REPORT

Second quarter 2013

Yara International ASA – quarterly and half year report

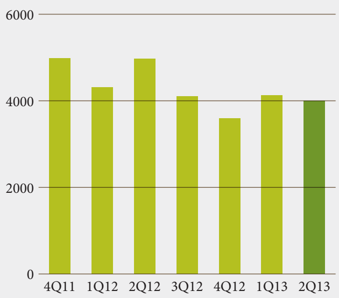
- Strong results
- Record deliveries and low ending stocks
- Lower commodity fertilizer margins
- Increased nitrate and NPK premiums


Yara reports a strong second quarter with record deliveries.

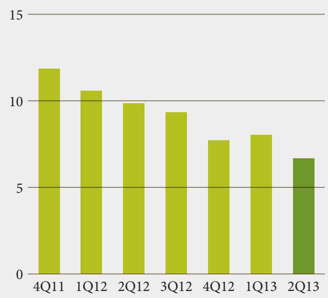
EARNINGS PER SHARE

NOK 6.68

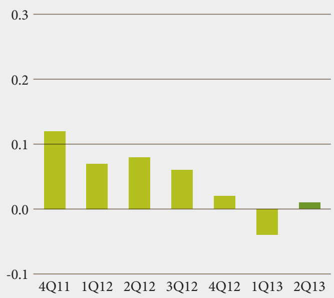
EBITDA (NOK millions)



Earnings per share (NOK)



Debt/equity ratio



Knowledge grows

Second quarter *2013*

FINANCIAL HIGHLIGHTS

NOK millions, except where indicated otherwise	2Q 2013	2Q 2012	1H 2013	1H 2012
Revenue and other income	23,190	21,423	43,879	42,726
Operating income	2,554	3,323	5,236	6,409
Share net income equity-accounted investees	476	538	1,002	901
EBITDA	3,995	4,966	8,124	9,276
EBITDA excl. special items	4,066	5,194	8,160	9,127
Net income after non-controlling interests	1,865	2,787	4,120	5,795
Earnings per share [1]	6.68	9.82	14.72	20.35
Earnings per share excl.currency	7.76	10.14	16.37	19.73
Earnings per share excl.currency and special items [1]	7.98	10.80	16.49	19.11
Average number of shares outstanding (millions)	279.3	283.9	279.9	284.7
CROGI (12-month rolling average) [2]			15.8 %	21.5 %
ROCE (12-month rolling average)			17.5 %	25.8 %

1) NOK per share. Yara currently has no share-based compensation programs that result in a dilutive effect on EPS.
2) Second-quarter 2013 CROGI excl. special items annualized 15.7%.

KEY STATISTICS

		2Q 2013	2Q 2012	1H 2013	1H 2012
Average prices					
Urea prilled (fob Black Sea)	USD per ton	342	471	371	430
CAN (cif Germany)	USD per ton	322	331	337	346
Ammonia (fob Black Sea)	USD per ton	500	536	531	468
DAP (fob US Gulf)	USD per ton	488	547	489	532
Phosphate rock (fob Morocco)	USD per ton	151	179	156	188
European gas (Zeebrugge)	USD per MMBtu	10.3	9.1	10.7	9.2
US gas (Henry Hub)	USD per MMBtu	4.0	2.3	3.8	2.4
Yara's gas & oil cost (weighted average) [1]	USD per MMBtu	8.5	7.7	8.4	7.8
Yara's European gas & oil cost (weighted average) [1]	USD per MMBtu	11.9	11.0	11.7	11.0
USD/NOK currency rate		5.83	5.89	5.73	5.84
Production *(Thousand tons)* [1]					
Ammonia		1,823	1,756	3,649	3,438
Finished fertilizer and industrial products, excl. bulk blends		4,460	4,296	9,070	8,558
Total		6,283	6,051	12,719	11,996
Sales *(Thousand tons)*					
Ammonia trade		570	678	1,221	1,241
Fertilizer		6,339	5,253	11,638	10,690
Industrial products (excl. industrial gases)		1,211	1,203	2,385	2,424
Total		8,120	7,135	15,244	14,355

1) Including Yara's share in equity-accounted investees.

"Yara reports a strong second quarter with record deliveries," said Jørgen Ole Haslestad, President and Chief Executive Officer of Yara.

"While we have seen a considerable price decline for urea - almost 30% - our value-added product prices are broadly in line with a year ago, as continued strong food prices motivate farmers to optimize productivity with higher-efficiency fertilizer," said Jørgen Ole Haslestad.

Yara's second-quarter net income after non-controlling interests was NOK 1,865 million, compared with NOK 2,787 million last year. Excluding net foreign exchange gain/loss and special items, the result was NOK 2,229 million, compared with NOK 3,065 million in second quarter 2012. The corresponding earnings per share were NOK 7.98 compared with NOK 10.80 last year.

FERTILIZER MARKET CONDITIONS

Fertilizer demand continues to be supported by solid farm economics. According to initial estimates from the US Department of Agriculture (USDA), 2013/14 global grain production is expected to rebound by 8% compared with the previous season, due to significantly improved weather conditions in key producing regions like North America and Eastern Europe. Given continued growth in grain consumption, the record projected production level for 2013/14 will bring ending stocks to a level corresponding to 71 days of consumption, the second lowest level over the last six seasons, compared to 69 days for the previous season. The Food and Agriculture Organization of the United Nations (FAO) food price index for the second quarter was 3.5% higher than a year ago (8% higher than the five year average), while its cereal price index was up 6% (8% higher than the five year average). Strong crop prices combined with lower prices of commodity fertilizer have increased the relative value of higher quality fertilizer, including nitrates and NPKs.

Global urea demand was strong during the second quarter, although many markets were well ahead on supply compared with second quarter last year, due to the large increase in imports from China earlier in the season. For July through May, China has this season exported 7.9 million tons, up from 3.0 million tons in the same period last season. Supply additions excluding China have not been significant, with capacity additions in Qatar and Vietnam offset by supply problems in Iran and Egypt. The average price at USD 342 per ton fob Black Sea, 27% lower than second quarter last year, clearly demonstrates that the market tightness seen during second quarter last year was not repeated this year. Urea prices declined through the quarter, as large volumes of Chinese urea moved to ports, awaiting opening of the export window on July 1. Due to lower urea prices in China, caused by increased urea capacity, lower coal prices and improved availability of both coal and natural gas, as well as lower export taxes, export prices from China are considerably lower than a year ago.

Ammonia prices, averaging USD 500 per tons fob Black Sea for the quarter, were down 7% from same quarter last year. Weak demand, particularly from the phosphate sector, led to declining prices through the quarter, despite ammonia supply being curtailed from Iran and Egypt. The drop in pricing was much lower than for urea, resulting in modest upgrading margins from ammonia to urea.

Phosphate fertilizer demand continued to be impacted by lower consumption in India, but remained strong in most other regions. Subsidy reduction resulting in sharply higher prices for Indian farmers negatively impact phosphate use. Since early May, the weakening of the Indian currency has also squeezed import margins. The average DAP price fob US Gulf for the quarter ended 11% lower than same quarter last year.

Lower DAP prices resulted in lower prices for phosphate rock and phosphoric acid as well. And considering also lower prices of the other two main raw materials, ammonia and sulphur, upgrading margins from rock to DAP improved slightly compared to recent low levels.

REGIONAL MARKET DEVELOPMENTS

Second-quarter nitrogen fertilizer deliveries in Western Europe were up 14% on last year, with imports up 25%. The late spring delayed the season and positively affected deliveries for the quarter at the expense of the previous quarter. For the season, deliveries were 6% ahead of last year, with imports 14% higher to meet the increase in demand. Higher opening stocks in the previous season is an important factor explaining the increase in 2012/13 deliveries.

Second-quarter US nitrogen deliveries are up by an estimated 4% on second quarter 2012. Season-to-date deliveries are up by an estimated 7%, stronger urea imports being the most important factor. Due to the late and wet spring in key areas, ammonia and UAN application was negatively affected, resulting in some nitrogen carried over into the next season.

In India, second quarter is offseason for domestic fertilizer sales. Regarding urea imports ahead of the upcoming season, India has been considerably more active during second quarter than last year, roughly doubling imports, linked to a good monsoon.

Urea production in China is gaining year on year, helped by lower production costs, better feedstock availability and increased capacity. Through May, production is this year reported 10% up on last year, resulting in domestic supply exceeding demand. The average domestic urea price for second quarter was roughly 15% lower than last year, and declining through the quarter. Large volumes were transported to ports for export once the export tax dropped to 2% from July 1.

In Brazil, total fertilizer deliveries during second quarter were 6.8 million tons, up 5% on last year. Year to date, deliveries in 2013 were up 4% on last year, at 12.2 million tons. Urea imports have started the year strongly, with 1.6 million tons imported through June, up from 1.0 million tons same period last year.

YARA VARIANCE ANALYSIS SECOND QUARTER

NOK millions	2Q 2013
EBITDA 2013	3,995
EBITDA 2012	4,966
Variance EBITDA	(970)
Volume & mix	1,130
Price/margin	(1,790)
Oil & gas costs in Europe	(232)
Special items	158
Other	(188)
Translation NOK vs. USD [1)]	(48)
Total variance explained	(970)

1) Based on average NOK per USD for the quarter 2013: 5.83 (2012: 5.89)

Yara delivered strong second-quarter results, reflecting a significant increase in fertilizer deliveries partly compensating lower margins.

Volume development

Yara saw record fertilizer deliveries, up 21% on second quarter 2012, with increases for all main product groups. Urea sales increased by 42%, reflecting higher sales of Qafco urea primarily in Brazil and North America, but also in the Mediterranean region. Compound NPK saw continued strong demand and deliveries were up 30% with strong European and Asian core market growth. Nitrate deliveries were 14% above last year, mainly reflecting higher European sales, but also other markets performed well.

European sales were up 23% from a year earlier, as the late spring delayed deliveries into second quarter and new fertilizer season prices created strong demand at farm level. Yara ended the European fertilizer season up 9% on last season, and deliveries were back to levels seen prior to the 2011/2012 season. Yara's European market share increased compared with the previous season. Sales outside Europe were up 19%. In Brazil, Yara recovered from a weak first half 2012 and deliveries increased 30%, mainly within traded urea. Asia sales increased 18%, primarily compound NPK to premium segments in China and Thailand.

Yara ended the fertilizer season in Europe with low stocks, 19% down on a year earlier, with the main reduction in NPK and nitrate stocks. Yara's global stocks were 9% lower than a year ago, with markets outside Europe slightly down or in line with last year.

Sales volumes from equity-accounted investees increased with new volumes from the Qafco 5 and 6 expansions and the return of production in Libya. Yara's sales of Qafco and Lifeco produced urea more than doubled from second quarter 2012.

Industrial sales volumes were in line with second quarter 2012. Air1 sales were 22% ahead, reflecting continued strong growth in North America and Europe. Sales of stationary NO_X abatement products were up 5% mainly in North America. Technical ammonium nitrate (TAN) sales declined 4% due to lower sales in Eastern Australia, where the market continues to be oversupplied due to Chinese imports. Sales of chemicals to the European process industry were down 3%, mainly driven by lower ammonia sales. Sales of water treatment products were 13% below last year, as the cold spring in Europe impacted sales. CO_2 sales recovered after a slow start this quarter, however volumes were 4% lower than a year earlier.

Yara's ammonia production increased 4% compared with last year, reflecting increased Qafco production and the return of production in Libya, partly offset by an extended outage in Ince. Finished fertilizer production was 4% above second quarter 2012. Urea production increased 26%, due to additional Qafco and Lifeco volumes combined with higher regularity in wholly owned plants. NPK was 4% below last year due to scheduled stop in Porsgrunn.

Margin development

Ammonia prices decreased by 7%, while Yara's average realized urea prices were 21% lower than a year ago, resulting in lower upgrading margins this year. Realized nitrate and NPK compound prices decreased by 4% and 2% respectively, improving premiums over urea and other commodity fertilizers, as demand for value-added products remained strong. NPK blend margins were higher than last year, as the Brazil market improved compared with a weak first half 2012.

Industrial margins increased slightly compared with second quarter last year, mainly driven by higher margins for Air1. Margins for water treatment products increased mainly due to positive development in niche applications. Margins for NO_X abatement products and CO_2 were in line with last year. Chemicals showed a negative margin development mainly due to technical urea sales to the glue industry, which is suffering from overcapacity and hence demand pressure in Europe. TAN margins were lower than second quarter last year due to changes in customer mix and increased market supply in Eastern Australia.

Yara's average European gas and oil cost increased by 0.9 USD/MMBtu compared with second quarter 2012, but ended slightly lower than Yara's guidance as spot gas prices decreased slightly more than the forward market reflected in April. The reason for the increase from last year is higher spot gas prices, only slightly offset by lower prices on oil-linked gas. Yara's global average oil and gas cost increased 10% on a USD per MMBtu basis as there was also an increase in costs outside Europe due to increased Henry Hub price and a new gas contract for Qafco 1-4.

Other items

Total special items were a net negative NOK 70 million, mainly related to the recognition of a sales tax claim for 2005 to 2007 still contested by Yara, and stamp duty related to last year's purchase of 16% in Yara Pilbara. Second-quarter 2012 special items were a net negative NOK 229 million, primarily reflecting costs related to the Libya outage and contract derivatives. For further details on special items see pages 11 and 12.

The major part of the "Other" variance is related to increased fixed costs, primarily due to organic growth and plant reliability related activities.

The US dollar was approximately 1% weaker versus the Norwegian krone compared with second quarter 2012, resulting in a negative translation effect in Yara's results.

The volume and price effects shown in the Yara variance table include net income from equity-accounted investees. Net income from the main equity-accounted investees is shown in the table below.

Net income from equity-accounted investees

NOK millions	2Q 2013	2Q 2012
Qafco	342	356
Tringen	63	51
GrowHow UK	7	158
Lifeco	20	(99)
Other	44	72
Total	476	538

Net income from equity-accounted investees decreased by NOK 62 million compared with last year, mainly driven by lower result in Grow How UK due to an extended stop in the Ince ammonia plant, a one off insurance settlement in 2012 and higher gas costs.

Increased volumes in Qafco were offset by lower prices and higher gas cost as contracts for Qafco 1-4 expired and have been renegotiated.

The return of production in Libya contributed positively to Yara net income from equity-accounted investees. Last year's negative result when Lifeco was not operating was classified as a special item in Yara's results.

PRODUCTION VOLUMES [1]

Thousand tons	2Q 2013	2Q 2012	1H 2013	1H 2012
Ammonia	1,823	1,756	3,649	3,438
of which equity-accounted investees	*474*	*406*	*964*	*771*
Urea	1,261	1,002	2,452	2,009
of which equity-accounted investees	*434*	*254*	*861*	*479*
Nitrate	1,513	1,532	3,033	3,028
of which equity-accounted investees	*66*	*123*	*134*	*186*
NPK	989	1,029	2,233	2,166
of which equity-accounted investees	*54*	*66*	*65*	*127*
CN	275	332	601	642
UAN	268	282	517	533
SSP-based fertilizer	154	119	235	181
Total production [1]	6,283	6,051	12,719	11,996

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

SALES VOLUMES

Thousand tons	2Q 2013	2Q 2012	1H 2013	1H 2012
Ammonia	790	902	1,659	1,681
of which industrial products [1]	*166*	*177*	*334*	*368*
Urea	1,970	1,490	3,568	3,074
of which fertilizer	*1,670*	*1,175*	*2,954*	*2,413*
of which Yara-produced fertilizer	*539*	*570*	*988*	*1,156*
of which Yara-produced industrial products [2]	*265*	*247*	*552*	*516*
of which equity-accounted investees	*1,017*	*395*	*1,716*	*827*
Nitrate	1,775	1,591	3,424	3,284
of which fertilizer	*1,551*	*1,363*	*3,005*	*2,829*
of which Yara-produced fertilizer	*1,459*	*1,273*	*2,811*	*2,659*
of which Yara-produced industrial products	*185*	*187*	*352*	*374*
NPK	1,819	1,492	3,429	3,095
of which Yara-produced compounds	*1,133*	*839*	*2,342*	*2,025*
of which Yara-produced blends	*600*	*557*	*916*	*820*
CN	384	361	715	687
of which fertilizer	*314*	*272*	*575*	*505*
of which Yara-produced fertilizer	*310*	*260*	*567*	*485*
of which Yara-produced industrial products	*65*	*82*	*130*	*169*
UAN	469	461	785	854
of which Yara-produced fertilizer	*409*	*443*	*702*	*820*
DAP/MAP	90	121	160	362
MOP/SOP	136	83	216	124
Other products	687	633	1,286	1,194
of which industrial products	*452*	*395*	*876*	*758*
Total sales	8,120	7,135	15,244	14,355

1) 82% ammonia equivalents.
2) 46% urea equivalents.

FERTILIZER VOLUMES BY REGION

Thousand tons	2Q 2013	2Q 2012	1H 2013	1H 2012
Europe	2,771	2,254	5,664	5,135
Latin America	1,446	1,174	2,368	1,971
North America	1,117	987	1,919	1,783
Asia	644	544	1,128	1,155
Africa	361	294	559	646
Total	6,339	5,253	11,638	10,690

For a description of the key global fertilizer products, see the Yara Fertilizer Industry Handbook:
http://www.yara.com/investor_relations/reports_presentations/index.aspx

VARIANCE ANALYSIS FIRST HALF

NOK millions	1H 2013
EBITDA 2013	8,124
EBITDA 2012	9,276
Variance EBITDA	(1,152)
Volume & mix	1,235
Price/margin	(1,337)
Oil & gas costs in Europe	(354)
Special items	(184)
Other	(369)
Translation NOK vs. USD [1]	(144)
Total variance explained	(1,152)

1) Based on quarterly average NOK per USD rates as detailed in Yara 2013 reports.

Yara delivered strong first-half results, reflecting increased fertilizer deliveries offset by lower margins.

Volume development

Global Yara fertilizer deliveries were up 9% on first half 2012 as all main product groups except UAN increased. Urea from the equity-accounted investees, Qafco and Lifeco, and Yara-produced NPK compound saw the strongest growth with 107% and 16% respectively.

After a slow first quarter due to the cold spring, first-half 2013 European deliveries ended 10% above the same period last year. Deliveries outside Europe increased by 8%, mainly as a result of more urea sales to Brazil and North America.

Industrial sales volumes were 2% down on first half 2012. Technical ammonium nitrate (TAN) sales were down 10% due to lower sales to Eastern Australia. Chemical sales to the European process industry were down 5% due to reduced capacity utilization. The cold spring in Europe dampened sales of CO_2 and consumption of water treatment products. Sales of stationary NO_X abatement products were in line with last year. Air1 sales were 27% ahead of first half 2012, reflecting continued positive market development especially in North America.

Yara's ammonia and finished fertilizer production increased 6% compared with first half last year. Urea production increased 22%, due to additional Qafco and Lifeco volumes and high regularity in wholly-owned plants. NPK production was up 3% with first-quarter production records in several plants.

Margin development

Ammonia prices were 14% higher compared with first half 2012, while Yara's average realized urea prices were 11% lower than a year ago, resulting in lower upgrading margins. Realized nitrate prices were 2% lower than last year, resulting in higher premiums over urea. NPK compound prices saw a decrease of 2%, less than the equivalent commodity nutrient values, as demand for value-added products was strong in Europe as well as in core markets outside Europe. NPK blend margins improved due to an improved market in Brazil.

Industrial margins were slightly higher compared with first half 2012. Chemicals showed a positive margin development as a result of improved customer mix. Air1 margins were higher in all regions, and margins for water treatment products increased. CO_2 margins were in line with first half last year. NO_X abatement product margins were lower despite a positive development in the Nordic markets. TAN margins decreased due to reduced mining activity and excess supply in some markets.

Yara's average European gas and oil cost increased by 0.7 USD/MMBtu YTD compared with last year due to increased spot gas prices. The 8% increase in Yara's global average oil and gas price also reflects a higher Henry hub price and Qafco gas contract changes.

Other Items

The special items variance of NOK 184 million primarily reflects the Yara Pilbara transaction effect of NOK 401 million in first half 2012, partly offset by Libya costs and contract derivatives. For further details on special items see pages 11 and 12.

The major part of the "Other" variance is related to increased fixed costs, primarily due to organic growth and plant reliability related activities.

The US dollar was on average approximately 2% weaker versus the Norwegian krone compared with first half 2012, resulting in a negative translation effect in Yara's results.

The volume and price effects shown in the Yara variance table include net income from equity-accounted investees. Net income from the main equity-accounted investees is shown in the table below.

Net income from equity-accounted investees

NOK millions	1H 2013	1H 2012
Qafco	692	665
Tringen	152	108
GrowHow UK	39	211
Lifeco	69	(161)
Other	49	78
Total	1,002	901

First-half net income from equity-accounted investees increased by NOK 101 million as a result of resumed production in Libya and higher sales volume from the Qafco 5 and 6 expansions. Tringen benefitted from higher ammonia prices. GrowHow UK was negatively affected by an extended stop in the Ince ammonia plant, a one off insurance settlement in 2012 and higher gas costs.

FINANCIAL ITEMS

NOK millions	2Q 2013	2Q 2012	1H 2013	1H 2012
Interest income from customers	32	35	62	69
Interest income, other	72	82	127	139
Dividends and net gain/(loss) on securities	0	14	0	14
Interest income and other financial income	104	131	189	222
Interest expense	(149)	(191)	(312)	(372)
Net interest expense on net pension liability	(19)	(15)	(38)	(31)
Net foreign exchange gain/(loss)	(409)	(135)	(627)	259
Other	(71)	(25)	(48)	(41)
Interest expense and foreign exchange gain/(loss)	(648)	(367)	(1,025)	(185)
Net financial income/(expense)	(544)	(236)	(836)	37

Second-quarter net financial expense was NOK 544 million compared with NOK 236 million last year. The variance primarily reflects a net foreign exchange loss this quarter of NOK 409 million compared with NOK 135 million in the same quarter last year.

Interest income was NOK 10 million lower than in the same quarter last year. Average cash deposits were NOK 1.4 billion higher than last year, but average interest rates were approximately 90 basis points lower. The cash has mainly been kept as bank deposits in Norwegian kroner.

Interest expense was NOK 149 million compared with NOK 191 million last year, as the average gross debt level this year was NOK 2.3 billion lower.

The foreign exchange loss this quarter was NOK 409 million. The US dollar depreciated around 2% against the euro, but appreciated around 3% against the Norwegian krone and up to 10% against Yara's emerging market currencies such as the Brazilian real. Yara's US dollar debt generating currency effects in the income statement was approximately USD 1,150 million at the end of the quarter, with around USD 550 million of the exposure towards the euro. The reported loss this quarter includes NOK 283 million related to internal currency positions. As these losses correspond to offsetting translation effects in equity, the net economic effect of these positions is neutral for Yara.

The "other" line this quarter includes an expense of NOK 51 million related to the sales tax claim described on page 4.

First-half net financial expense was NOK 836 million compared with a net financial income of NOK 37 million last year. The net foreign exchange loss of NOK 627 million is mainly explained by the USD appreciating around 8% against the Norwegian krone and up to 19% against Yara's emerging market currencies. The loss also includes NOK 373 million related to internal currency positions, mainly reflecting the 8% appreciation of the euro versus the Norwegian krone.

TAX

Second-quarter provisions for current and deferred taxes were NOK 509 million, approximately 20% of income before tax, in line with the tax rate implied in previously published earnings scenarios.

NET INTEREST-BEARING DEBT

NOK millions	2Q 2013	1H 2013
Net cash/(net interest-bearing debt) at beginning of period	1,984	(954)
Cash earnings [1]	1,527	4,268
Dividends received from equity-accounted investees	29	1,149
Net operating capital change	679	510
Investments (net)	(1,204)	(1,886)
Share buy backs	(115)	(115)
Yara dividend	(3,418)	(3,418)
Foreign exchange gain/(loss)	(409)	(627)
Other	187	333
Net cash/(net interest-bearing debt) at end of period	(741)	(741)

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

As a supplement to the consolidated statement of cash flows (page 18), this table highlights the key factors behind the development in net interest-bearing debt.

Net interest-bearing debt ended at NOK 741 million in the second quarter, compared with a net cash position of NOK 1,984 million at the end of first quarter 2013, following the Yara dividend payment of NOK 3,418 million. Cash earnings were reduced by tax payments of NOK 1,612 million.

Net operating capital decreased by NOK 679 million, primarily reflecting significantly lower inventory volume.

The investment activity for the quarter mainly reflects planned maintenance programs and smaller growth investments, in addition to a NOK 163 million loan to the Yara Pilbara Nitrates joint venture.

The debt/equity ratio at the end of second quarter 2013, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.01.

First-half net interest-bearing debt decreased by NOK 213 million, mainly reflecting cash earnings and dividends received from equity-accounted investees, partly offset by Yara dividend payment and investments.

Outlook

Incentives for fertilizer application remain strong. Global farm margins are stronger than a year ago, with the June FAO food price index 5% higher than a year ago, while fertilizer prices are lower overall.

The US Department of Agriculture estimates that global grain stocks-to-use will increase by 2% to 71 days during the 2013/14 season, as a result of improved weather conditions and strong fertilizer application. If realized, this projection would represent a positive development towards the long-term challenge of increasing agricultural productivity.

Global nitrogen demand was strong through the second quarter, but was met by a strong supply increase from China, with high exports earlier in the season and a build-up of port stocks during the quarter, ahead of the new season export window. As a result, nitrogen prices globally are lower than a year ago, when supply was lower and limited pre-buying took place earlier in the season.

Chinese urea production and exports have increased strongly during the 2012/13 season, as coal prices have declined. This has led to a decline in urea prices to around USD 300 per ton fob, to the point where there are signs of resistance to lower price levels and also recently lower urea domestic capacity utilization. The Chinese urea export tax will according to official information be at 2% from 1 July to 31 October, after which it increases to 77%. The price and availability of urea exports from China going forward is likely to be linked to coal price developments and also the extent to which the planned export tax increase is enforced towards the end of the year.

Start-ups of new nitrogen capacity outside China continue to be delayed, and gas curtailments impacting existing capacity continue in several countries. Also, market-related curtailments are taking place in Eastern Europe, further reducing available export supply outside China. Further delays to new capacity are evident going forward, with unclear timing for most of the remaining 2013 start-ups.

Nitrogen fertilizer industry deliveries for the 2012/13 season in Western Europe were 6% higher than a year earlier, primarily reflecting higher opening stocks in the 2011/12 season. Second-quarter nitrogen fertilizer industry deliveries in Europe were up 14% reflecting strong demand for immediate consumption, following poor weather in March. The European nitrogen fertilizer industry enters the 2013/14 season in Europe with lower stocks, in Yara's case 19% lower than a year ago. European farm margins remain strong, with somewhat lower cereal prices but significantly higher dairy prices than a year ago.

Yara's value-added nitrate and NPK products continue to deliver strong and stable volumes, and margins which are relatively less exposed to swings in commodity nitrogen, phosphate and potash markets. Continued strong food prices combined with lower commodity fertilizer prices increase the relative value of more efficient fertilizer types like nitrate and NPK. Increased focus on food chain efficiency and quality are expected to reinforce this trend going forward.

At the Lifeco plant in Marsa el Brega, Libya, the supply of power and utilities to the site is not yet stable, and capacity utilization is likely to run at approximately 75% capacity for the time being.

The acquisition of Bunge's fertilizer business in Brazil is expected to close during third quarter 2013.

Based on current forward markets for oil products and natural gas (11 July) Yara's third-quarter European energy costs are expected to be in line with last year. Fourth-quarter 2013 European energy costs are expected to be NOK 100 million lower than a year earlier. The estimates may change considerably depending on future energy prices. Yara's European oil and gas exposure is 90% spot gas and 10% spot oil products.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 18 July 2013

Bernt Reitan
Chairperson

Hilde Merete Aasheim
Board member

Elisabeth Harstad
Board member

Geir Isaksen
Board member

Juha Ilari Rantanen
Board member

Rune Asle Bratteberg
Board member

Guro Mauset
Board member

Geir Olav Sundbø
Board member

Jørgen Ole Haslestad
President and CEO

Risk *and uncertainty*

As described in Yara's Annual Report for 2012 Yara's total risk exposure is analyzed and evaluated at group level. Risk evaluations are integrated in all business activities both at group and business unit level, increasing Yara's ability to take advantage of business opportunities. Yara's most important market risk is related to the margin between nitrogen fertilizer prices and natural gas prices. Although there is a positive long-term correlation between these prices, margins are influenced by the supply/demand balance for food relative to energy. Yara has in place a system for credit and currency risk management with defined limits for exposure both at country, customer and currency level. Yara's geographically diversified portfolio reduces the overall credit and currency risk of the Group. As the fertilizer business is essentially a US dollar business, with both revenues and raw material costs mainly priced in US dollars, Yara seeks to keep most of its debt in US dollars to reduce its overall US dollar currency exposure. There has not been any significant change in the risk exposures and the risks and uncertainties for the remaining six months of the year are described in Outlook.

Related *parties*

Note 32 in the annual report for 2012 provides details of related parties. During the first half of 2013 there has not been any changes or transactions that significantly impacts on the group's financial position or result for the period.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 18 July 2013

Bernt Reitan *Chairperson*	Hilde Merete Aasheim *Board member*	Elisabeth Harstad *Board member*	Geir Isaksen *Board member*
Juha Ilari Rantanen *Board member*	Rune Asle Bratteberg *Board member*	Guro Mauset *Board member*	Geir Olav Sundbø *Board member*

Jørgen Ole Haslestad
President and CEO

Definitions *and variance analysis*

The fertilizer season in West Europe referred to in this discussion starts 1 July and ends 30 June.

Several of Yara's purchase and sales contracts for commodities are, or have embedded terms and conditions which under IFRS are, accounted for as derivatives. The derivative elements of these contracts are presented under "Commodity-based derivatives gain/(loss)" in the condensed consolidated interim statement of income, and are referenced in the variance analysis (see below) as "Special items".

"Other and eliminations" consists mainly of cross-segment eliminations, in addition to Yara's headquarter costs. Profits on sales from Upstream to Downstream and Industrial are not recognized in the consolidated Yara condensed consolidated interim statement of income before the products are sold to external customers. These internal profits are eliminated in "Other and eliminations".

Changes in "Other and eliminations" EBITDA therefore usually reflect changes in Upstream-sourced stock (volumes) held by Downstream and Industrial, but can also be affected by changes in Upstream margins on products sold to Downstream and Industrial, as transfer prices move in line with arms-length market prices. With all other variables held constant, higher stocks would result in a higher (negative) elimination effect in Yara's results, as would higher Upstream margins. Over time these effects tend to even out, to the extent that stock levels and margins normalize.

In the discussion of operating results, Yara refers to certain non-GAAP financial measures including EBITDA and CROGI. Yara's management makes regular use of these measures to evaluate the performance, both in absolute terms and comparatively from period to period. These measures are viewed by management as providing a better understanding - both for management and for investors – of the underlying operating results of the business segments for the period under evaluation. Yara manages long-term debt and taxes on a group basis. Therefore, net income is discussed only for the Group as a whole.

Yara's management model, referred to as Value Based Management, reflects management's focus on cash flow-based performance indicators. EBITDA, which Yara defines as income/(loss) before tax, interest expense, foreign exchange gains/losses, depreciation, amortization and write-downs, is an approximation of cash flow from operating activities before tax and net operating capital changes. EBITDA is a measure that in addition to operating income, also includes interest income, other financial income, and results from equity-accounted investees. It excludes depreciation, write-downs and amortization, as well as amortization of excess values in equity-accounted investees. Yara's definition of EBITDA may differ from that of other companies.

EBITDA should not be considered as an alternative to operating income and income before tax as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is EBITDA an alternative to cash flow from operating activities in accordance with generally accepted accounting principles.

Yara management uses CROGI (Cash Return On Gross Investment) to measure performance. CROGI is defined as gross cash flow, divided by average gross investment and is calculated on a 12-month rolling basis. "Gross cash flow" is defined as EBITDA less total tax expense, excluding tax on net foreign exchange gains/ losses. On Yara level, actual tax expense is used for the calculation while a standardized tax rate of 25% is used on segment level. "Gross Investment" is defined as total assets (exclusive of deferred tax assets, cash and cash equivalents, other liquid assets and fair value adjustment recognized in equity) plus accumulated depreciation and amortization, less all short-term interest-free liabilities, except deferred tax liabilities. On segment level, cash and other liquid assets are not excluded from "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 and is calculated on a 12-month rolling average basis. Capital employed is defined as total assets adjusted for deferred tax assets minus other current liabilities.

In order to track underlying business developments from period to period, Yara's management also uses a variance analysis methodology, developed within the Company ("Variance Analysis"), that involves the extraction of financial information from the accounting system, as well as statistical and other data from internal management information systems. Management considers the estimates produced by the Variance Analysis, and the identification of trends based on such analysis, sufficiently precise to provide useful data to monitor our business. However, these estimates should be understood to be less than an exact quantification of the changes and trends indicated by such analysis.

The variance analysis presented in Yara quarterly and annual financial reports is prepared on a Yara EBITDA basis including net income from equity-accounted investees. The volume, margin and other variances presented therefore include effects generated by performance in non-consolidated investees.

Yara defines "special items" as material items in the results which are not regarded as part of underlying business performance for the period. These fall into 2 categories, namely "non-recurring items" and "contract derivatives". "Non-recurring items" comprise restructuring-related items and other gains or losses which are not primarily related to the period in which they are recognized, subject to a minimum value of NOK 20 million per item within a 12-month period. "Contract derivatives" are commodity-based derivatives gains or losses (see above) which are not the result of active exposure or position management by Yara.

Due to it being impractical to obtain financial reports at the same reporting dates as Yara uses, the results for some of Yara's equity-accounted investees are included in Yara results with a one-month time lag.

Special *items*

	EBITDA effect				Operating income effect			
NOK millions	2Q 2013	2Q 2012	1H 2013	1H 2012	2Q 2013	2Q 2012	1H 2013	1H 2012
2005-2007 sales tax	(95)	-	(95)	-	(95)	-	(95)	-
Settlement of pension plan in France	-	-	-	21	-	-		21
Contract termination fee	-	27	-	27	-	27		27
Impairment write-down of customer relationships Balderton	-	-	-	-	-	(69)		(69)
Total Downstream	(95)	27	(95)	47	(95)	(43)	(95)	(22)
Settlement of pension plan in France	-	-	-	3	-	-	-	3
Total Industrial	-	-	-	3	-	-	-	3
Yara Pilbara transaction effects	(32)	11	(32)	401	(32)	11	(32)	401
Settlement of pension plan in France	-	-	-	1	-	-	-	1
Libya costs	-	(99)	-	(161)	-	-	-	-
Impairment write-down of customer relationships Balderton	-	-	-	-	-	(86)	-	(86)
Contract derivatives	57	(167)	91	(144)	44	(138)	72	(126)
Total Upstream	25	(255)	60	97	12	(214)	40	189
Settlement of pension plan in France	-	-	-	1	-	-	-	1
Total Other and eliminations	-	-	-	1	-	-	-	1
Total Yara	(70)	(229)	(35)	149	(83)	(257)	(55)	172

Condensed *consolidated interim statement of income*

NOK millions, except share information	Notes	2Q 2013	2Q 2012 Restated 3)	1H 2013	1H 2012 Restated 3)	2012 Restated 3)
Revenue	3	23,117	21,496	43,735	42,345	83,997
Other income	3	32	93	72	524	678
Commodity based derivatives gain/(loss)		41	(166)	72	(143)	(166)
Revenue and other income	3	23,190	21,423	43,879	42,726	84,509
Raw materials, energy costs and freight expenses	5,8	(17,892)	(15,302)	(33,317)	(31,110)	(62,751)
Payroll and related costs	10	(1,329)	(1,313)	(2,594)	(2,489)	(5,059)
Depreciation, amortization and impairment loss		(855)	(972)	(1,689)	(1,732)	(3,424)
Other operating expenses		(560)	(513)	(1,043)	(986)	(2,117)
Operating costs and expenses		(20,636)	(18,101)	(38,644)	(36,317)	(73,350)
Operating income	3	2,554	3,323	5,236	6,409	11,159
Share of net income in equity-accounted investees	3	476	538	1,002	901	1,964
Interest income and other financial income	3	104	131	189	222	404
Earnings before interest expense and tax (EBIT)	3	3,134	3,991	6,426	7,532	13,527
Foreign exchange gain/(loss)		(409)	(135)	(627)	259	596
Interest expense and other financial items	8,10	(239)	(232)	(398)	(444)	(941)
Income before tax	3	2,486	3,625	5,401	7,347	13,183
Income tax expense	10	(509)	(774)	(1,067)	(1,502)	(2,582)
Net income		1,977	2,851	4,334	5,845	10,601
Net income attributable to						
Shareholders of the parent		1,865	2,787	4,120	5,795	10,552
Non-controlling interests		112	64	214	50	49
Net income		1,977	2,851	4,334	5,845	10,601
Earnings per share 1)		6.68	9.82	14.72	20.35	37.31
Weighted average number of shares outstanding 2)		279,294,832	283,940,417	279,927,533	284,698,288	282,821,544

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 2012 and second quarter 2013, due to the share buy-back program.
3) See note 10 for more information.

Condensed *consolidated interim statement of comprehensive income*

NOK millions	Notes	2Q 2013	2Q 2012 Restated [1]	1H 2013	1H 2012 Restated [1]	2012 Restated [1]
Net income	10	1,977	2,851	4,334	5,845	10,601
Other comprehensive income that may be reclassified to profit or loss in subsequent periods						
Exchange differences on translation of foreign operations	10	1,932	963	3,459	(567)	(2,960)
Available-for-sale financial assets - change in fair value		(8)	(11)	22	(21)	(24)
Hedge of net investments		(110)	(139)	(266)	(116)	79
Share of other comprehensive income of equity-accounted investees, excluding remeasurements		45	(7)	47	(12)	(27)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		1,860	806	3,263	(716)	(2,932)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods						
Remeasurements of the net defined benefit pension liability	10	-	13	-	26	(500)
Remeasurements of the net defined benefit pension liability for equity-accounted investees		-	(2)	(6)	(2)	(42)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		-	11	(6)	24	(541)
Reclassification adjustments of the period						
- cash flow hedges		3	3	6	6	11
- exchange differences on foreign operations disposed of in the year		-	(11)	-	(396)	(354)
Net reclassification adjustment of the period		3	(8)	6	(390)	(343)
Total other comprehensive income, net of tax	10	1,863	809	3,263	(1,083)	(3,816)
Total comprehensive income		3,840	3,660	7,598	4,762	6,785
Total comprehensive income attributable to						
Shareholders of the parent		3,664	3,497	7,238	4,656	6,816
Non-controlling interests		176	163	360	106	(32)
Total		3,840	3,660	7,598	4,762	6,785

1) See note 10 for more information.

Condensed *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 the shareholders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2011	485	117	430	29	(267)	90	282	43,737	44,623	157	44,779
Implementation of revised IAS 19, restatement effect [4]	-	-	-	-	-	-	-	85	85	-	85
Balance at 1 January 2012 restated	485	117	430	29	(267)	90	282	43,822	44,707	157	44,864
Net income	-	-	-	-	-	-	-	5,795	5,795	50	5,845
Other comprehensive income, net of tax	-	-	(1,019)	(21)	6	(116)	(1,151)	26	(1,126)	56	(1,070)
Share of other comprehensive income of equity-accounted investees	-	-	(7)	-	(4)	-	(11)	(2)	(13)	-	(13)
Total other comprehensive income, net of tax	-	-	(1,026)	(21)	1	(116)	(1,163)	24	(1,139)	56	(1,083)
Long term incentive plan	-	-	-	-	-	-	-	2	2	-	2
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	1,803	1,803
Treasury shares	(3)	-	-	-	-	-	-	(458)	(461)	-	(461)
Redeemed shares, Norwegian State [2]	(2)	-	-	-	-	-	-	(315)	(317)	-	(317)
Dividends distributed	-	-	-	-	-	-	-	(1,998)	(1,998)	(5)	(2,003)
Balance at 30 June 2012 restated [4]	480	117	(596)	8	(266)	(26)	(880)	46,871	46,589	2,060	48,649
Net income	-	-	-	-	-	-	-	4,757	4,757	(1)	4,756
Other comprehensive income, net of tax	-	-	(2,214)	(3)	6	196	(2,015)	(525)	(2,541)	(137)	(2,678)
Share of other comprehensive income of equity-accounted investees	-	-	5	-	5	-	10	(65)	(55)	-	(55)
Total other comprehensive income, net of tax	-	-	(2,209)	(3)	11	196	(2,005)	(590)	(2,596)	(137)	(2,733)
Long term incentive plan	-	-	-	-	-	-	-	(10)	(10)	-	(10)
Transactions with non-controlling interests	-	-	-	-	-	-	-	(1)	(1)	(162)	(163)
Treasury shares	(3)	-	-	-	-	-	-	(489)	(492)	-	(492)
Dividends distributed	-	-	-	-	-	-	-	-	-	(15)	(15)
Balance at 31 December 2012 restated [4]	477	117	(2,805)	5	(255)	169	(2,886)	50,538	48,246	1,745	49,991
Net income	-	-	-	-	-	-	-	4,120	4,120	214	4,334
Other comprehensive income, net of tax	-	-	3,314	22	6	(266)	3,076	-	3,076	146	3,222
Share of other comprehensive income of equity-accounted investees	-	-	-	-	47	-	46	(6)	41	-	41
Total other comprehensive income, net of tax	-	-	3,313	22	53	(266)	3,123	(6)	3,117	146	3,263
Long term incentive plan	-	-	-	-	-	-	-	4	4	-	4
Treasury shares	(1)	-	-	-	-	-	-	(114)	(115)	-	(115)
Redeemed shares, Norwegian State [3]	(4)	-	-	-	-	-	-	(538)	(541)	-	(541)
Dividends distributed	-	-	-	-	-	-	-	(3,647)	(3,647)	(87)	(3,735)
Balance at 30 June 2013	473	117	508	27	(202)	(96)	237	50,357	51,185	2,017	53,202

1) Par value 1.70.
2) As approved by General Meeting 10 May 2012.
3) As approved by General Meeting 13 May 2013.
4) See note 10 for more information.

Condensed *consolidated statement of financial position*

NOK millions	Notes	30 Jun 2013	30 Jun 2012 Restated [1]	31 Dec 2012 Restated [1]
Assets				
Non-current assets				
Deferred tax assets	10	1,194	1,400	1,376
Intangible assets		7,859	7,580	7,512
Property, plant and equipment		29,428	27,730	27,893
Equity-accounted investees	3	11,677	10,655	10,509
Other non-current assets		1,025	1,599	1,429
Total non-current assets		51,183	48,964	48,719
Current assets				
Inventories	5	11,151	11,941	11,927
Trade receivables		9,590	9,025	8,045
Prepaid expenses and other current assets		3,093	3,291	2,607
Cash and cash equivalents		9,878	8,240	9,941
Non-current assets classified as held-for-sale		3	442	11
Total current assets		33,714	32,939	32,530
Total assets	3	84,897	81,903	81,249

1) See note 10 for more information.

Condensed *consolidated statement of financial position*

NOK millions, except for number of shares	Notes	30 Jun 2013	30 Jun 2012 Restated [1]	31 Dec 2012 Restated [1]
Equity and liabilities				
Equity				
Share capital reduced for treasury stock		473	480	477
Premium paid-in capital		117	117	117
Total paid-in capital		590	597	594
Other reserves	10	237	(881)	(2,886)
Retained earnings	10	50,357	46,871	50,538
Total equity attributable to shareholders of the parent	7	51,185	46,589	48,246
Non-controlling interests		2,017	2,060	1,745
Total equity		53,202	48,649	49,991
Non-current liabilities				
Employee benefits	10	2,383	2,183	2,350
Deferred tax liabilities	10	4,432	5,062	4,442
Other long-term liabilities		676	246	658
Long-term provisions		394	406	407
Long-term interest-bearing debt	6	9,036	10,055	9,287
Total non-current liabilities		16,921	17,952	17,144
Current liabilities				
Trade and other payables		10,329	10,272	9,665
Current tax liabilities		1,222	1,515	1,932
Short-term provisions		296	273	230
Other short-term liabilities		1,345	1,086	680
Bank loans and other interest-bearing short-term debt		844	1,877	604
Current portion of long-term debt		738	279	1,004
Total current liabilities		14,774	15,302	14,115
Total equity and liabilities		84,897	81,903	81,249
Number of shares outstanding [2]	2	278,060,910	282,287,264	280,567,264

1) See note 10 for more information.
2) Number of shares outstanding was reduced in second, third and fourth quarter 2012 and second quarter 2013, due to the share buy-back program.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 18 July 2013

Bernt Reitan
Chairperson

Hilde Merete Aasheim
Board member

Elisabeth Harstad
Board member

Geir Isaksen
Board member

Juha Ilari Rantanen
Board member

Rune Asle Bratteberg
Board member

Guro Mauset
Board member

Geir Olav Sundbø
Board member

Jørgen Ole Haslestad
President and CEO

Condensed *consolidated statement of cash flows*

NOK millions	Notes	1H 2013	1H 2012 Restated [2)]	2012 Restated [2)]
Operating activities				
Operating income	3,10	5,236	6,409	11,159
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation, amortization and impairment loss		1,689	1,732	3,424
Write-down and reversals, net		(28)	(110)	(102)
Tax paid		(2,447)	(1,803)	(2,702)
Dividend from equity-accounted investees		1,149	369	986
Change in net operating capital [1)]		538	2,064	1,629
Other	10	136	(987)	(1,161)
Net cash from operating activities		6,272	7,674	13,233
Investing activities				
Purchases of property, plant and equipment	3	(1,780)	(1,331)	(3,569)
Purchases of other long-term investments	3	(339)	(398)	(695)
Net sales/(purchases) of short-term investments		-	(261)	(1)
Proceeds from sales of property, plant and equipment		25	22	51
Proceeds from sales of other long-term investments		208	236	258
Net cash from/(used in) investing activities		(1,886)	(1,732)	(3,955)
Financing activities				
Loan proceeds/(repayments), net		(847)	(1,118)	(1,792)
Purchase of treasury shares	7	(115)	(461)	(954)
Redeemed shares Norwegian State			-	(317)
Dividend	7	(3,418)	(1,899)	(1,998)
Net cash transfers (to)/from non-controlling interests		(87)	10	11
Net cash from/(used in) financing activities		(4,468)	(3,469)	(5,050)
Foreign currency effects on cash flows		19	(100)	(154)
Net increase (decrease) in cash and cash equivalents		(63)	2,373	4,073
Cash and cash equivalents at beginning of period		9,941	5,868	5,868
Cash and cash equivalents at end of period		9,878	8,241	9,941
Bank deposits not available for the use of other group companies		406	360	286

1) Operating capital consists of trade receivables, inventories and trade payables.
2) See note 10 for more information

Notes *to the condensed consolidated interim financial statements*

GENERAL AND ACCOUNTING POLICIES

Yara (the Group) consists of Yara International ASA (the Company) and its subsidiaries. Yara International ASA is a limited company incorporated in Norway.

The condensed consolidated interim financial statements consist of the Group and the Group's interests in equity-accounted investees. The consolidated financial statements of the Group at and for the year ended 31 December 2012 are available upon request from the Company's registered office at Bygdøy Allé 2, Oslo, Norway or at www.yara.com. These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements of the Group at and for the year ended 31 December 2012. These condensed consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are mainly the same as those applied by the Group in its consolidated financial statements at and for the year ended 31 December 2012, except for revised IAS 19 which Yara has implemented 1 January 2013. See note 10 for more information.

As a result of rounding differences, numbers or percentages may not add up to the total.

Note 1

Judgments, estimates *and assumptions*

The preparation of condensed consolidated interim financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. When preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, were mainly the same as those that applied to the consolidated financial statements as of the period ended 31 December 2012. See note 8 and 9 for more information about provisions, contingencies and ongoing investigations.

Note 2

Shares

	Ordinary shares	Own shares
Balance at 31 December 2011	287,656,159	(2,200,000)
Redeemed shares Norwegian State [1]	(1,248,895)	-
Shares cancelled [1]	(2,200,000)	2,200,000
Treasury shares - share buy-back program [1]	-	(3,640,000)
Balance at 31 December 2012	284,207,264	(3,640,000)
Redeemed shares Norwegian State [2]	(2,066,354)	-
Shares cancelled [2]	(3,640,000)	3,640,000
Treasury shares - share buy-back program [2]	-	(440,000)
Balance at 30 June 2013	278,500,910	(440,000)

1) As approved by General Meeting 10 May 2012.
2) As approved by General Meeting 13 May 2013, see note 7 for more information.

Note 3

Operating *segment information*

NOK millions	2Q 2013	2Q 2012 Restated 2)	1H 2013	1H 2012 Restated 2)	2012 Restated 2)
External revenue and other income					
Downstream	17,287	15,460	31,844	30,944	59,559
Industrial	3,139	3,208	6,164	6,346	12,500
Upstream	2,744	2,758	5,797	5,422	12,378
Other and eliminations	19	(3)	74	15	73
Total	23,190	21,423	43,879	42,726	84,509
Internal revenue and other income					
Downstream	457	198	858	454	950
Industrial	34	30	87	54	117
Upstream	7,833	8,204	16,001	16,301	32,533
Other and eliminations	(8,324)	(8,432)	(16,946)	(16,809)	(33,600)
Total	-	-	-	-	-
Revenue and other income					
Downstream	17,745	15,658	32,702	31,398	60,508
Industrial	3,173	3,238	6,251	6,400	12,617
Upstream	10,577	10,962	21,798	21,723	44,911
Other and eliminations	(8,305)	(8,434)	(16,872)	(16,795)	(33,527)
Total	23,190	21,423	43,879	42,726	84,509
Operating income					
Downstream	979	904	1,817	1,965	3,048
Industrial	228	231	405	454	863
Upstream	1,375	2,346	2,860	4,077	7,378
Other and eliminations	(28)	(159)	153	(86)	(130)
Total	2,554	3,323	5,236	6,409	11,159
EBITDA					
Downstream	1,196	1,221	2,200	2,456	3,905
Industrial	288	303	523	581	1,111
Upstream	2,468	3,534	5,117	6,203	11,849
Other and eliminations	44	(92)	284	37	105
Total	3,995	4,966	8,124	9,276	16,970
Investments					
Downstream	288	204	435	342	934
Industrial	166	51	208	455	692
Upstream	679	1,410	1,133	6,626	8,645
Other and eliminations	84	31	131	35	143
Total	1,217	1,697	1,907	7,458	10,415
Total Assets 1)					
Downstream	23,750	22,803	23,750	22,803	20,813
Industrial	5,875	5,925	5,875	5,925	5,581
Upstream	47,529	46,507	47,529	46,507	45,202
Other and eliminations	7,742	6,668	7,742	6,668	9,653
Total	84,897	81,903	84,897	81,903	81,249

1) Assets exclude internal cash accounts and accounts receivables related to group relief.
2) See note 10 for more information.

NOK millions, except percentages	2Q 2013	2Q 2012 Restated [3]	1H 2013	1H 2012 Restated [3]	2012 Restated [3]
CROGI (12-month rolling average)					
Yara [1]			15.8%	21.5%	17.3%
Downstream			14.9%	17.2%	15.3%
Industrial			12.3%	25.2%	12.7%
Upstream			15.2%	19.1%	16.2%
ROCE (12-month rolling average)					
Yara [1]			17.5%	25.8%	19.3%
Downstream			16.3%	18.5%	16.1%
Industrial			14.0%	31.9%	14.4%
Upstream			16.2%	22.5%	17.5%
Reconciliation of EBITDA to Income before tax					
EBITDA	3,995	4,966	8,124	9,276	16,970
Depreciation, amortization and impairment loss [2]	(861)	(974)	(1,698)	(1,744)	(3,443)
Foreign exchange gain/(loss)	(409)	(135)	(627)	259	596
Interest expense and other financial items	(239)	(232)	(398)	(444)	(941)
Income before tax	2,486	3,625	5,401	7,347	13,183

1) Cash and other liquid assets are included in gross investments and capital employed when calculating CROGI and ROCE respectively for the segments, but not included for total Yara. In addition, actual Yara tax is used for calculating CROGI and ROCE for Yara while a standardized tax rate of 25% (2012: 30%) is used for the segments. These two effects explain the higher CROGI and ROCE for Yara than for the segments. See page 11 "Definitions and variance analysis" for more information.
2) Including amortization of excess value in equity-accounted investees.
3) See note 10 for more information.

RECONCILIATION OF OPERATING INCOME TO EBITDA

NOK millions	Operating income	Equity-accounted investees	Interest income and other financial income	EBIT	Depreciation, amortization and impairment loss [1]	EBITDA
2Q 2013						
Downstream	979	32	49	1,061	135	1,196
Industrial	228	12	-	240	48	288
Upstream	1,375	432	1	1,808	660	2,468
Other and eliminations	(28)	-	53	26	18	44
Total	2,554	476	104	3,134	861	3,995
2Q 2012						
Downstream	904	50	63	1,018	202	1,221
Industrial	231	22	1	254	49	303
Upstream	2,346	466	21	2,833	700	3,534
Other and eliminations	(159)	-	45	(114)	23	(92)
Total	3,323	538	131	3,991	974	4,966
1H 2013						
Downstream	1,817	27	88	1,933	268	2,200
Industrial	405	21	-	427	96	523
Upstream	2,860	953	2	3,815	1,302	5,117
Other and eliminations	153	-	99	252	32	284
Total	5,236	1,002	189	6,426	1,698	8,124
1H 2012						
Downstream	1,965	49	110	2,124	332	2,456
Industrial	454	26	3	483	98	581
Upstream	4,077	826	23	4,926	1,277	6,203
Other and eliminations	(86)	-	86	-	37	37
Total	6,409	901	222	7,532	1,744	9,276
2012						
Downstream	3,048	74	196	3,319	586	3,905
Industrial	863	48	3	914	197	1,111
Upstream	7,378	1,843	23	9,243	2,605	11,849
Other and eliminations	(130)	-	181	51	54	105
Total	11,159	1,964	404	13,527	3,443	16,970

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

Note 4

Business *initiatives*

On 6 December 2012, Yara International ASA entered into an agreement to acquire Bunge's fertilizer business in Brazil. Bunge operates 22 blending units across Brazil, and delivered 4.8 million tons of fertilizer products in 2011. The Bunge assets also include a SSP plant with an annual production capacity of 300,000 metric tons, a port concession and a terminal development project. The business employs approximately 1,250 people. Yara and Bunge have also agreed to enter into a long-term fertilizer supply agreement, enabling Bunge to continue supplying fertilizer to farmers as part of its grain origination activities and creating a framework for logistics and other commercial activities. The transaction is valued at USD 750 million and comprises a net operating capital value of USD 385 million and other assets valued at USD 365 million. The operating capital value is subject to a post-closing adjustment. The transaction will be financed from the existing cash balance of Yara International ASA. Closing of the deal was subject to approval of Brazilian competition authorities (CADE) and other customary approvals. CADE approved Yara's acquisition of Bunge's fertilizer business in Brazil on May 16. Closing of the acquisition is expected to take place during third quarter 2013.

Note 5

Inventory

NOK millions	30 Jun 2013	30 Jun 2012	31 Dec 2012
Finished goods	5,518	5,949	6,823
Work in progress	552	343	543
Raw materials	5,080	5,648	4,560
Total	11,151	11,941	11,927
Write-down			
Balance at 1 January	(96)	(265)	(265)
Reversal/(write-down), net	22	133	160
Foreign currency translation	(5)	6	9
Closing balance	(80)	(126)	(96)

Note 6

Long-term *debt*

An updated overview of the contractual payments on long-term debt is provided in the table below:

NOK millions	Debentures	Bank Loans	Capital lease and other long-term loans	Total
2014	3,056	49	30	3,136
2015	-	93	16	108
2016	1,048	847	19	1,914
2017	-	92	18	109
Thereafter	2,988	543	237	3,768
Total	7,092	1,623	321	9,036

The undrawn USD 840 million revolving credit facility expired in June 2013. In July 2013, Yara signed a new USD 1,750 million dual-tranche multicurrency syndicated revolving credit facility comprising a USD 1,250 million tranche A with a tenor of 5+1+1 years and a USD 500 million tranche B with a tenor of 1+1 years.

Note 7

Dividend *and share buy-back program*

The Annual General Meeting in May 2013 approved a dividend for 2012 of NOK 3,647 million (NOK 13 per share). During second quarter 2013, Yara has paid out NOK 3,418 million. Remaining amount is expected to be paid out in third quarter 2013.

In May 2012, the Annual General Meeting authorized the Board of Directors to acquire up to 5% (14,210,363 shares) with a nominal value of up to NOK 24,157,617 in the equity market and from the Norwegian State. Within this frame, the Company has acquired 3,640,000 shares with a total nominal value of NOK 6,188,000. The Annual General Meeting in May 2013 approved the cancellation of 3,640,000 of the Company's own shares and the redemption of 2,066,354 shares owned by the Norwegian State for a consideration of NOK 541 million. Payments to the Norwegian State will take place in third quarter 2013. The number of shares in the company is consequently reduced to 278,500,910.

The Annual General Meeting in May 2013 approved that the existing buy-back program is replaced by a new program, authorizing the Board to acquire up to 5% (13,925,045 shares) of Yara's shares before the next Annual General Meeting. Shares may be purchased within a price range of NOK 10 to NOK 1,000. The shares may either be used for cancellation or as payment in business transactions. Yara has renewed its agreement with the Norwegian State according to which the State's shares will be redeemed on a pro-rata basis to ensure the State's ownership is unchanged in the event of a cancellation of the shares bought back.

In May 2013, Yara purchased 440,000 own shares for a total consideration of NOK 115 million.

Note 8

Provisions *and contingencies*

Yara is party to a number of lawsuits, environmental laws and regulations in various jurisdictions arising out of the conduct of its business. There have not been any material changes to the provisions and contingencies since 31 December 2012 except that Yara during second quarter recognized a NOK 96 million expense within operating costs and NOK 51 million expense within financial items related to a sales tax claim for the period 2005 to 2007. This case is still contested by Yara and was disclosed as part of contingent liabilities in Yara's 2012 financial statements.

Note 9

Investigation

In April 2011, Yara decided to initiate an external investigation related to the establishment of Libyan Norwegian Fertilizer Company (Lifeco), and in parallel notified The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM) of the possibility that irregular payments may have occurred in 2007 in connection with the negotiations preceding the company's investment in Libya. Yara subsequently widened its investigation to comprise other issues, and has communicated likely irregularities related to processes in India and Switzerland. In May 2011, ØKOKRIM charged the company with violation of the Norwegian penal code paragraph 276a, cf paragraph 276b. In June 2012, Yara published the main findings of the external investigation which confirmed previously communicated areas of concern:

- Unacceptable offers of payment to a consultant are documented, related to the establishment of Libyan Norwegian Fertilizer Company (Lifeco). The completion of the actual payment is not documented.
- An unacceptable payment of USD 1 million in 2007 to a consultant in India is documented, related to negotiations with Krishak Bharati Cooperative Limited (Kribhco).
- A number of payments over several years from the company Balderton in Switzerland have been uncovered, totaling approximately USD 15 million. The payments have been made to persons employed by or associated with companies which are suppliers to Yara or Balderton. Payments from Balderton which have no commercial basis have also been uncovered.

At this stage, it is not possible to estimate the outcome of ØKOKRIM'S investigations and potential financial effects for Yara.

Note 10

Implementation *of revised IAS 19 Employee Benefits*

Effective 1 January 2013 Yara adopted the revised IAS 19 Employee Benefits with retrospective application.

Yara's management is no longer estimating the expected return on plan assets. Instead, Yara applies the discount rate to calculate the net interest expense on the net pension obligation, effectively increasing net financial expenses. Administration expenses not directly related to the management of plan assets are now classified as operating expenses. Further, unvested past service cost is recognized immediately. 2012 restatement also includes effects of implementation on specific pension plans, including risk sharing implications of mandatory employee contribution and the valuation of one pension plan obligation no longer taking into account future plan administration costs.

The revised accounting standard requires retrospective application and the financial statements for 2012 have been restated as follows:

2Q 2012

NOK millions	As previously reported	Effect of restatement	2Q 2012 Restated
Condensed consolidated interim statement of income			
Payroll and related costs	(1,311)	(2)	(1,313)
Operating income	3,324	(2)	3,323
Interest expense and other financial items	(217)	(15)	(232)
Income before tax	3,642	(17)	3,625
Income tax expense	(778)	5	(774)
Net income	2,864	(12)	2,851
Condensed consolidated interim statement of comprehensive income			
Exchange differences on translation of foreign operations	964	(1)	963
Remeasurements of the net defined benefit pension liability	-	13	13
Total other comprehensive income, net of tax	797	12	809
Condensed consolidated interim statement of financial position			
Non-current assets, Deferred tax assets	1,404	(5)	1,400
Equity, Other reserves	(880)	(1)	(881)
Equity, Retained earnings	46,786	85	46,871
Non-current liabilities, Employee benefits	2,294	(110)	2,183
Non-current liabilities, Deferred tax liabilities	5,041	21	5,062

2012

NOK millions	As previously reported	Effect of restatement	2Q 2012 Restated
Condensed consolidated statement of income			
Payroll and related costs	(5,052)	(7)	(5,059)
Operating income	11,166	(7)	11,159
Interest expense and other financial items	(880)	(60)	(941)
Income before tax	13,251	(68)	13,183
Income tax expense	(2,600)	18	(2,582)
Net income	10,650	(50)	10,601
Condensed consolidated statement of comprehensive income			
Exchange differences on translation of foreign operations	(2,957)	(3)	(2,960)
Remeasurements of the net defined benefit pension liability	(550)	51	(500)
Total other comprehensive income, net of tax	(3,864)	48	(3,816)
Condensed consolidated statement of financial position			
Non-current assets, Deferred tax assets	1,385	(9)	1,376
Equity, Other reserves	(2,883)	(3)	(2,886)
Equity, Retained earnings	50,452	85	50,538
Non-current liabilities, Employee benefits	2,458	(108)	2,350
Non-current liabilities, Deferred tax liabilities	4,426	16	4,442

The effects of restatment are evenly distributed throughout the year. The half year effects are therefore half of the yearly effects.

Quarterly *historical information*

EBITDA

NOK millions	2Q 2013	1Q 2013	4Q 2012 [2)]	3Q 2012 [2)]	2Q 2012 [2)]	1Q 2012 [2)]
Downstream	1,196	1,004	684	766	1,221	1,235
Industrial	288	235	292	239	303	278
Upstream	2,468	2,649	2,569	3,077	3,534	2,669
Other and eliminations	44	240	46	22	(92)	128
Total	3,995	4,129	3,591	4,103	4,966	4,310

RESULTS

NOK millions, except per share information	2Q 2013	1Q 2013	4Q 2012 [2)]	3Q 2012 [2)]	2Q 2012 [2)]	1Q 2012 [2)]
Revenue and other income	23,190	20,690	20,966	20,817	21,423	21,303
Operating income	2,554	2,682	2,148	2,601	3,323	3,087
EBITDA	3,995	4,129	3,591	4,103	4,966	4,310
Net income after non-controlling interests	1,865	2,255	2,153	2,604	2,787	3,008
Earnings per share (NOK)	6.68	8.04	7.67	9.25	9.82	10.54

USD [1)] millions, except per share information	2Q 2013	1Q 2013	4Q 2012 [2)]	3Q 2012 [2)]	2Q 2012 [2)]	1Q 2012 [2)]
Revenue and other income	3,982	3,676	3,692	3,559	3,637	3,689
Operating income	439	477	378	444	566	536
EBITDA	686	734	632	701	845	748
Net income after non-controlling interests	321	401	395	445	475	522
Earnings per share (USD)	1.15	1.43	1.41	1.58	1.67	1.83

1) USD numbers are calculated monthly based on average NOK/USD per month.
2) 2012 figures have been restated, see note 10 for more information.

Responsibility statement

We confirm to the best of our knowledge, that the condensed set of interim consolidated financial statements at 30 June 2013 and for the six-month period 1 January to 30 June 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and gives a true and fair view of the Group's assets, liabilities, financial position and the result for the period viewed in their entirety, and that the interim management report in accordance with the Norwegian Securities Trading Act section 5-6 fourth paragraph includes a fair review of any of significant events that arose during the six-month period and their effect on the half-year financial report, any significant related parties transactions, a description of the principal risks and uncertainties for the remaining six months this year.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 18 July 2013

Bernt Reitan
Chairperson

Hilde Merete Aasheim
Board member

Elisabeth Harstad
Board member

Geir Isaksen
Board member

Juha Ilari Rantanen
Board member

Rune Asle Bratteberg
Board member

Guro Mauset
Board member

Geir Olav Sundbø
Board member

Jørgen Ole Haslestad
President and CEO

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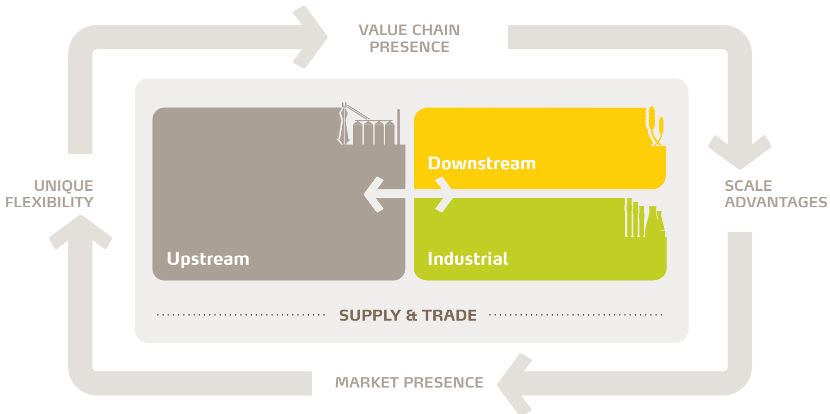

YARA HAS A STRONG platform building on its global presence, its vast knowledge base and unique business model. With a presence from sourcing of resources to dissemination of knowledge in the field, Yara is positioned to yield margins throughout the value chain.

YARA ACTIVELY RESPONDS to global challenges – and is positioned to make a difference. We succeed by pursuing a strategy that creates value for owners, customers and society at large – Creating Impact by using economic success as a lever for change, positioning the company.

PILLARS OF STRENGTH

Global #1
in ammonia

LEADERSHIP position in the ammonia value chain, producing ammonia/urea at scales from base in low-cost natural gas regions.

Global #1
in nitrates

LEADERSHIP position in nitrate markets, benefiting from a favorable cost position in the European market.

Global #1
in NPK

LEADING position in production and application of NPK, adding value to farmers through balanced fertilization.

Global #1
in specialty fertilizers

LEADING position in specialty fertilizers, targeting high-margin cash crop segments in fast growing markets.

European #1
in nitrogen applications

LEADING position in nitrogen applications, developing higher margin industrial applications from existing production base.

Global #1
in marketing and distribution

LEADING position in global marketing and distribution, delivering expertise on all continents through network offering economies of scale.