil uncovered almost 50% more improvement potential, including additional savings from 'new' areas



...and we have good examples that the approach works



OFD
HOLDING

BUNGE

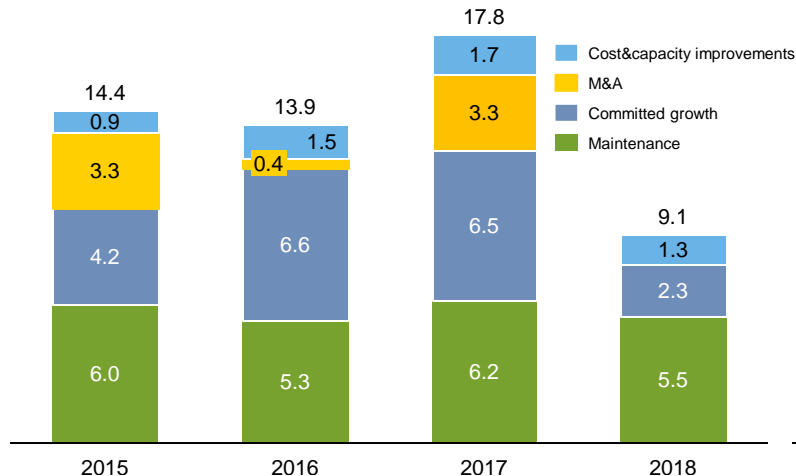
ABOCOL



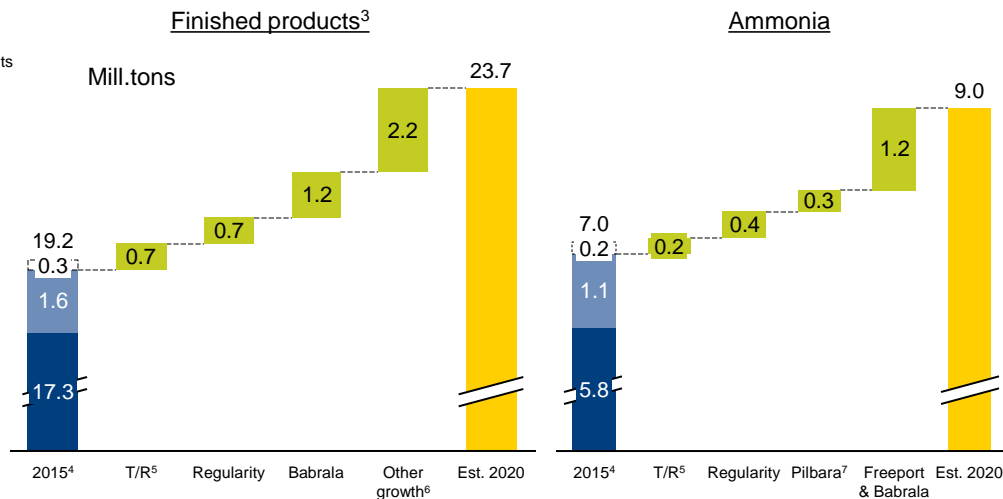
Significant on-going growth capex; returns mainly from 2018

Capex plan¹

NOK bn



Production growth 2015 - 2020²



Committed growth (NOK bn):

	2015	2016	2017	2018
BASF JV	1	1.6	1.4	
Pilbara TAN	0.5	0.2		
Porsgrunn	0.5	1.2	0.6	
Köping	0.3	0.4	0.6	0.3
Sluiskil	0.1	0.7	0.8	
Uusikumpi	0.3	0.2		
Galvani (Salitre)	1	0.5	1.5	0.7
Ammonia vessels	0.2	1.5		
Rio Grande		0.1	1.3	1.3
Other projects	0.3	0.2	0.3	
Total	4.2	6.6	6.5	2.3

1) Yara's share of capex

 GrowHow UK (divested mid-2015)
 Yara-operated
 Yara's share of Qafco & Lifeco

- 2) Rio Grande expansion also adds 1 million tonnes NPK blends by 2020
- 3) Finished fertilizer and industrial products, excl. bulk blends
- 4) Including Yara share of production in non-consolidated investees
- 5) Adjustment to normalized / 2016 turnaround level
- 6) Committed projects only. TAN Pilbara: 160 kt, Porsgrunn: 250kt, Glomfjord: 185kt, Uusikumpi: 250kt, Köping: 90kt, Sluiskil: net 160kt, Galvani (Salitre - 60% of ~ 1 mill.tons), Rio Grande: 500kt
- 7) Including 100% ownership in Pilbara NH₃ plant

Yara growth project pipeline adds ~6 NOK earnings per share by 2020 at current market prices

Profitable growth through expansions and M&A

Expand premium products sales and supply

- CN/NPK expansion Porsgrunn (2H 2017)
- NPK expansion Uusikaupunki (2H 2016)
- Urea 8 Sluiskil (2H 2017)
- Rio Grande expansion (2H 2020)

Expand commodity scale based on attractive full-cost growth opportunities

- Freeport ammonia JV (4Q 2017)
- New ammonia vessels (2016)
- Babrala urea asset (2H 2017)

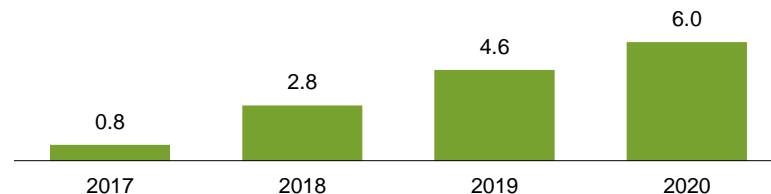
Act on attractive opportunities to grow industrial sales and supply

- Pilbara – TAN (4Q 2016)
- Köping – TAN (1H 2018)

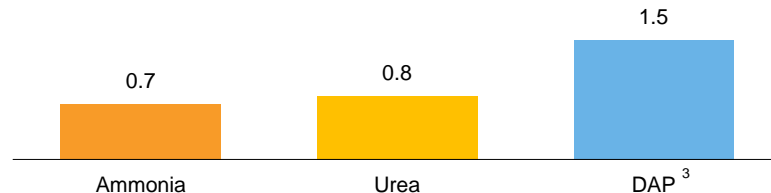
Structurally secure P and K supply

- Galvani, Salitre (mining: 2H17, chemical 1H18)

Incremental earnings at current prices¹ (NOK/share)



Impact² of +100 USD/t price change (NOK/share)



¹ Ammonia fob Yuzhny 300 USD/t, Urea fob Yuzhny 250 USD/t, DAP fob Morocco 350 USD/t

² At full capacity (2019 for urea and ammonia, 2020 for DAP). New ammonia sensitivity based on net numbers

³ Phosphate-driven price change, equivalent to 138 USD/t phosphate rock (72 bpl)

Improvement Program

Fit for the future &
positioned for sustainable growth

Incremental earnings by 2020:
Minimum NOK 10 per share
(500 MUSD EBITDA)

Growth pipeline

Meeting growing market demand at
competitive capital expenditure

Incremental earnings by 2020¹:
~NOK 6 per share
(~600 MUSD EBITDA)

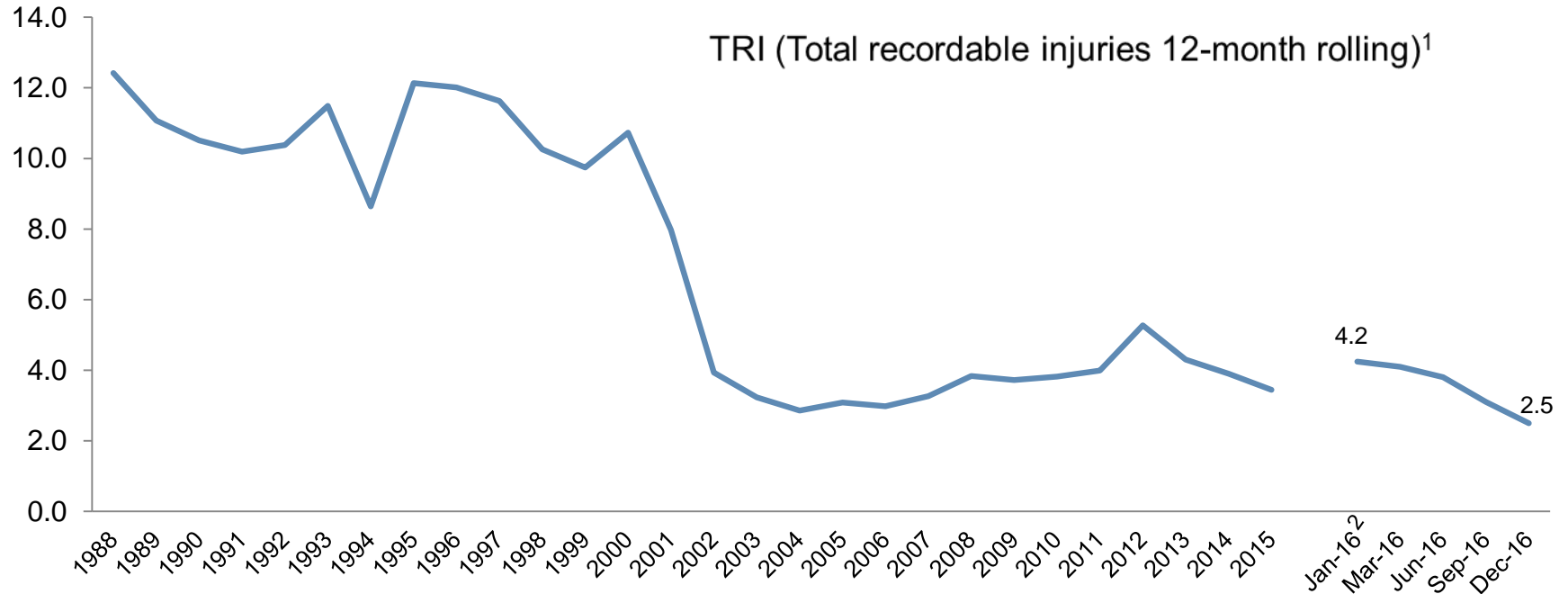
¹ At current market prices (Ammonia fob Yuzhny 300 USD/t, Urea fob Yuzhny 250 USD/t, DAP fob Morocco 350 USD/t)



Knowledge grows

Additional information

Safe operations is our first priority



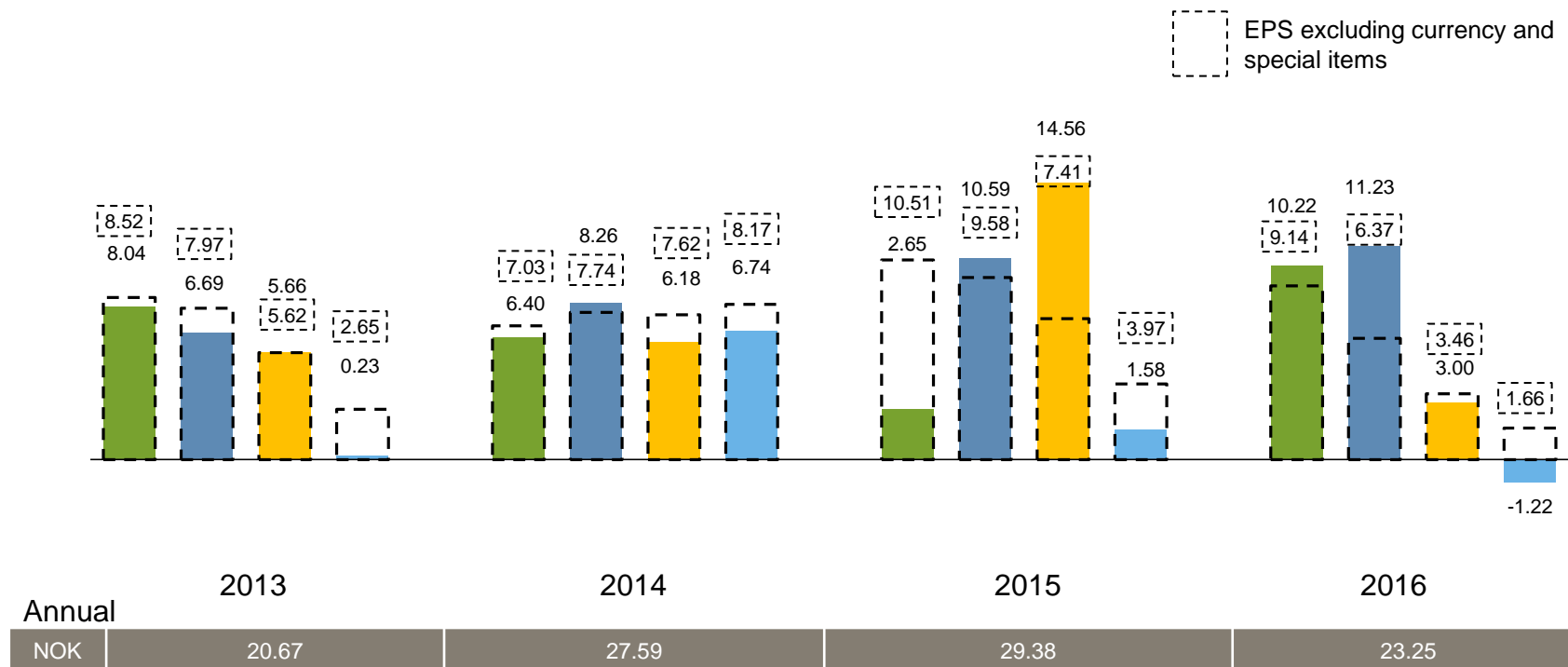
1) TRI: Total recordable injuries, lost time (absence from work), restricted work and medical treatment cases per one million work hours

2) OFD and Galvani included in statistics from January 2016

Summary fourth quarter

- Weaker results reflecting lower prices
- Strong production and deliveries
- Strong Industrial result
- Improvement program established
- Proposed dividend NOK 10 per share, 43% of net income

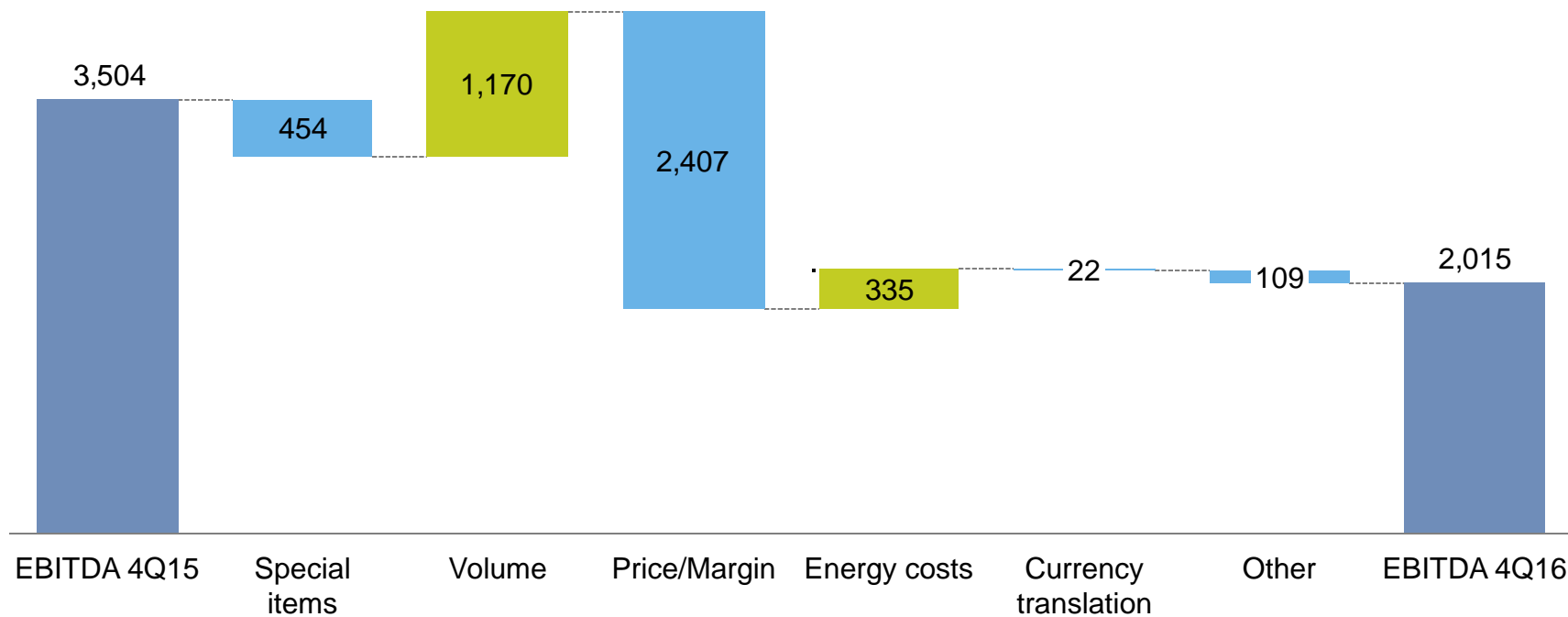
Earnings per share*



*Average number of shares for 4Q 2016: 273.2 million (4Q 2015: 274.6 million).

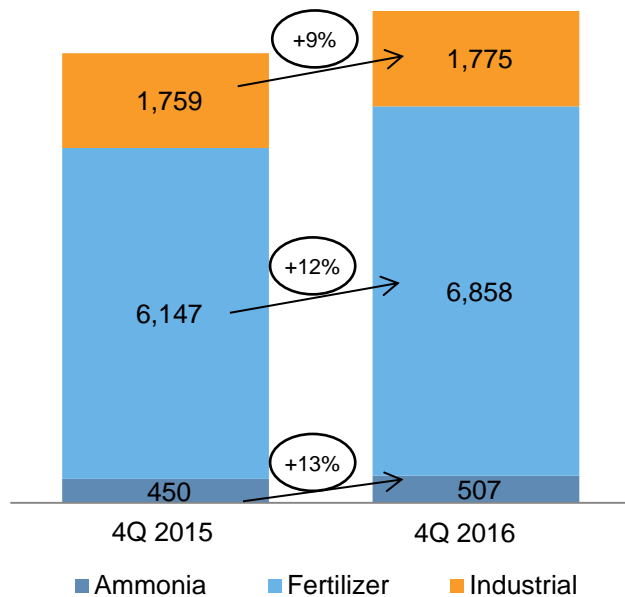
EBITDA development

NOK millions

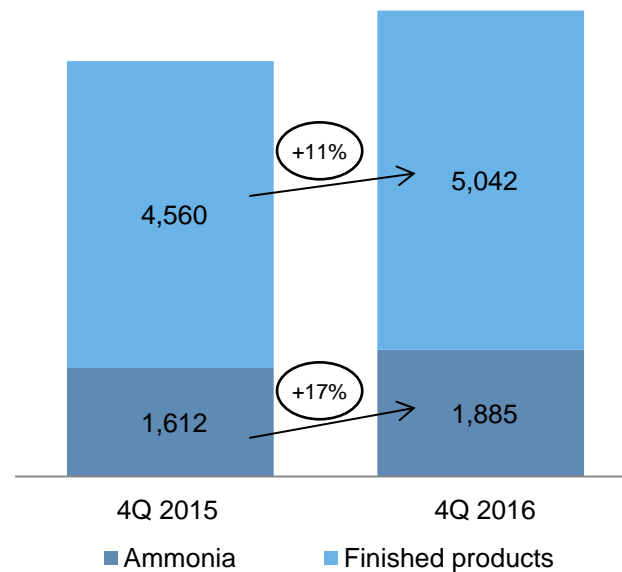


Strong production and deliveries

Deliveries (kilotons)



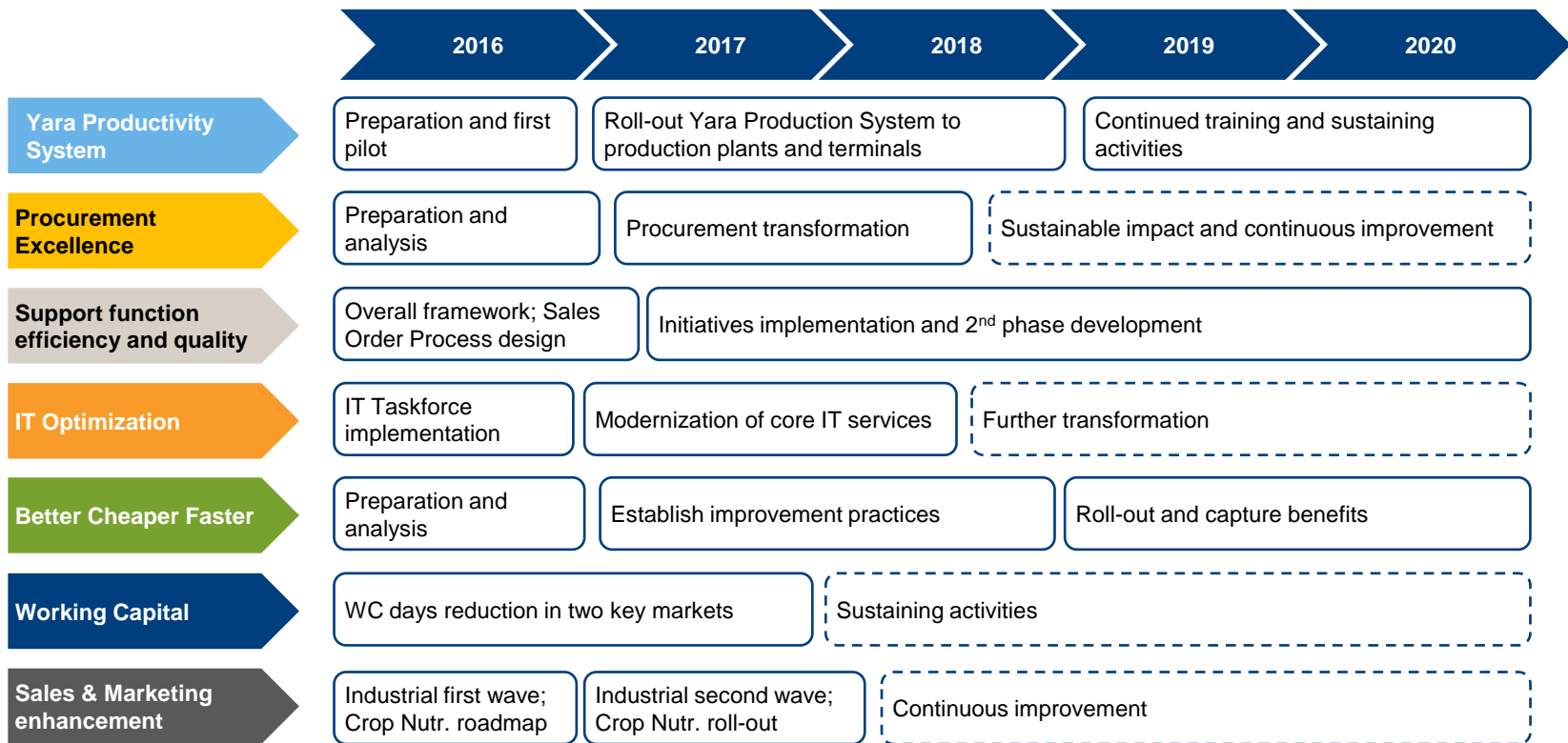
Production (kilotons)¹



1) Including share of equity-accounted investees

Projects established with clear activity plans

 Project driven
 Integrated in the business



Benefits are realized through improvements to core value drivers

	Value driver	How we improve	How we know	
More for less	Volume ¹	Increase production in our existing plants by improving reliability	~400 kt additional ammonia and ~700 kt additional finished fertilizer production by 2020 ⁶	\$500MM sustained EBITDA improvement by 2020 ⁷
	Consumption factor ²	Reduce spend on consumption factors, primarily energy, through better reliability and new technology	~3 % improved energy efficiency by 2020 ⁶	
	Variable unit cost ³	Leverage global scale, apply advanced category management and collaborative procurement approaches	Reduced spend in direct and indirect categories	
	Fixed cost ⁴	Increase focus on standardization and realizing scale benefits	Reduced spend on fixed costs in production and support functions	
	Cash effects ⁵	Capex: Increased standardization, more focus on execution strategy and capability building in the organization Working capital: Better targets and training	Capex: Lower spend for the same project portfolio Working Capital: Reduced inventory and credit days	
Added value	Commercial effects	Profitable growth of value added products through more targeted offerings and sales channels development	Volumes and margins enhancement	

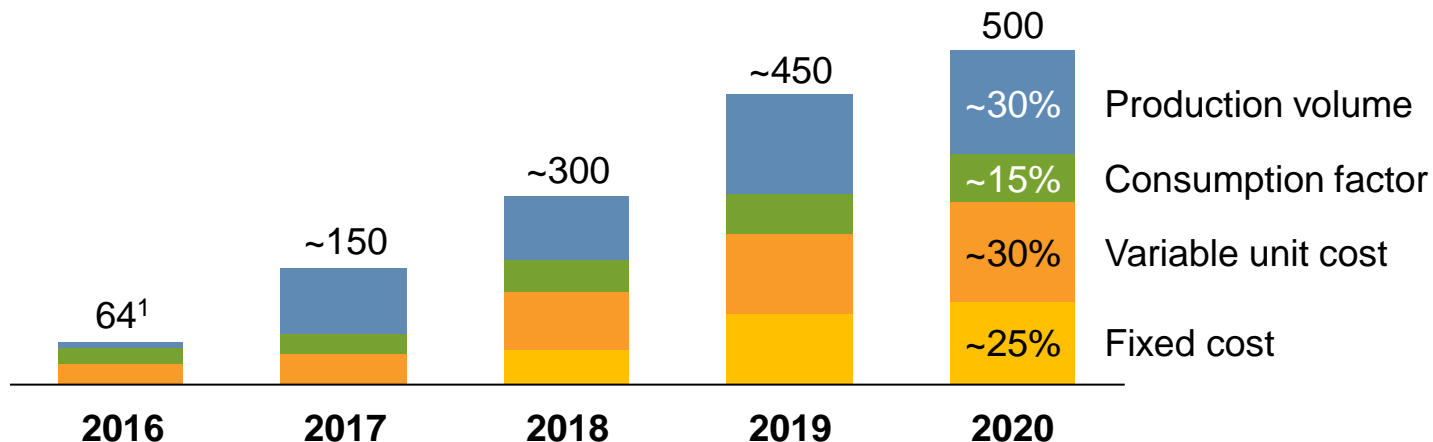
Sustained improvement of \$500MM EBITDA, plus cash benefits

USD\$MM, vs. 2015 baseline and 2015 prices

**Sustained
EBITDA
improvement**

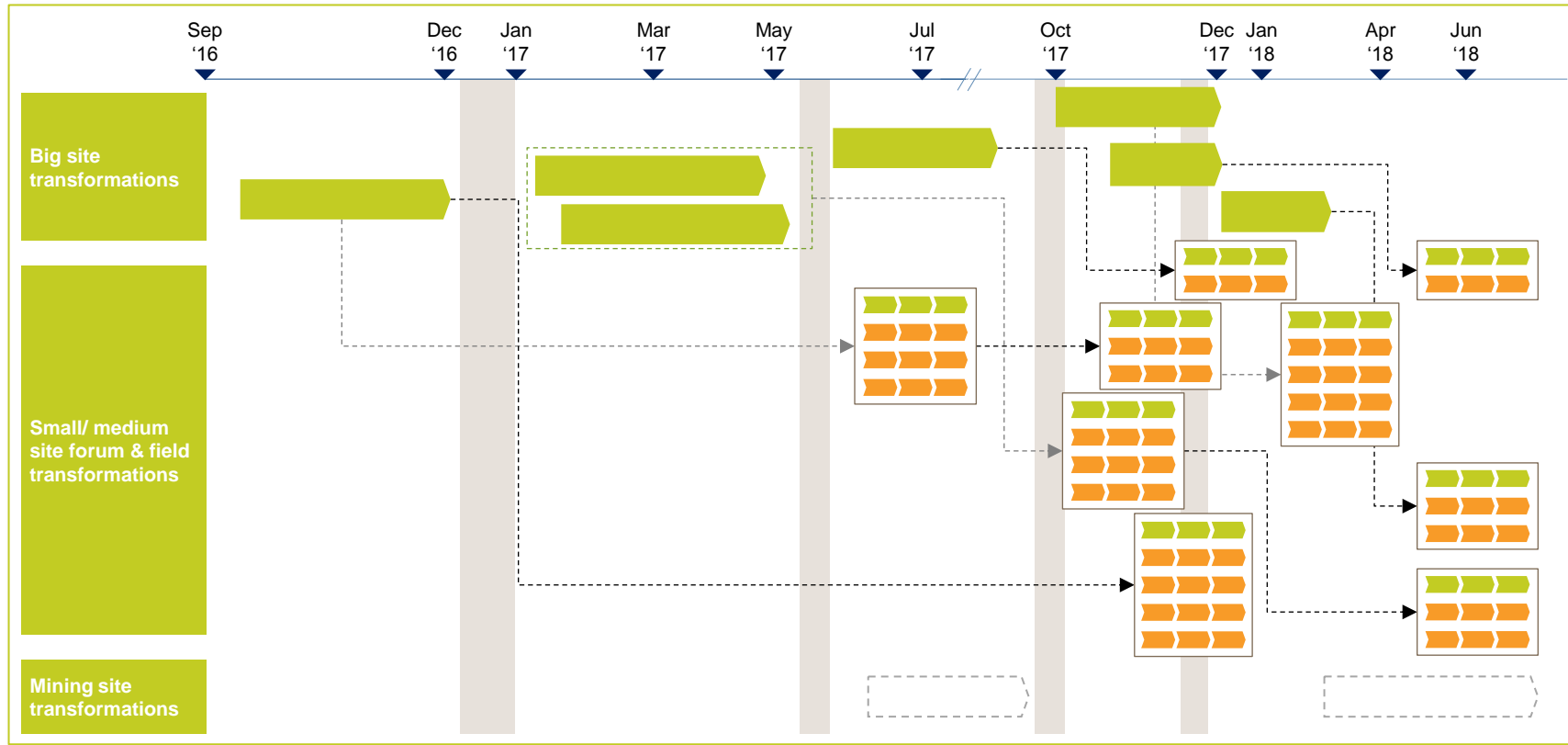
**Cash
benefits**

**Implement-
ation cost**

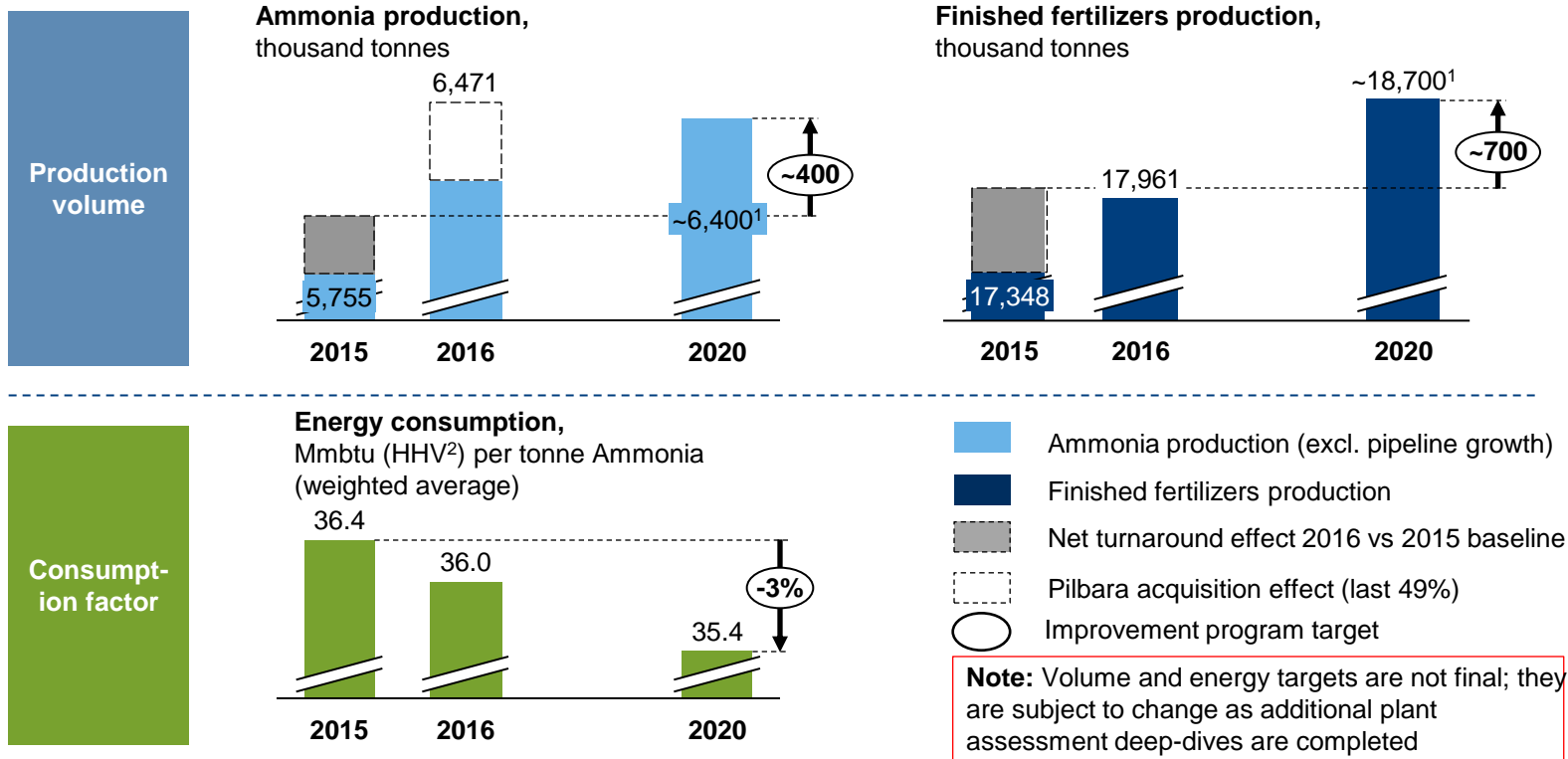


- Sustained capex improvement : Target under development
- One-off working capital release: ~\$125MM
- Total one-off cost ~\$80MM
- Total one-off capex ~\$500MM

YPS roll-out plan

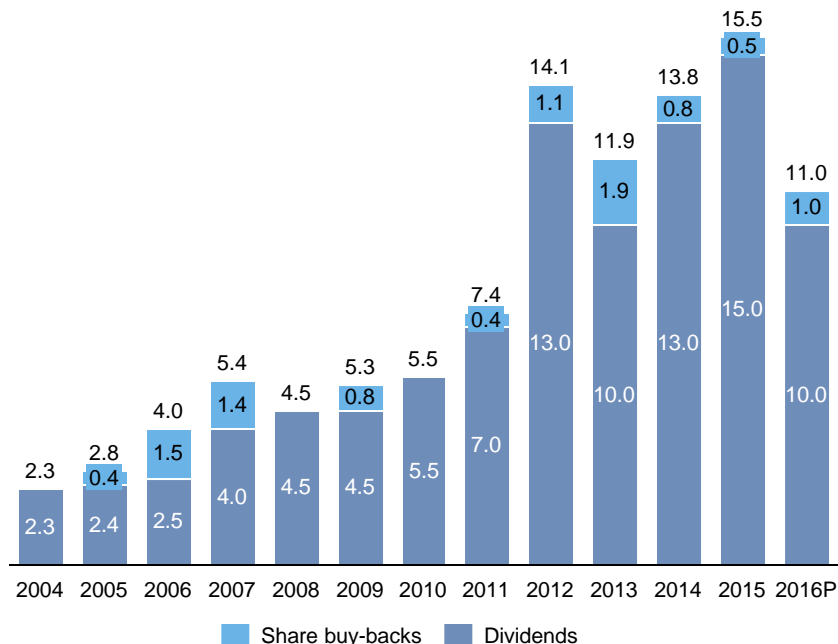


Indicative volume and energy consumption improvement targets



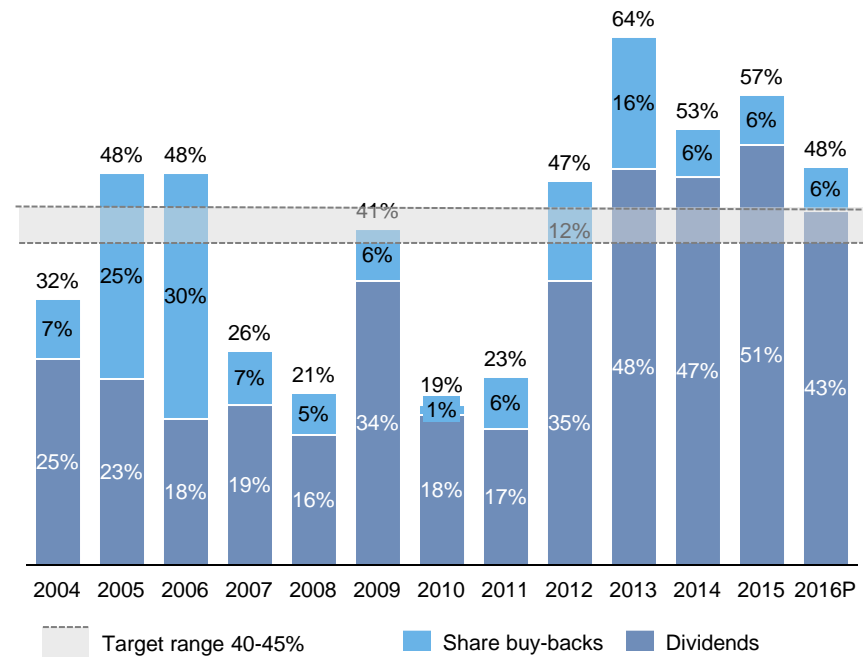
Proposed dividend NOK 10 per share

Dividend and buy-backs¹ per share

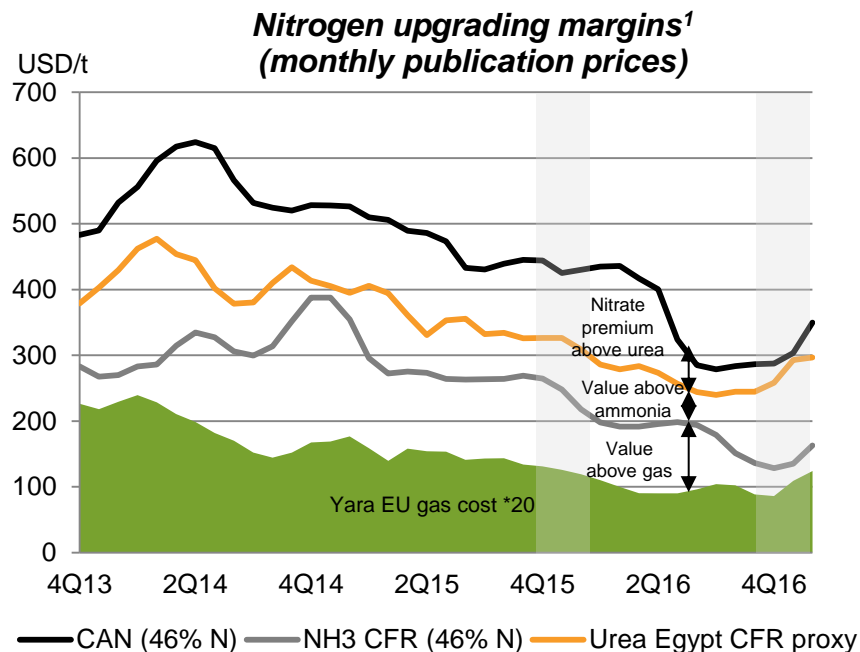


1) Number of shares based on the number of shares receiving dividend

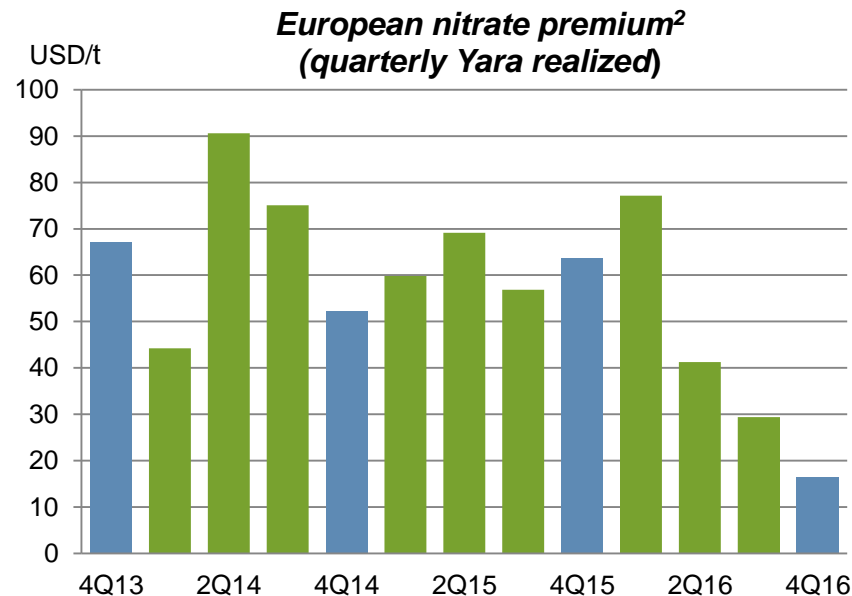
Share of net income



Lower European nitrate premiums in new season

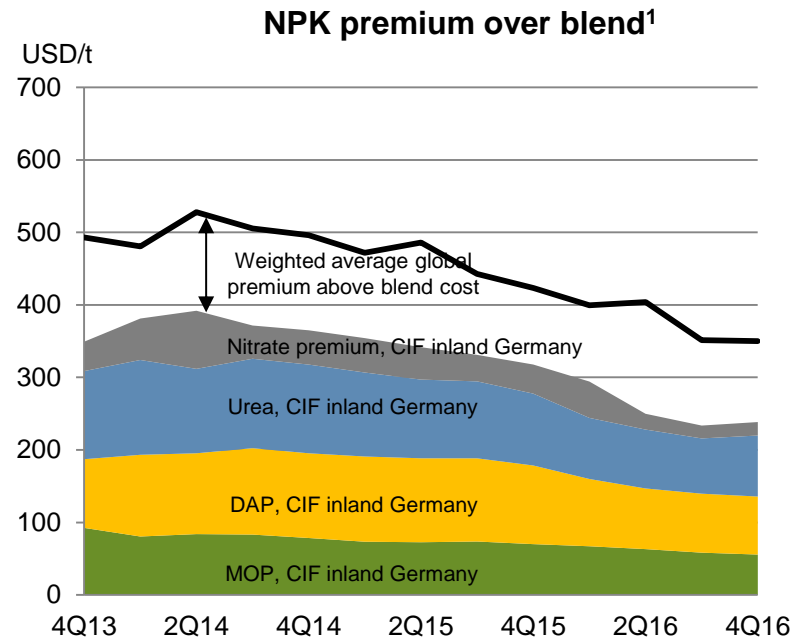
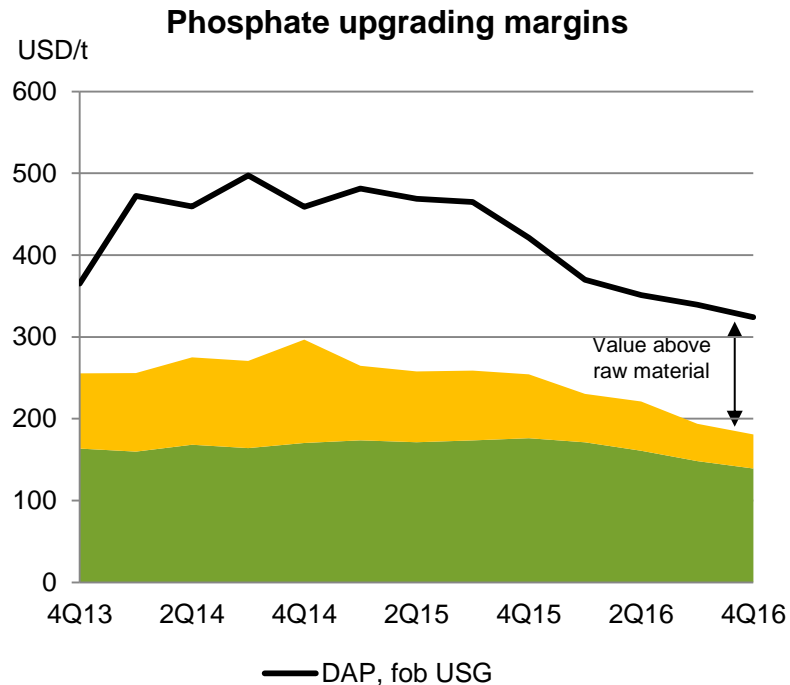


1) All prices in urea equivalents



2) Yara European realized nitrate prices (excl. sulphur grades) compared with urea publication prices (Egypt CFR proxy) with 1 month time lag. All numbers in USD per tonne of CAN equivalents.

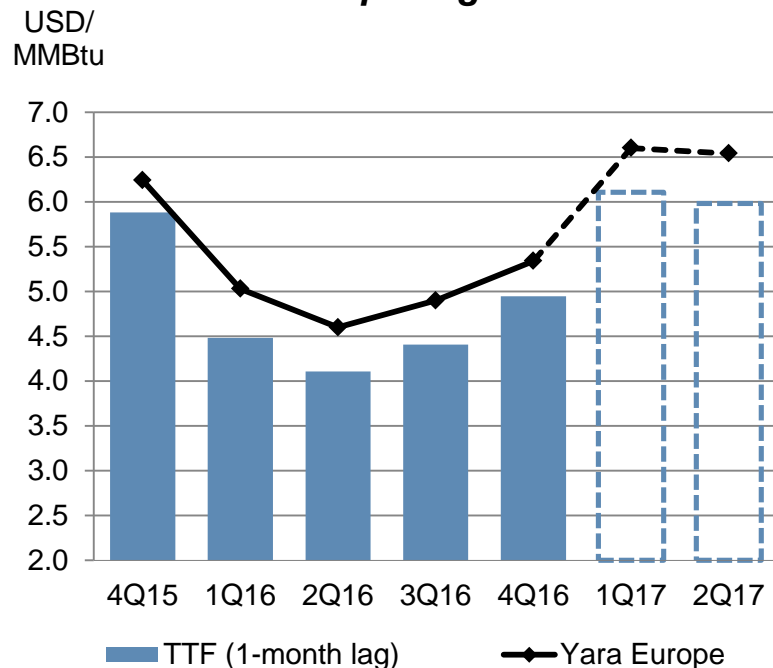
Lower commodity phosphate margins, solid compound NPK premiums



1) Export NPK plants, average grade 19-10-13, net of transport and handling cost.

Natural gas cost in Europe

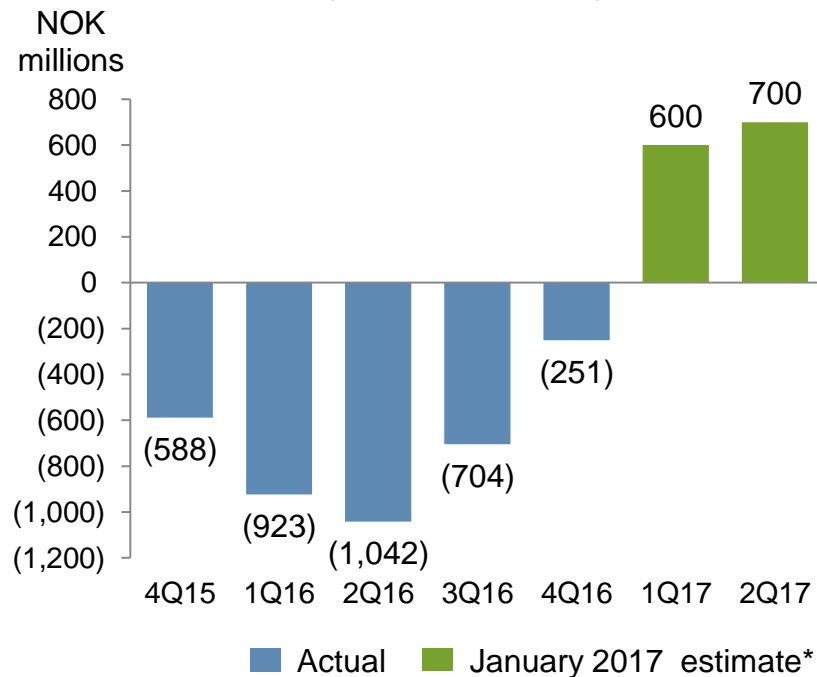
Yara European gas & oil cost



*Dotted lines denote forward prices as of 31 January 2017

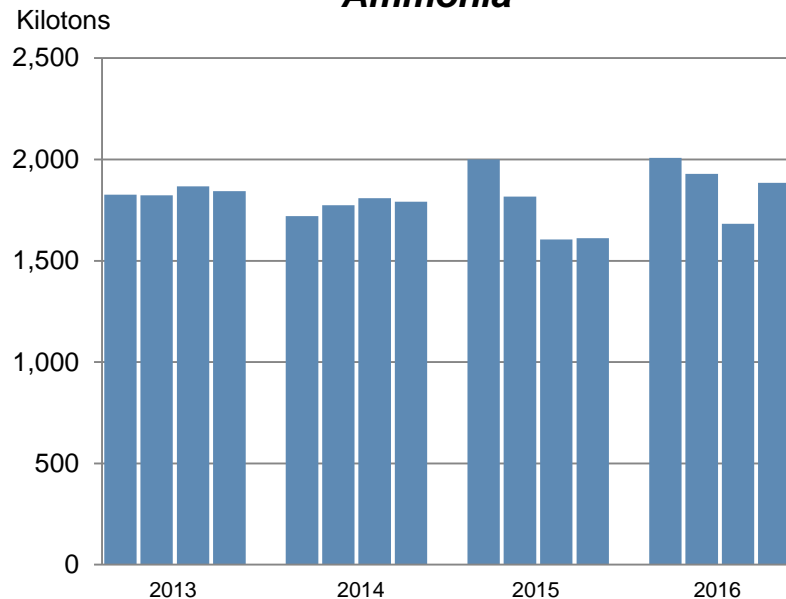
Source: Yara, World Bank, Argus/ICIS Heren

Change in spot energy cost

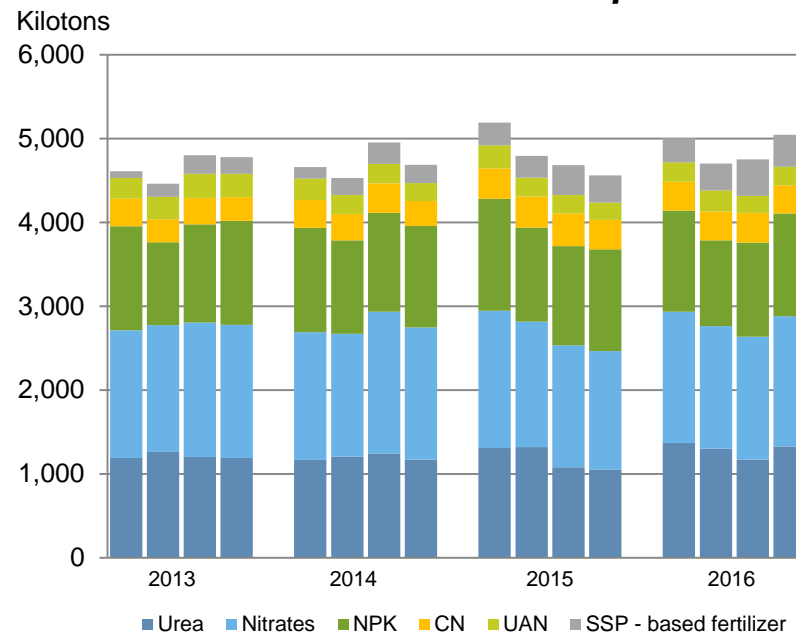


Production

Ammonia¹



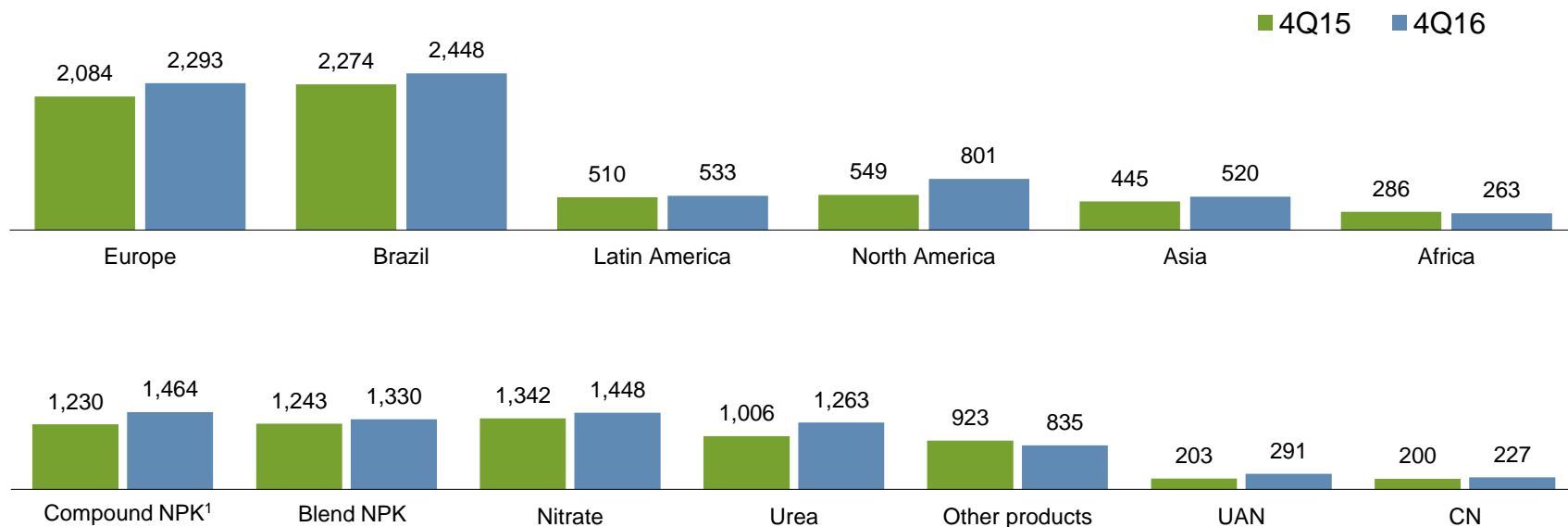
Finished fertilizer & industrial products¹



1) Including share of equity-accounted investees

Yara 4Q fertilizer deliveries by market and product

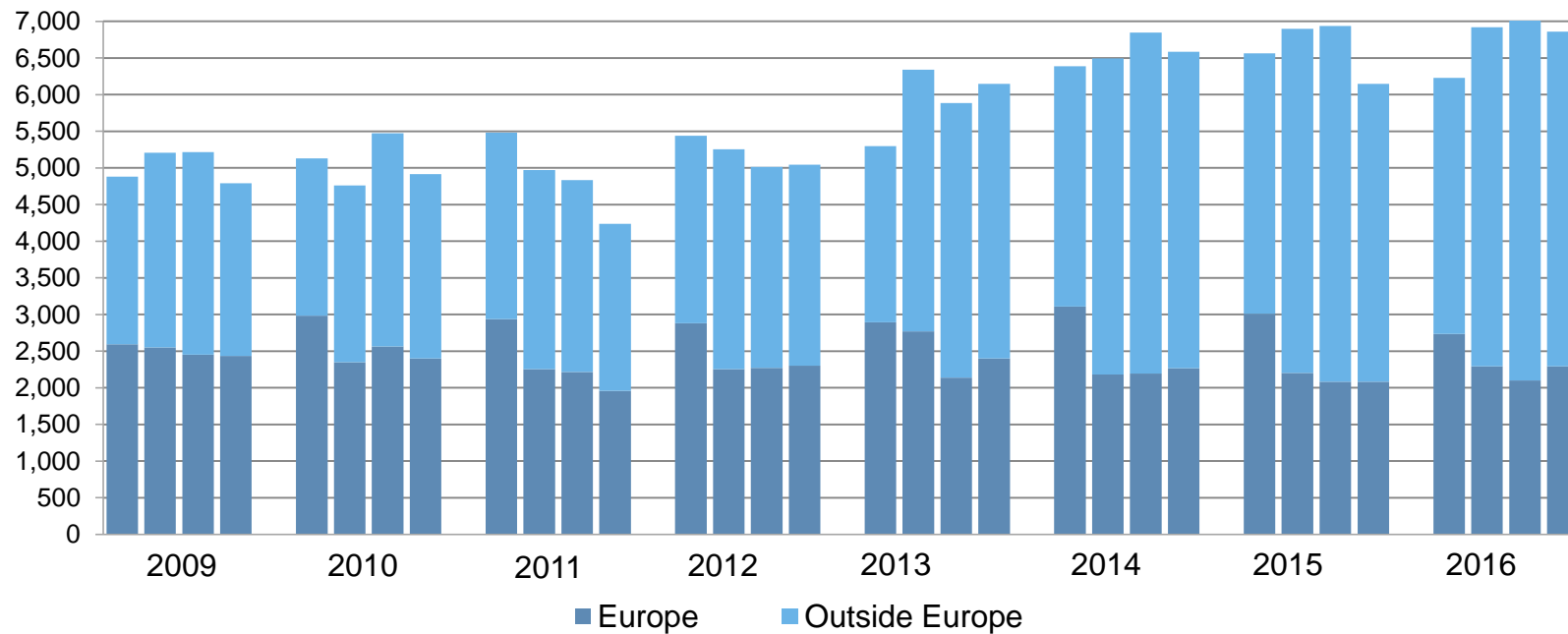
Kilotons



1) Yara-produced compound NPK and third party sourced (Total NPK minus blend NPK)

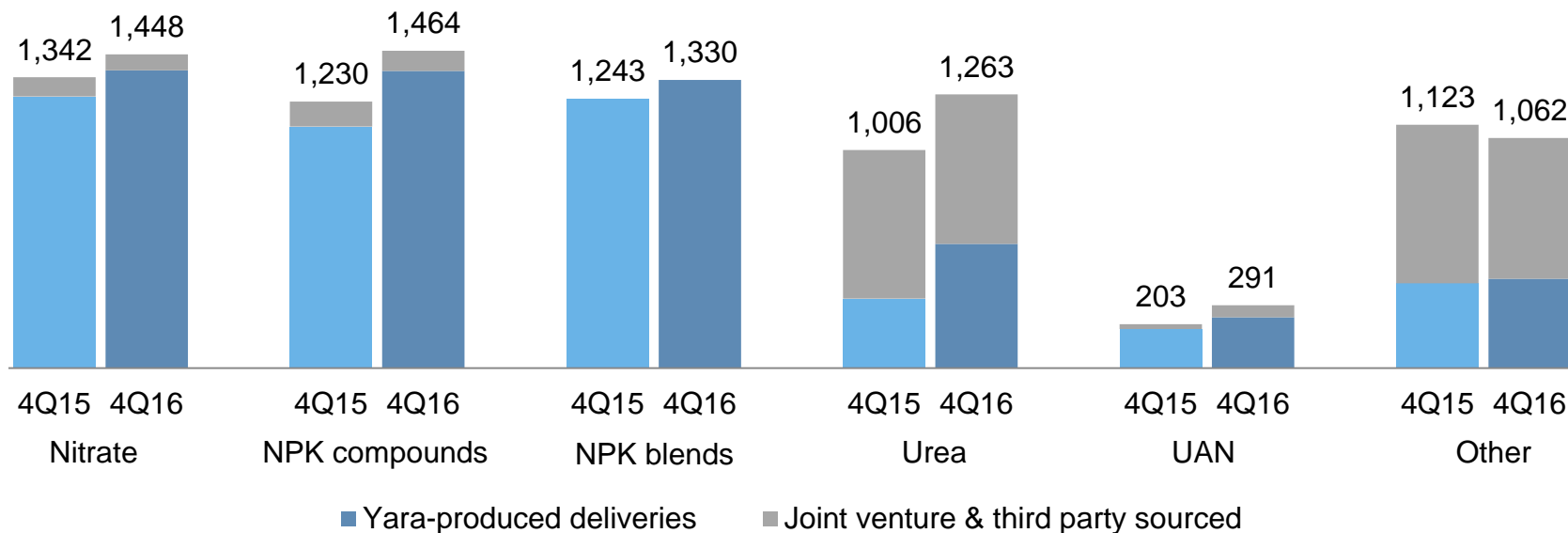
Fertilizer deliveries

Kilotons

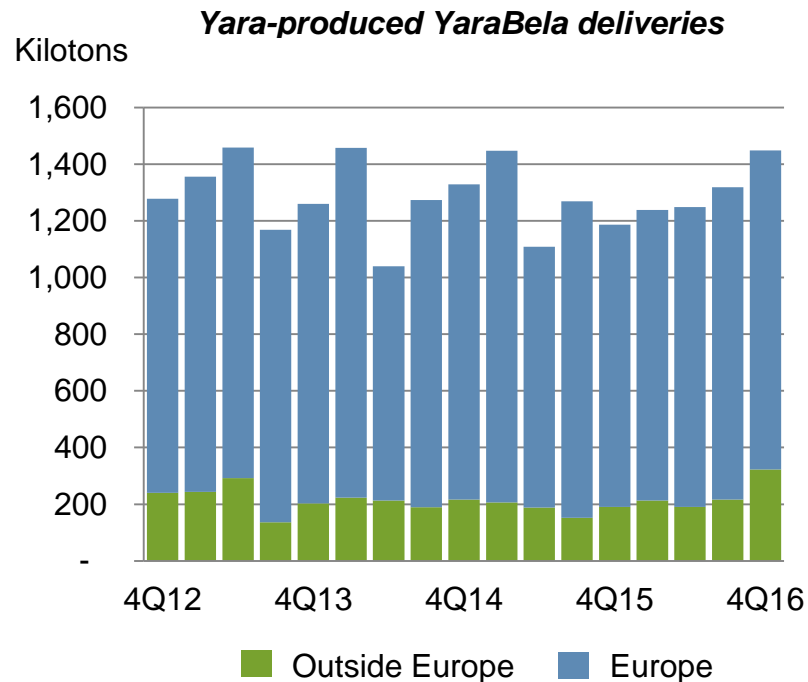
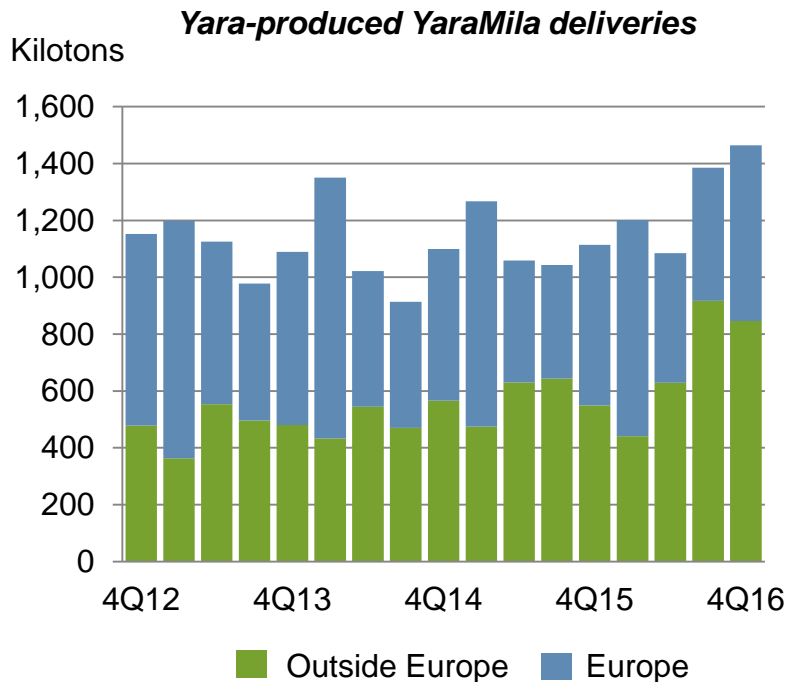


Fertilizer deliveries by product and source

Kilotons

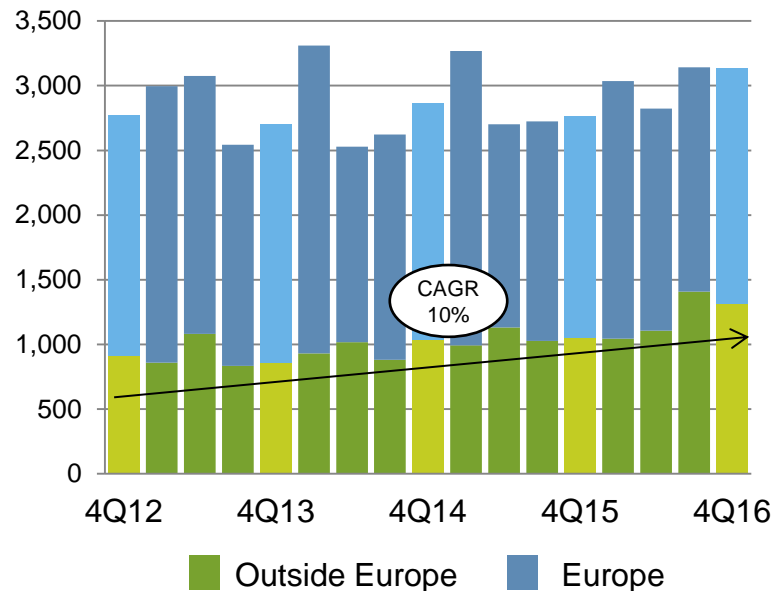


YaraMila (compound NPK) and YaraBela (nitrate) deliveries



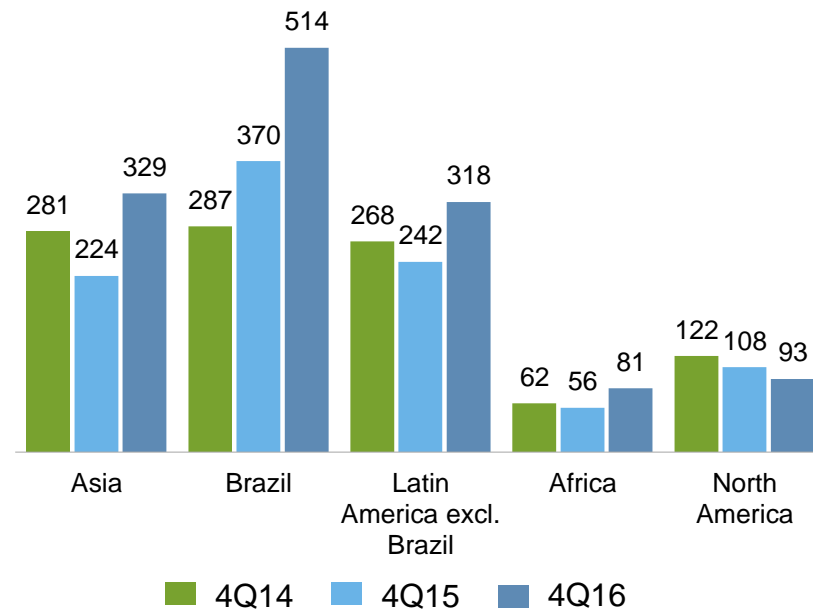
Strong premium product deliveries

Value-added fertilizer deliveries¹



1) YaraBela, YaraMila and YaraLiva deliveries

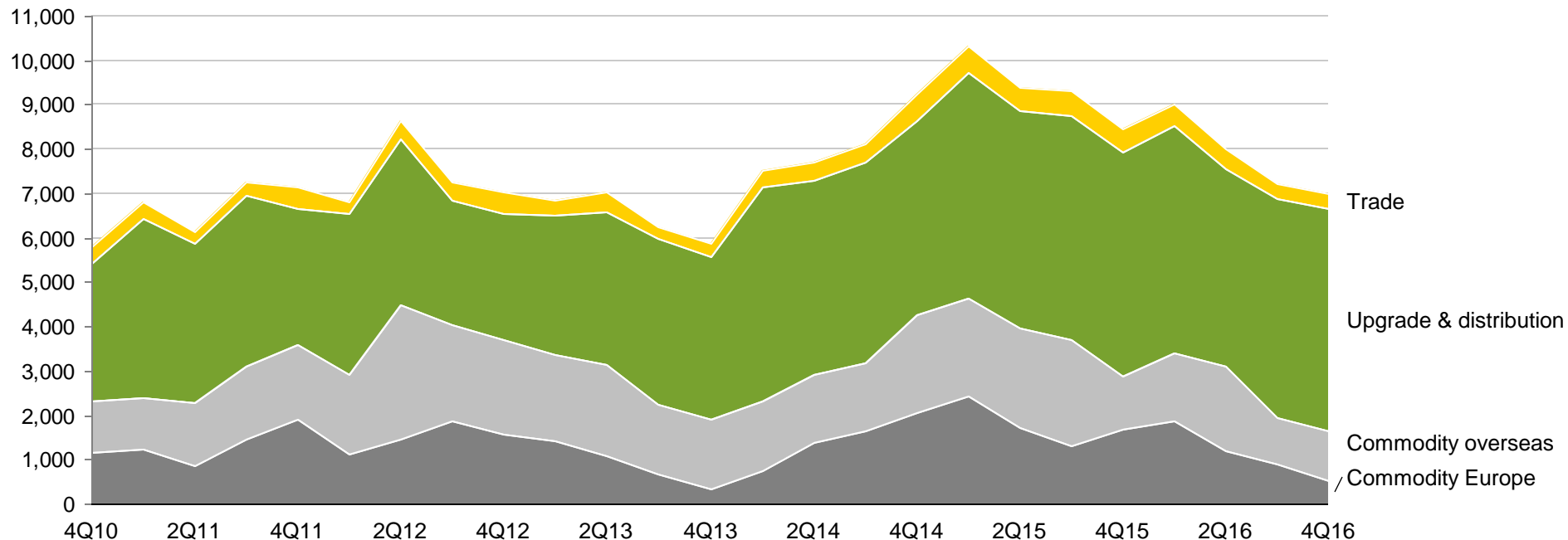
Value-added fertilizer deliveries¹



Value-added and distribution make up larger part of Yara's contribution

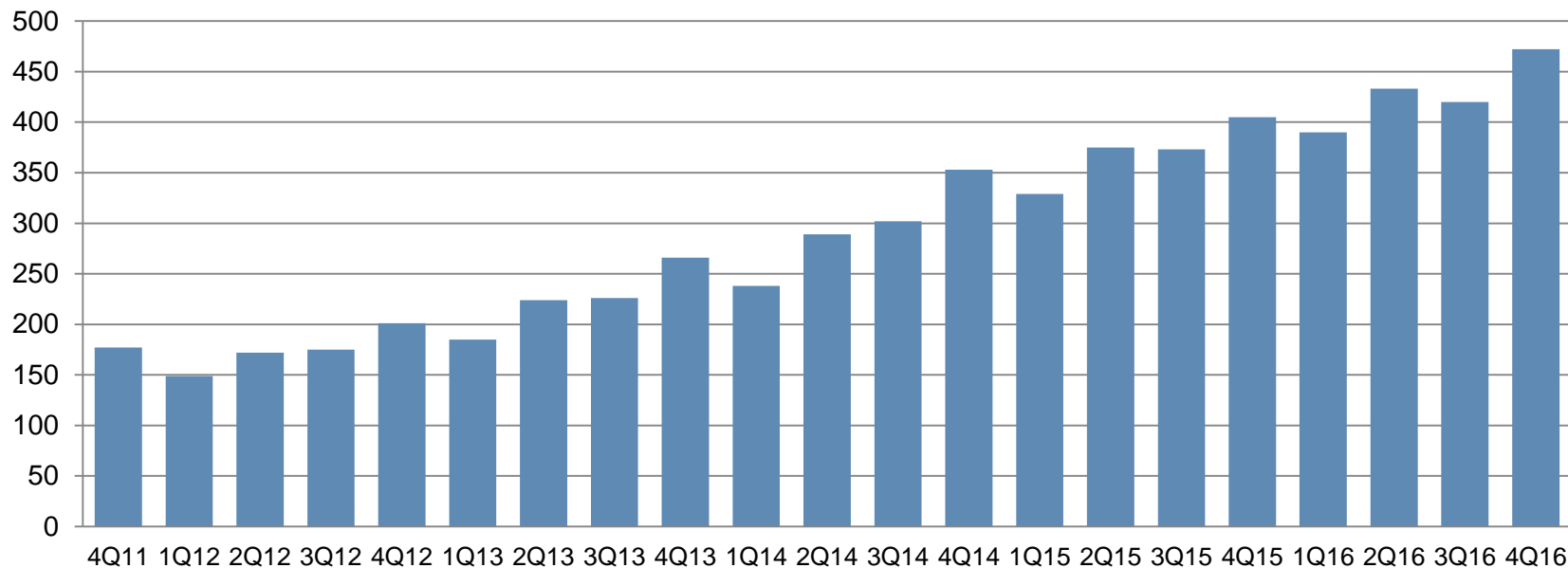
NOK millions

Total Yara contribution

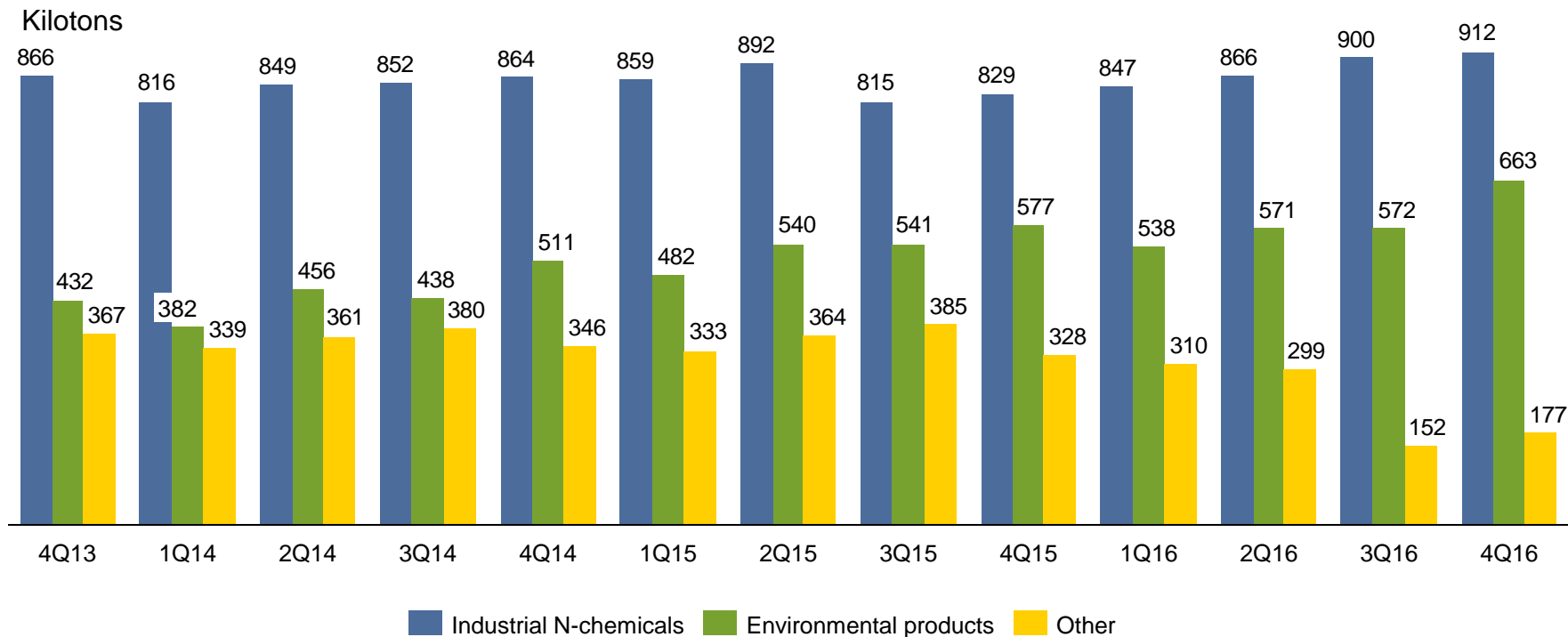


AdBlue deliveries

Kilotons

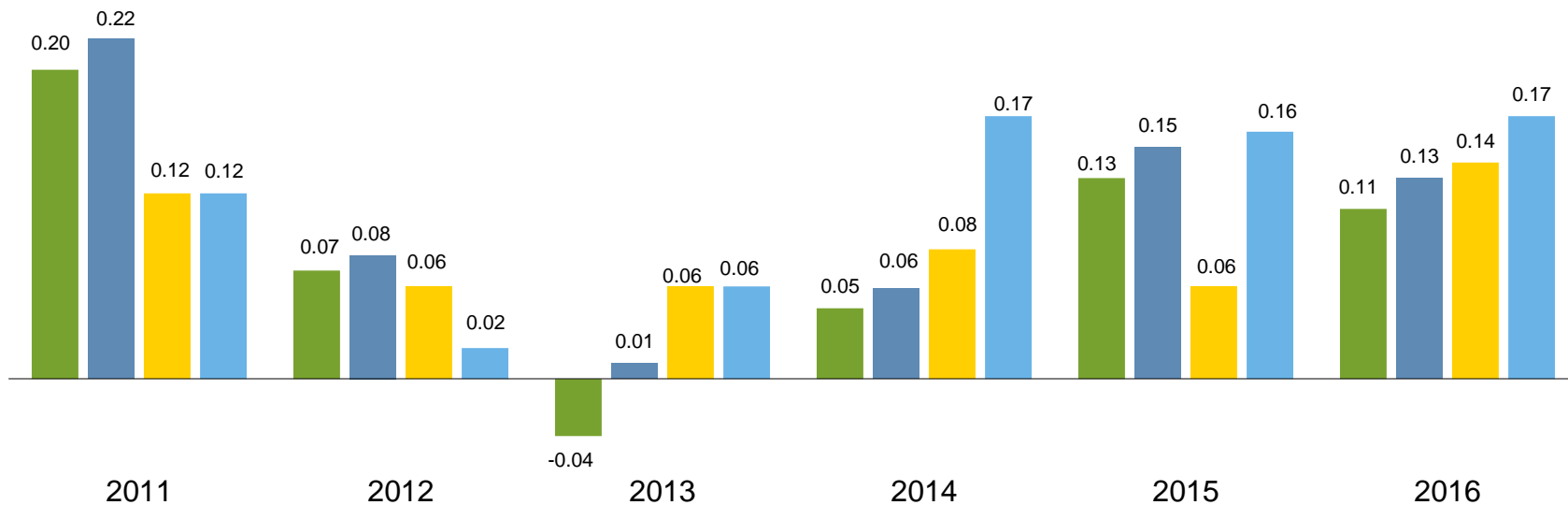


Industrial volume development



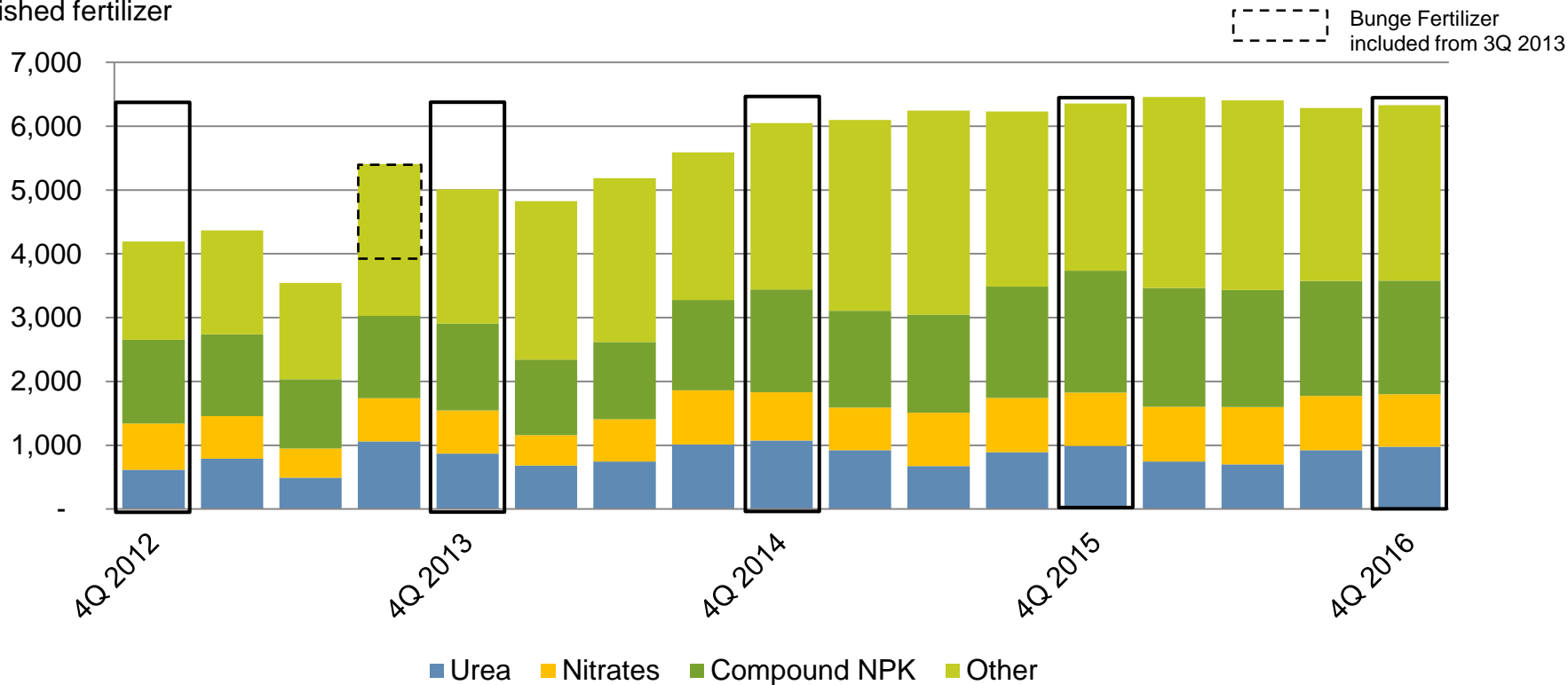
Debt/equity ratio

Net interest-bearing debt / equity ratio (end of period)



Yara stocks

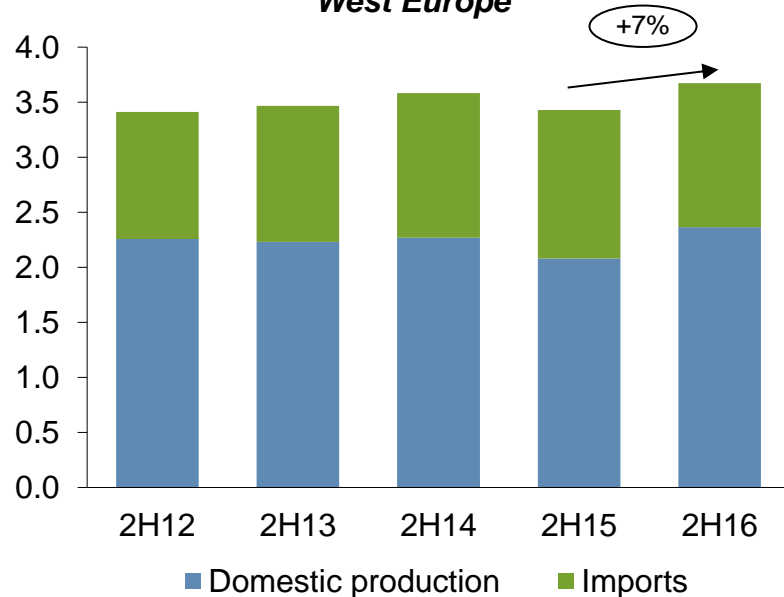
Kilotons
Finished fertilizer



Strong deliveries in Europe, slow in USA

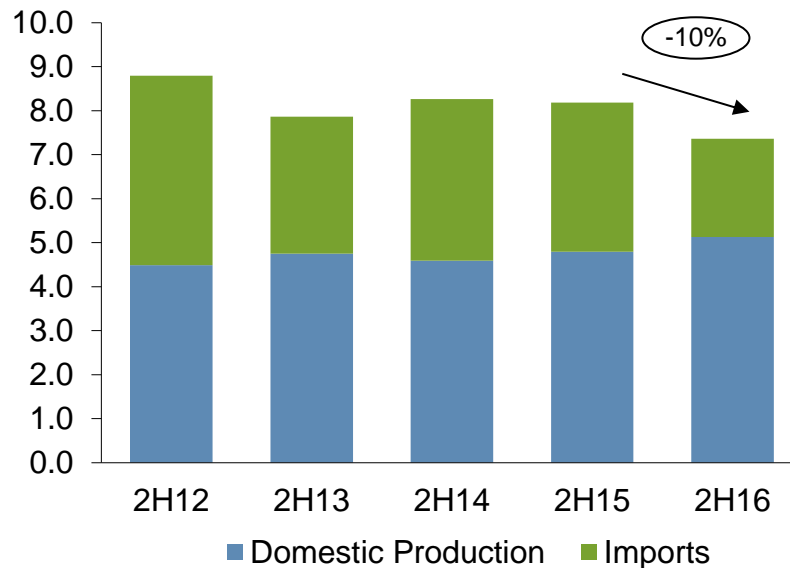
Million tons nitrogen

West Europe



Million tons nitrogen

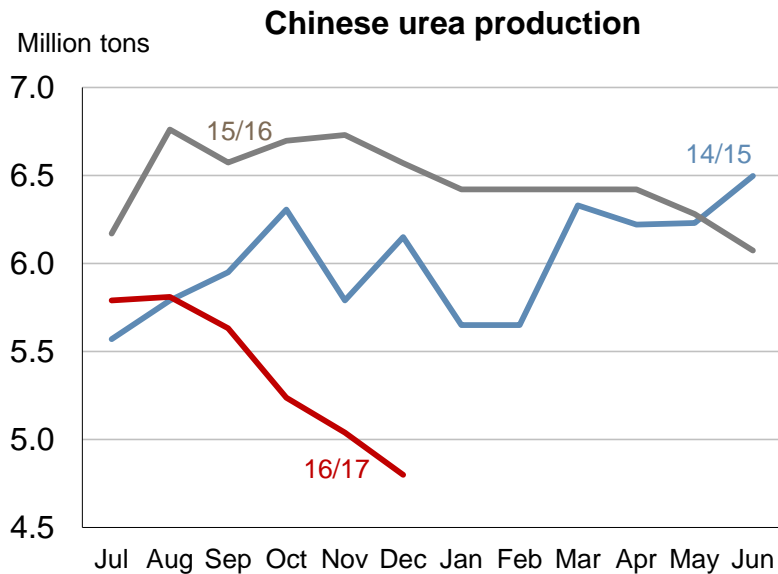
USA



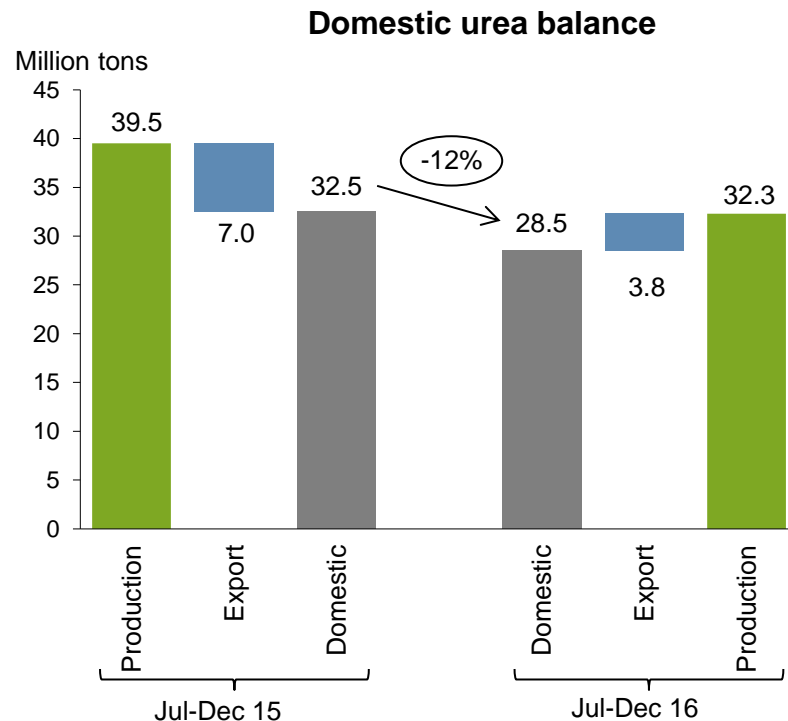
Source: Yara estimate for fertilizer deliveries to selected West European countries.

Total nitrogen deliveries based on TFI, US Trade Commission, Blue-Johnson and Yara estimates

Chinese urea production suffering from increased production costs



Source: CFMW



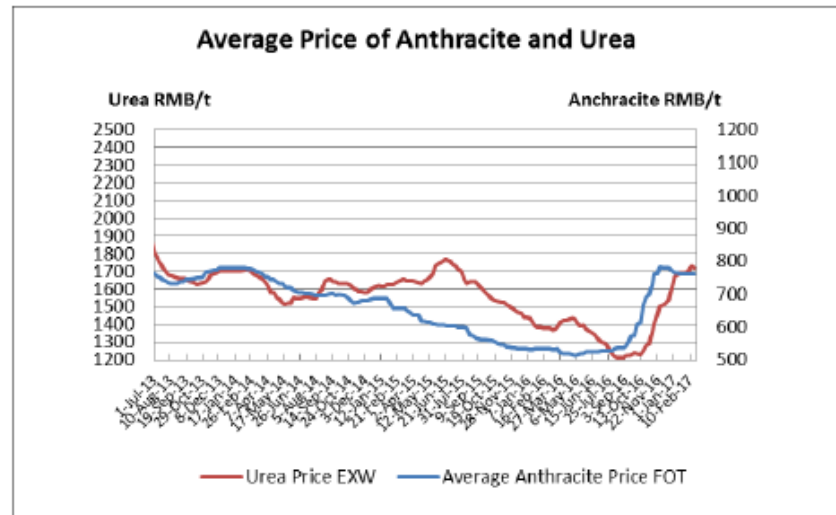
Coal price development

South China coal (April 2017 contract, (\$/mt)

CPJ17 - ICE South China Coal - Daily Line Chart

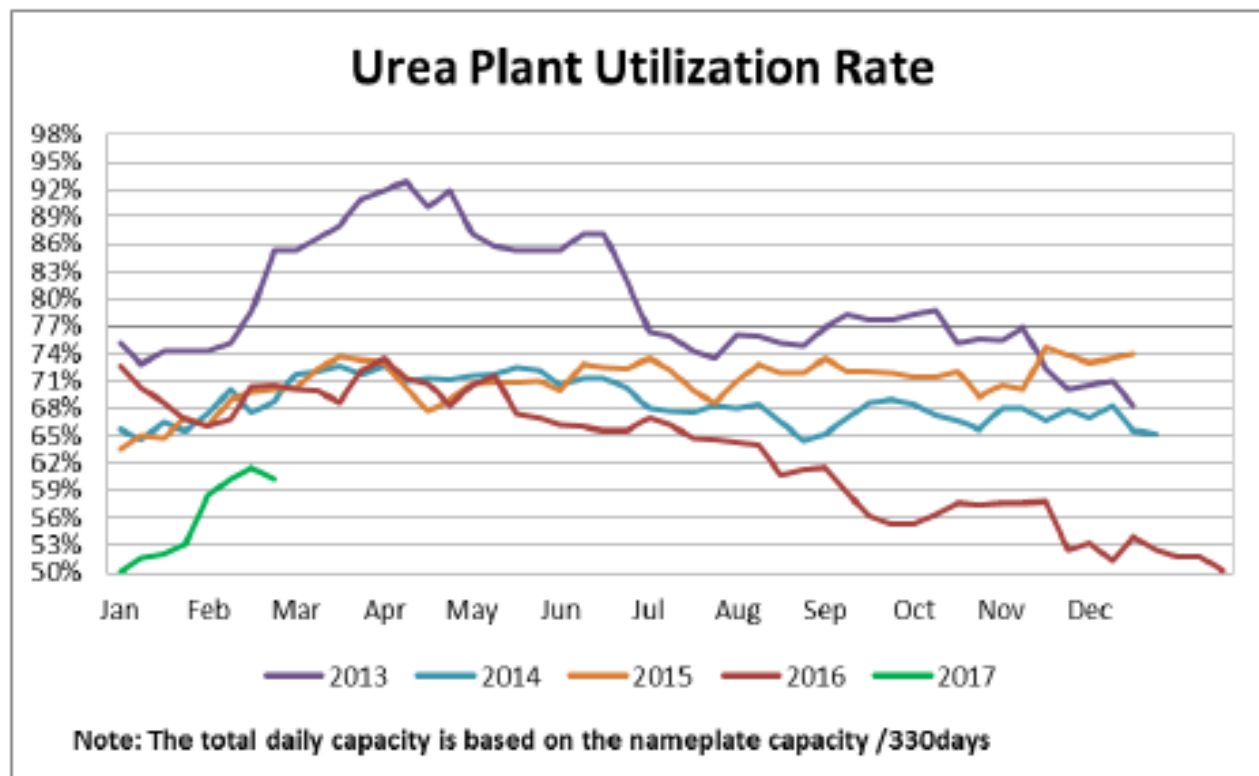


China anthracite and urea prices January 2017 (RMB/mt)



Source: Ice, China Fertilizer Market Weekly

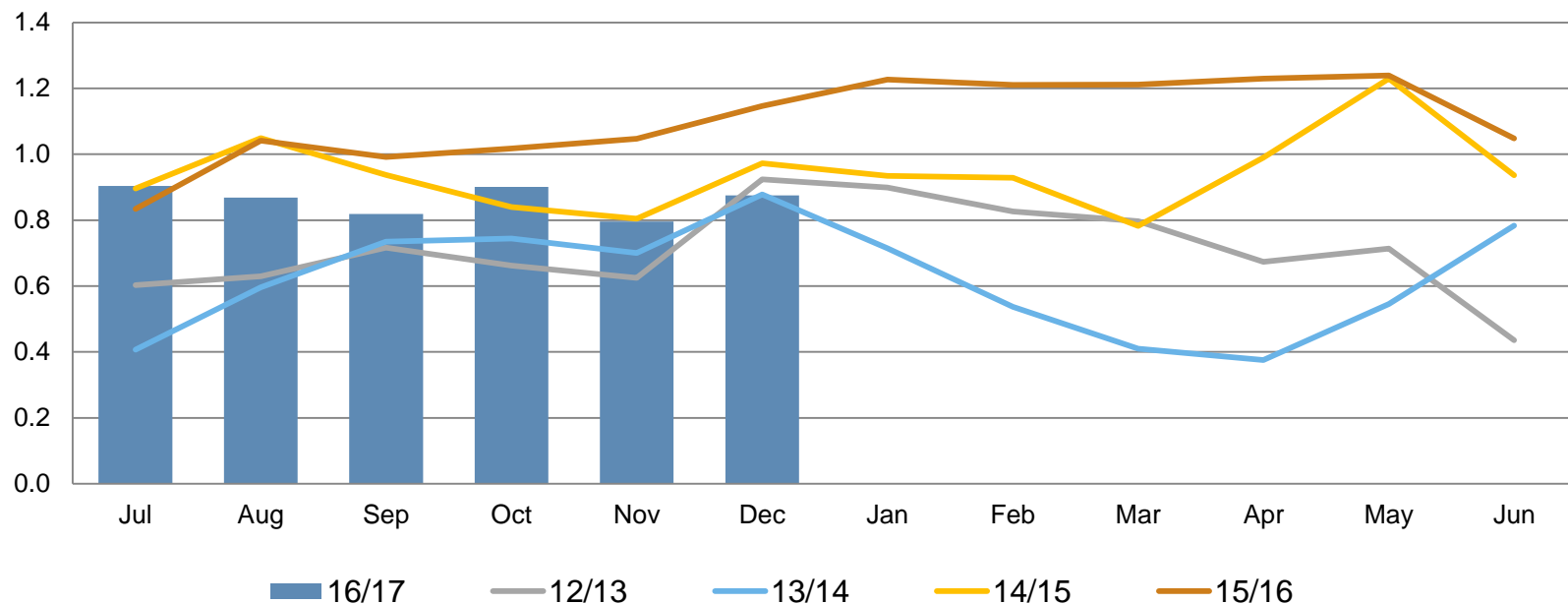
Reported utilization rates



Source: China Fertilizer Market Weekly

European producers' nitrate stocks

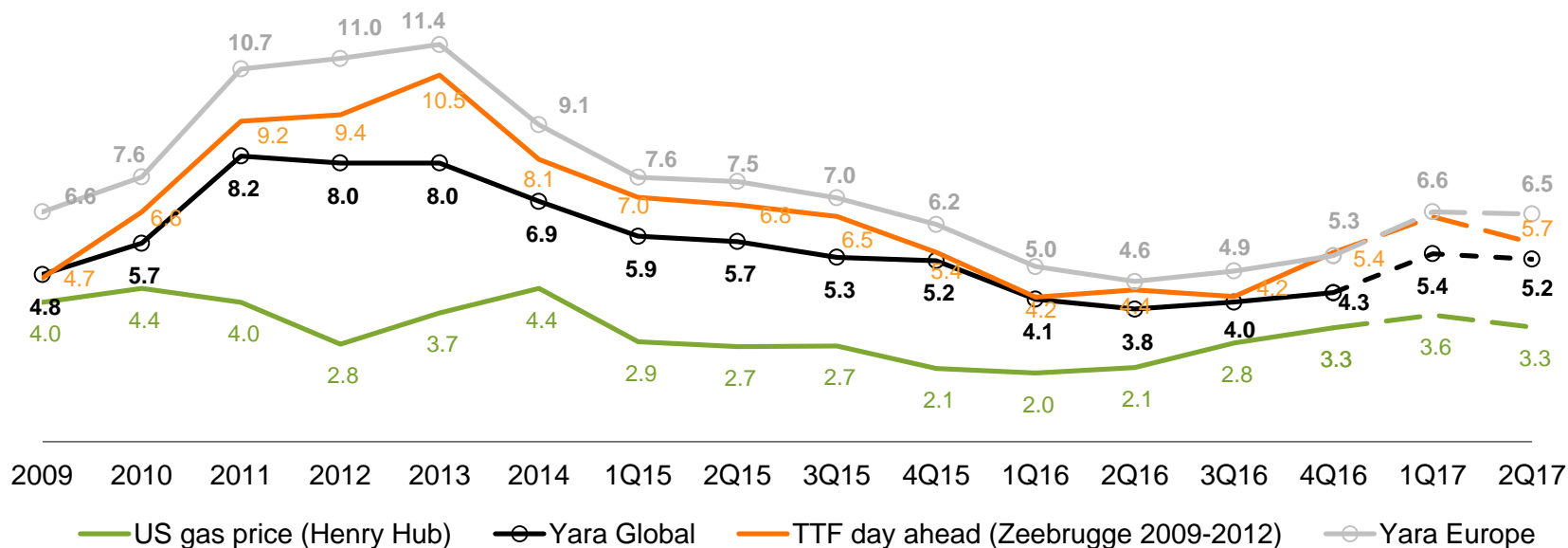
Index
June 2007 = 1



Source: Fertilizers Europe, Yara estimate for December

Energy cost

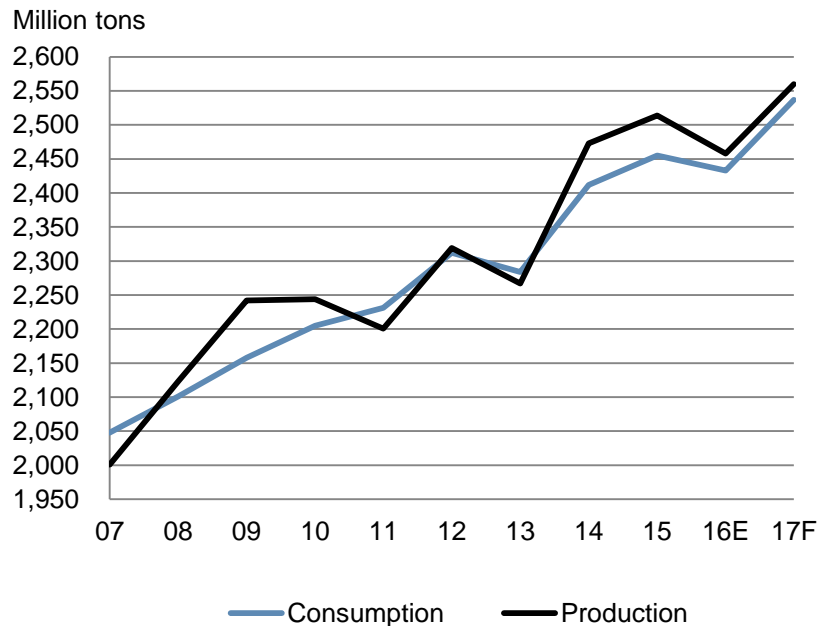
Yearly averages 2009 – 2014, quarterly averages for 2015-16 with forward prices* for 1Q17 and 2Q17.



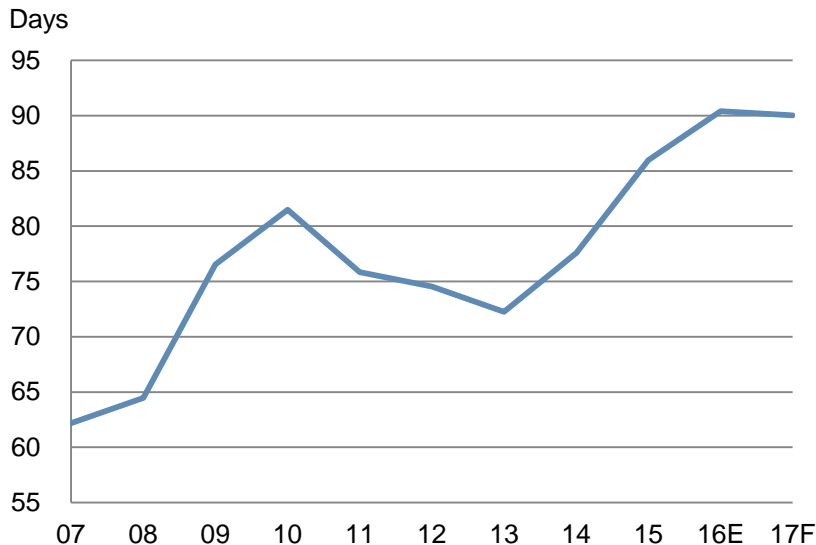
*Dotted lines denote forward prices as of 31 January 2017
Source: Yara, World Bank, Argus/ICIS Heren

Balanced grain market forecasted for this season, stable stock-to-use ratio, despite a record crop

Grain consumption and production



Days of consumption in stocks



Source: USDA January 2017

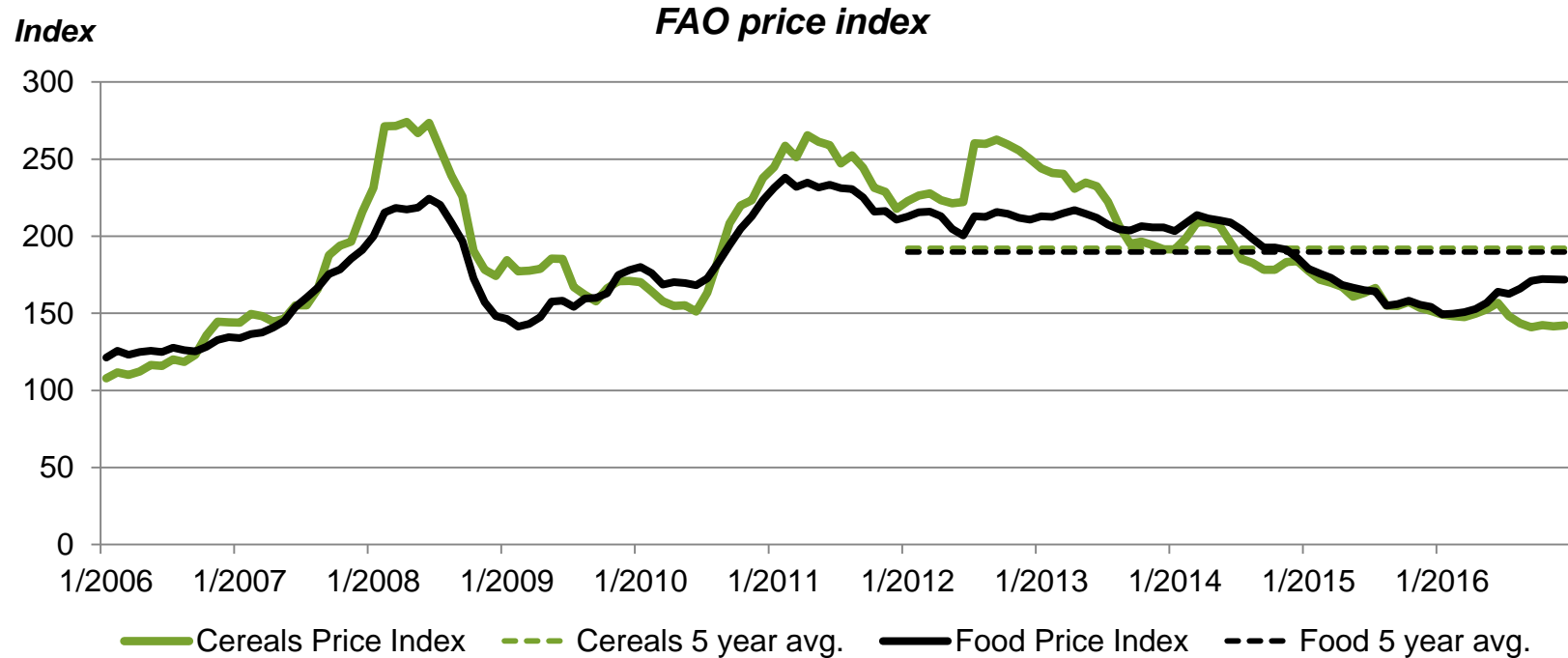
Non-commercials' net long position in corn

Thousand contracts



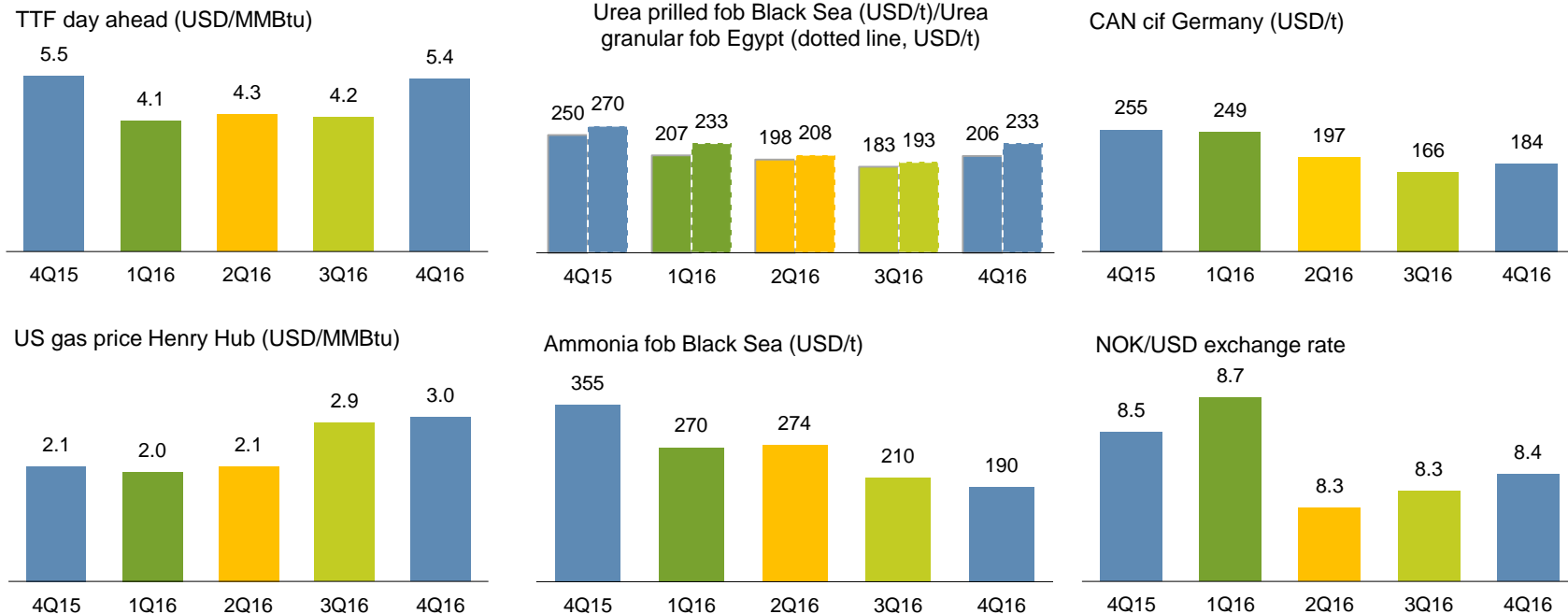
Source: US Commodity Futures Trading Commission

Weak grain production economics, affecting particularly P and K demand



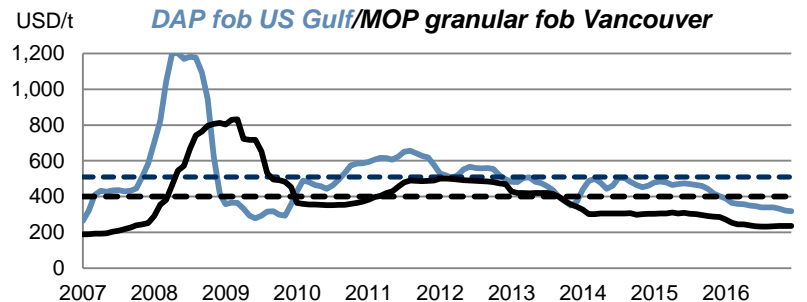
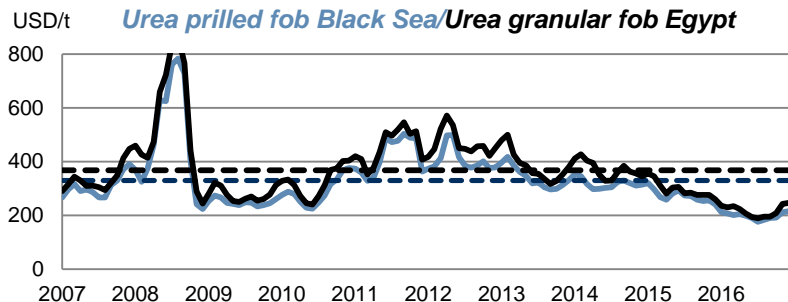
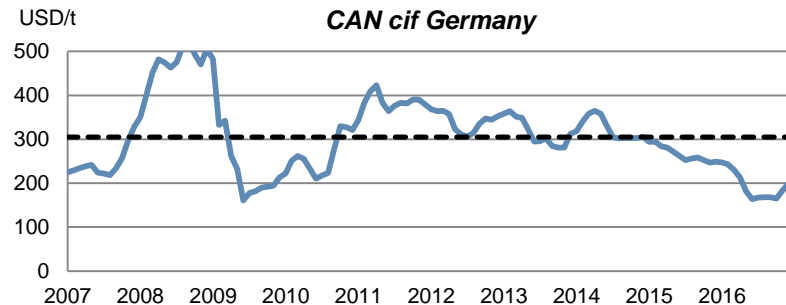
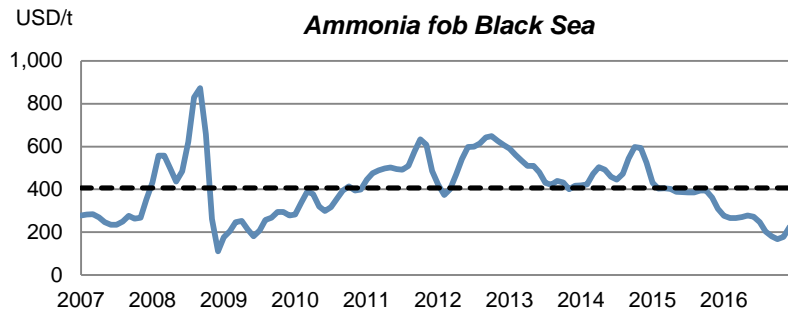
Source: FAO

Key value drivers – quarterly averages



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

10-year fertilizer prices – monthly averages



--- Average prices 2007 - 2016