



Knowledge grows

Yara International ASA

Company Presentation

8-9 December 2014

Agenda

- **Group overview**
- Market fundamentals
- Business strategy
- Financial policy and funding

Appendix

Yara at a glance

Established as Norsk Hydro in 1905, demerged as Yara International ASA in 2004

Revenues and other
income (2013)

**NOK 85.1
Billion**

Number of employees
> 10 000

Operations in more than
50 countries

Sales to about
150 countries

**23.7 million tons
Fertilizer**

**3.2 million tons
Industrial products**

**1.9 million tons
Environmental
solutions**

Key Financials (2013)

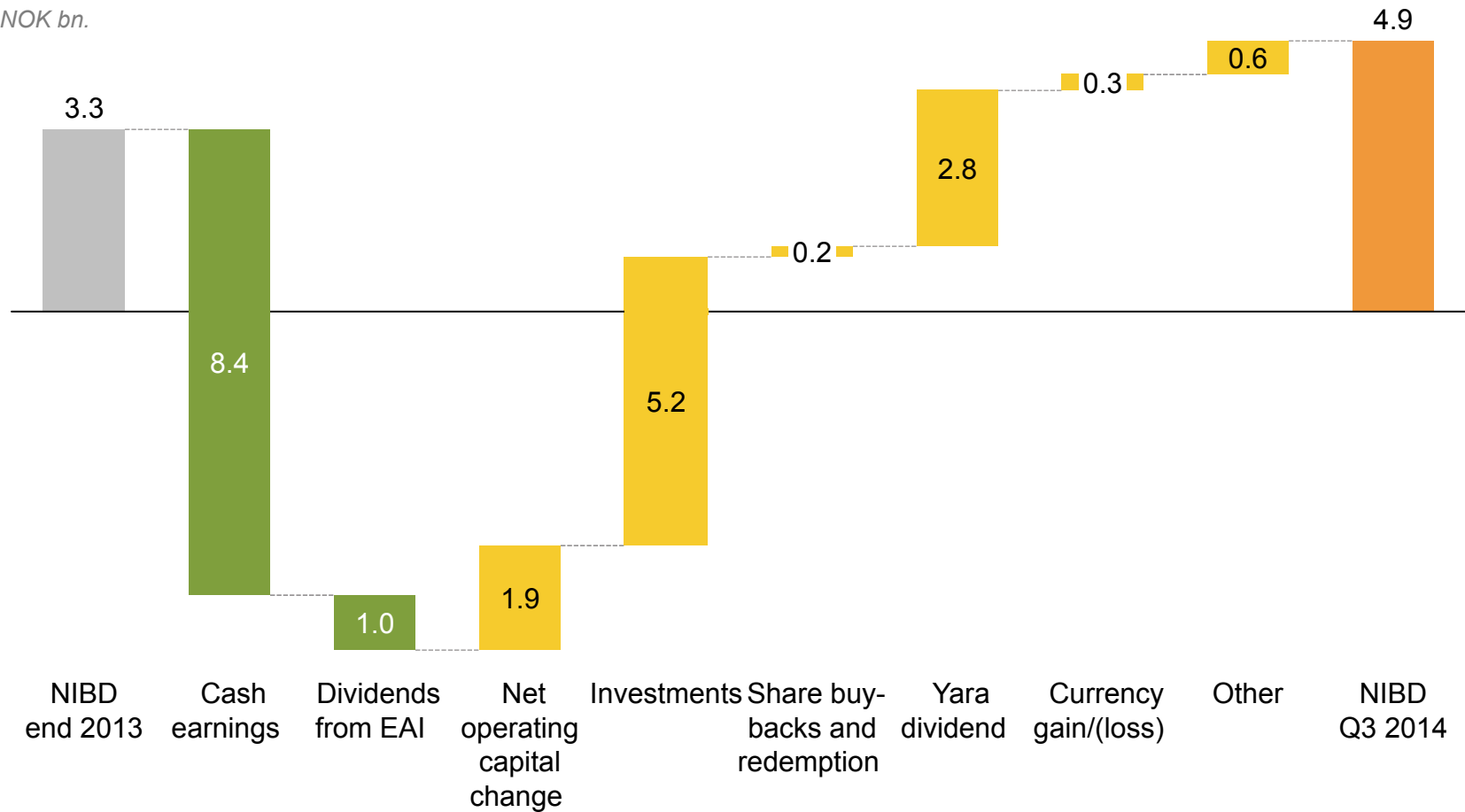
EBITDA	13.2 BNOK
Net inc. before tax	5.7 BNOK
CROGI	12.6 %
Total Assets	89.0 BNOK

Financial strength (Oct. 2014)

Debt/equity	0.08
Credit Rating	BBB/Baa2
Market value	84.0 BNOK

Strong cash flow in 2014

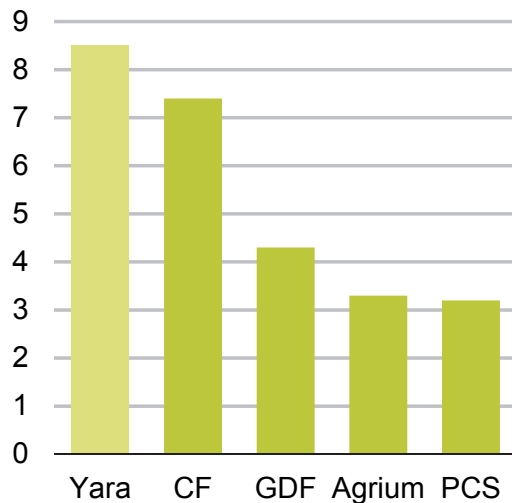
NOK bn.



Yara – the leader in ammonia and value-added nitrogen fertilizers

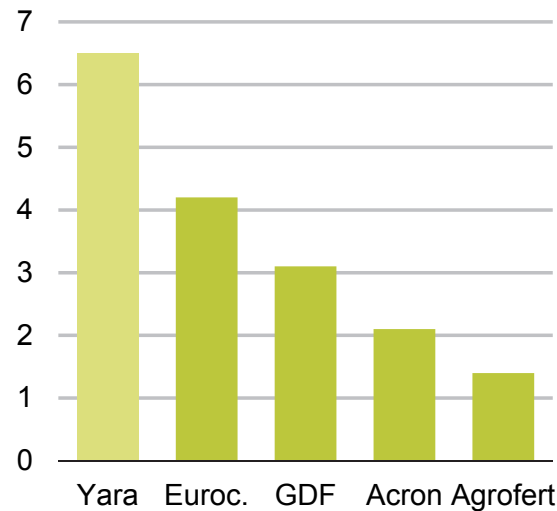
Grain Global no 1 in ammonia

Production capacities¹ (mill. tonnes)



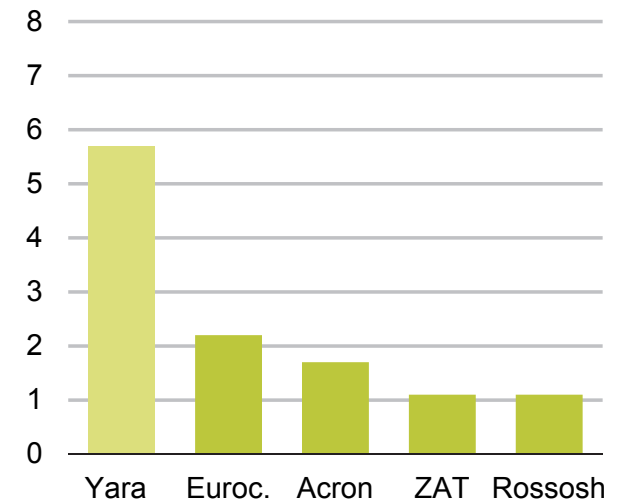
Source: Yara & Fertecon

Grain Global no 1 in nitrates



Source: Fertilizer Europe

Global no 1 in NPK (complex fertilizer)



Source: Fertilizer Europe

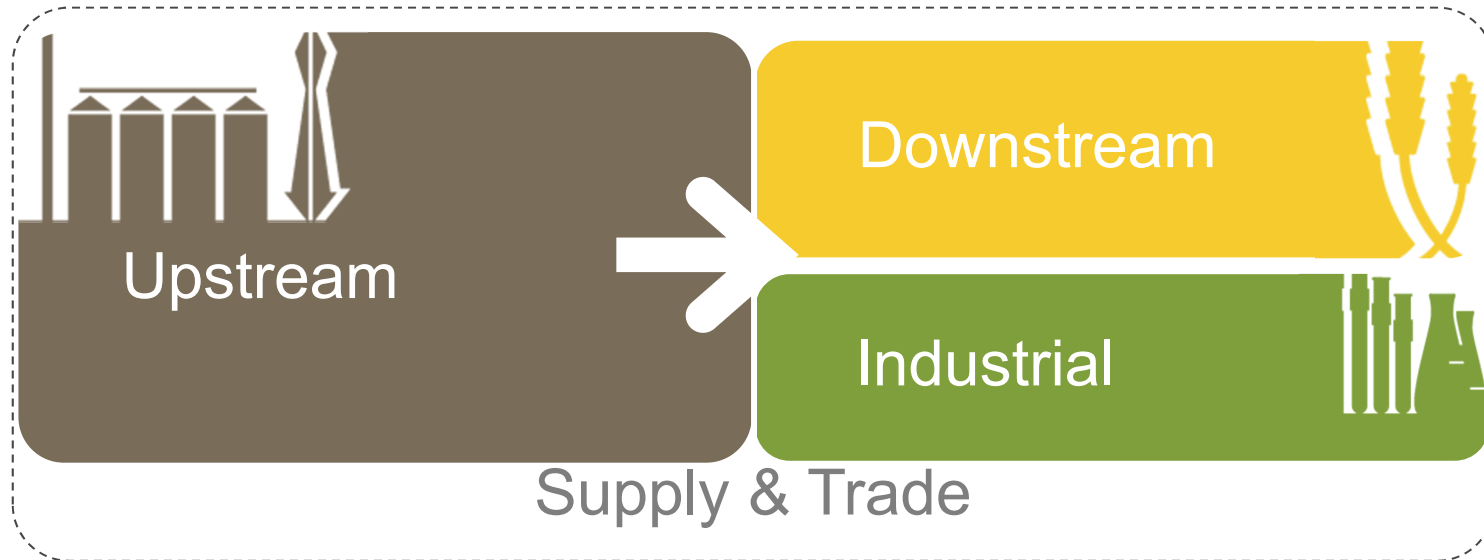
Excluding China



1) Incl. companies' shares of JVs



Yara operates an integrated business model with leading positions globally



Scale
advantages

+

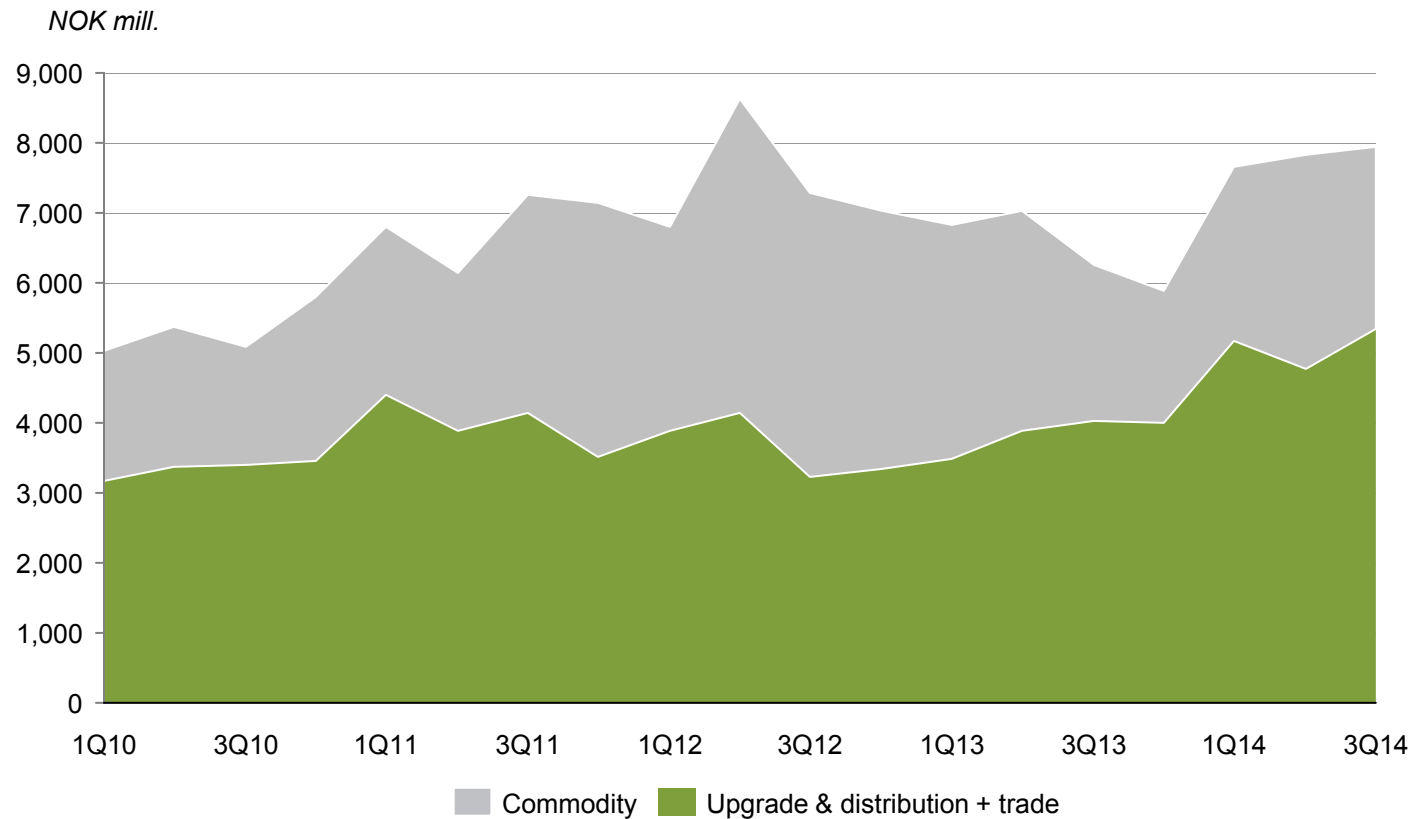
Unique
flexibility

+

Unrivalled
presence

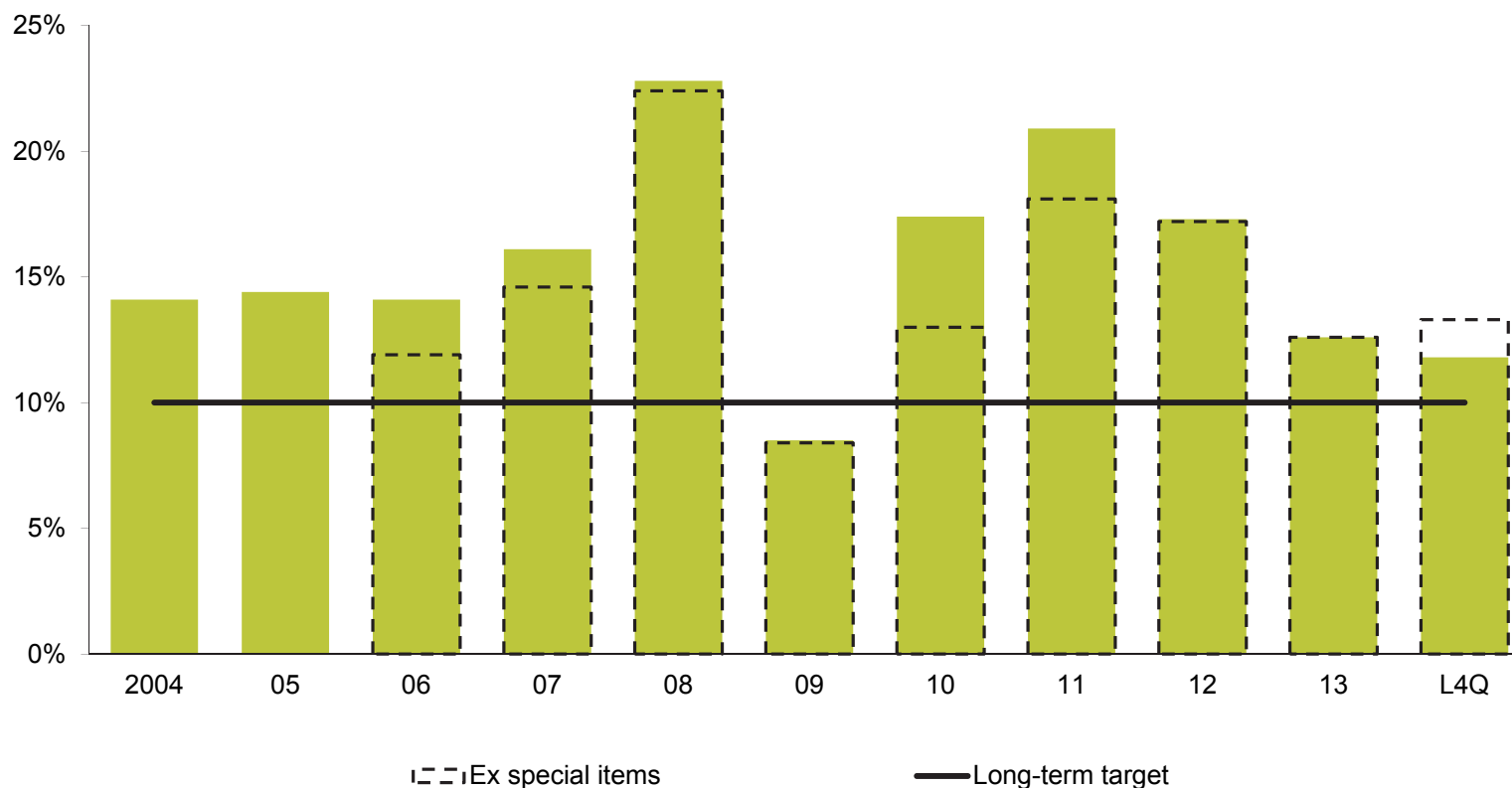
Resilience in earnings through upgrade of commodity products

Contribution margin



Strong returns and solid balance sheet through the cycle

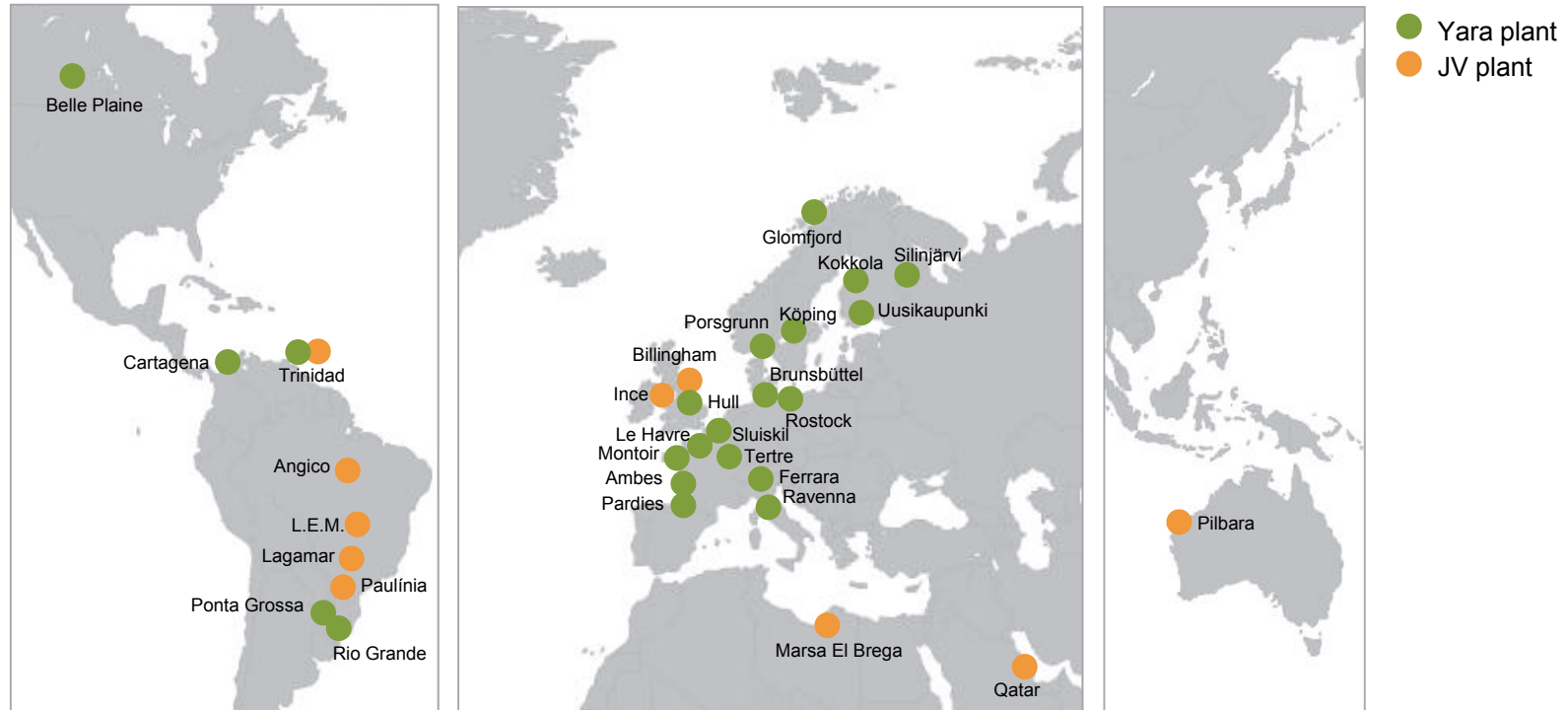
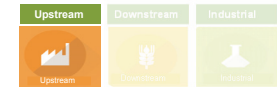
CROGI¹ (12 months rolling average)



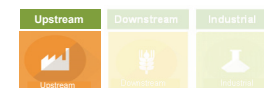
- 1) Cash Return on Gross Investment= (EBITDA-tax)/Gross accumulated investments
- 2) Net interest bearing debt / book value of equity end of period



Scale and flexibility in production

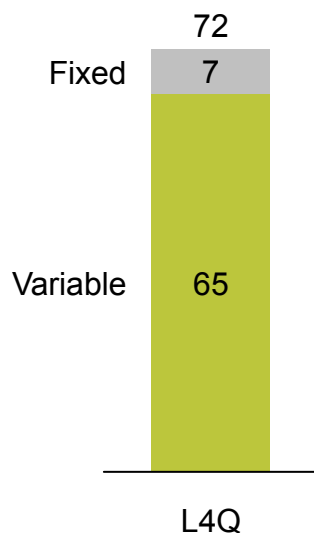


	Ammonia	Urea	Nitric acid	Nitrates	NPK	SSP
<u># of sites</u>	17	9	17	11	8	4



Yara's high ammonia and cost flexibility gives downside protection

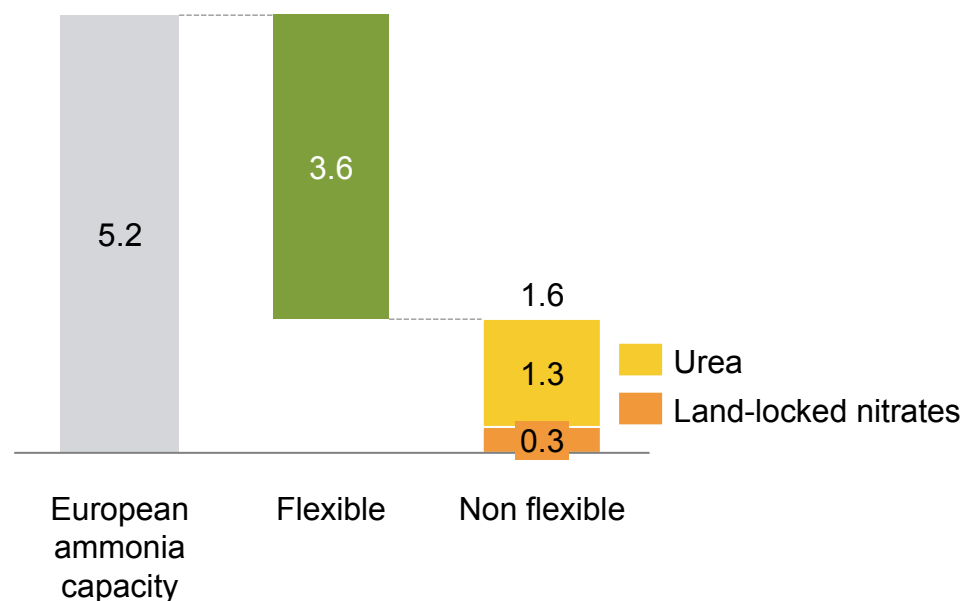
Total cost base¹ L4Q, NOK Bn



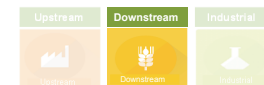
Yara's largest input cost is natural gas

High ammonia flexibility

mill. tonnes



Yara can swing 2/3 of European ammonia production without affecting fertilizer or Industrial production



Scale and flexibility in downstream operations

Sales volumes 2013

• Bunge (Brazil):

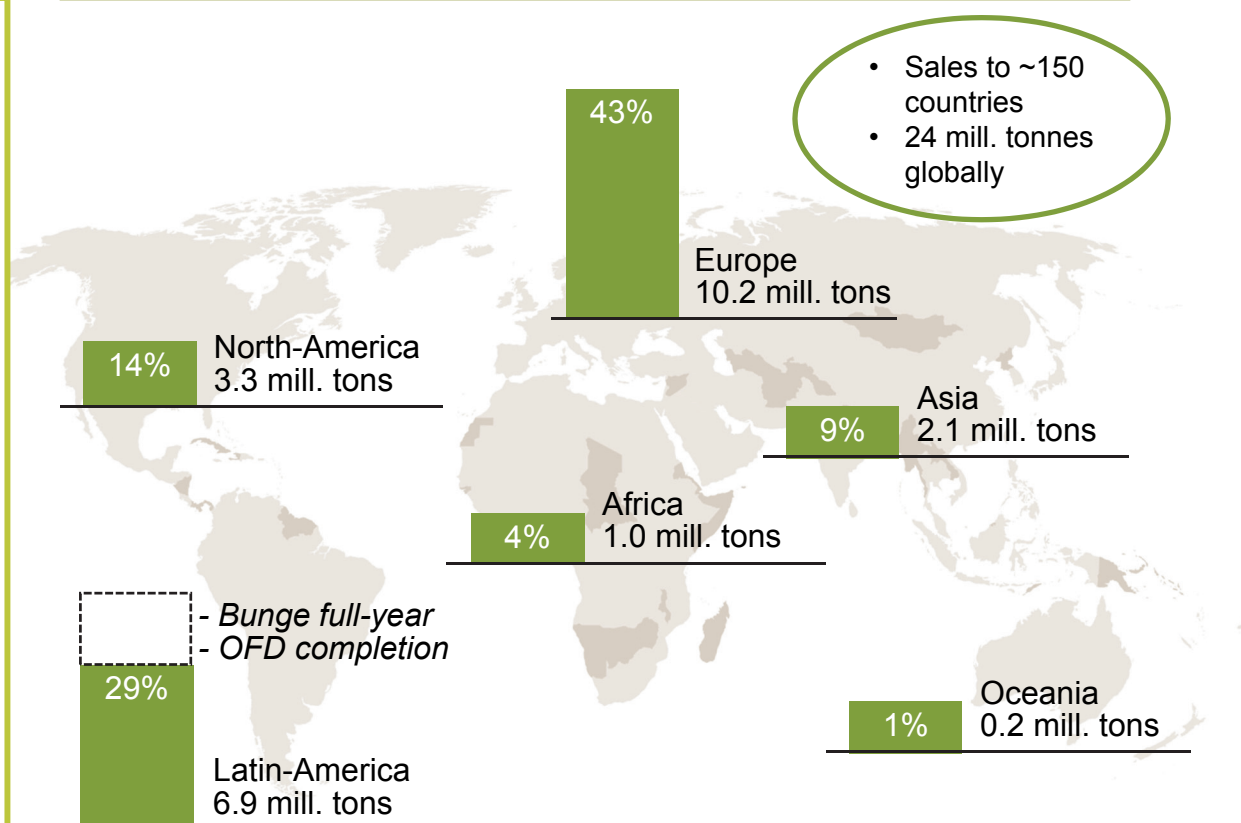
- Blending & distribution business, closed 3Q13
- USD 50 million annual synergies effective 2014

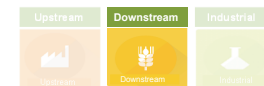
• OFD (Colombia):

- Distribution & production
- Closed Q414
- USD 20 million annual synergies

• Galvani (Brazil):

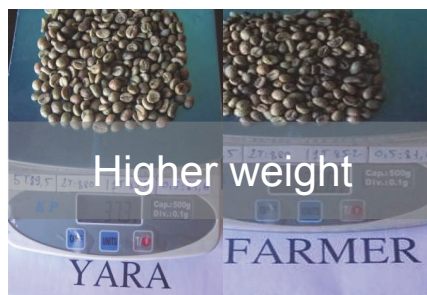
- Integrated phosphate business, with significant pipeline growth
- Closed Q414



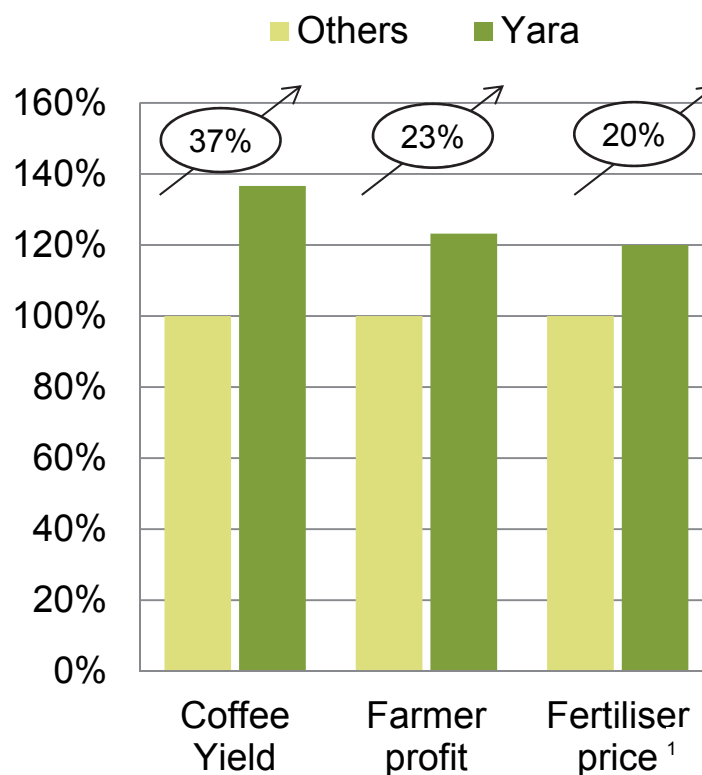


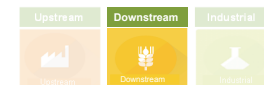
Crop knowledge and end user interaction are key to Downstream strategy

Yara crop nutrition program significantly improves results compared with traditional farmer practices...



...providing higher returns for Vietnam coffee growers and Yara (based on field trial)

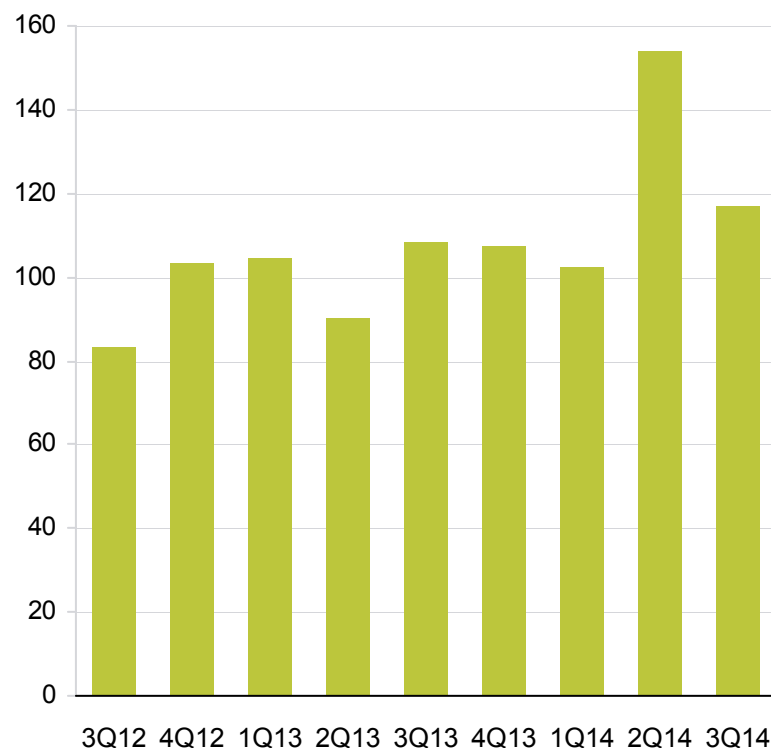




Downstream has delivered stable nitrate and NPK premiums

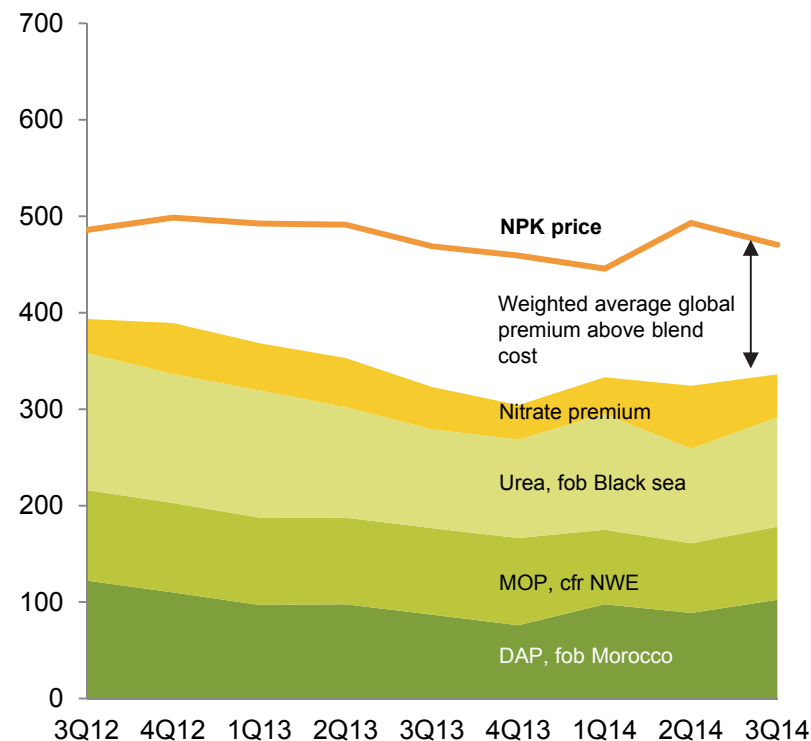
European nitrate premium¹

USD/t CAN



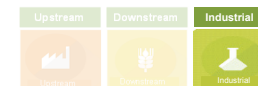
NPK premium above blend²

USD/t

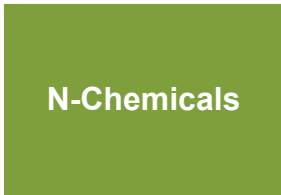
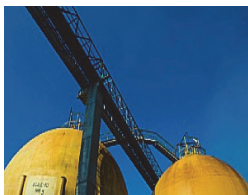
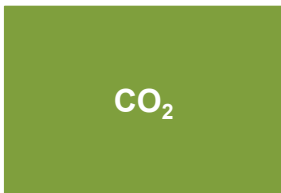


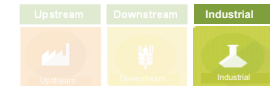
- 1) Yara European realized nitrate prices compared with urea publication prices with one month time lag. All numbers in USD per ton of CAN equivalents
- 2) Export NPK plants, average grade 19-10-13, net of transport and handling cost.





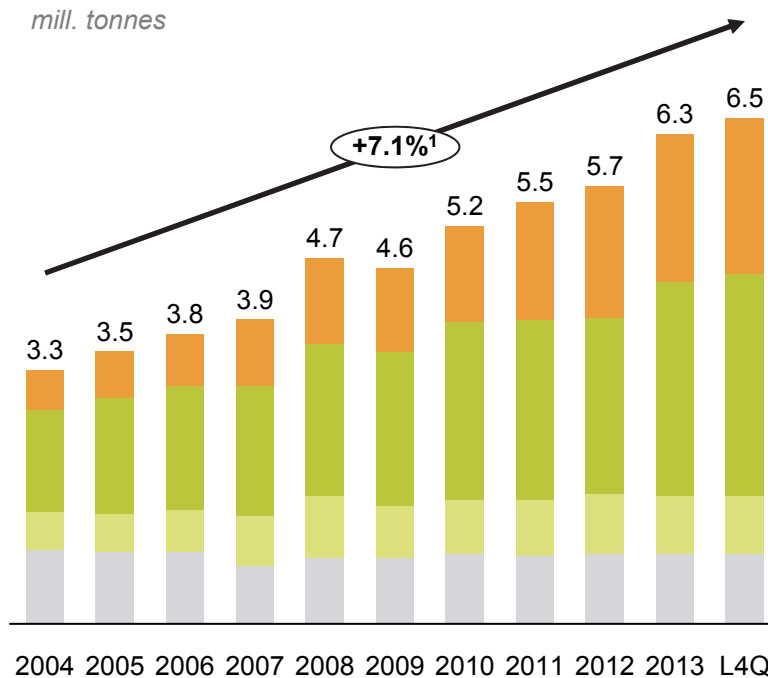
Industrial segment mitigates cyclicity and seasonality

Business unit	Key products	Sales (2013)	
		kilo tonnes	NOK bn.
 	Multiple chemical applications for healthcare, food, pharmaceutical, car industries, space and H ₂ S abatement	~3,200	6.7
 	Abatement of NO _x emissions from heavy duty vehicles, tractors, trains, stationary and maritime sources (NO _x Care)	~1,900	3.0
 	Solutions to the Civil explosives industry based on Technical nitrates (AN and CN) for the mining and construction industries	~800	1.9
 	CO ₂ in a gas, liquid and Dry ice format for freshness and carbonation	~900	0.6
Total:		~6,300	12.2



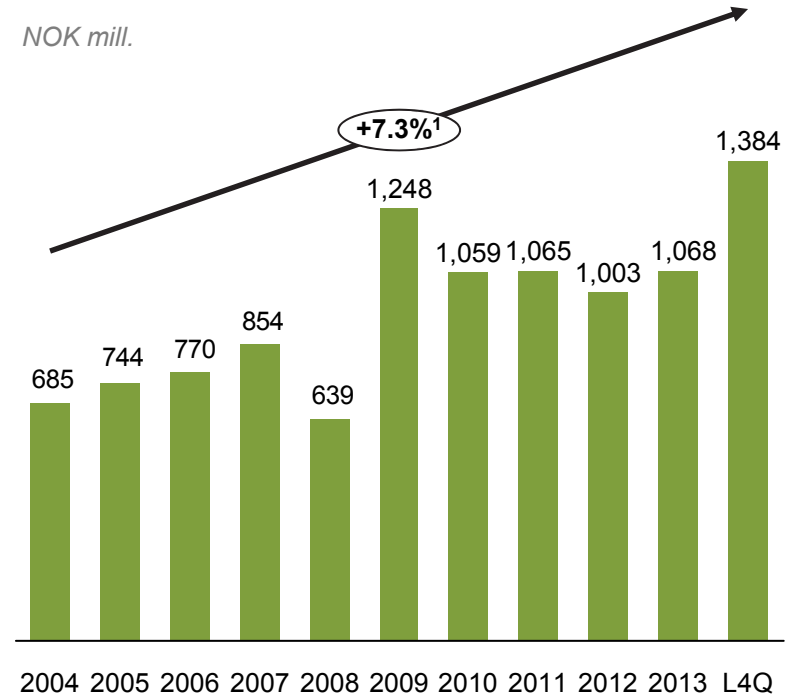
Industrial has delivered solid growth

Sales volumes



Environmental products TAN
Industrial N-chemicals CO2

EBITDA (excl. special items)



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Appendix

Global megatrends profoundly impact Yara's businesses



Global growth



Urbanization



Climate change



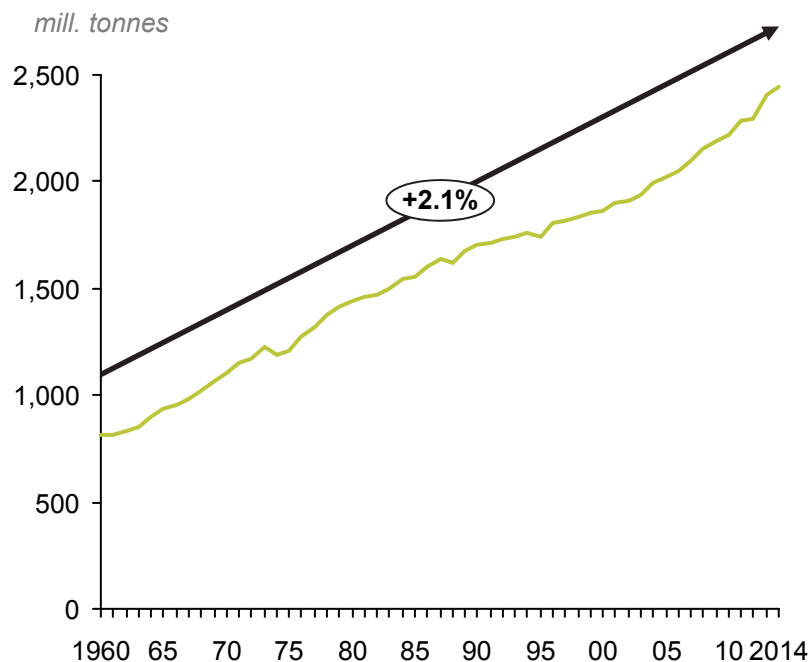
Globalization



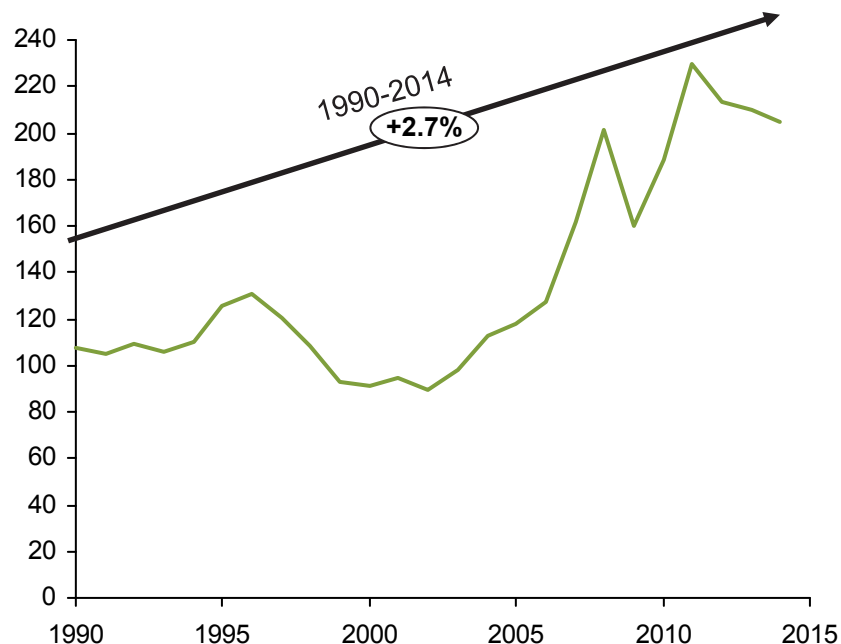
Resource scarcity

Robust consumption growth provides basis for food price growth

Grain consumption



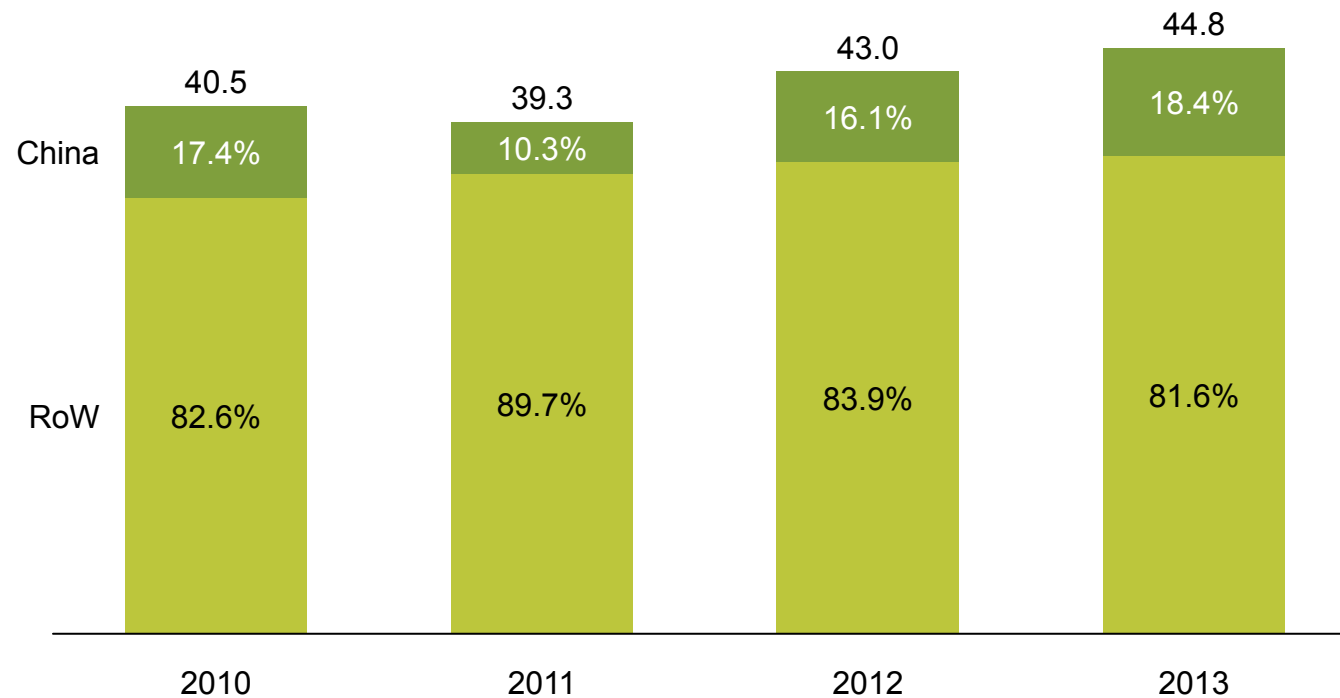
FAO price index (2002-2004=100)



Source: FAO

The World depends on Chinese exports

World urea trade (mill. tonnes)

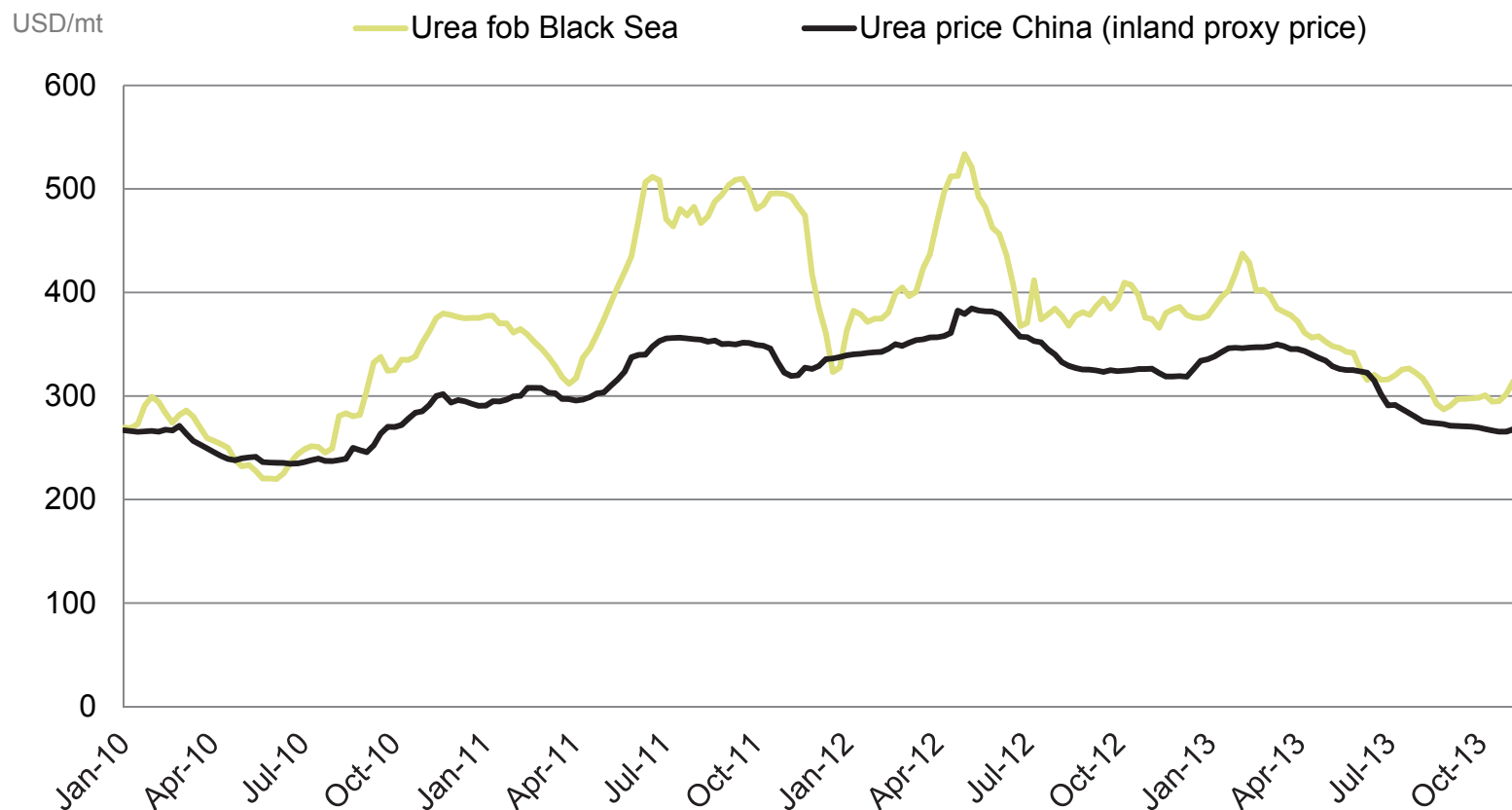


Projected nitrogen capacity additions outside China lower than trend consumption growth

Year	Driving regions	Urea capacity growth relative to nitrogen capacity
	Excluding China	Excluding China
2014	Algeria Egypt	1.5%
2015	Saudi Arabia USA	2.1%
2016	USA India	2.3%
2017	Nigeria USA	2.2%
2018	Nigeria Russia	1.3%
Gross annual addition 2014-2018		~1.9%
Assumed annual closures		~0.5%
Net annual addition 2014-2018		~1.4%
Trend consumption growth from 2002		2.1%

Source: CRU urea update September 2014 . Consumption data source is IFA.

China sets the floor on Urea pricing

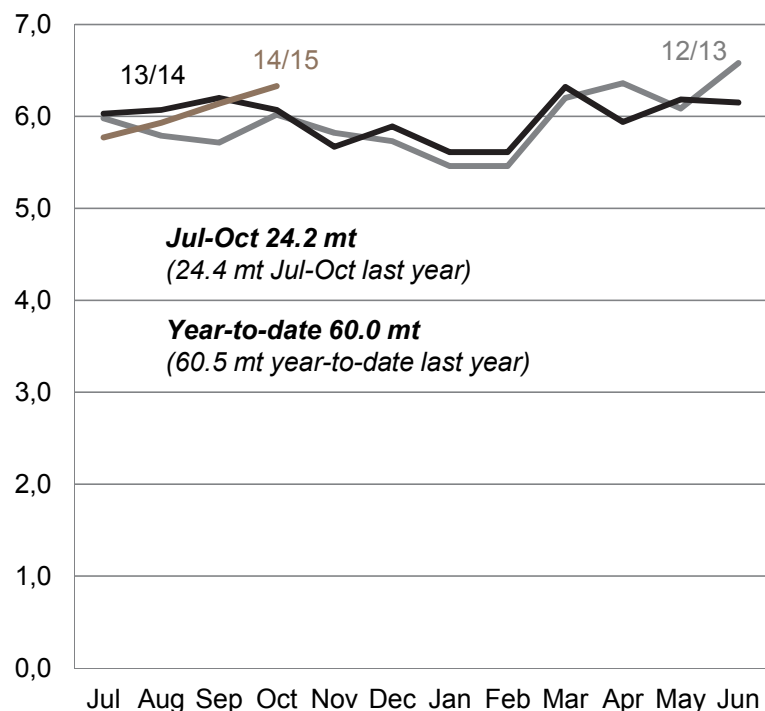


Source: China Fertilizer Market Week, International publications

Chinese urea: stable production despite significant capacity increase

Chinese production

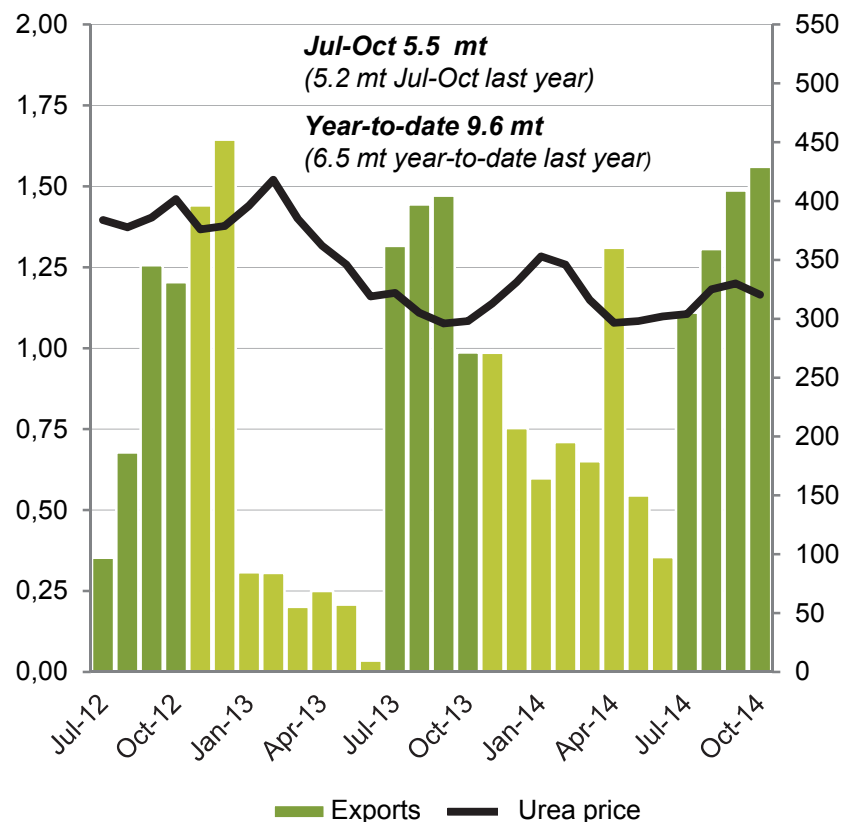
mill. tonnes



Source: BOABC, CFMW

Chinese exports

mill. tonnes

Black Sea
USD/t

Market risk factors

Upside risks

- Crop failure / increased food prices
- Increased global LNG trade / lower European natural gas prices
- China: increased emphasis on energy efficiency and/or emissions, increased cost of capital, increased export tariffs, increase in anthracite coal price

Downside protection factors

- | | | |
|---|---|---|
| • Bumper crops / decline in food prices | ➔ | • Strong incentives to maximize productivity even at lower food prices |
| • China: tariffs, fall in anthracite coal prices | ➔ | • Yara's global arbitrage ability and financial strength -> can to take advantage of negative short-term developments |
| • Increase in European natural gas prices | ➔ | • Increased global LNG export & import capacity |
| • Severe downturn in global economy, reducing food consumption growth | ➔ | • Limited impact on consumption from economic slowdowns. Record crops needed to meet consumption |

Downside risks

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Appendix

Key focus areas

Operational Excellence

- **Safety** first - non-negotiable
- **Reliability** is the best productivity investment

Knowledge Margin

- Drive fertilizer and industrial product portfolio towards greater product differentiation and higher margin segments

Global Scale and Optimization

- Leverage and build on Yara's strong global footprint

Continued improvement of Raw Material Sourcing

- Gas supply, dry raw materials including mining

Yara is well-positioned to grow profitably

Size and diversity

- World's largest nitrogen fertilizer producer
- Diversified business portfolio
- Unique economies of scale providing large synergies

Solid financial profile

- Strong performance and balance sheet

Risk management

- Well-established business and financial risk system in place

...but still Yara has consistently shown strict financial discipline

- Critical project profitability and risk evaluation; significant rejection rate

Multiple growth options; de-bottlenecking and regional M&A currently most attractive

1

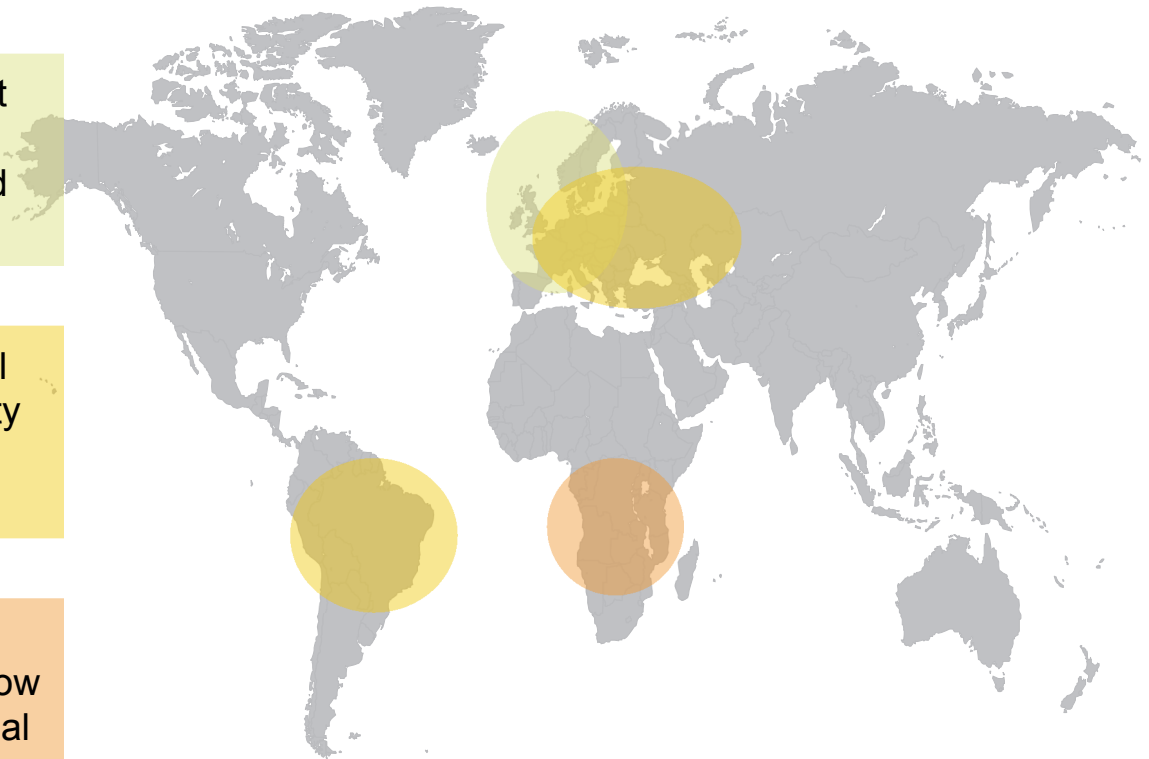
Reconfiguration/expansion at existing sites, potential for increased NPKs, nitrates and CN

2

Pursue medium-size/regional M&A, likely highest probability of success in current environment

3

Secure longer term partnerships with access to low cost raw materials for potential new builds



Value-added expansions in the Nordics to meet increasing demand

Norway

- 250 kt NPK and Calcium Nitrate (CN) expansion in Porsgrunn
 - Enables further 185 kt NPK and CN in Glomfjord and Uusikaupunki through optimization
- Strong Downstream demand for additional value-added fertilizer volumes
- Investment NOK 2,250 mill.
- Completion during 2017



Sweden

- Nitric acid upgrade and expansion in K ping
- Strong long-term fundamentals for mining and civil explosives industries
- Investment SEK 1,747 mill.
- Completion 2H 2017



Finland

- 250 kt NPK expansion In Uusikaupunki, Finland
- Strong NPK demand growth outside Europe presents solid business case
- Project to install new granulator adds ~250 kt annual capacity
- Investment EUR 50 mill.
- Completion end 2015



Being a major player in Brazil is of strategic importance to Yara

Size

Brazil already is one of the most important agricultural producers

Product	Global rank 2012	
	Production	Exports
Soybean	1 st	1 st
Maize	3 rd	3 rd
Sugar cane	1 st	1 st
Coffee	1 st	1 st
Orange	1 st	1 st

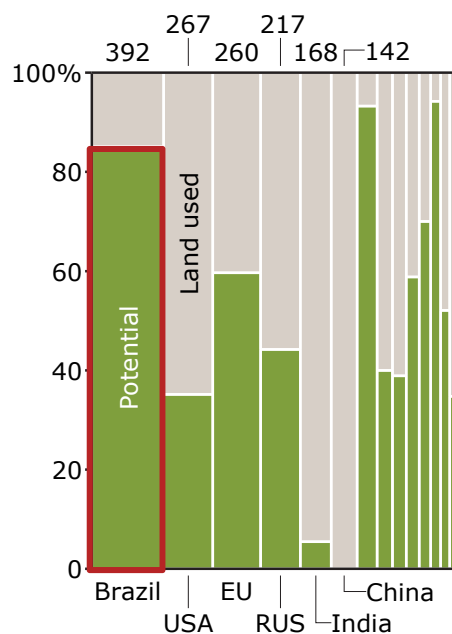
Source: USDA, FAPRI

As a USD business, Brazilian agriculture represents a natural currency hedge

Potential

Brazil has by far the greatest reserve of potential arable land

Global arable land (global top 14); M HA

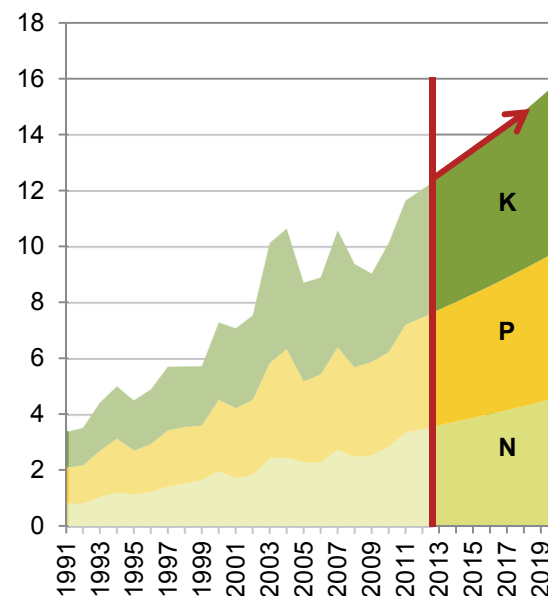


Source: FAO

Fertilizer growth

Brazilian fertilizer demand is expected to grow at >3.5%

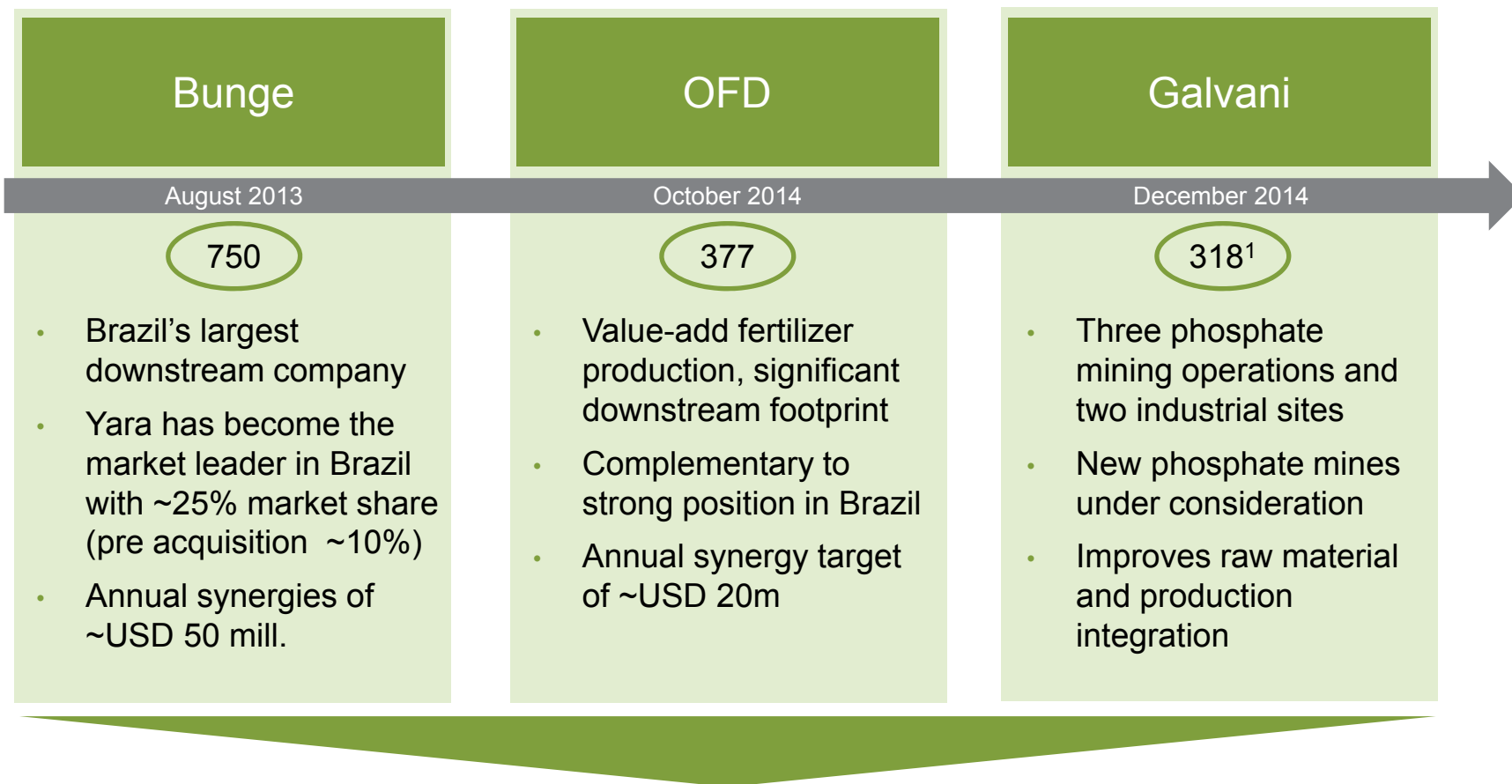
Nutrients consumption (in million kt og nutrients)



Average annual growth all nutrition 6.4% over the period 1991-2011 (Source: IFA)

Yara has gained a solid position in the fast-growing Latin American market

MUSD

Acquisition
cost (EV)

Yara's is now a large integrated player in Latin America with significant potential for further synergies and growth



1) The enterprise value is USD 318 million for 60% of Galvani. This comprises USD 132 million for the existing business and USD 186 million for the mining/production projects. Payment for the mining/production projects requires that certain project-related conditions are met. There will also be a post-closing adjustment of the working capital.



Potential joint investment in world-scale ammonia plant on US Gulf coast

- Attractive long-term partnership:
 - BASF has strong existing presence in the United States and ammonia sourcing requirement for US downstream activities, investment would further strengthen backward integration
 - Yara has a strong global ammonia production and trade network, investment would further strengthen this position, and increase its North American upstream presence
- Located in Freeport, Texas with 750,000 metric tons annual capacity based on hydrogen-synthesis process
- US Gulf location advantageous due to existing industry infrastructure, construction resources and natural gas
- Decision to invest in December 2014



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Financial Policy and Targets

Commitment to BBB/Baa2 rating

- Baa2 stable by Moody's reflecting financial flexibility
- BBB positive outlook by S&P reflecting strong liquidity position and credit ratios

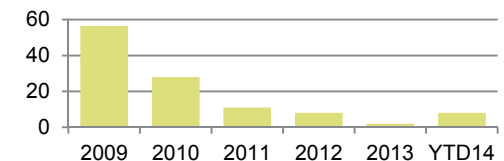
"Track-record of proactive management of its credit profile in step with the development of the underlying market" - **Moody's, July 2014**

"Very strong credit metrics, affording sizable leeway for expected substantial acquisitions, investments, or shareholder distributions" - **S&P, November 2014**

Financial discipline

- Proven track-record on capital discipline
- Opportunity-driven growth with focus on synergies and return on investments

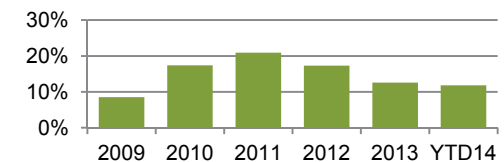
Debt to equity ratio



Solid and profitable growth strategy

- Consistent execution of profitable growth strategy
- Minimum 9% nominal post tax hurdle rate on new investments
- Flexible and scalable business model

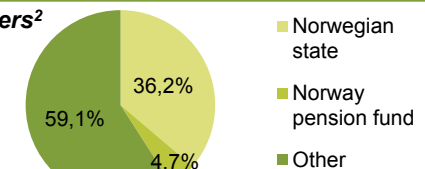
CROGI¹ well above 10% target



Shareholder policy

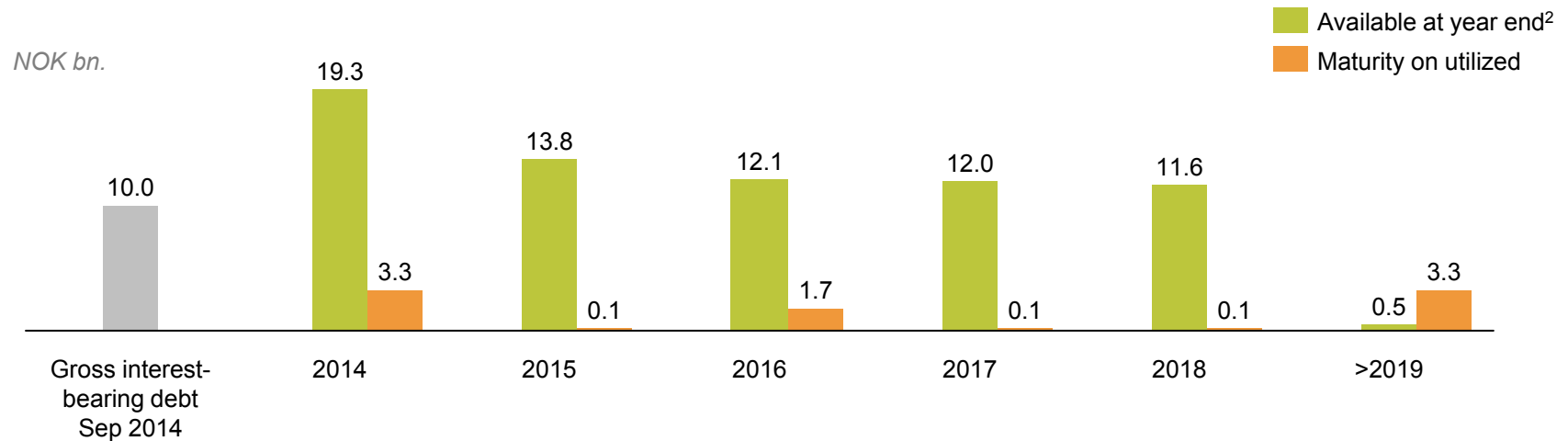
- 40-45% of net income to be returned to shareholders. Dividend to account for minimum 30%
- Focus on enhancing shareholder value whilst improving Yara's capital efficiency

Shareholders²

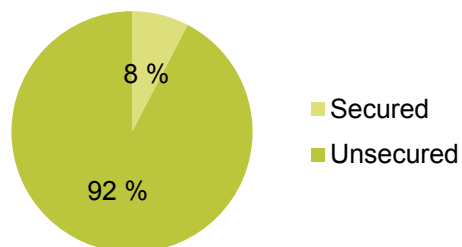


Debt overview per 3Q 2014¹

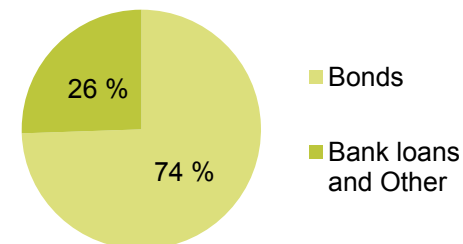
Debt maturity profile



Secured vs unsecured debt³



Bonds vs Bank debt



Thank you



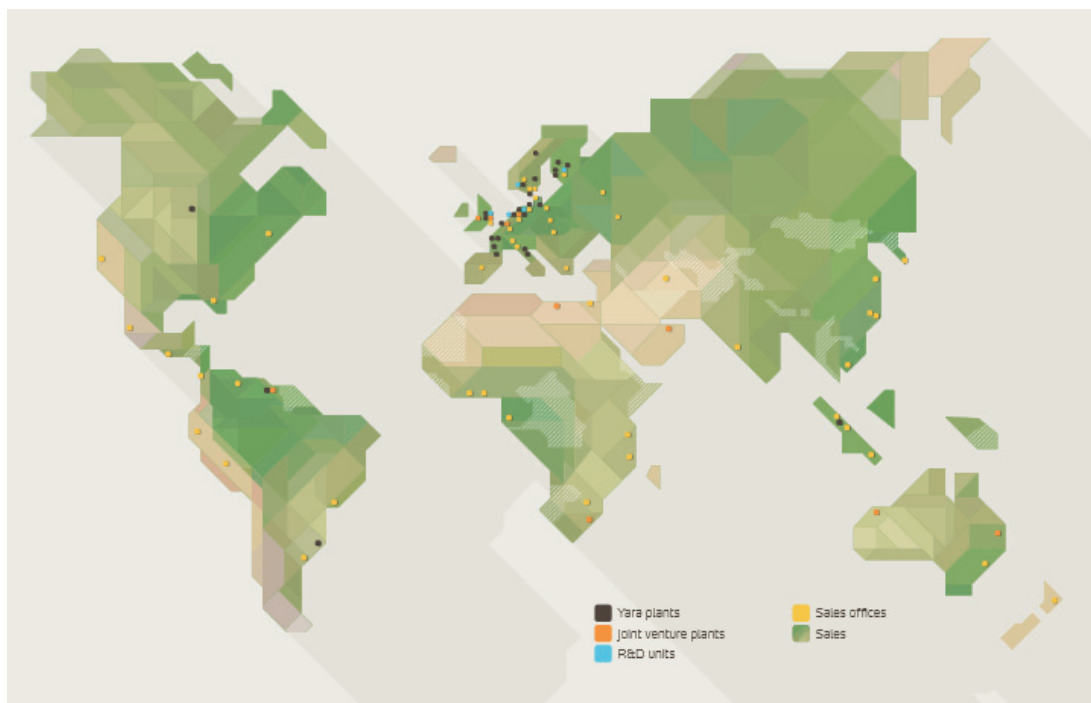
Knowledge grows

Agenda

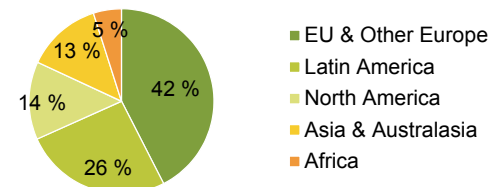
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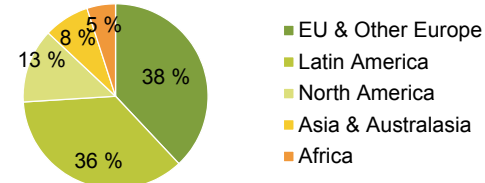
A global business with a balanced product portfolio



Revenue FY 2013



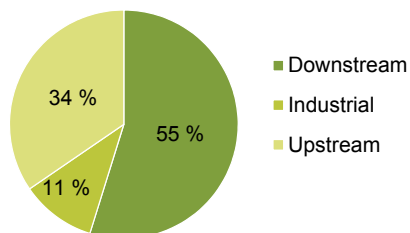
Fertilizer volumes YTD¹ 2014



Brazil

Following acquisition of Bunge, Brazil now represents single largest country exposure with [21]% of revenue

Revenues FY 2013



Industrial Products

Wide range of nitrogen and specialty chemicals in addition to CO₂, dry ice and civil explosives solutions

Environmental Solutions

Complete solutions for NO_x abatement, odor control, water treatment and corrosion prevention

Agricultural Products

Complete portfolio of fertilizers covering all necessary crop nutrients

Three leading global businesses

Upstream	Downstream	Industrials	Supply & Trade
			
Upstream	Downstream	Industrial	
• Backbone of manufacturing system. • Production of ammonia, urea, nitrates and other nitrogen-based products as well as phosphoric acid.	• Complete fertilizer portfolio • Knowledge and tools to secure the right nutrients and optimize application and yield with minimal environmental impact.	• Innovative solutions based on ammonia production and knowledge. • Helps customers reach compliance with environmental legislation.	• Global optimization of energy and raw material purchases, and ammonia trade. • Also include shipping, maritime logistics and third-party sourcing.
• World's largest producer, and European low-cost leader in ammonia, nitrates and NPKs	• #1 supplier of fertilizers in Brazil • #1 supplier of nitrogen based crop nutrition	• World #1 producer of AdBlue urea for NOx abatement	• Sourcing and trade of 2,730 kilotons finished fertilizer and 4,084 kilotons ammonia in 2013

Upstream-overview

Key financials

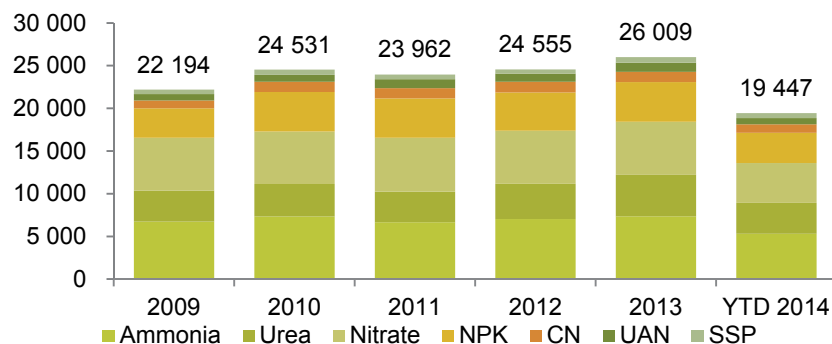
(NOK million)	YTD ¹ 2014	YTD ¹ 2013	Change	FY2013
Revenue	29,027	30,540	-5.0%	39,495
EBITDA	6,437	7,001	-8.1%	8,004
Operating income	3,603	3,967	-9.2%	4,135
% margin	12.4%	13.0%	-0.6%	10.5%
CROGI	9%	13%	-4%	108%

Highlights

- World's largest producer of ammonia, nitrates and NPKs, with production in 15 countries; providing foundation for Yara's Fertilizer and Industrial solutions
- 35% of group revenue, 61% of group EBITDA in 2013
- Annual capacity: Ammonia 8.5 mm tons¹, ~ 5% of global capacity; Nitrates 6.2mm tons
- Ammonia market impacted by curtailments in Ukraine and Egypt; demand for higher quality nitrates and NPK remain strong offsetting lower grain farmers margins]

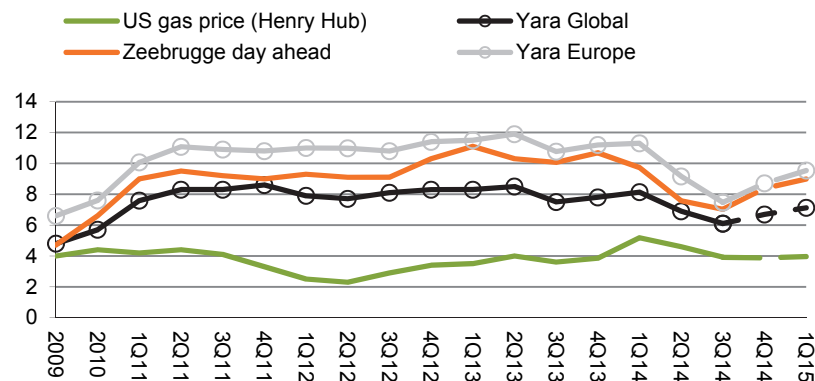
Production volumes¹ by region

Kilotons



¹ Including Yara share of production in equity-accounted investees

Natural gas cost (\$/mmbtu)



Note: Dotted lines denote forward prices as of 14 October 2014



1) January-September



Downstream - overview

Key financials

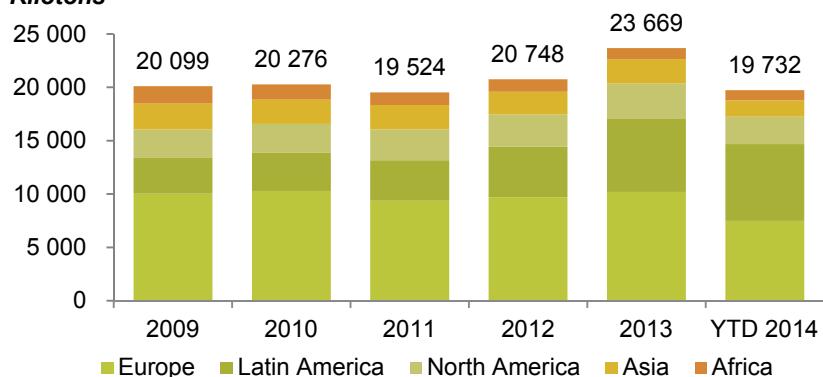
(NOK million)	YTD ¹ 2014	YTD ¹ 2013	Change	FY2013
Revenue	53,570	48,392	10.7%	63,860
EBITDA	4,780	3,295	45.1%	4,013
Operating income	3,838	2,651	44.8%	3,078
% margin	7.2%	5.5%	1.7%	4.8%
CROGI	18%	15%	2.5%	15%

Highlights

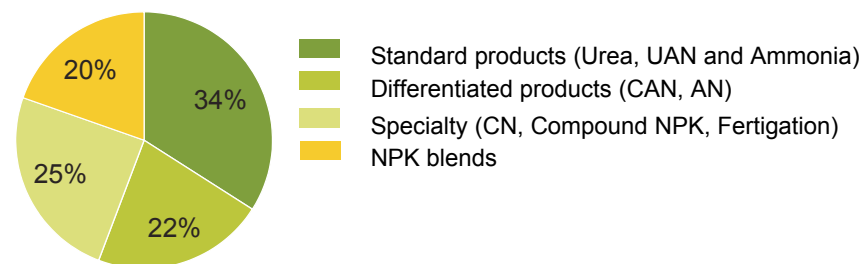
- Global leading supplier of crop nutrition, with sales in more than 120 countries
- Global #1 in specialty fertiliser targeting high margin cash crop segments in fast growing markets
- 55% of group revenue, 31% of group EBITDA
- Ongoing optimisation of portfolio towards greater product differentiation and profit
- Q3 14 update – Volumes up on the back of Brazil acquisition and higher deliveries of urea and nitrates

Fertilizer volumes by region

Kilotons



Fertilizer portfolio toward high value segments



- Differentiation improves margins and reduces exposure to commodity price volatility

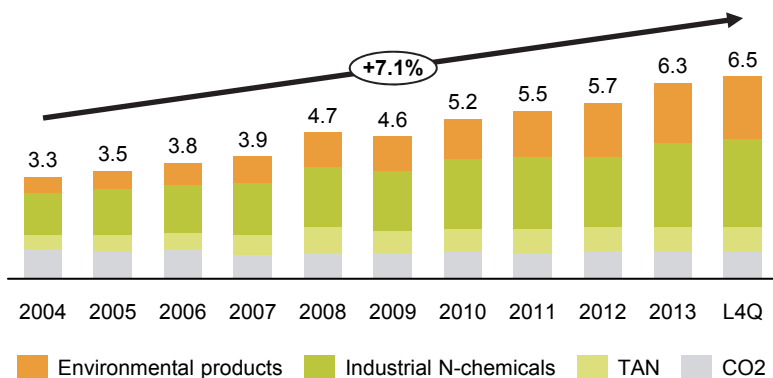
Industrial - overview

Key financials

(NOK million)	YTD ¹ 2014	YTD ¹ 2013	Change	FY2013
Revenue	10,800	10,319	4.7%	13,864
EBITDA	1,151	838	37.4%	1,144
Operating income	897	642	39.7%	841
% margin	8.3%	6.2%	2.1%	6.1%
CROGI	18%	14%	4.6%	14%

Sales volumes

mill. tonnes

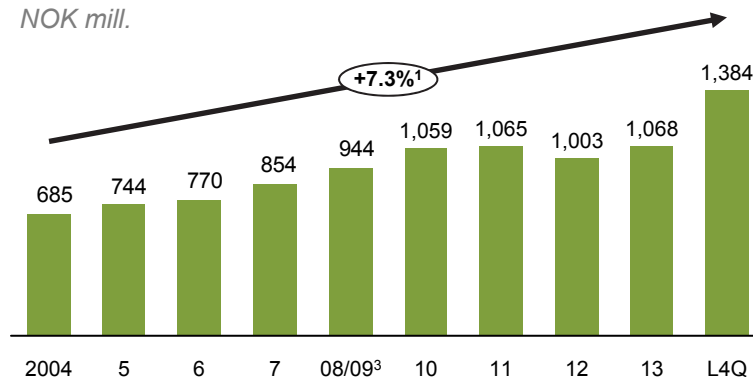


Highlights

- Leading position in nitrogen applications in non-agricultural markets – mainly environmental solutions and nitrogen oxide abatement
- World #1 producer of AdBlue urea for NO_x abatement
- 11% of group revenue, 8% of group EBITDA
- Q3 14 update – Continued robust market demand in US and Europe, favorable customer mix and lower raw material sourcing costs offsetting lower margins for technical ammonium nitrate (TAN)

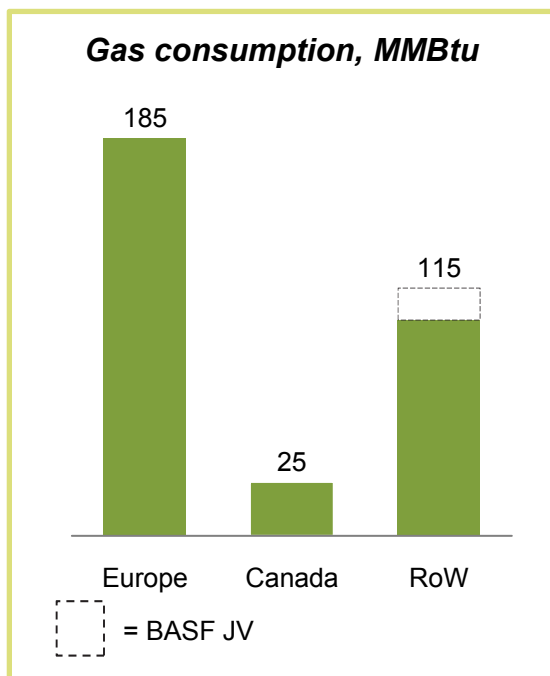
EBITDA (excl. special items)

NOK mill.

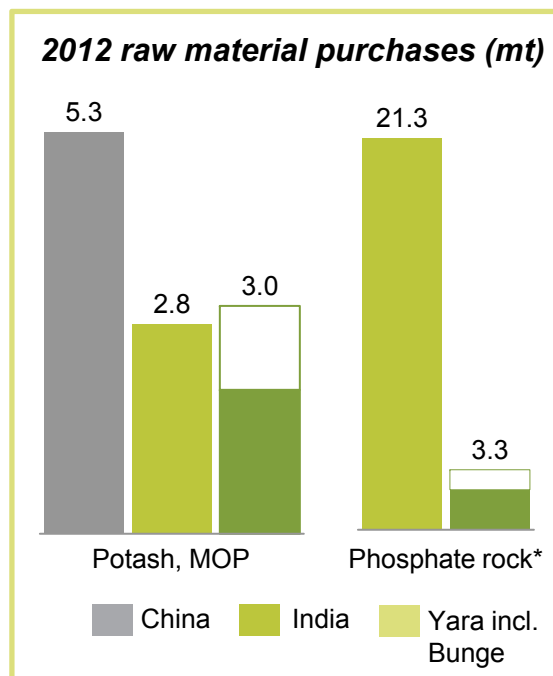


Supply & Trade – global optimization

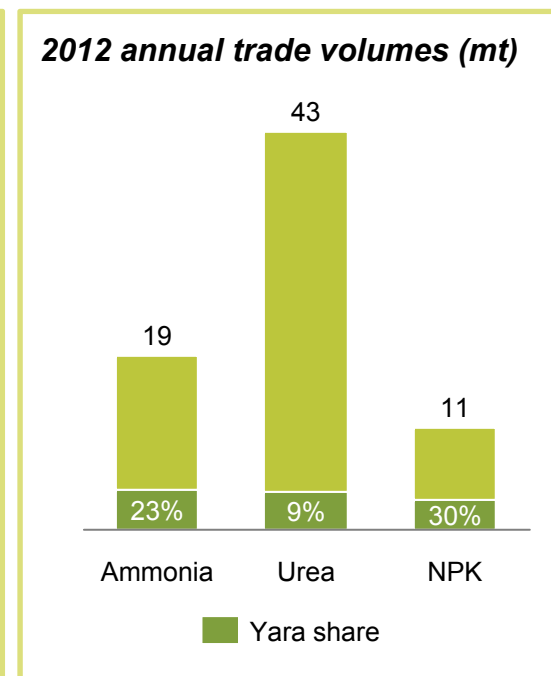
Biggest industrial buyer of natural gas in Europe



Third single biggest buyer of P&K globally

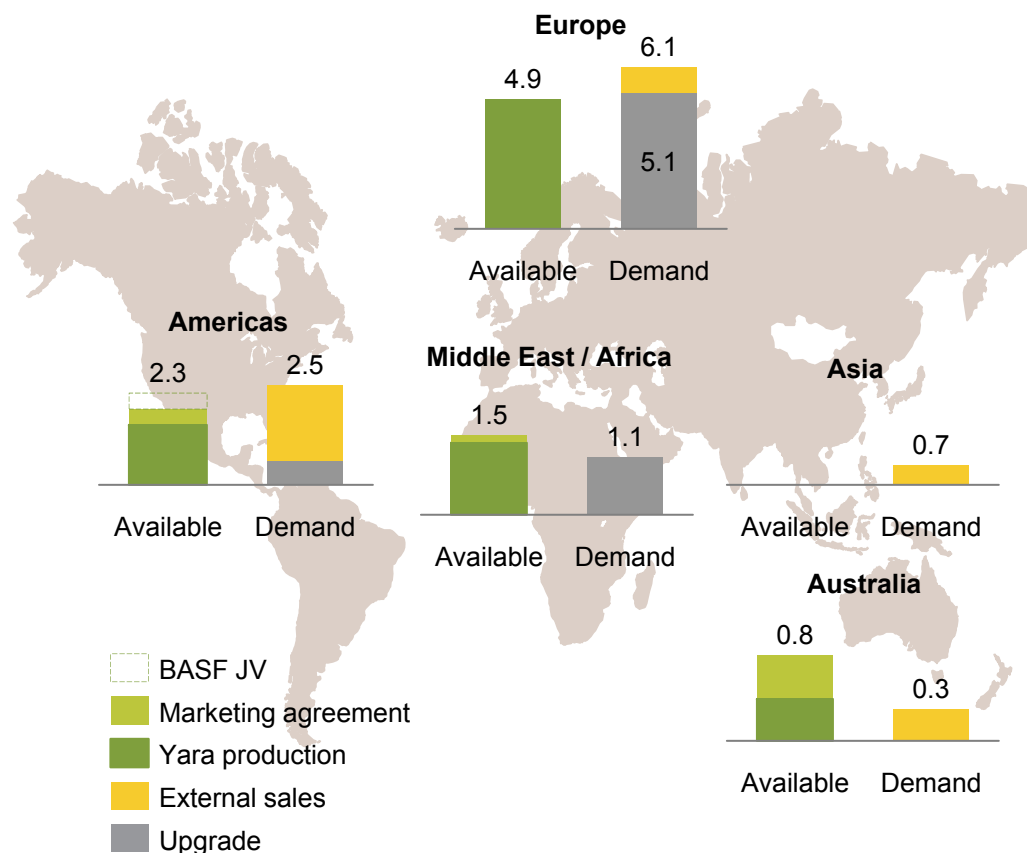


Significant market share on trade



*72 BPL

Leading global position in ammonia trade



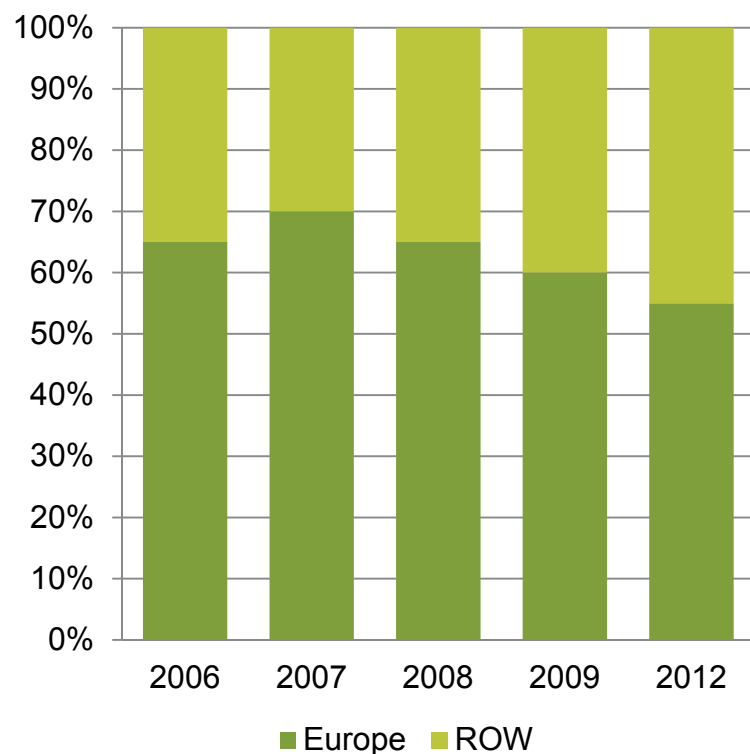
- Yara-operated ammonia fleet unrivalled giving scale and flexibility
- Operate 18 ships
- Total shipping capacity of ~260 kilotons

Yara – Upstream capacities

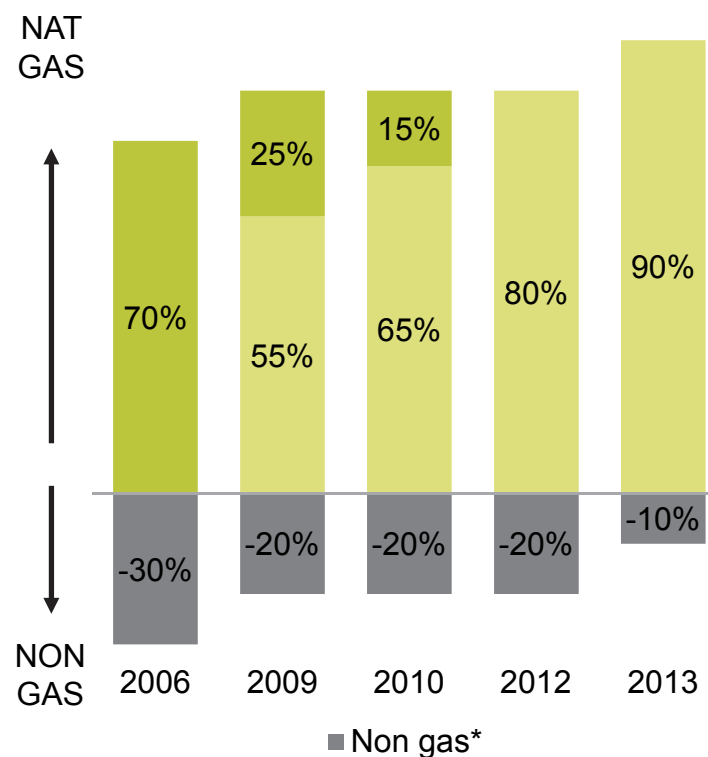
Annual production capacity ¹⁾											
		Ammonia	Nitric Acid	Phos. Acid ³⁾	Phos. rock	SSP	Urea	Nitrates	NPK	CN	UAN
Sluiskil	Netherlands	1,8	1,5				1,2	1,9			0,6
Brunsbuttel	Germany	0,7					0,6				
Porsgrunn	Norway	0,5	1,5						2,1	0,8	
Ferrara	Italy	0,6					0,5				
Le Havre	France	0,4					0,3				
Yara Trinidad	Trinidad	0,3									
Yara Tringen (49%)	Trinidad	0,5									
Tertre	Belgium	0,4	0,7					1,0			
Hull	UK	0,3									
Uusikaupunki	Finland		0,5					0,1	1,0		
Siilinjärvi	Finland		0,2	0,3	1,0				0,5		
Belle Plaine	Canada	0,7	0,1				1,0				0,2
Cartagena	Colombia	0,1	0,3				-		0,4	0,1	-
Galvani (60%)	Brazil	-	-		0,3	0,6	-				-
Ince (50%)	UK	0,2	0,3					0,2	0,3		
Billingham (50%)	UK	0,3	0,4					0,3			
Qafco (25%)	Qatar	1,0					1,4				
Lifeco (50%)	Libya	0,4					0,5				
Pilbara (51%)	Australia	0,4									
Glomfjord	Norway		0,4						0,5	0,2	
Montoir	France		0,4					0,4	0,4		
Ambes	France		0,5					0,5			
Rostock	Germany		1,1					1,5			0,3
Ravenna	Italy		0,5					0,4	0,4		
Rio Grande	Brazil					0,8					
Ponta Grossa	Brazil					0,2					
Köping	Sweden		0,3					0,3			
Pardies	France		0,2					0,1			
Total Yara		8,7	8,6	0,3	1,3	1,6	5,5	6,7	5,6	1,1	1,2
1) Including Yara's share of joint venture plants (percentage shown where applicable)											
2) 100% P ₂ O ₅											

Reduced exposure to oil and European gas

Yara's geographic energy exposure



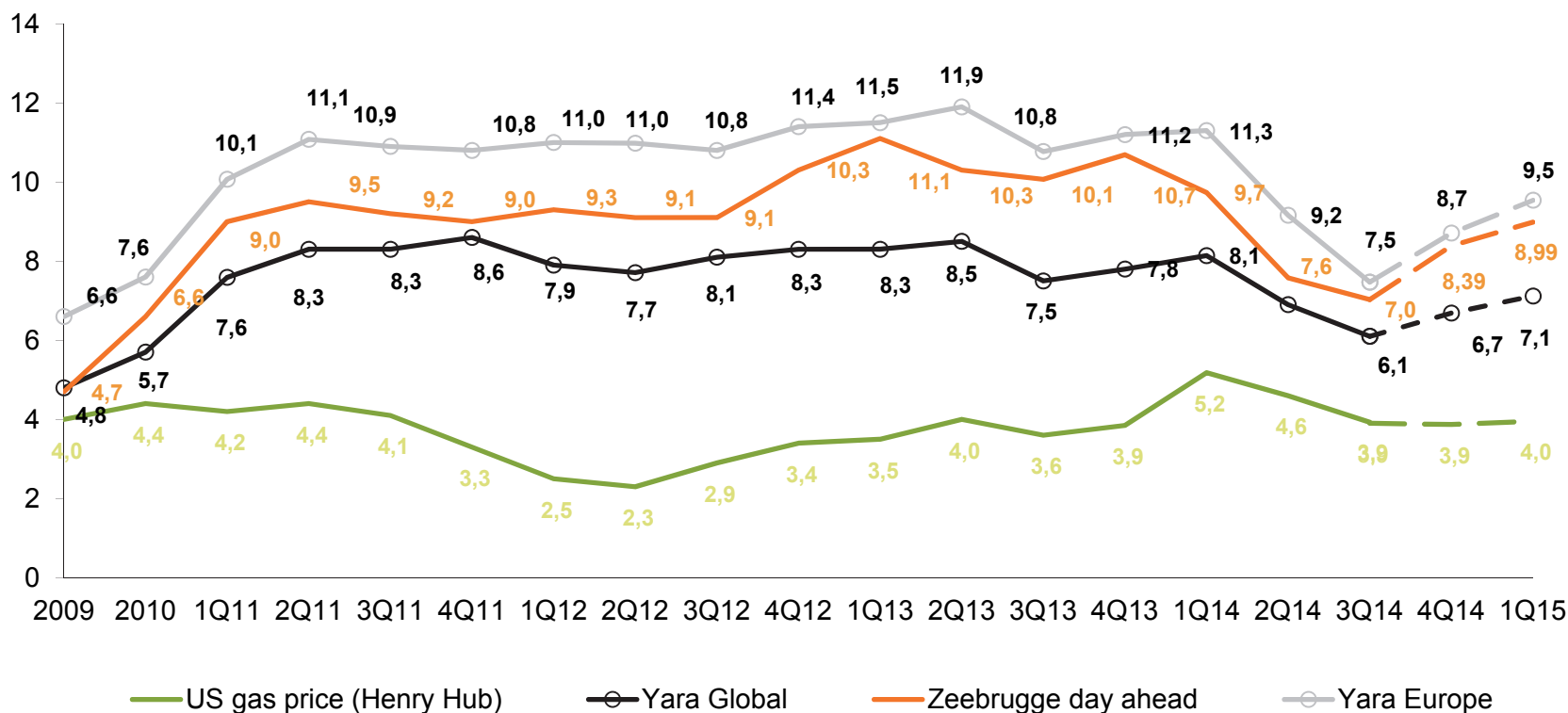
Yara's feed-stock contract structure Europe



Gas & oil cost

Yearly averages 2009–2010, quarterly averages for 2011–15 with forward prices¹ for 4Q14 and 1Q15

USD per MMBtu



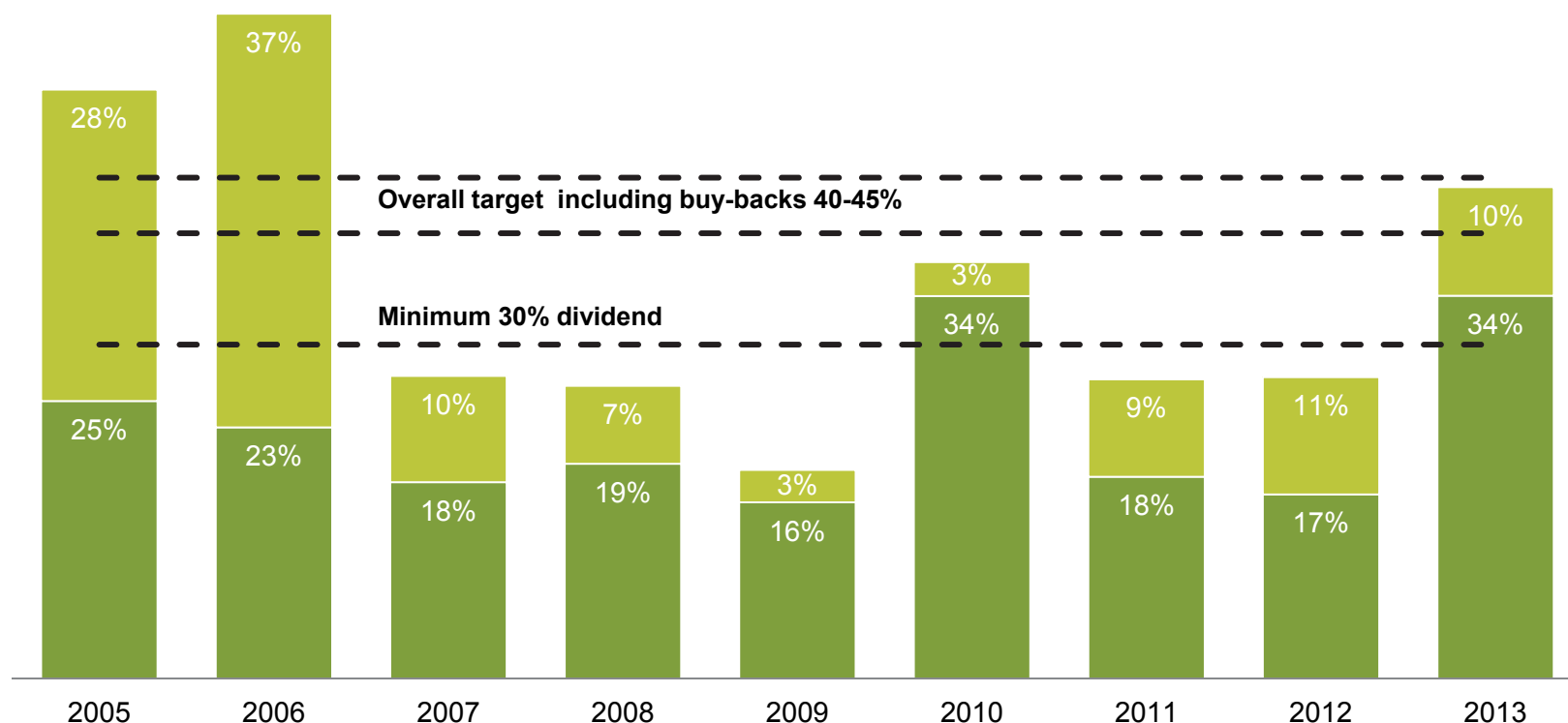
Source: Yara, World Bank, Platts



1) Dotted lines denote forward prices as of 14 October 2014



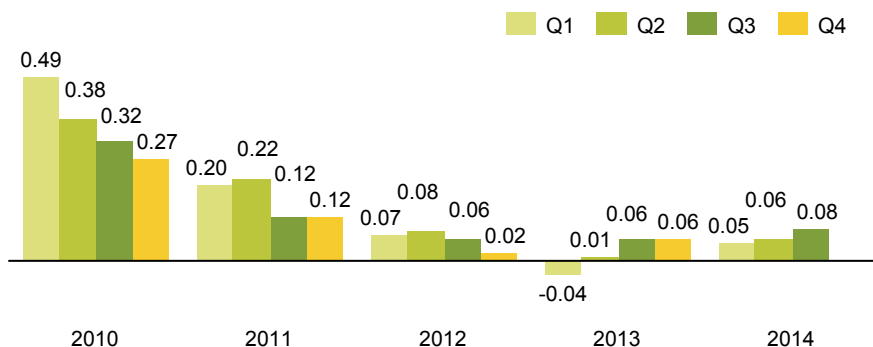
Cash return policy 40-45% of net income, minimum 30% dividend



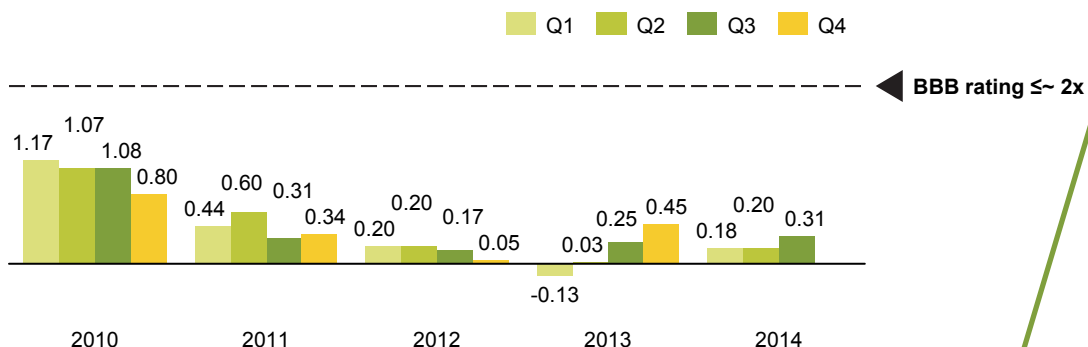
Numbers reflect cash returns executed in a calendar year relative to net income the year before. 2005 number reflects buy-backs and redemptions carried out in 2004 and 2005.

Solid financial position

Debt/equity¹



Net Debt / EBITDA²



- Maintaining BBB credit rating is key to growth financing ability
- Ability to execute medium-size M&A
- Ability to execute M&A during cyclical lows is of high importance
- More cash to shareholders in the event of stronger earnings and / or limited growth execution



Knowledge grows