



Knowledge grows

Yara International ASA Second Quarter results 2013

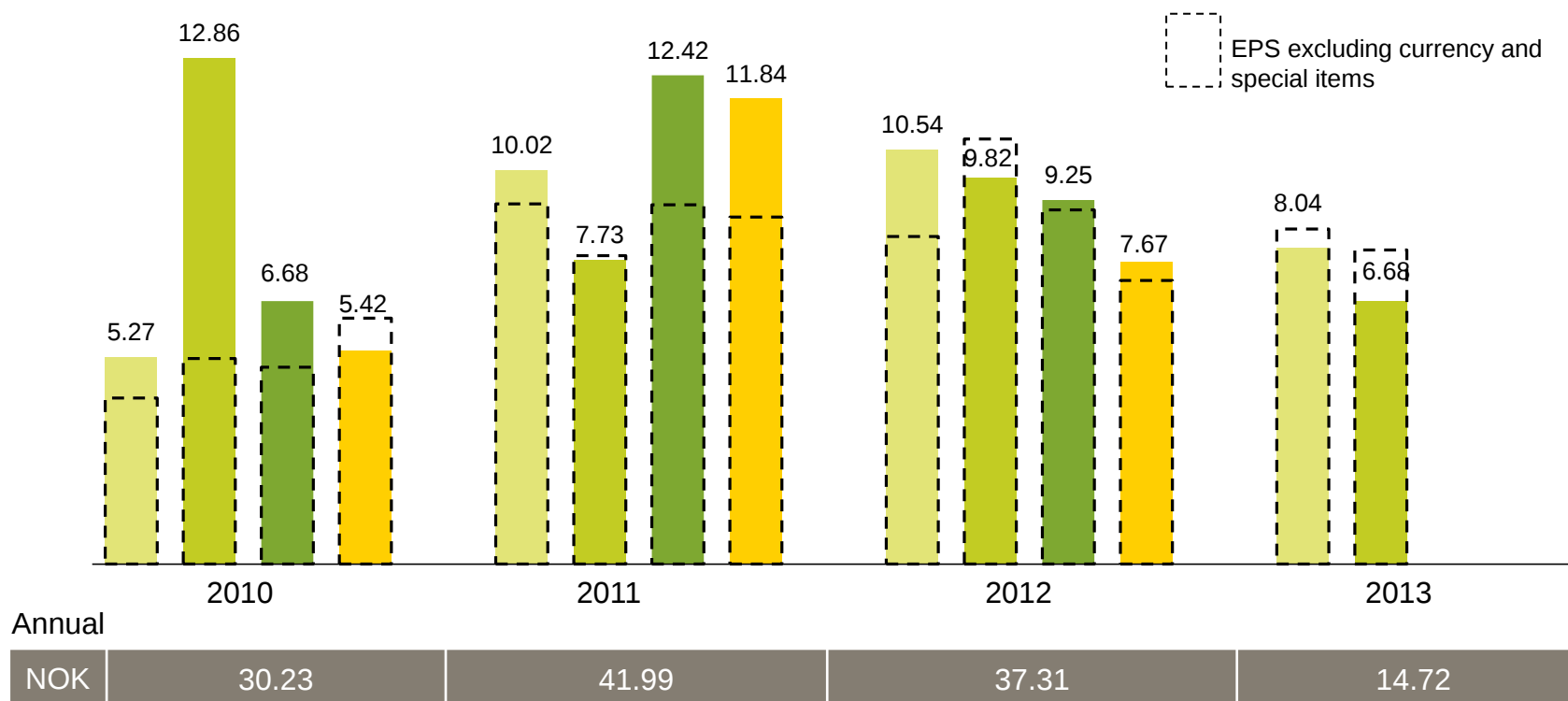
19 July 2013

Summary second quarter

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



Earnings per share*



* Average number of shares for 2Q 2013: 279.3 million (2Q 2012: 283.9 million).

Fertilizer market development

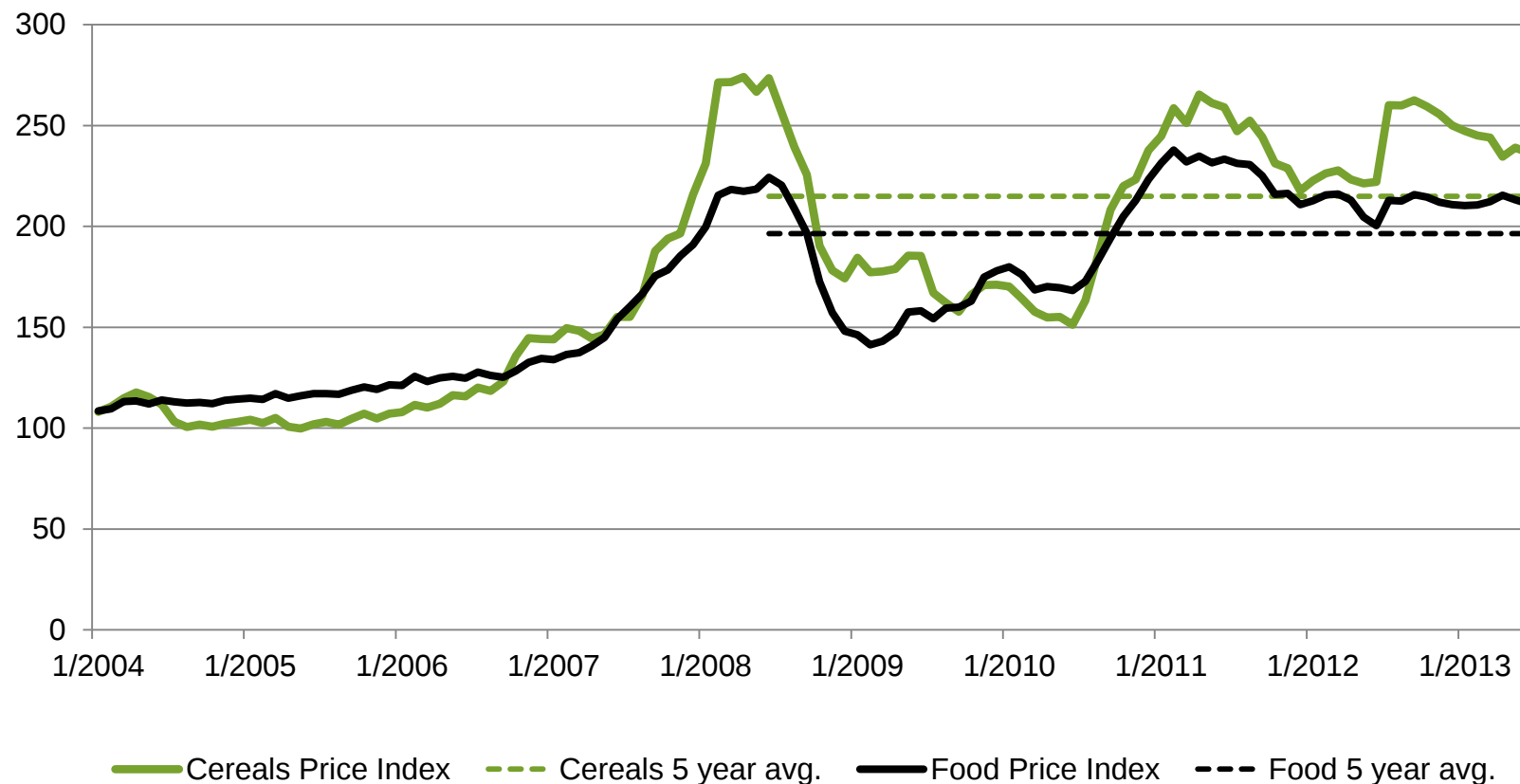
- Solid farm economics support fertilizer demand
- Strong global urea demand but increased export availability from China, at lower prices than last year
- Western Europe nitrogen fertilizer industry deliveries 14% higher than second quarter last year, total 2012/13 season deliveries up 6%
- Phosphate and potash markets negatively affected by reduced use in India, but compound NPK markets running well globally
- Strong demand for value-added fertilizer products, including nitrates and NPKs



Solid farm economics support fertilizer demand

FAO price index

Index



Source: FAO

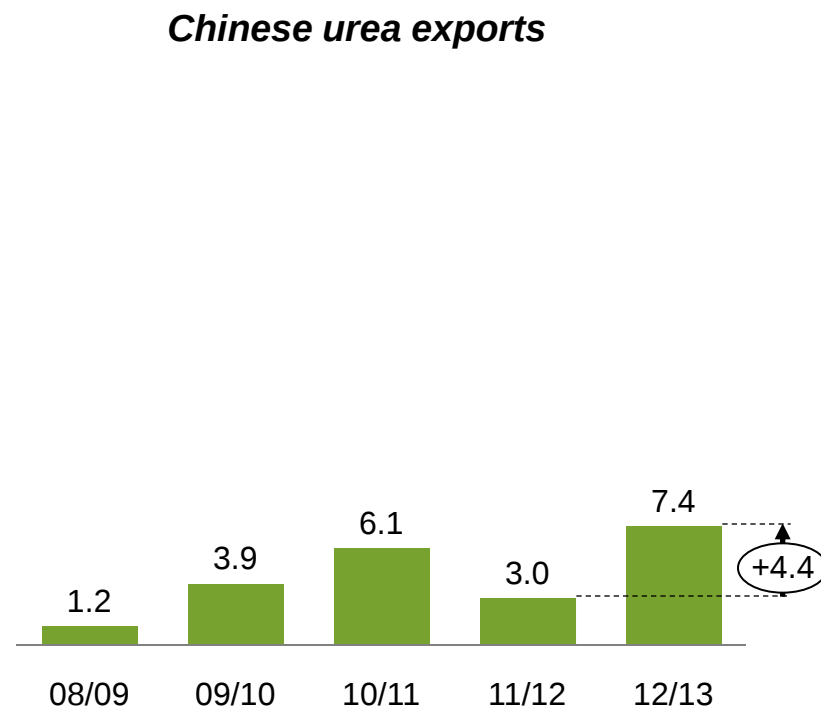
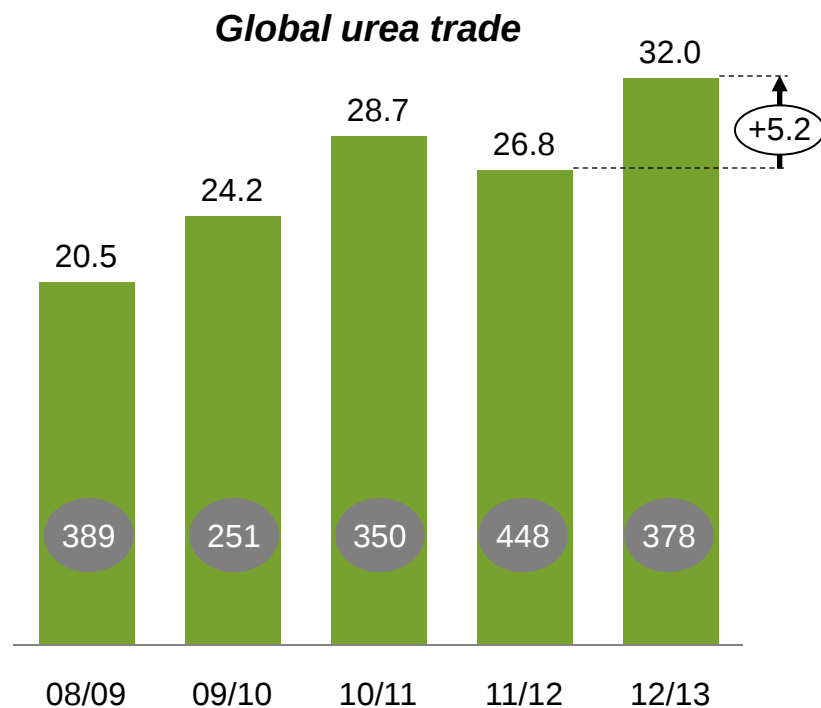


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Strong global urea demand, but increased export availability from China

Global urea trade and Chinese urea exports (million tons) 1 Jul – 31 Mar



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Average urea price, fob Black Sea

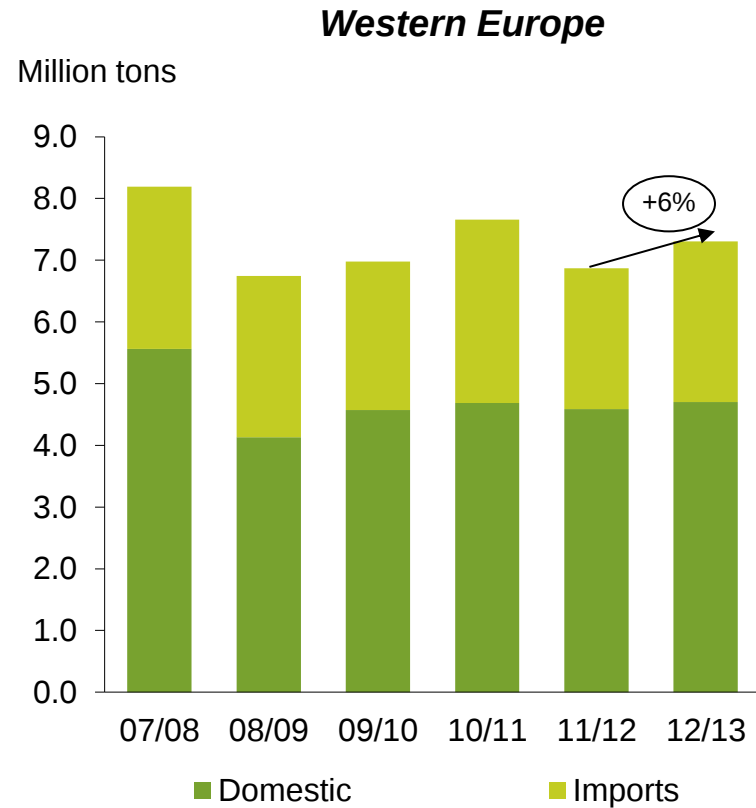
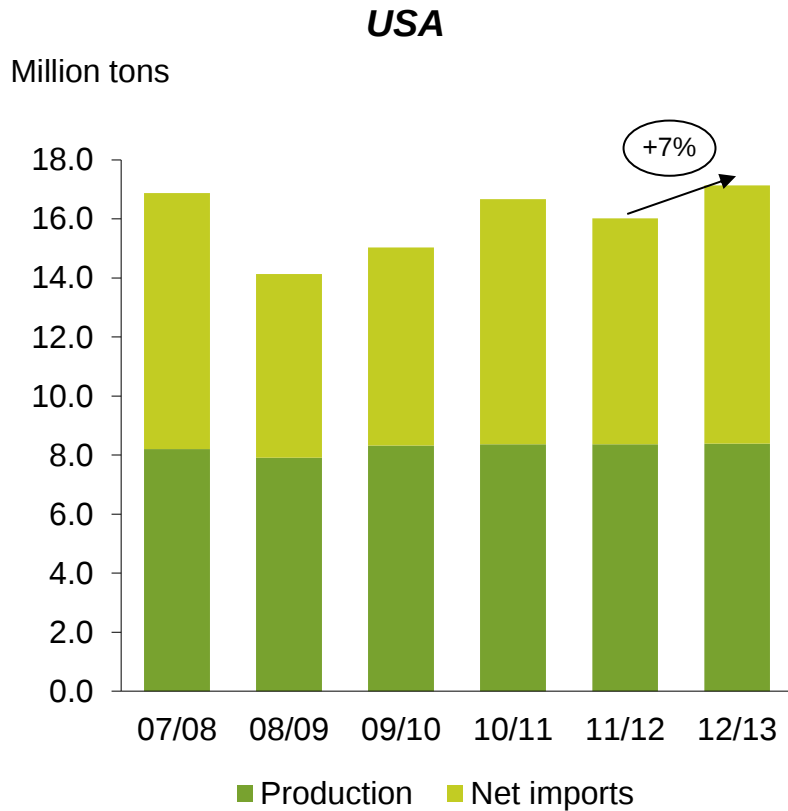


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Increased US and European industry deliveries in 2012/13 season

6



Source: TFI, US Trade Commission, Blue-Johnson and Yara estimates

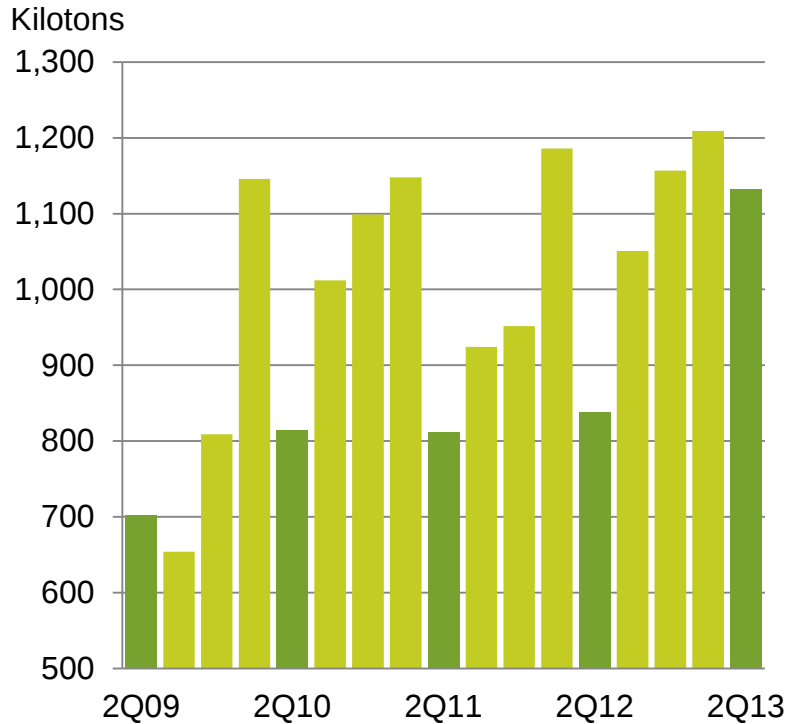


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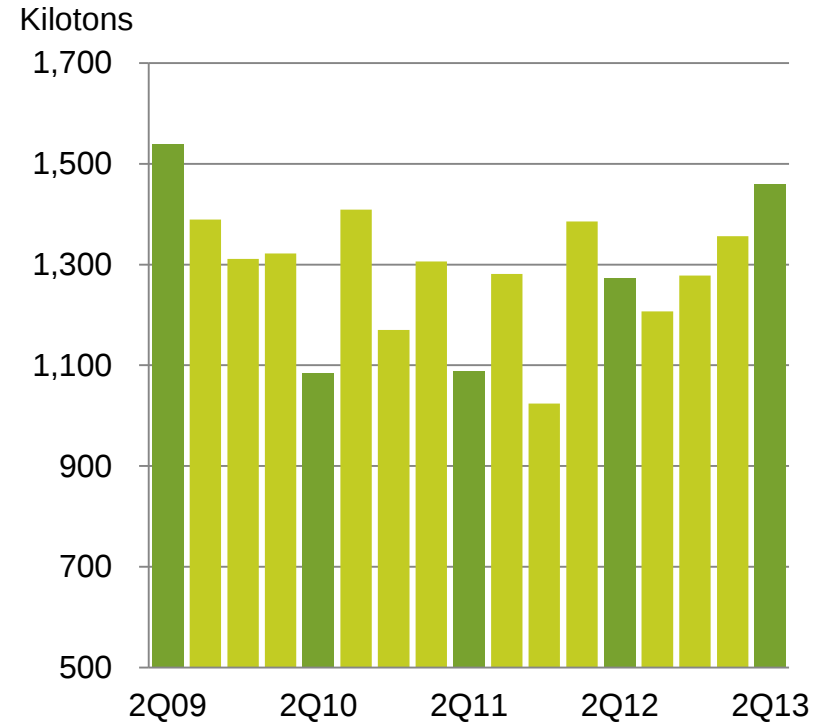


Record NPK and nitrate deliveries

Yara produced NPK deliveries



Yara produced nitrate deliveries

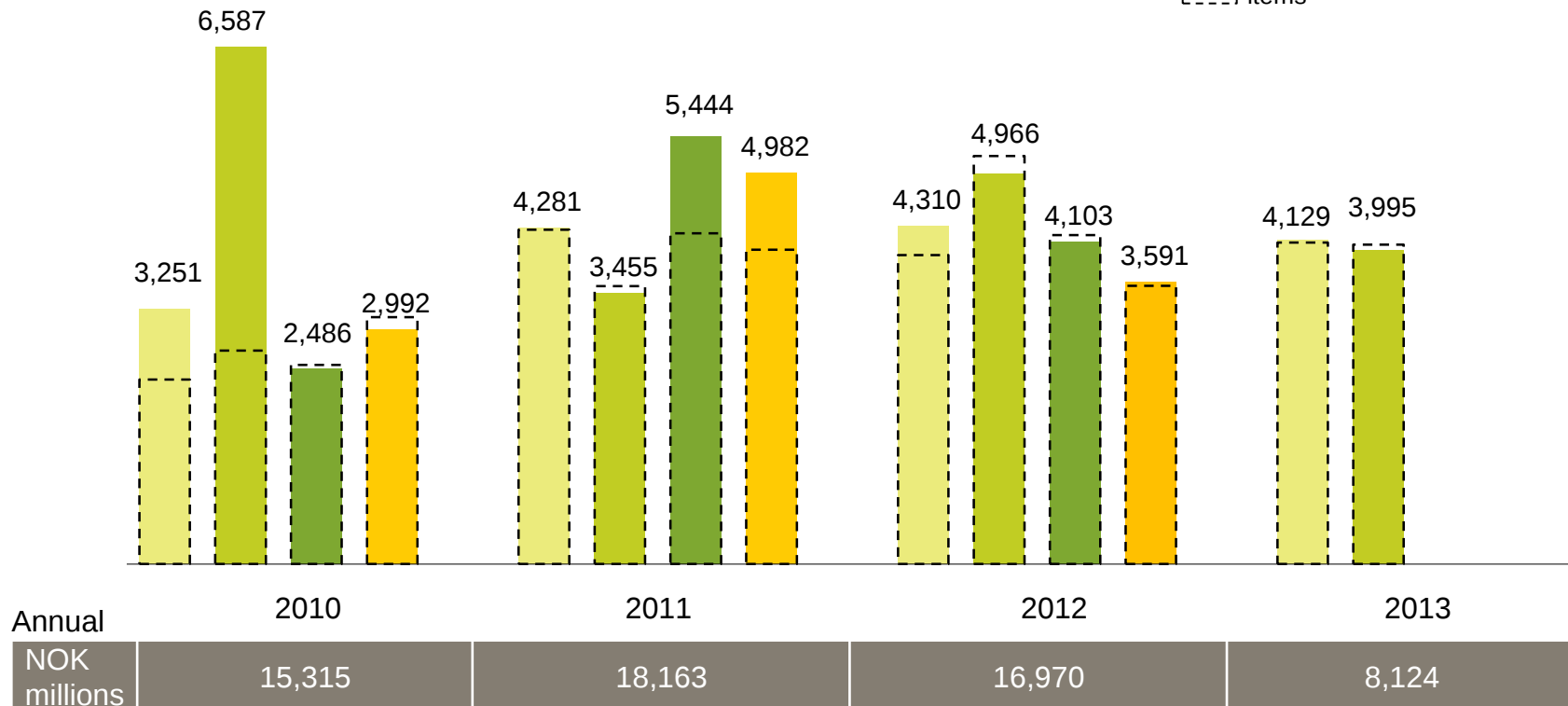


Earnings before interest, tax, depreciation and amortization (EBITDA)

8

NOK millions

EBITDA excluding special items

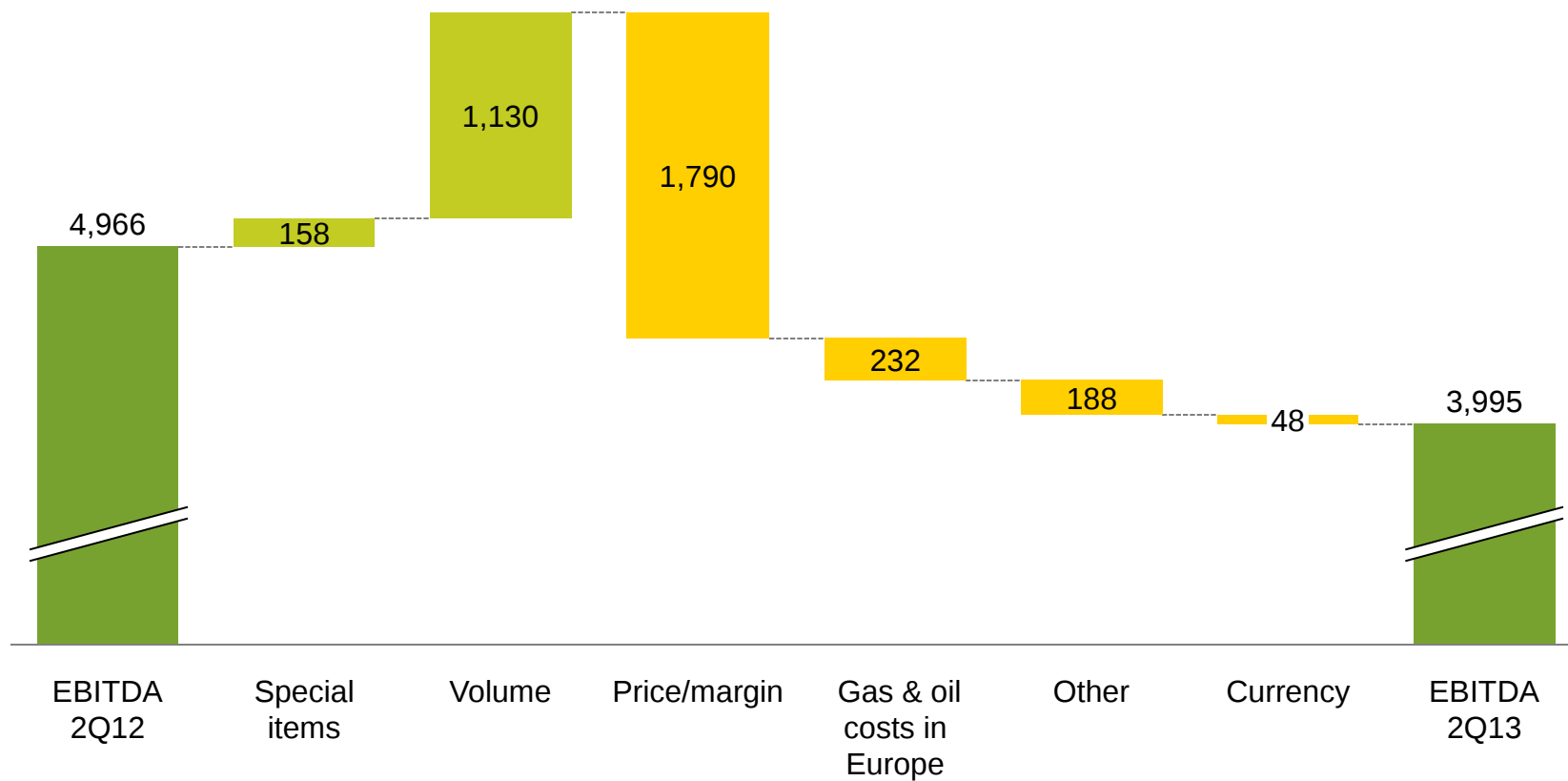


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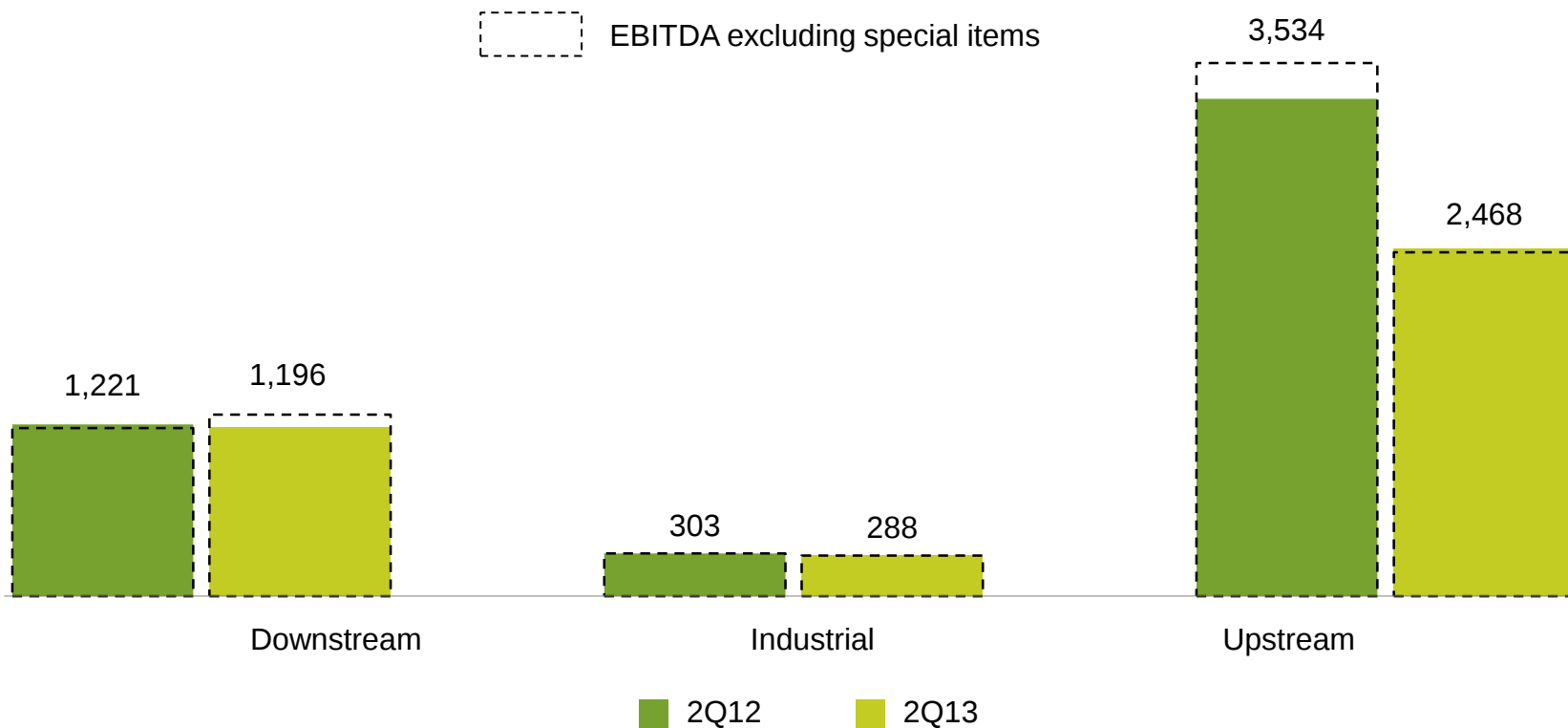
EBITDA development

NOK millions



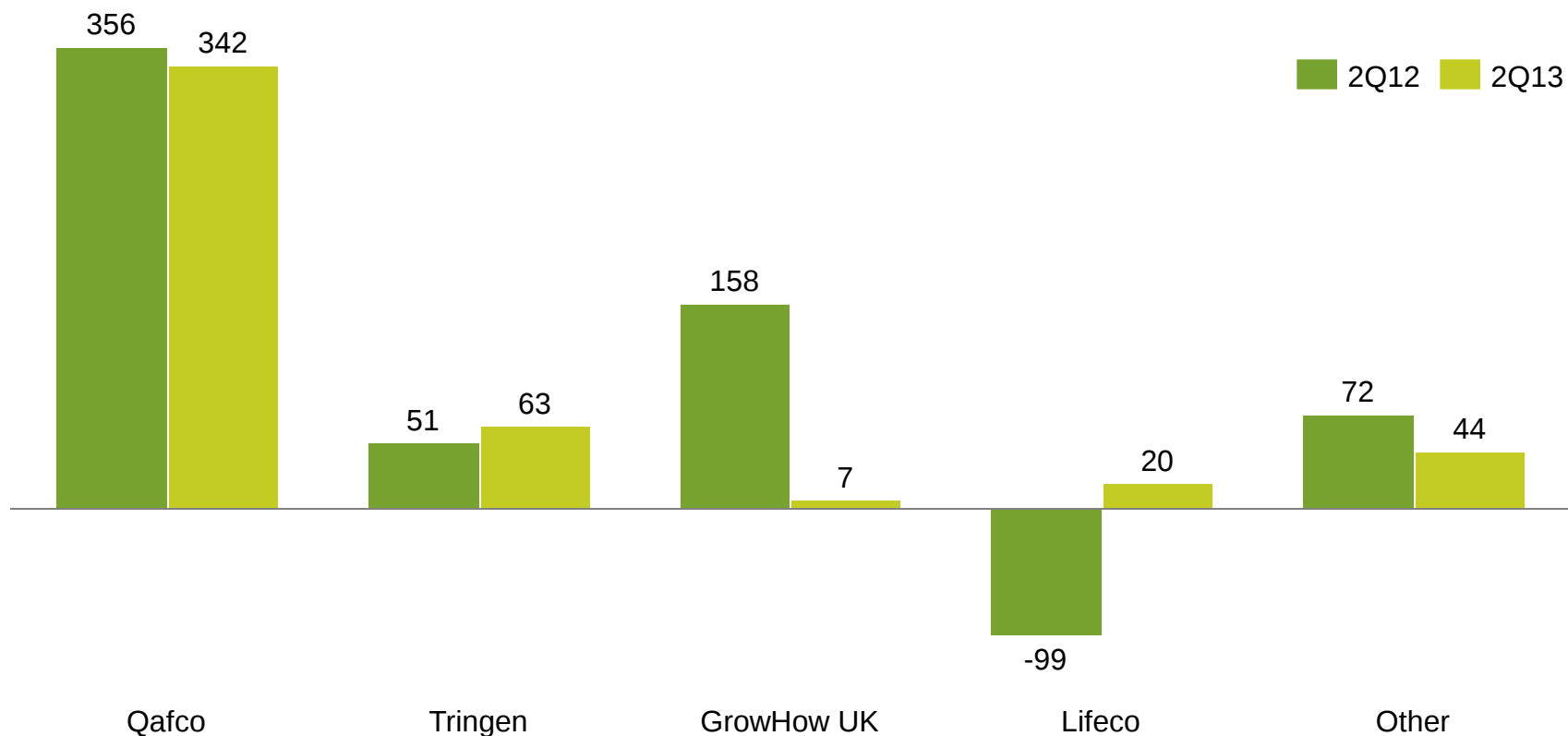
Strong earnings in all segments

NOK millions



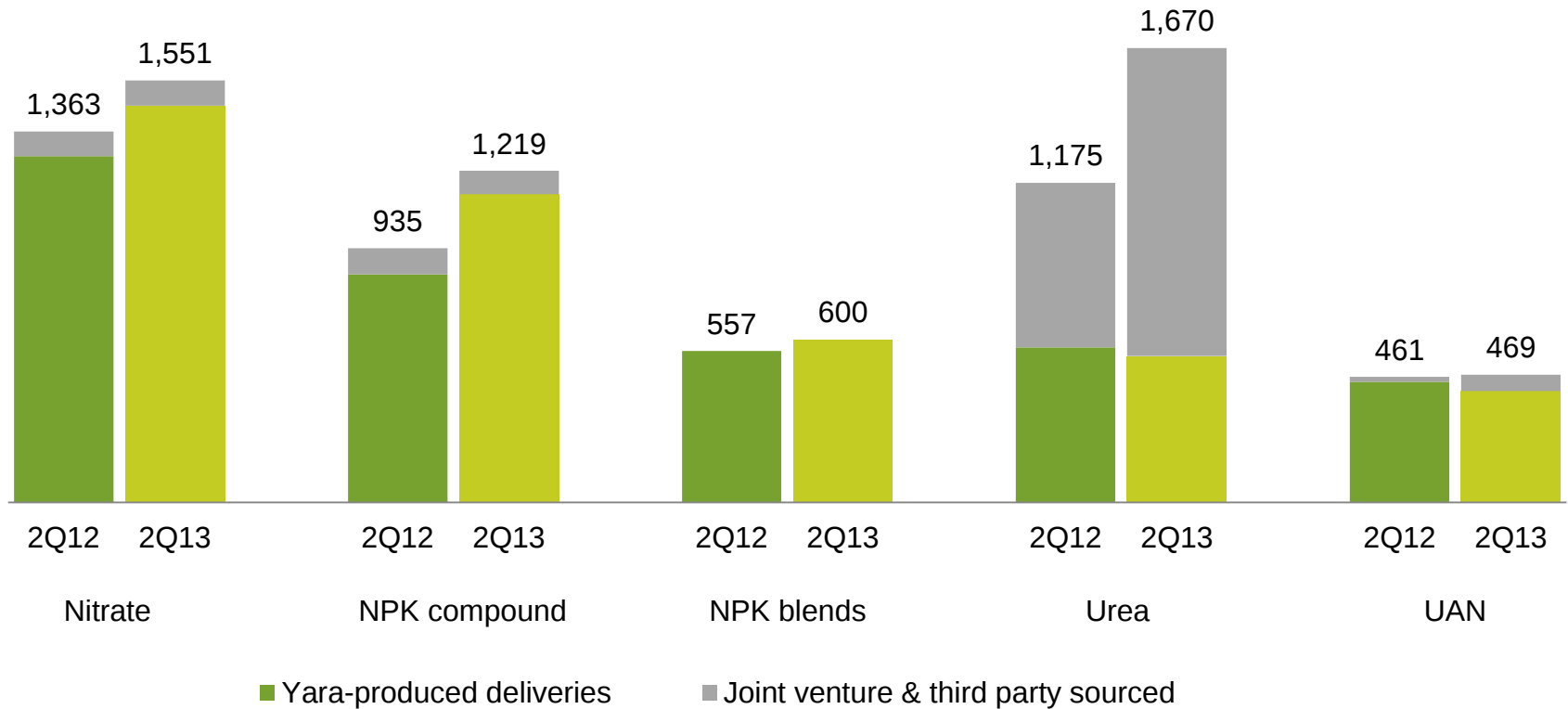
Net income from equity-accounted investees

NOK millions



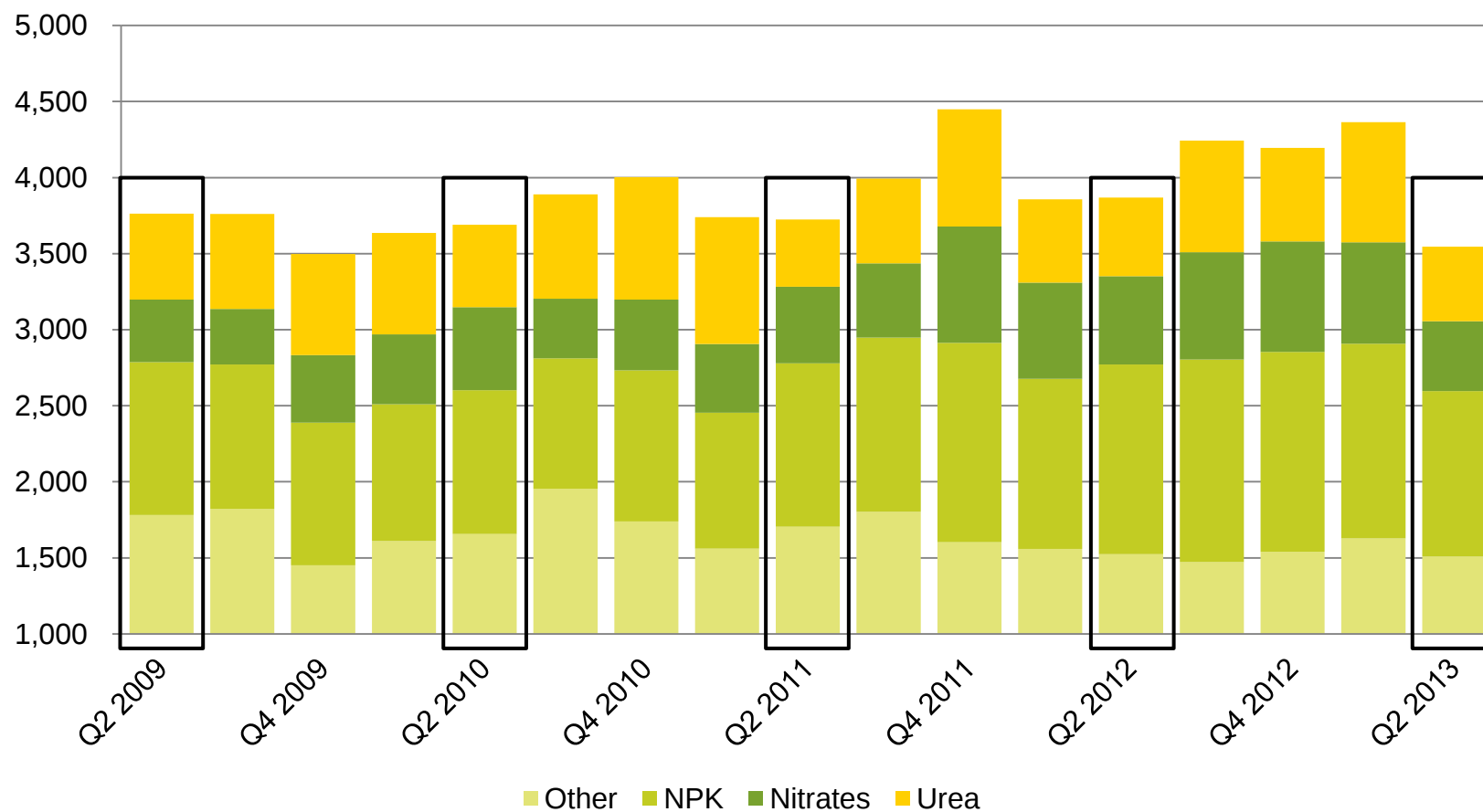
Increased fertilizer deliveries

Kilotons



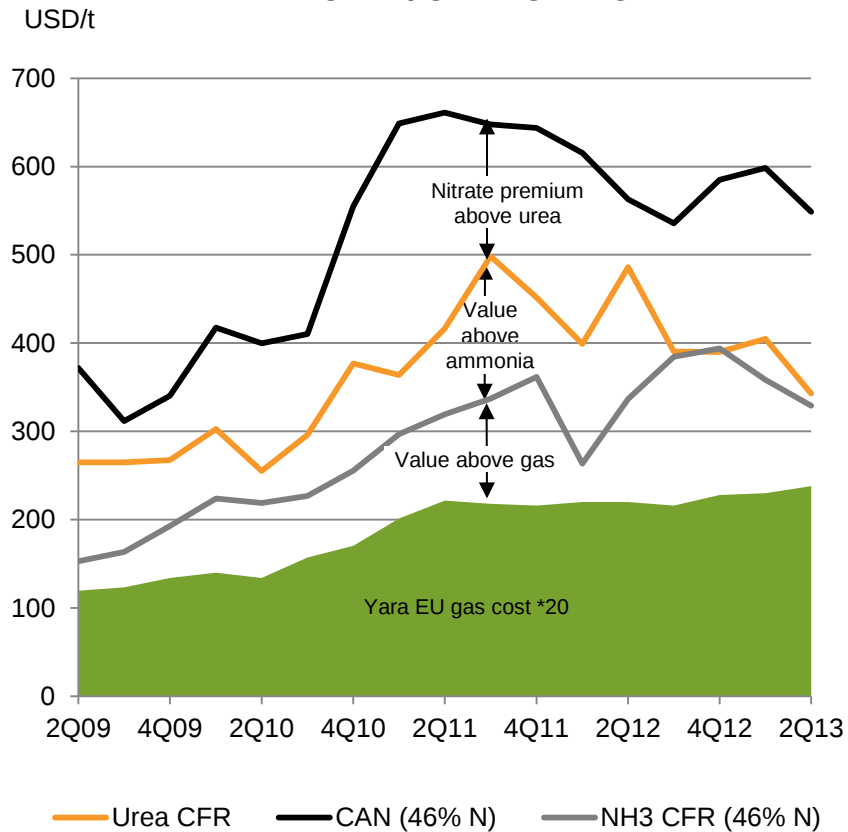
Low Yara stocks

Kilotons
Finished fertilizer

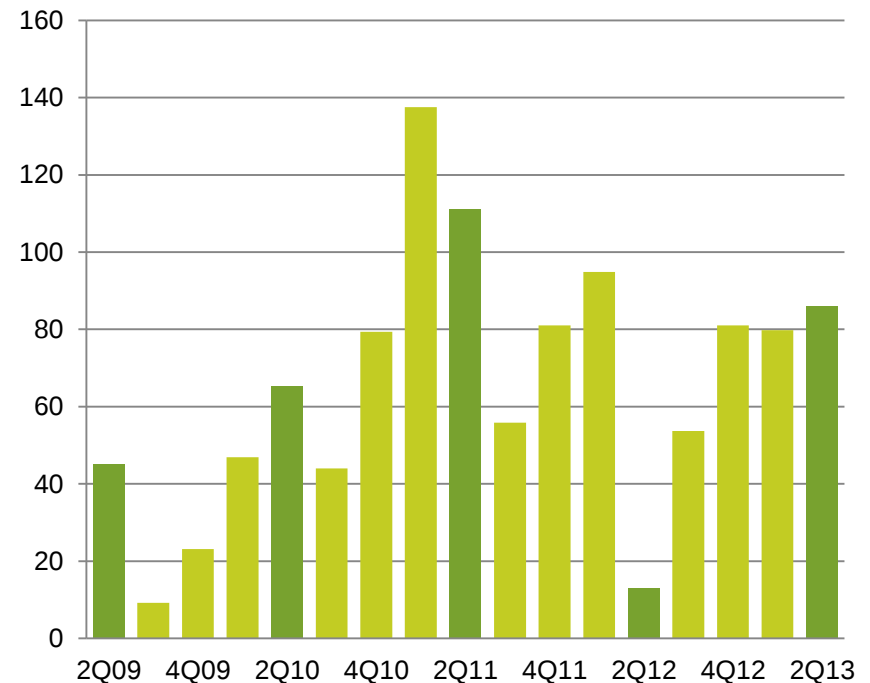


Farmer yield benefits justify nitrate premium

Nitrogen upgrading margins

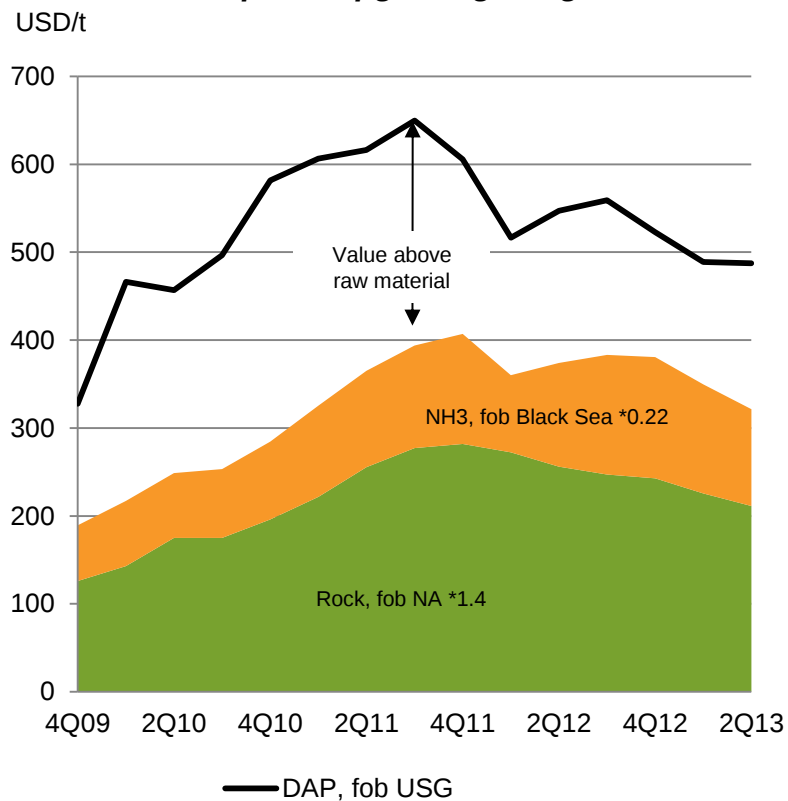


Nitrate premium, USD/t CAN

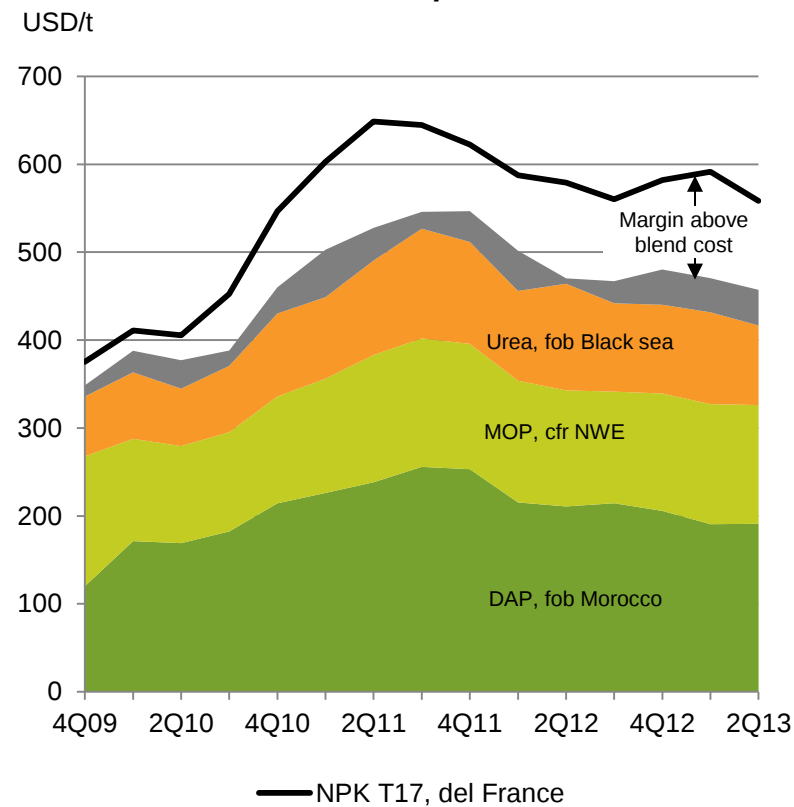


Stable NPK premiums

Phosphate upgrading margins



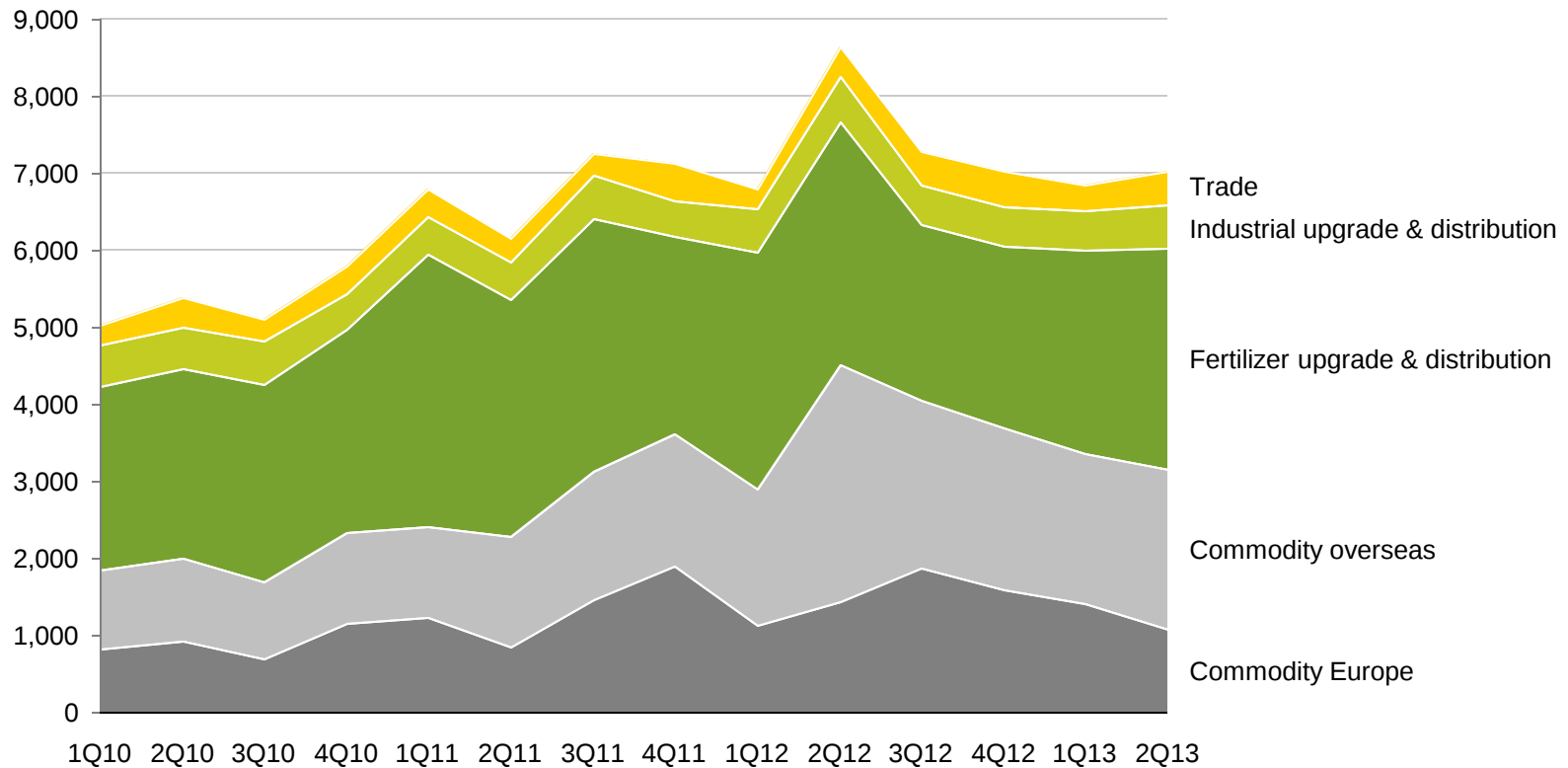
NPK blend premium



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

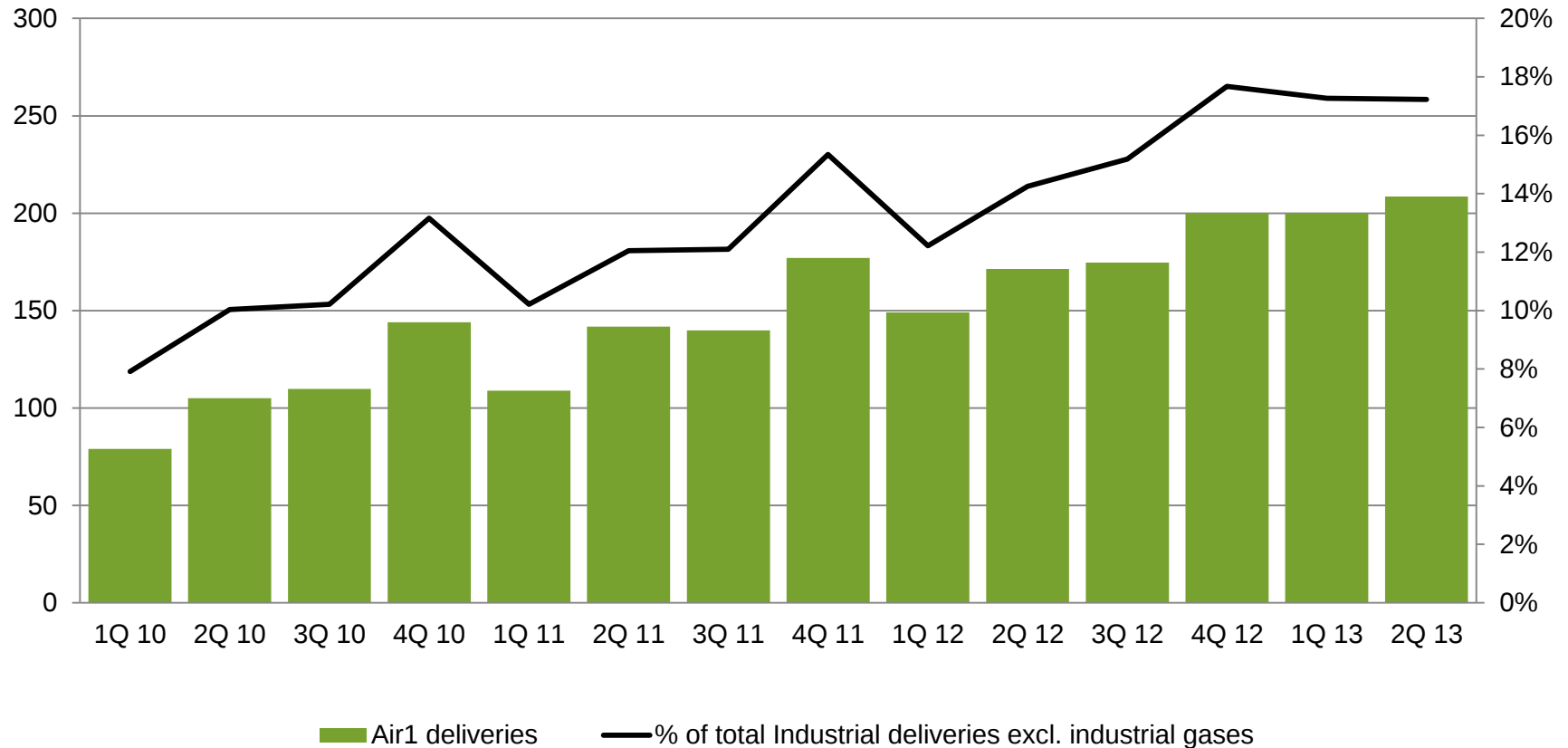
Total Yara contribution

NOK millions



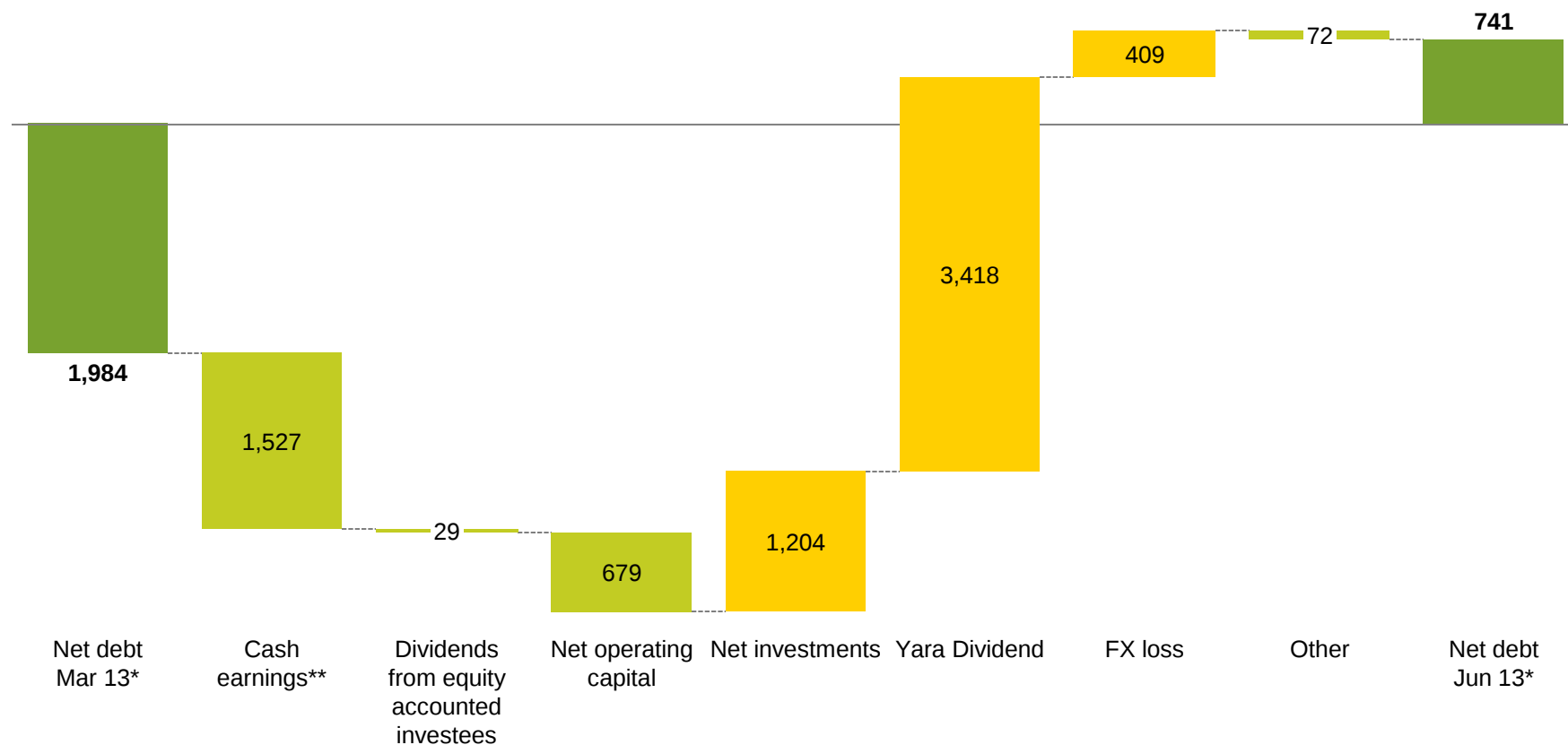
Solid growth in Air1 deliveries

Kilotons



Strong cash flow

NOK millions



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

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



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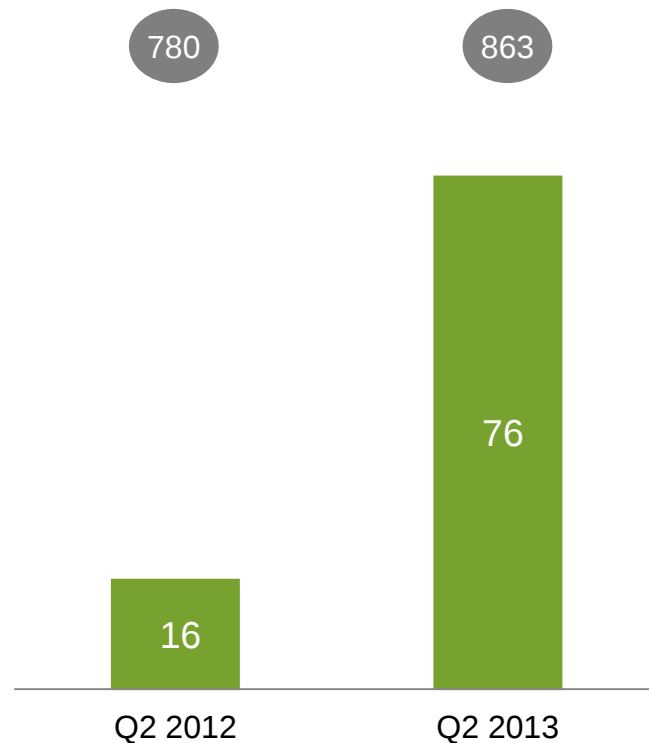
Prospects

- Continued strong farm economics support fertilizer demand
- Urea market likely dominated by China in 3Q due to increased supply; from 4Q production rates and 1 November tax change enforcement are key
- Capacity outside China: unclear timing for new projects
- Positive situation in Europe, with continued strong farm margins stimulating demand
- Continued strong demand for premium products



Improvement in Brazil and Bunge closing in 3Q

Yara Brazil EBITDA (NOK millions)



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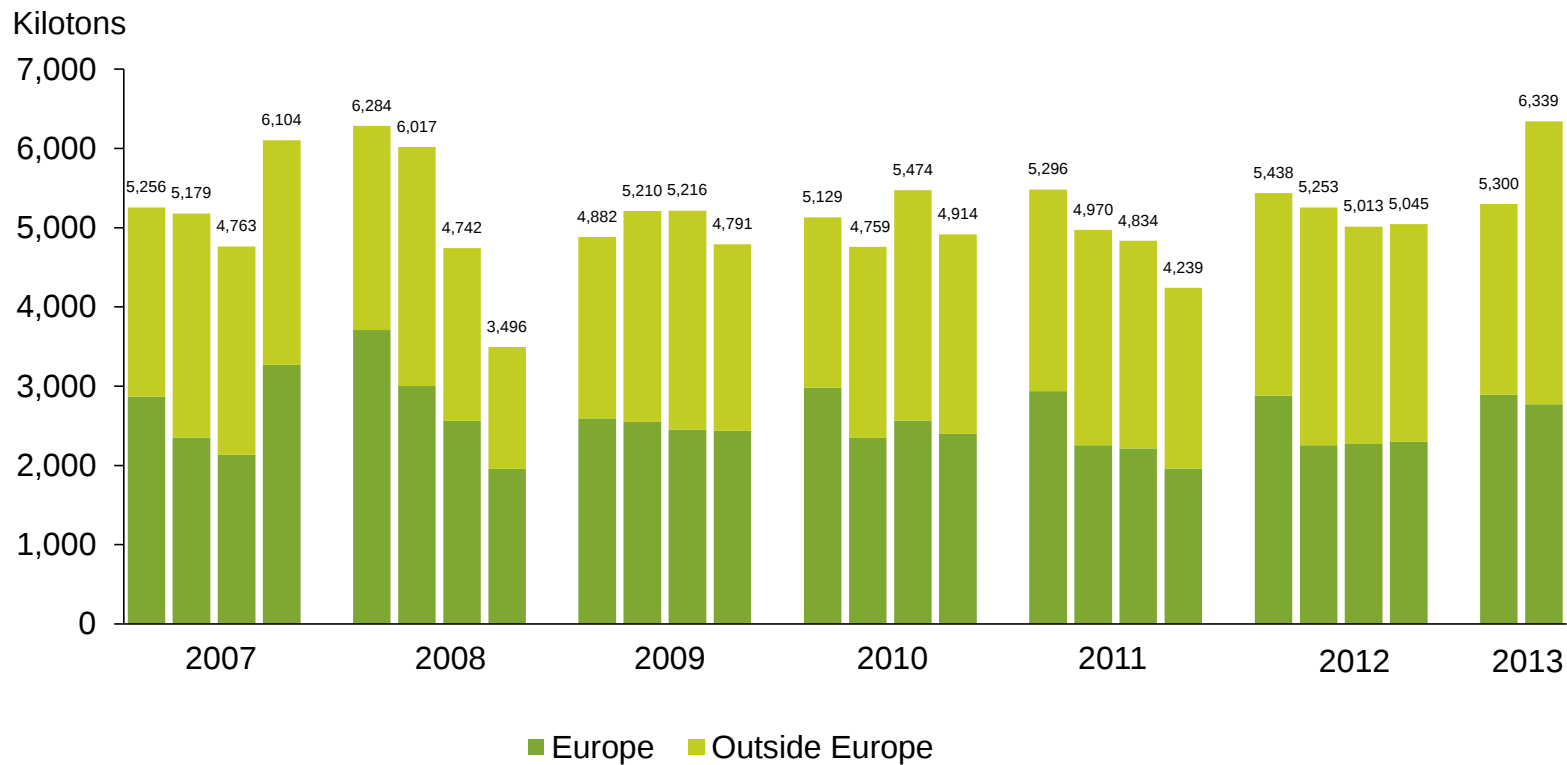
Yara Brazil deliveries (kt) excl. trade

- Positive volume and margin improvement compared with 2Q12 (Yara Brazil)
- Bunge closing during third quarter
- Transaction value will be adjusted for net operating capital value at time of closing
 - USD 750 million based on normalized USD 385 million net operating capital

More information can be found on www.yara.com



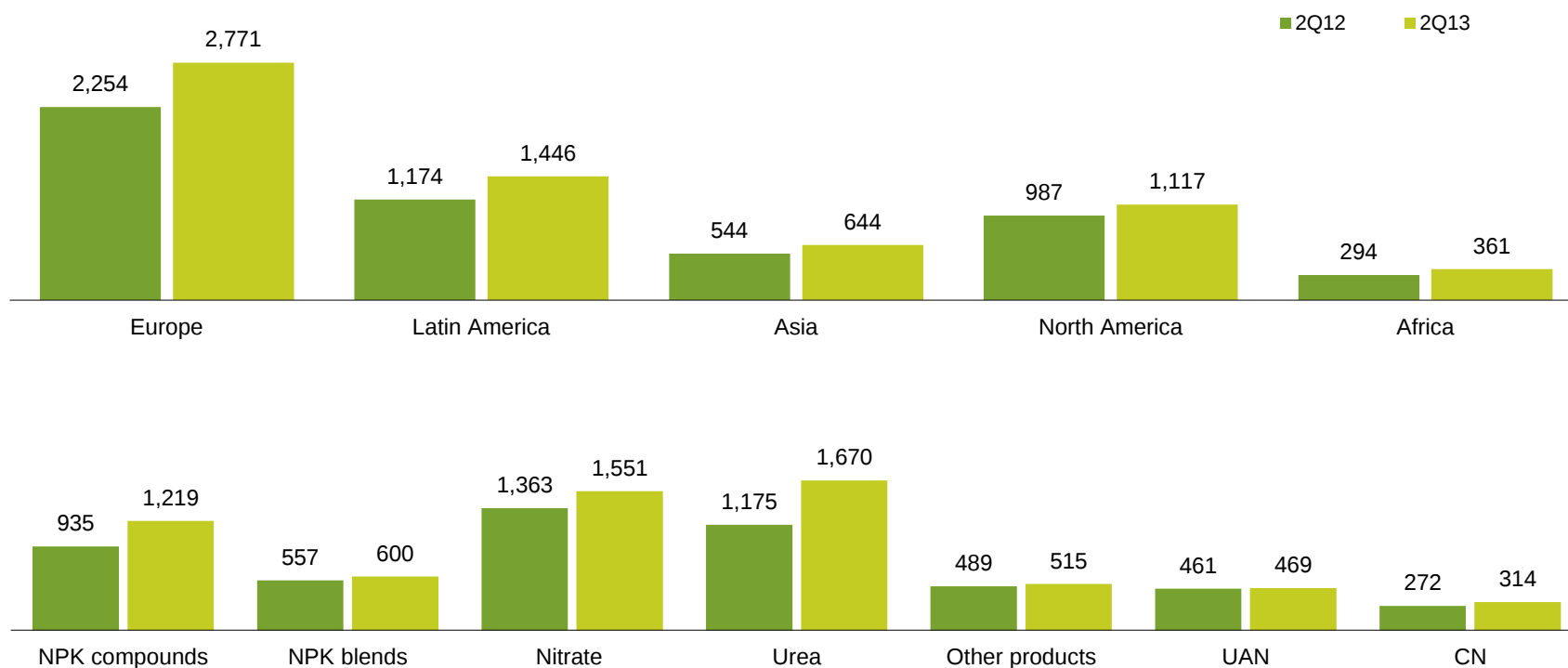
Fertilizer volumes



Yara 2Q fertilizer sales by market and product

2013: 6.3 million tons (2012: 5.3 million tons)

Kilotons

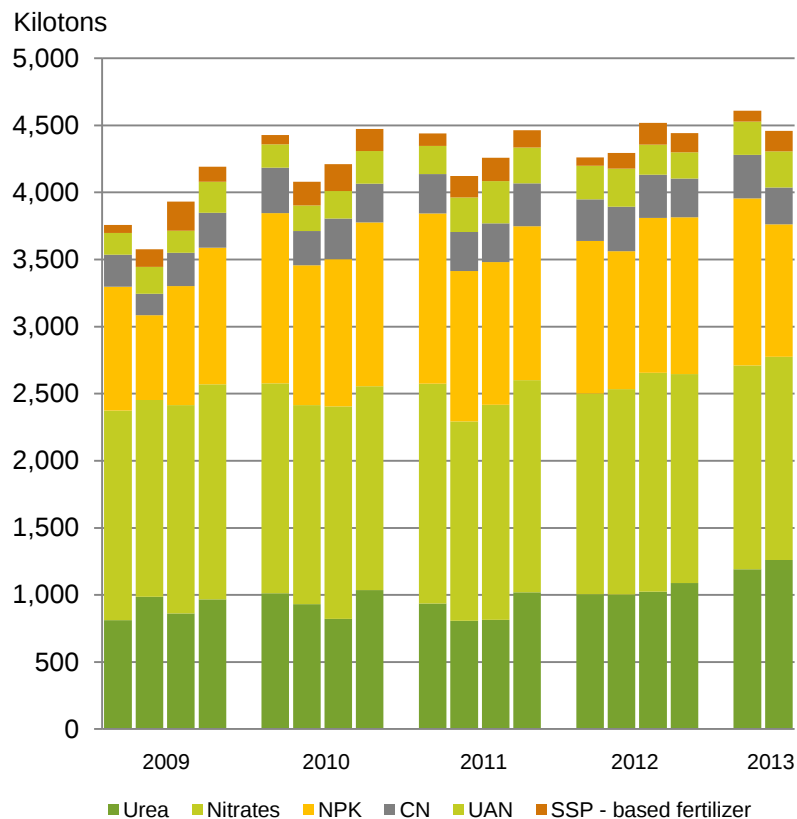


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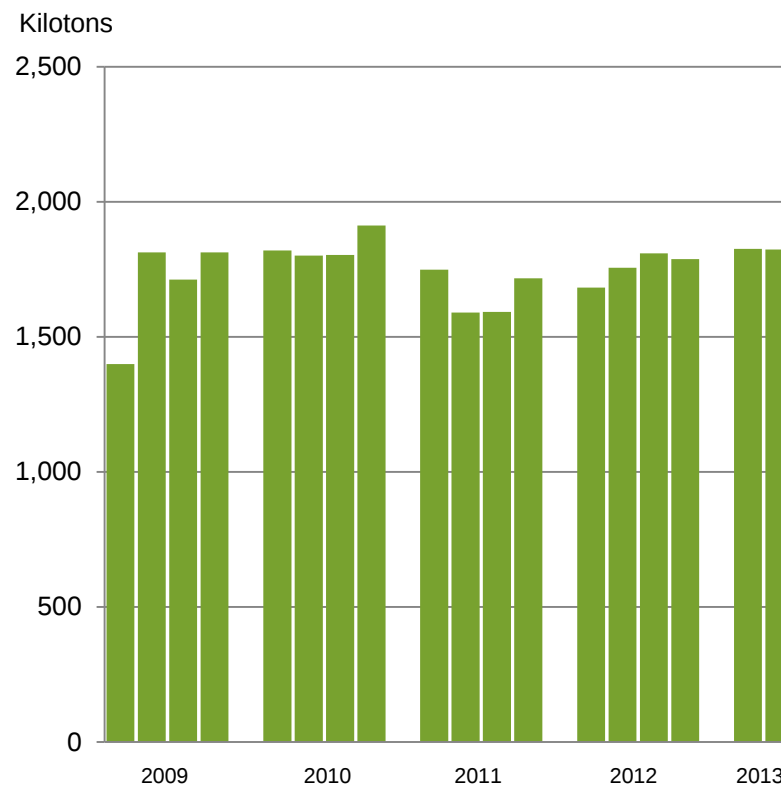


Yara production volume*

Finished fertilizer and industrial products



Ammonia



* Including share of equity-accounted investees



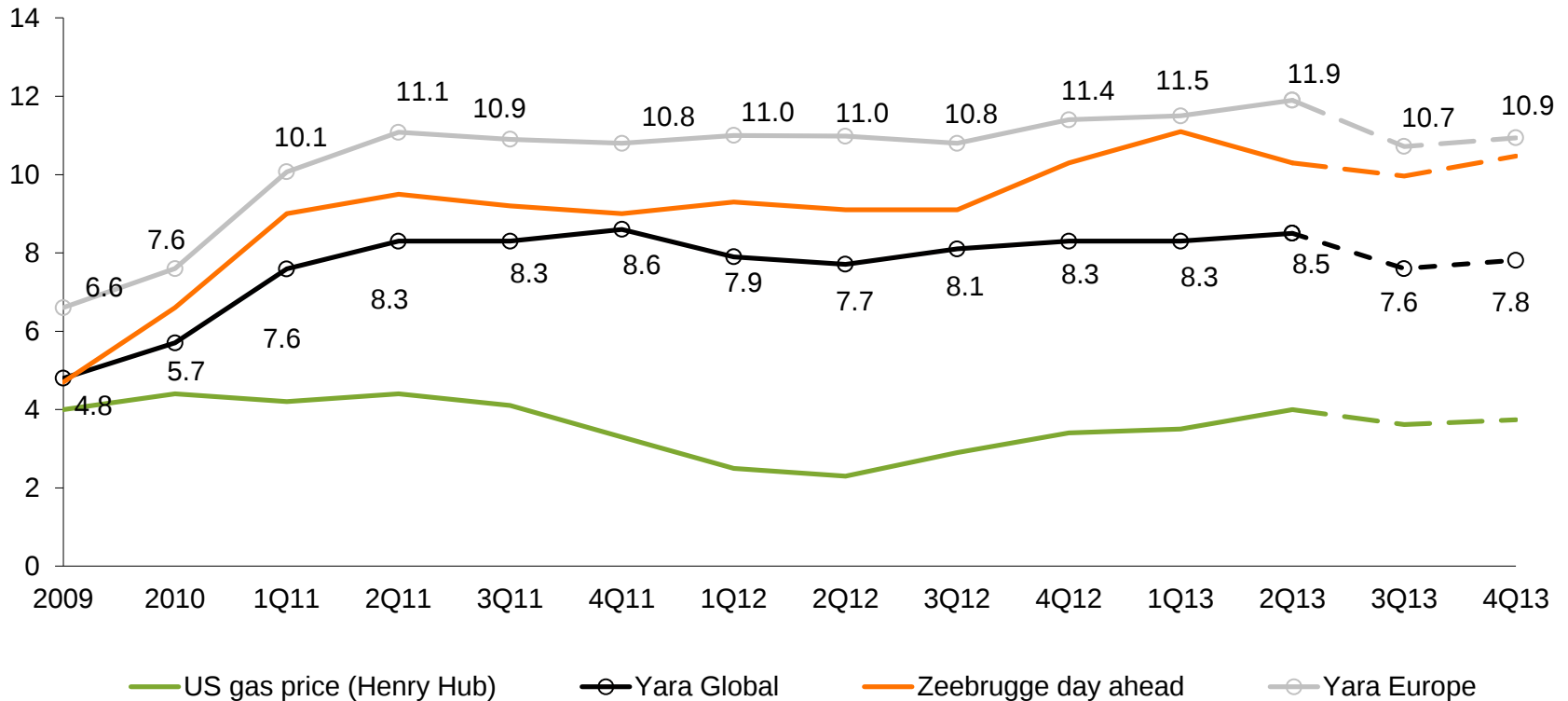
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Gas & oil cost

Yearly averages 2009 – 2010, quarterly averages for 2011-13 with forward prices* for 3Q13 and 4Q13

USD per MMBtu



*Dotted lines denote forward prices as of 12 July 2013

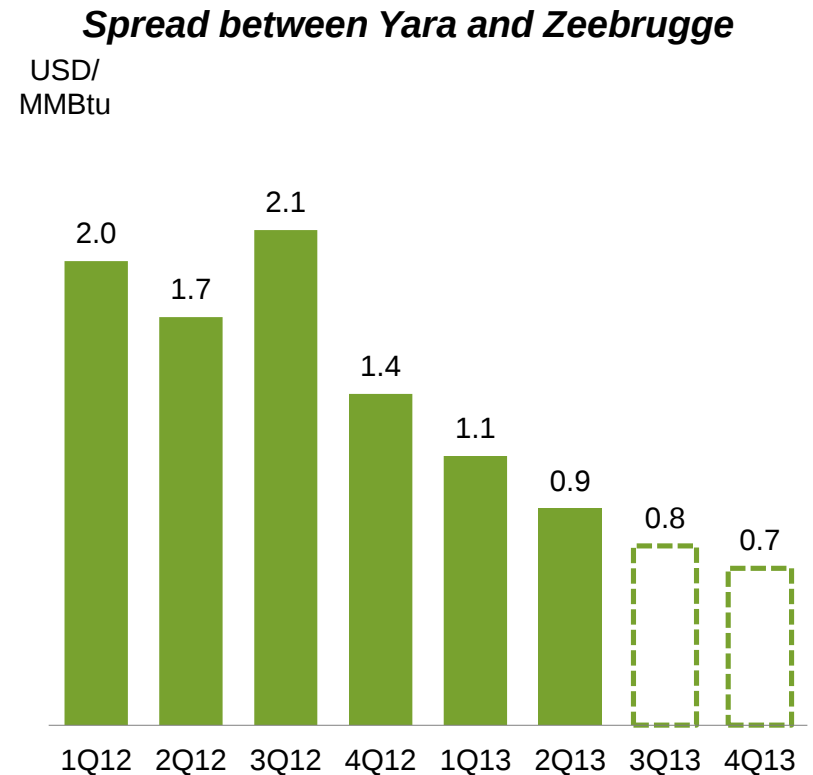
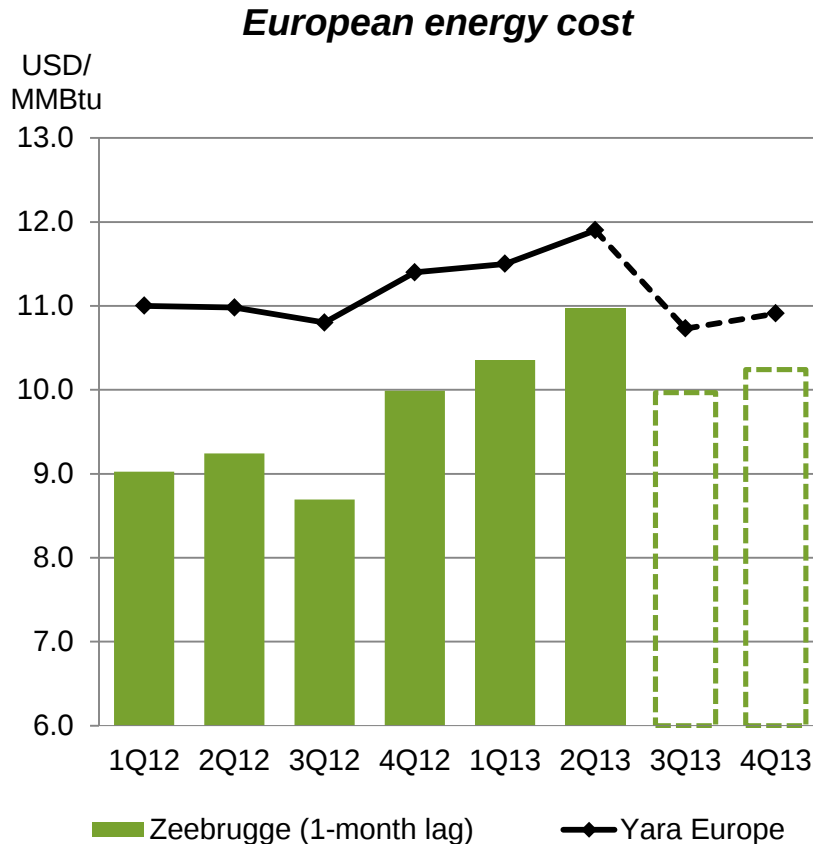
Source: Yara, World Bank, Platts



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Yara European gas cost closer to hub price



*Dotted lines denote forward prices as of 12 July 2013

Source: Yara, World Bank, Platts

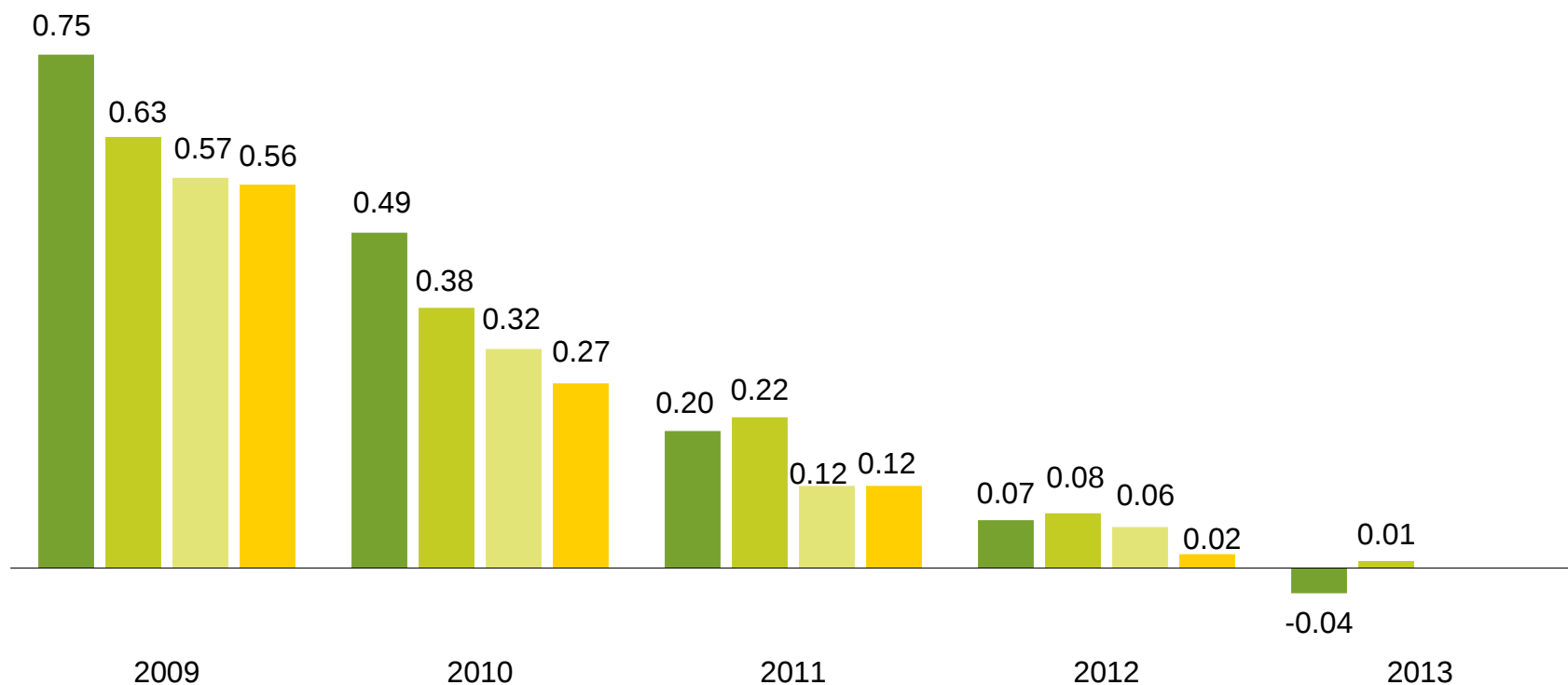


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Debt/equity ratio

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



Main currency positions affecting financial items

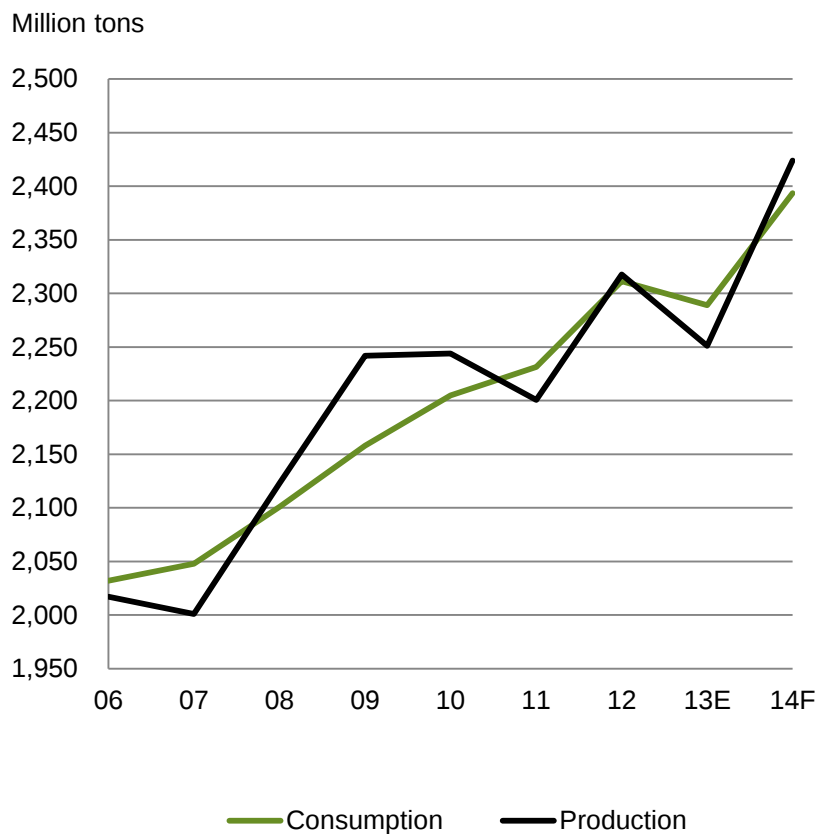
At the beginning of the third quarter 2013

1. The US dollar debt generating p&l exposure was USD 1,150 million
 - Kept as hedge of future earnings and to finance inventories in emerging markets
 - Around 50% towards EUR with the rest towards NOK and emerging market currencies
 - The debt level in emerging markets will fluctuate with fertilizer seasons
2. Additional p&l exposure came from internal currency positions vs. NOK
 - Payables mainly EUR (720 million) and CAD (460 million). The effects of these positions correspond to offsetting translation effects in equity and the net economic effect for Yara is neutral.
 - Receivables mainly GBP (40 million) and AUD (30 million) as intercompany funding of subsidiaries. The accounting effect on internal loans does not express the net economic effect for Yara.



Continued strong price incentives necessary to match consumption growth

Grain consumption and production



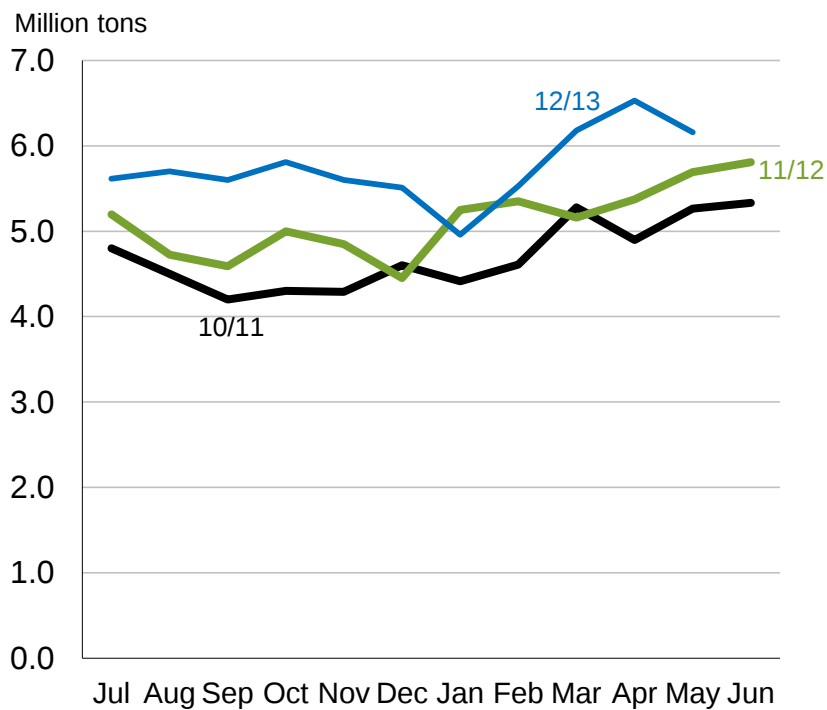
Days of consumption in stocks



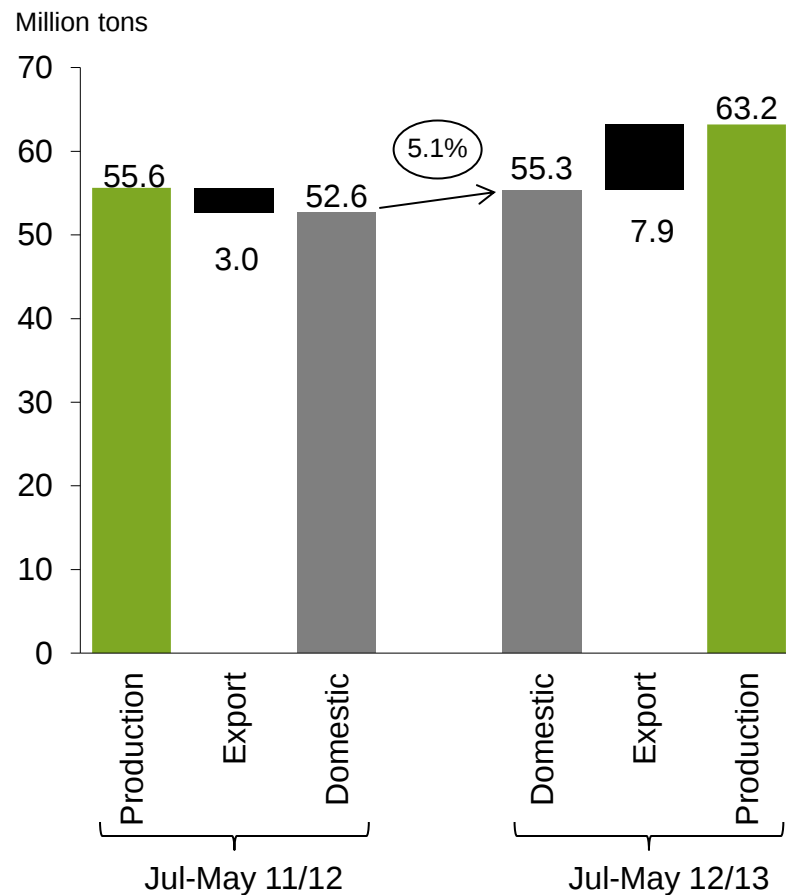
Source: USDA, July 2013

Strong Chinese urea production

Chinese urea production



Domestic urea balance



Source: BOABC, CFMW



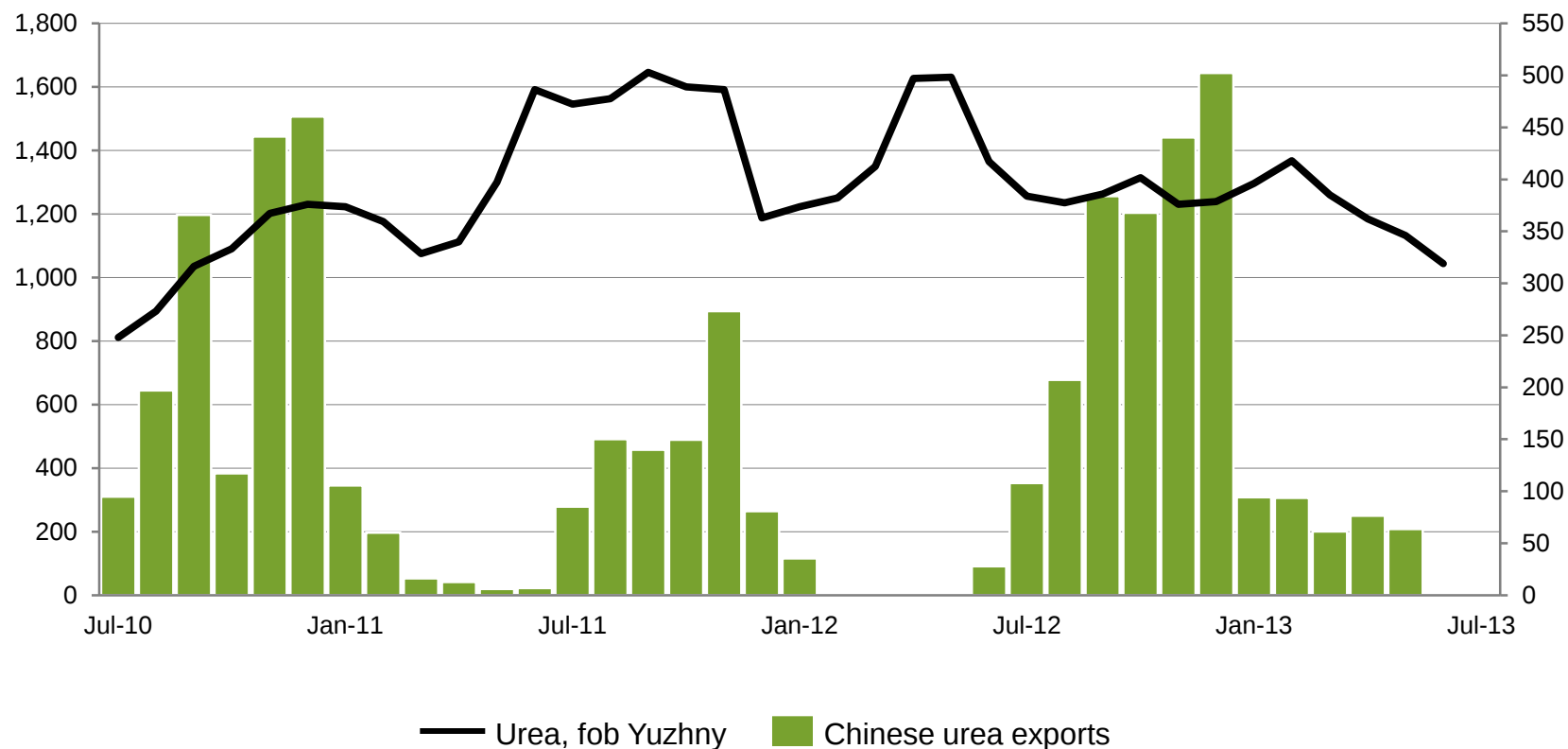
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Strong export increase from China

Chinese urea exports, Kilotons

Urea price, USD/t



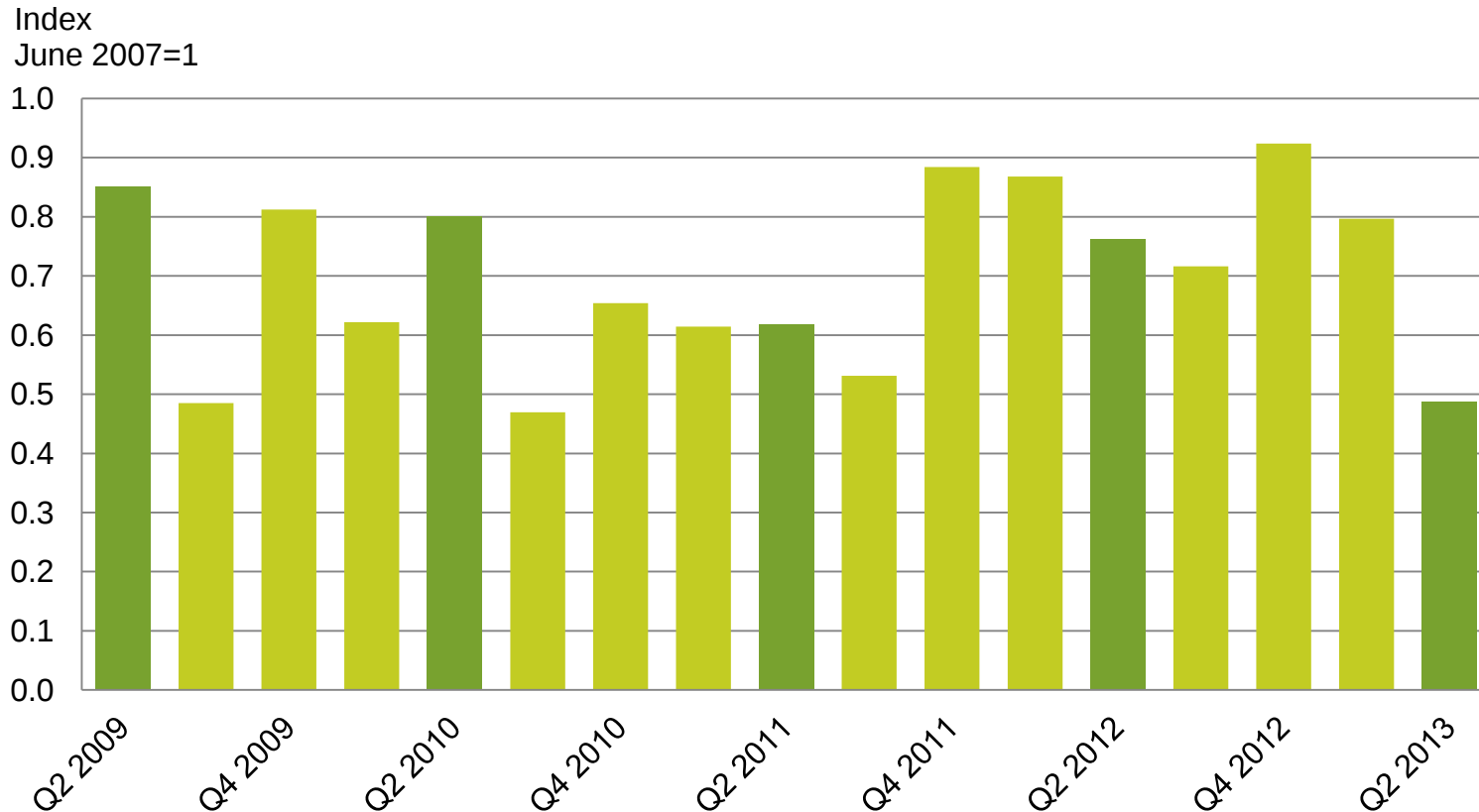
Source: BOABC



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European producer nitrate stocks



Source: Fertilizers Europe, Yara estimate for June

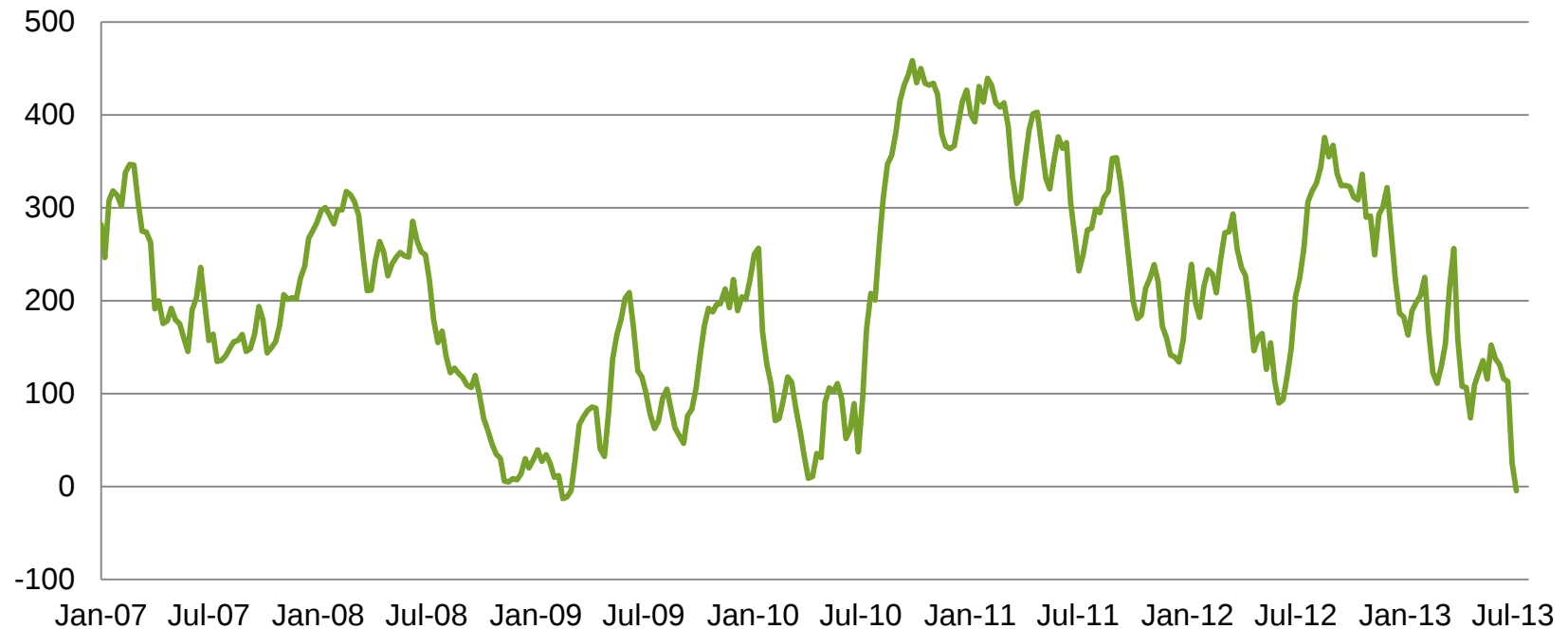


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Non-commercials' net long position in corn

Thousand contracts



Source: US Commodity Futures Trading Commission

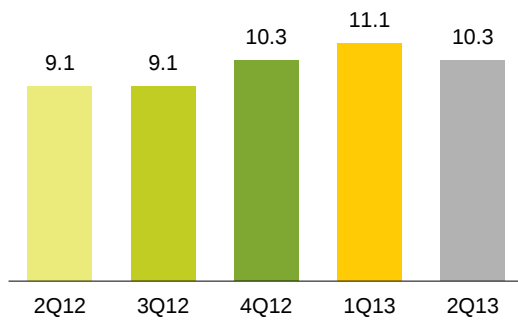


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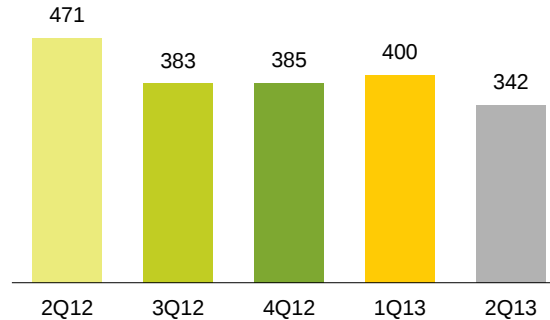


Key value drivers – quarterly averages

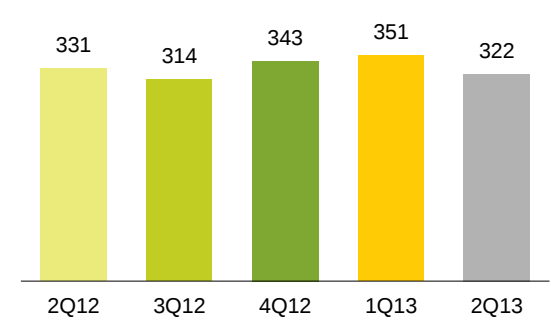
Zeebrugge day ahead (USD/MMBtu)



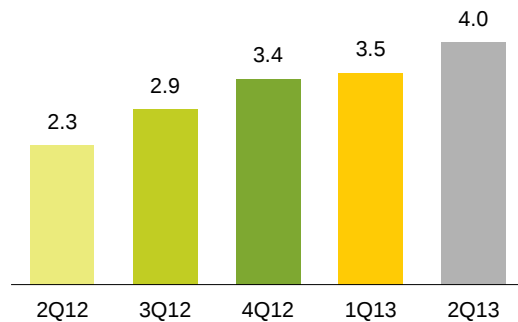
Urea prilled fob Black Sea (USD/t)



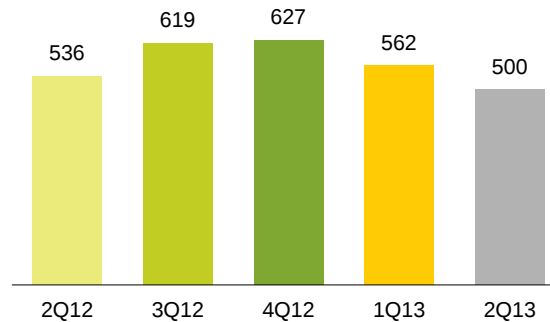
CAN cif Germany (USD/t)



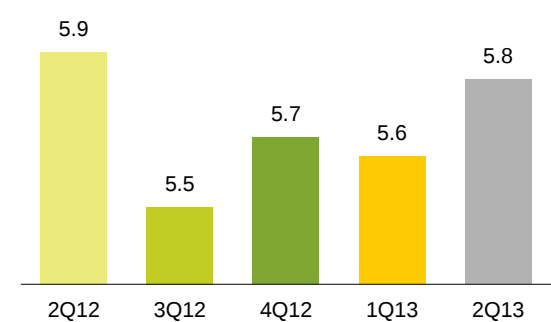
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)



NOK/USD exchange rate



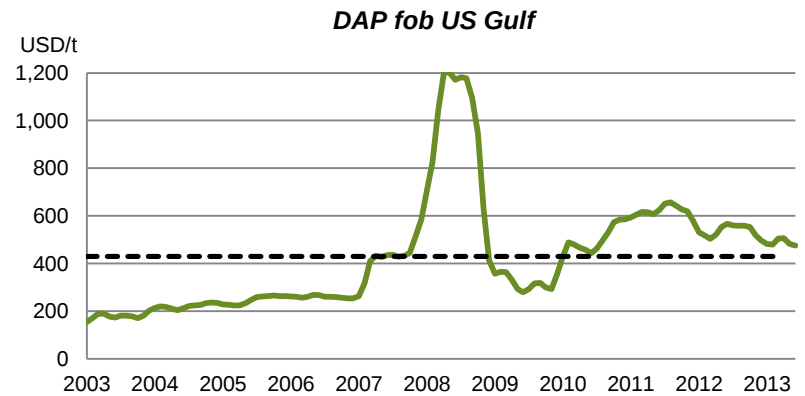
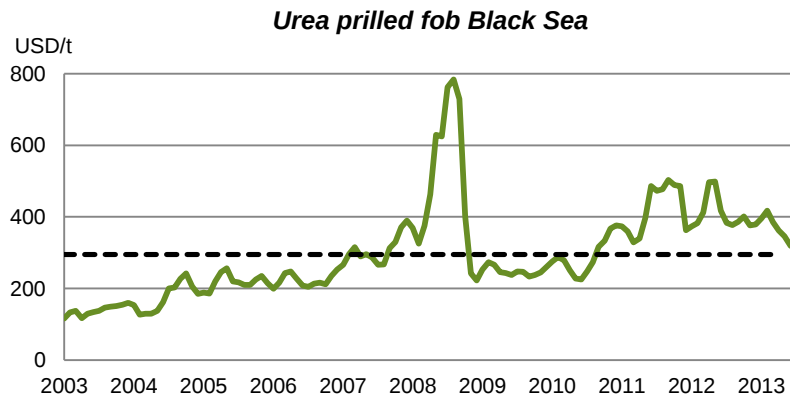
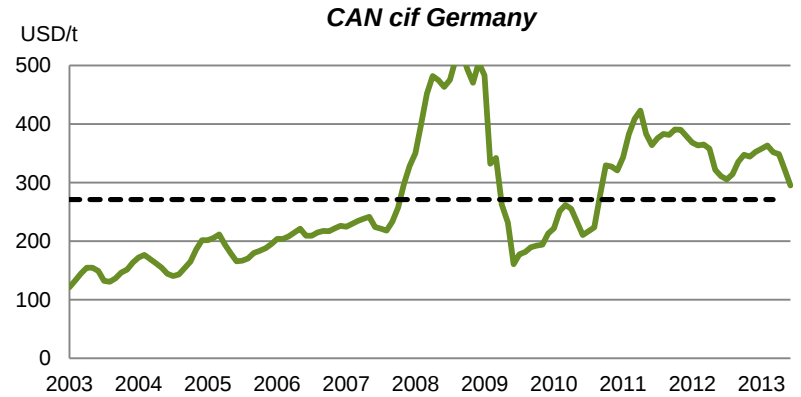
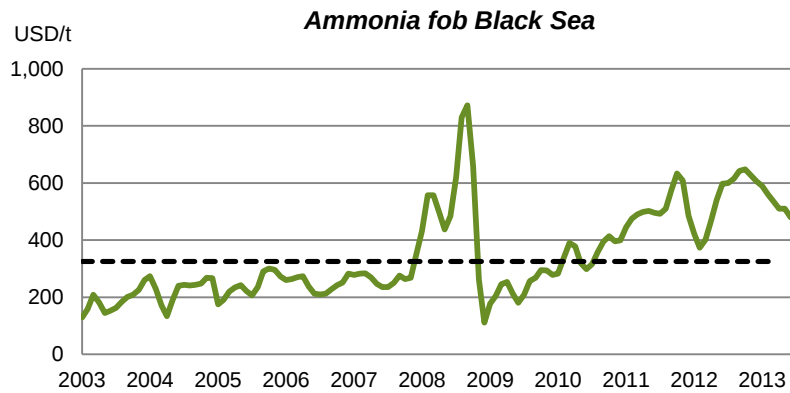
Source: Fertilizer Market Publications, CERA, World Bank, Norges Bank



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10-year fertilizer prices – monthly averages



Source: Average of international publications

--- Average prices 2003 - 2013



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