YARA

Knowledge grows

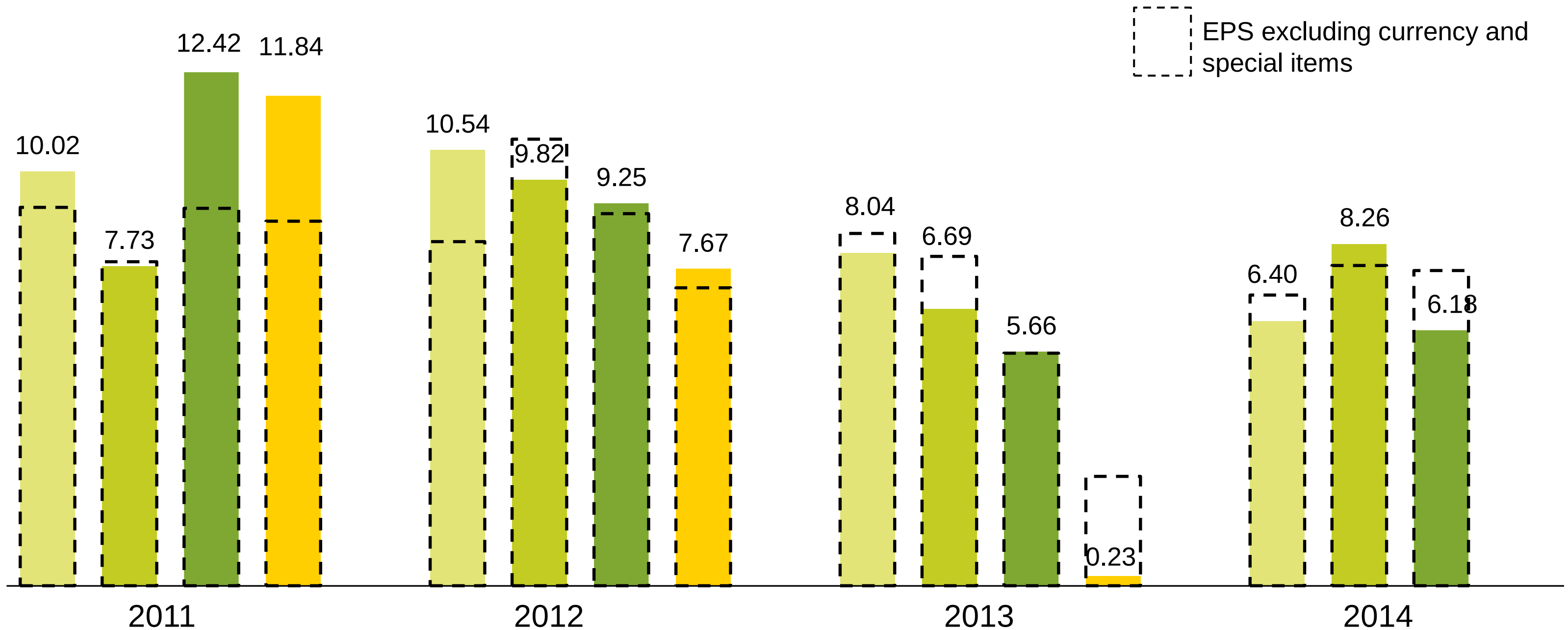
Yara International ASA
Third quarter results 2014

22 October 2014

Summary third quarter

- Strong result with record deliveries
- Continued margin benefit from lower European gas prices
- Strong fertilizer production; lower ammonia production in Pilbara and Lifeco
- Record Industrial result

Earnings per share*



Annual

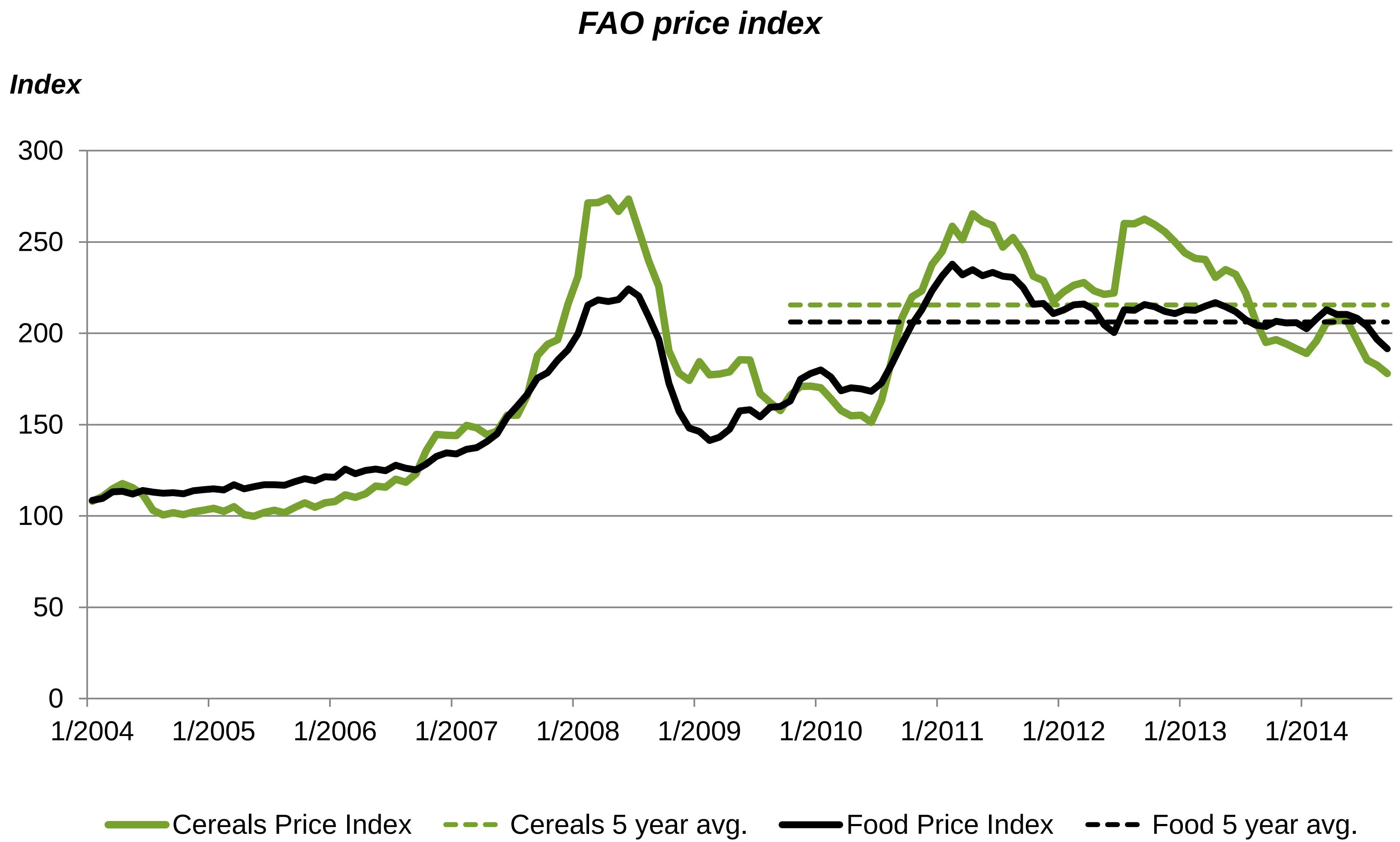
NOK	41.99	37.31	20.67	20.84

• Average number of shares for 3Q 2014: 276.2 million (3Q 2013: 277.6 million).

Fertilizer market development

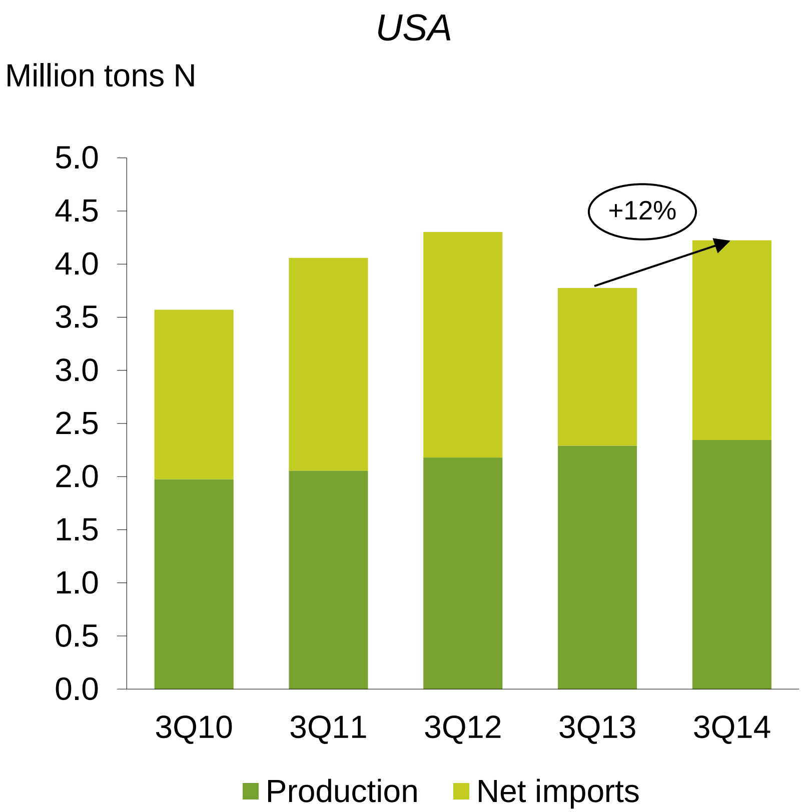
- Continued robust fertilizer demand
- Higher urea prices; continued curtailments in China, Ukraine and Egypt
- Western Europe nitrogen fertilizer industry deliveries 5% higher
- Higher phosphate prices and upgrading margins than last year
- Strong demand for value-added fertilizer products

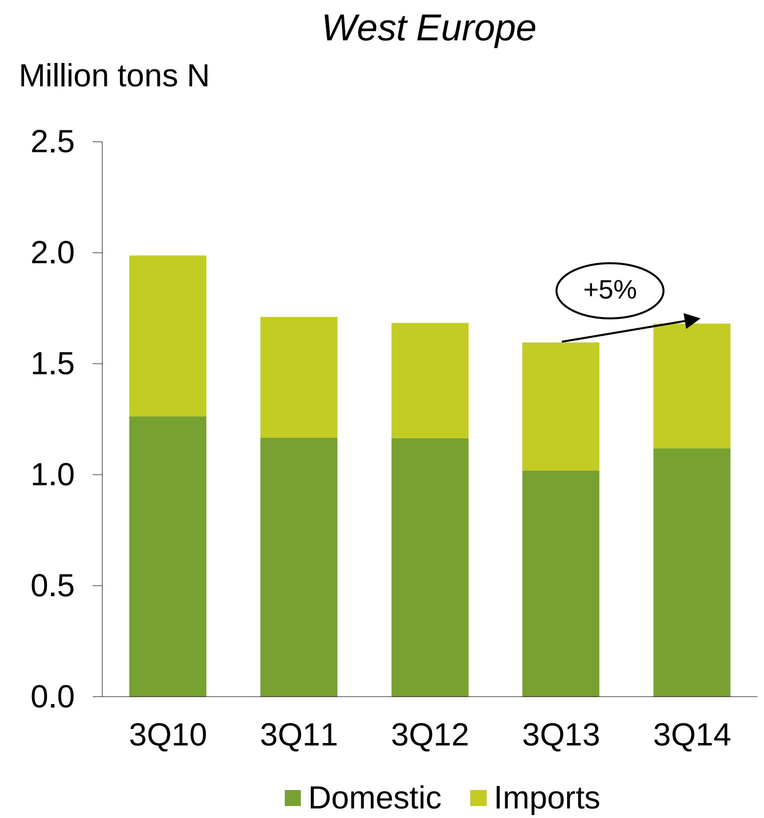
Food prices below 5-year average



Source: FAO

Nitrogen deliveries in Europe and USA close to normal

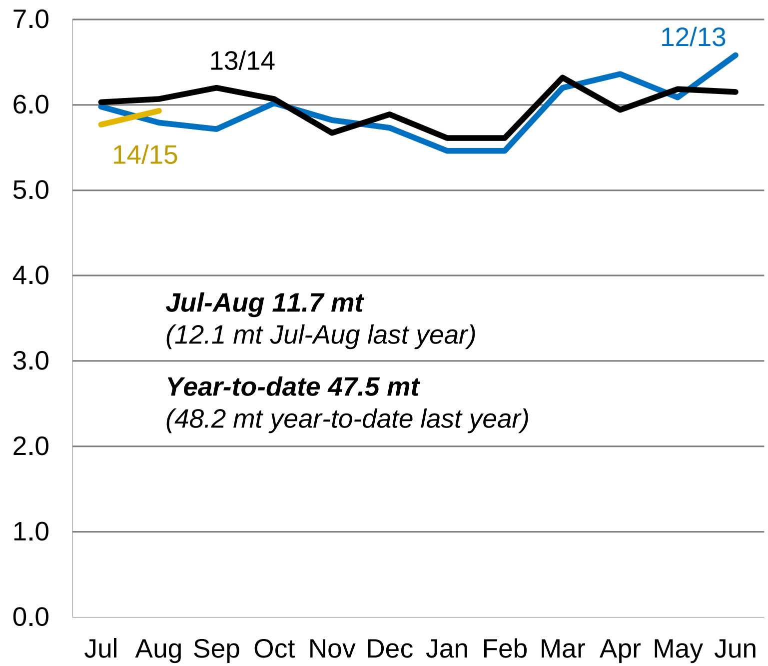




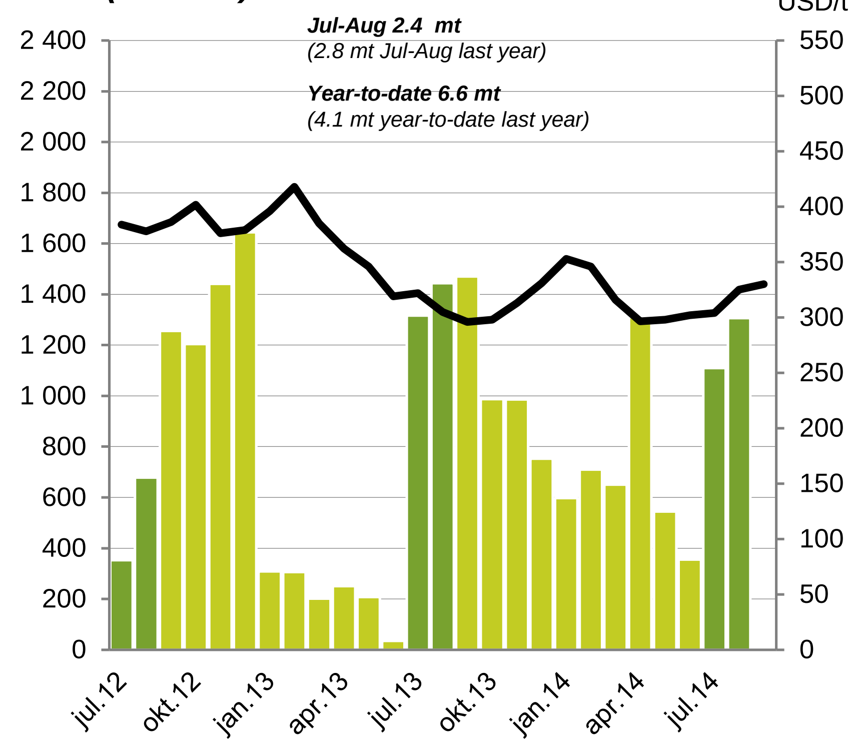
Source: Yara estimate for fertilizer deliveries to selected West European countries.
Total nitrogen deliveries based on TFI, US Trade Commission, Blue-Johnson and Yara estimates

Chinese urea: production decline despite significant capacity increase

Chinese production (kilotons)



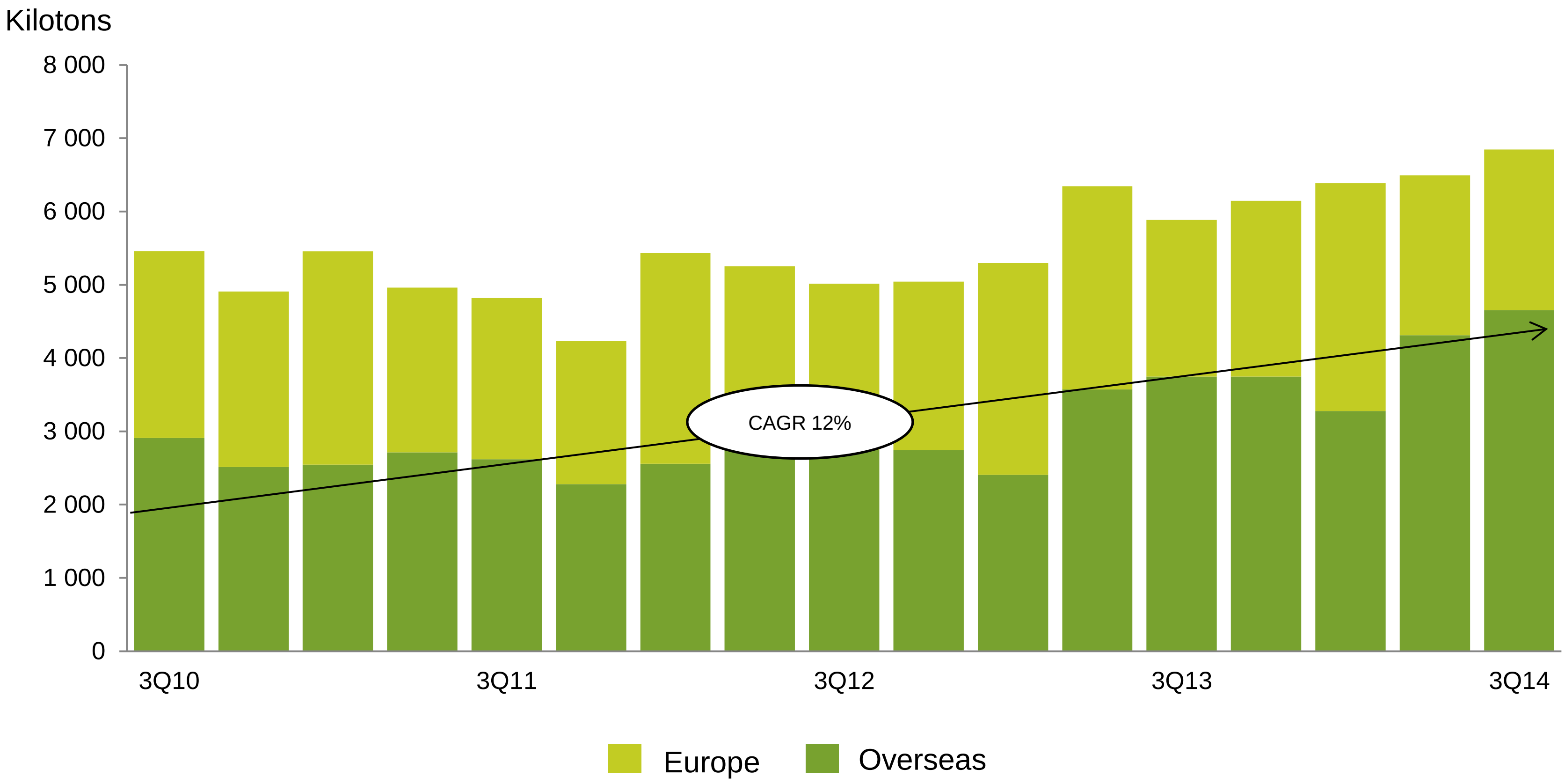
Chinese exports (kilotons)



Source: BOABC, CFMW

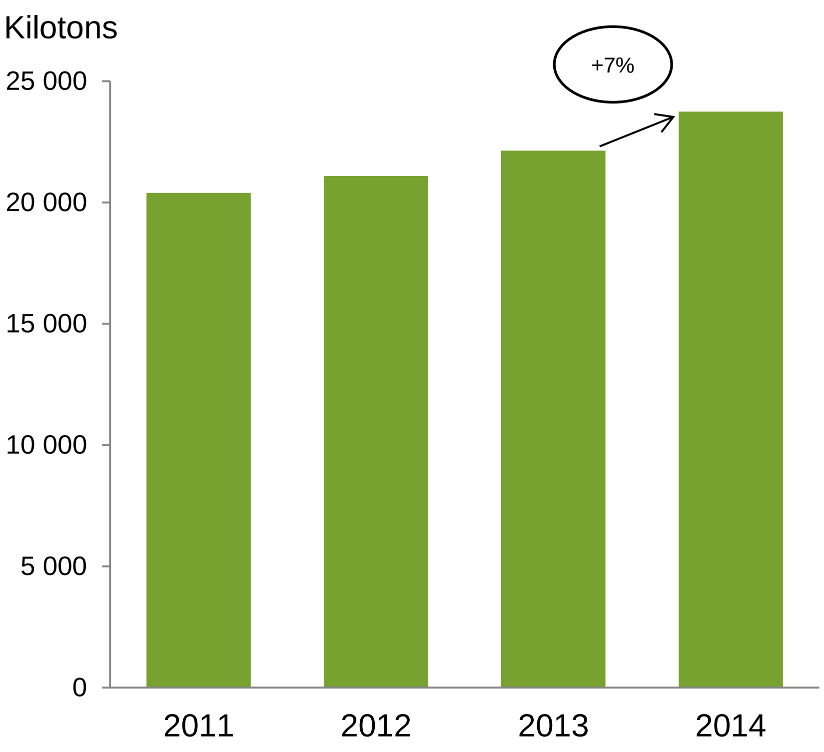
Long-term growth in deliveries outside Europe

Yara fertilizer deliveries (by quarter)

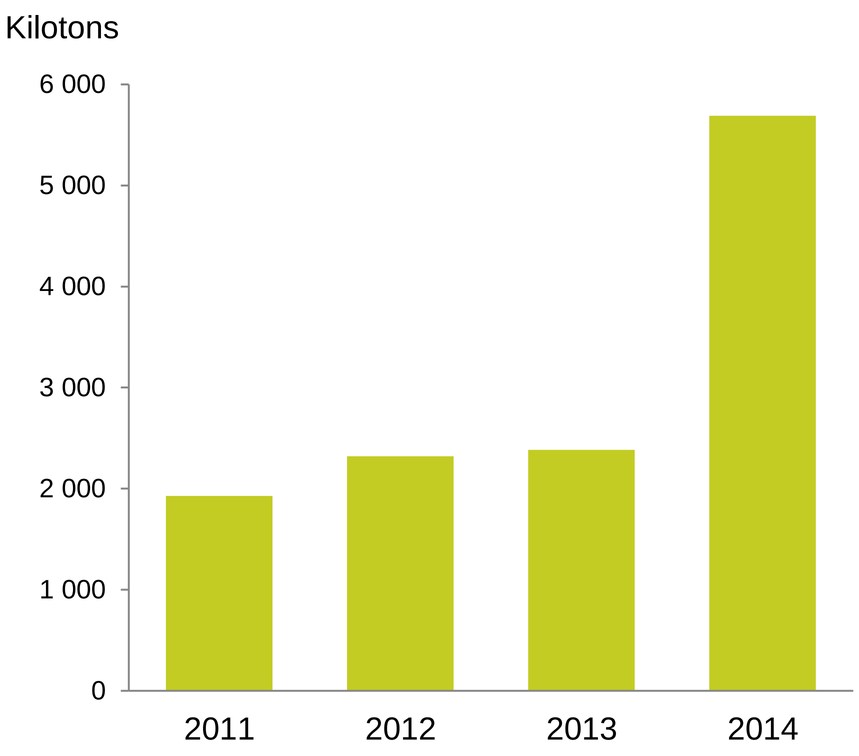


Brazil: Yara benefiting both from Bunge acquisition and increase in industry deliveries

Brazil fertilizer industry deliveries (Jan-Sep)



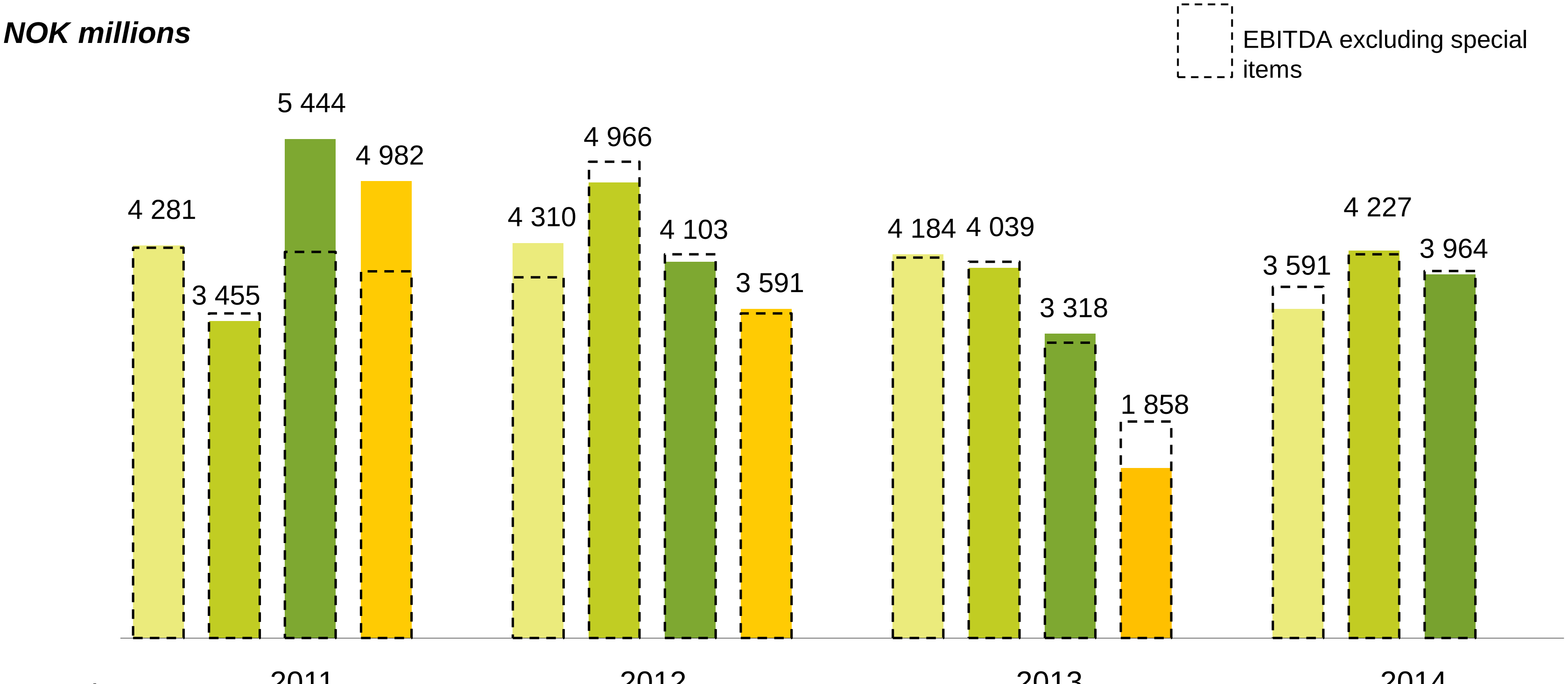
Yara Brazil fertilizer deliveries[1] (Jan-Sep)



Source: ANDA, Yara

1) Excluding trade

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

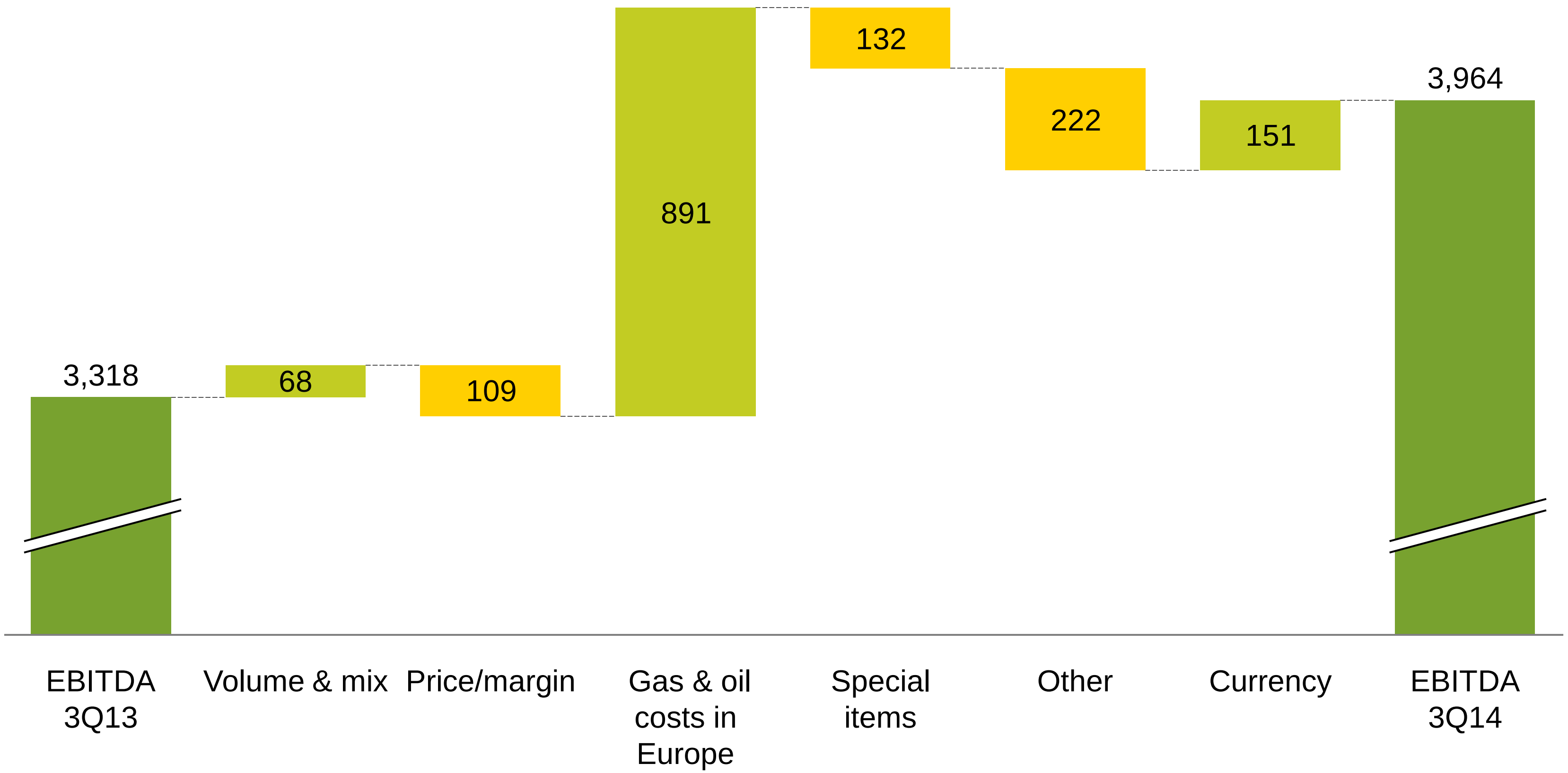


Annual

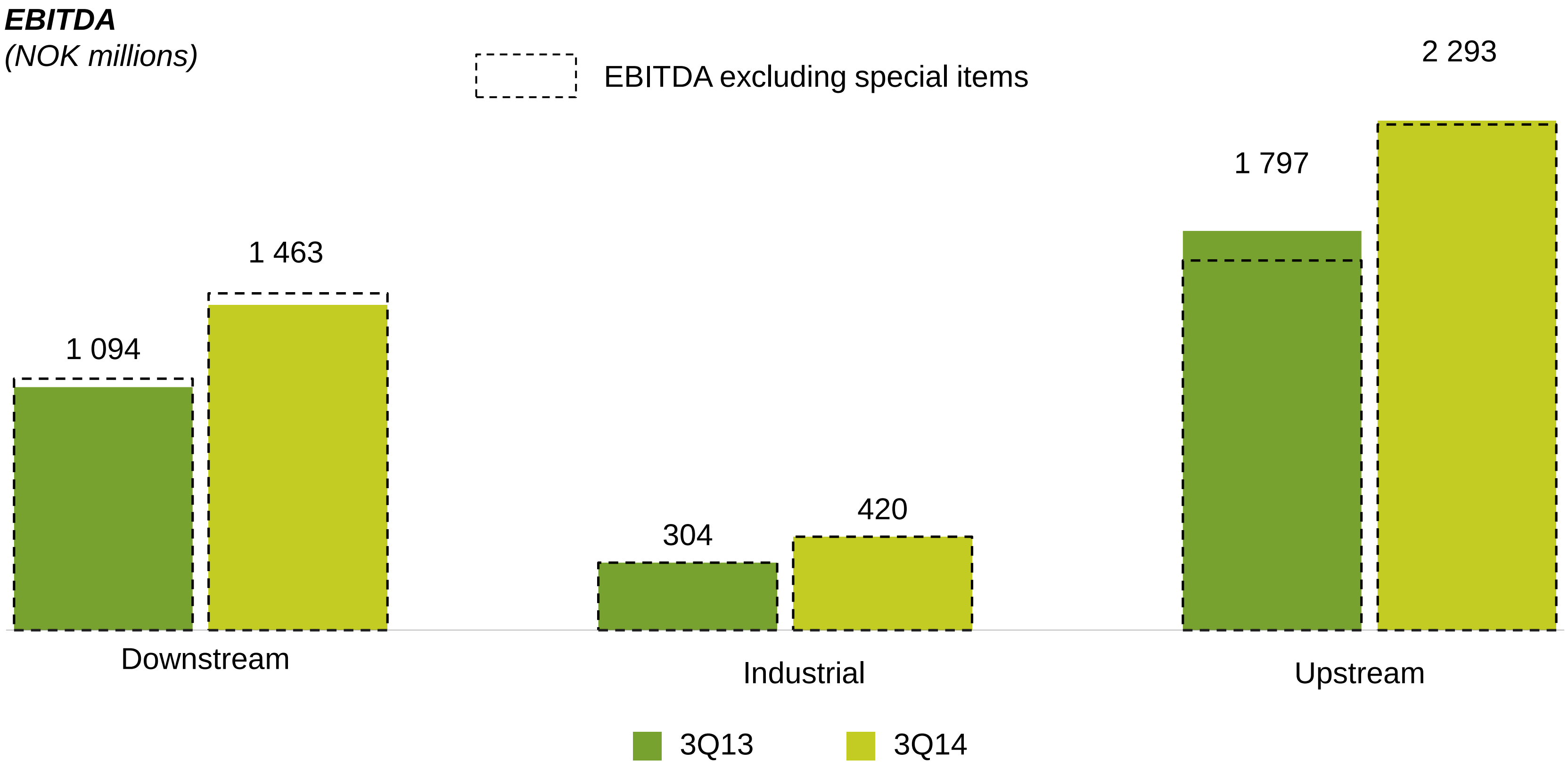
NOK millions	18,163	16,970	13,399	11,782

EBITDA development

NOK millions

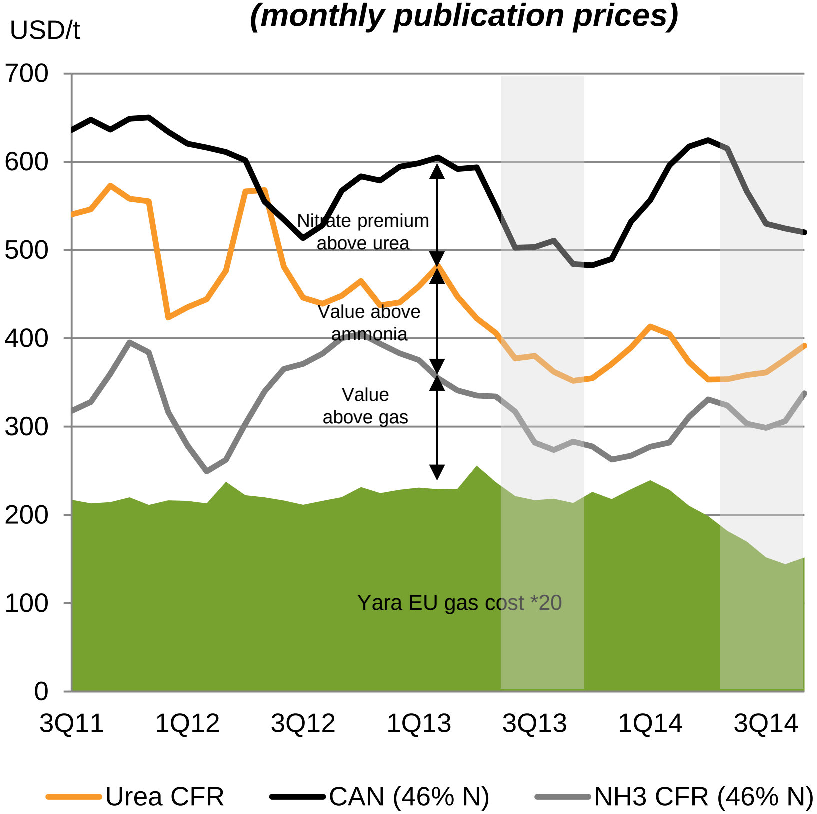


Improved earnings for all segments



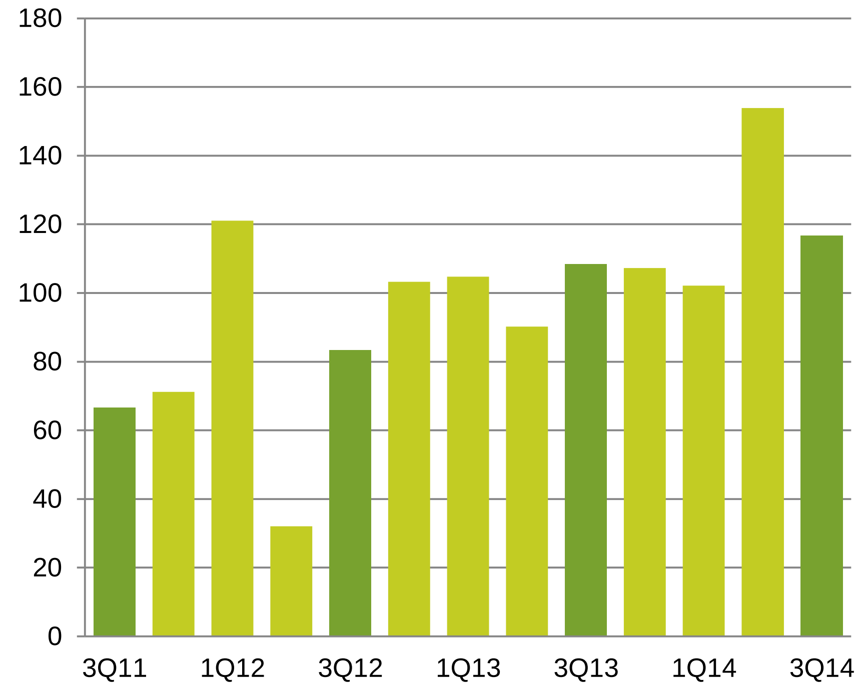
Improved European nitrogen margins; nitrate premium in line

Nitrogen upgrading margins[1] (monthly publication prices)



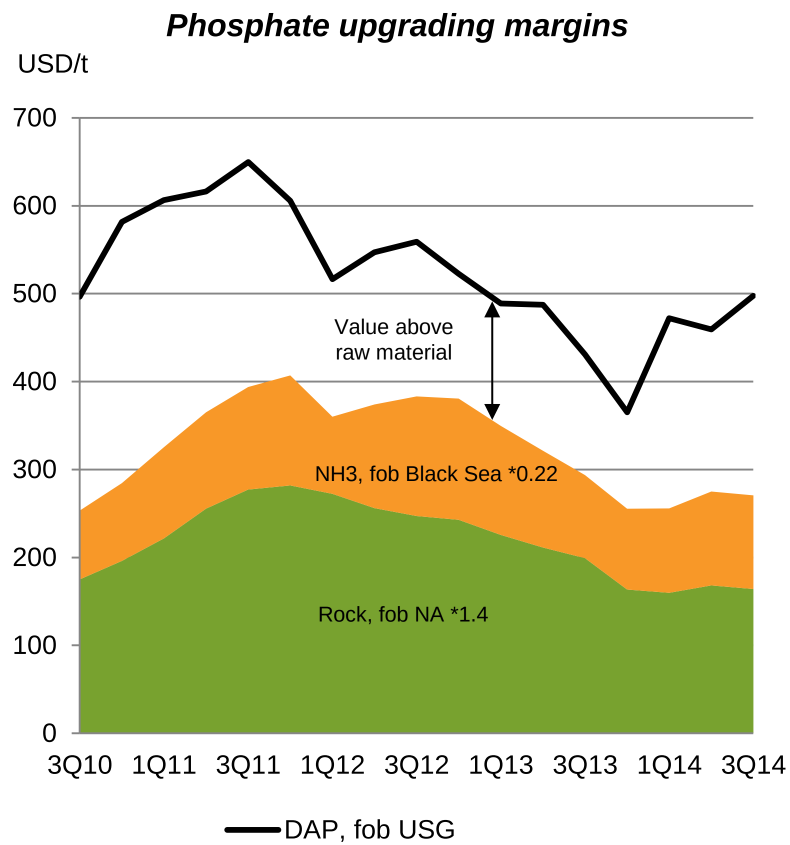
1) All prices in urea equivalents

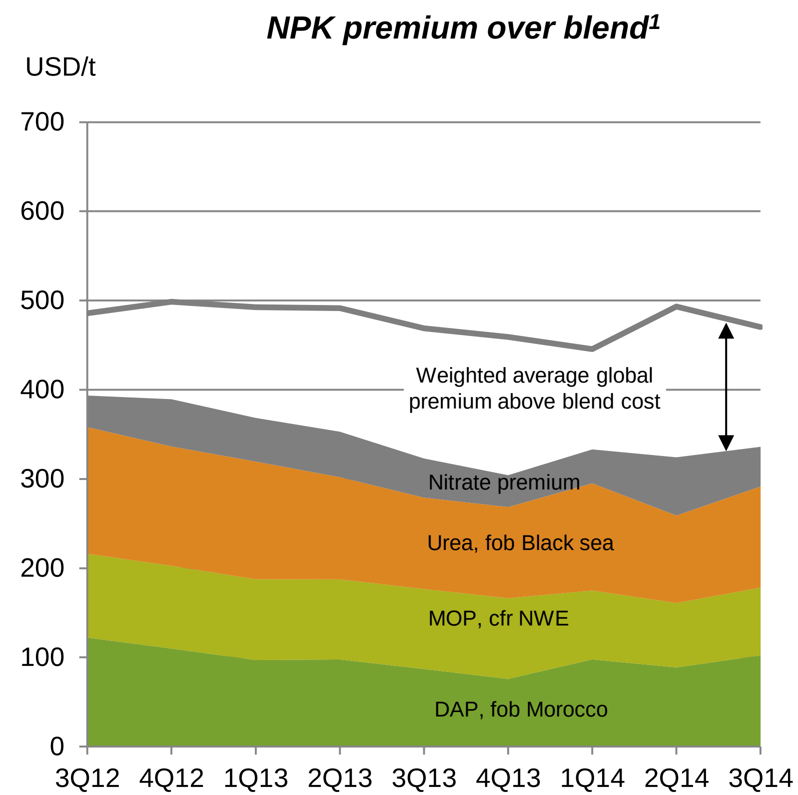
European nitrate premium[2] (quarterly Yara realized)



2) Yara European realized nitrate prices compared with urea publication prices with one month time lag. All numbers in USD per ton of CAN equivalents.

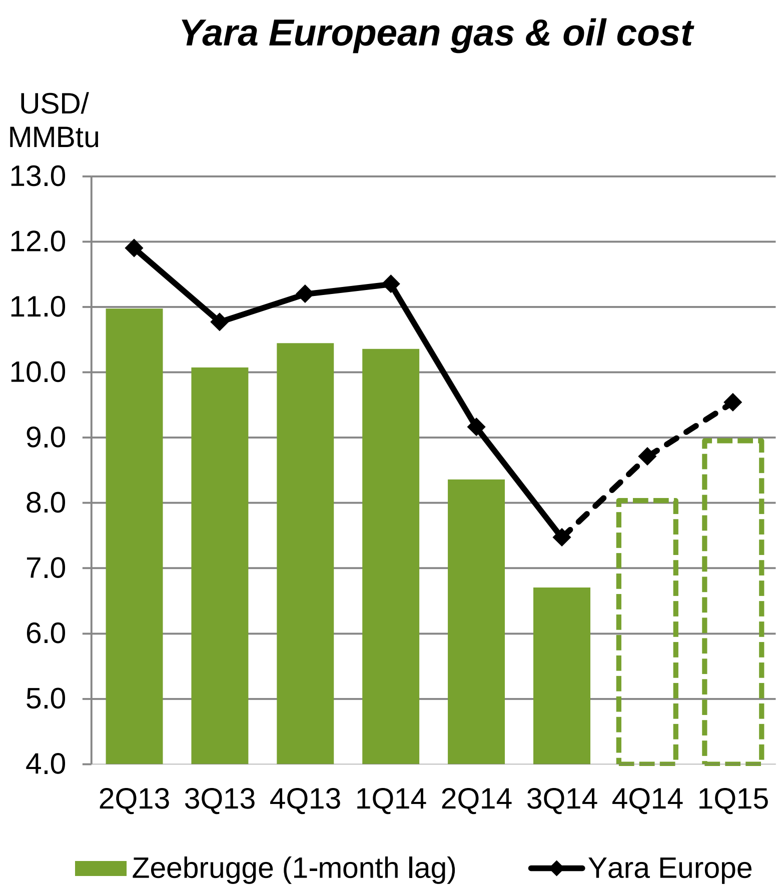
Solid commodity phosphate margins and NPK premiums

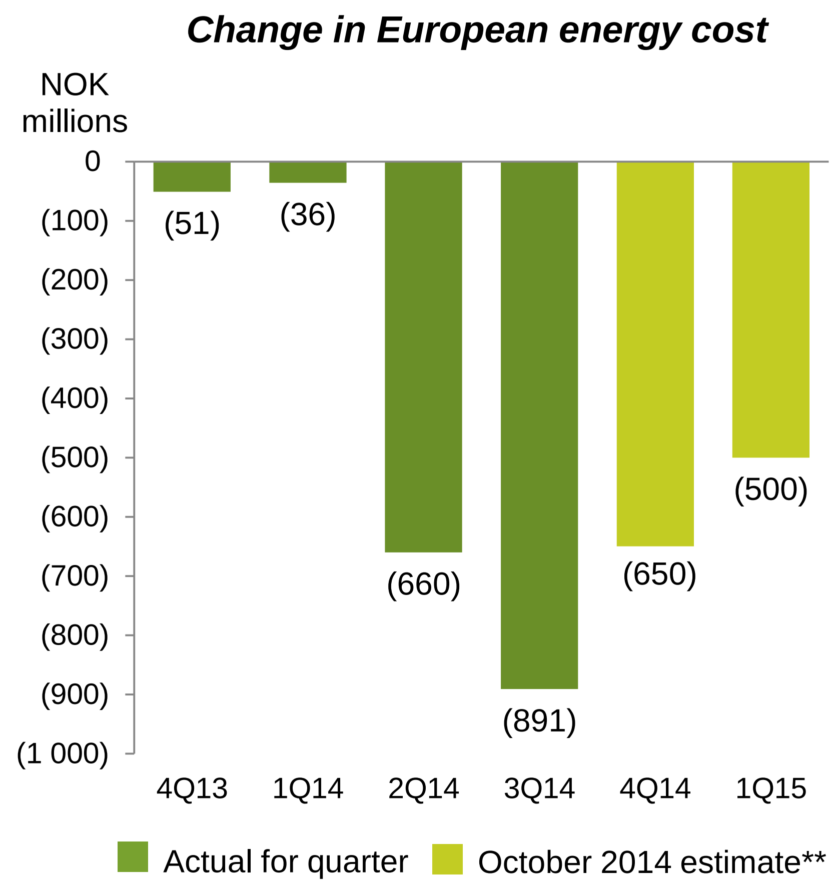




1) Export NPK plants, average grade 19-10-13, net of transport and handling cost.

Lower natural gas cost in Europe

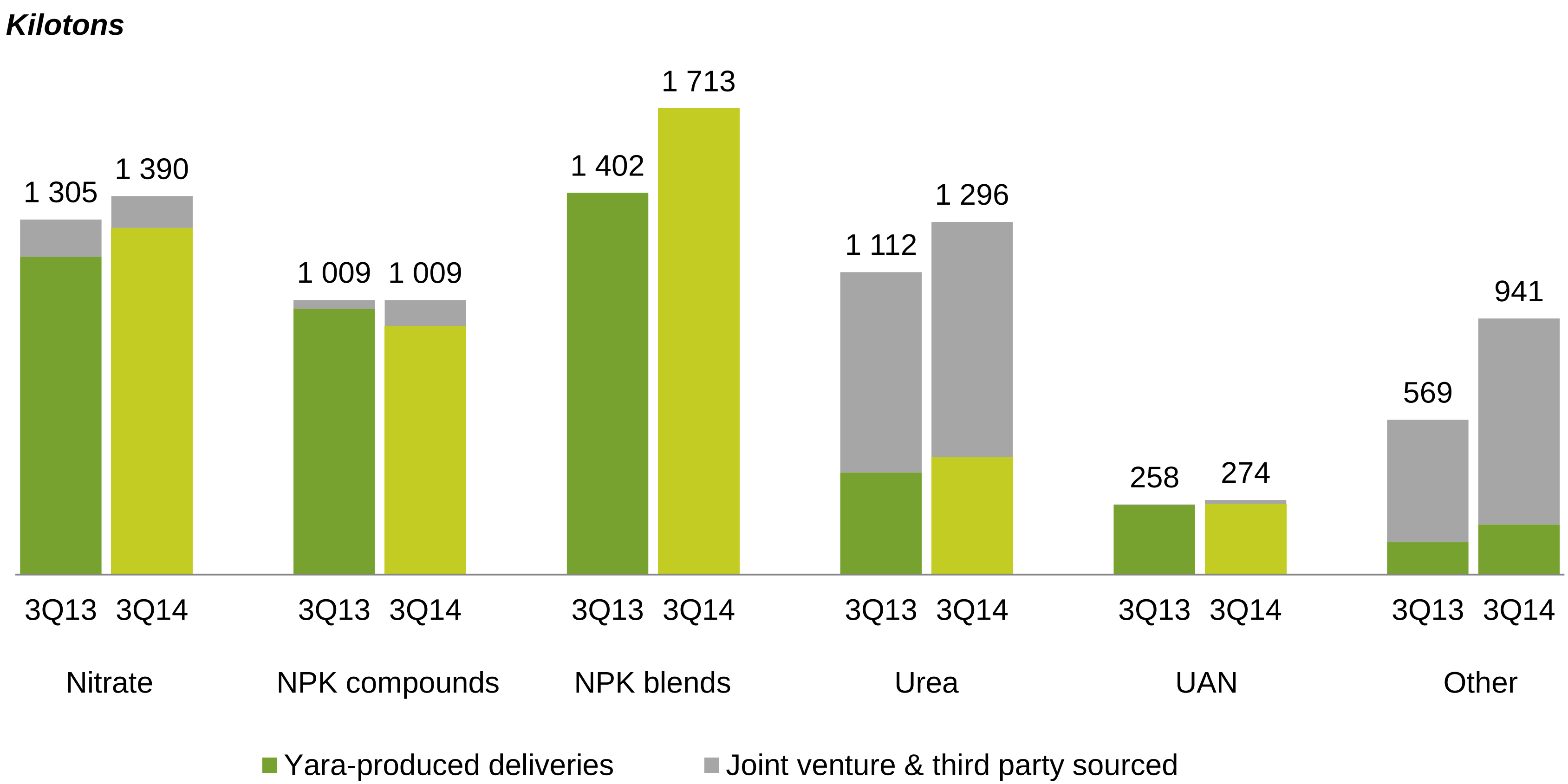




*Dotted lines denote forward prices as of 14 October 2014
Source: Yara, World Bank, Platts

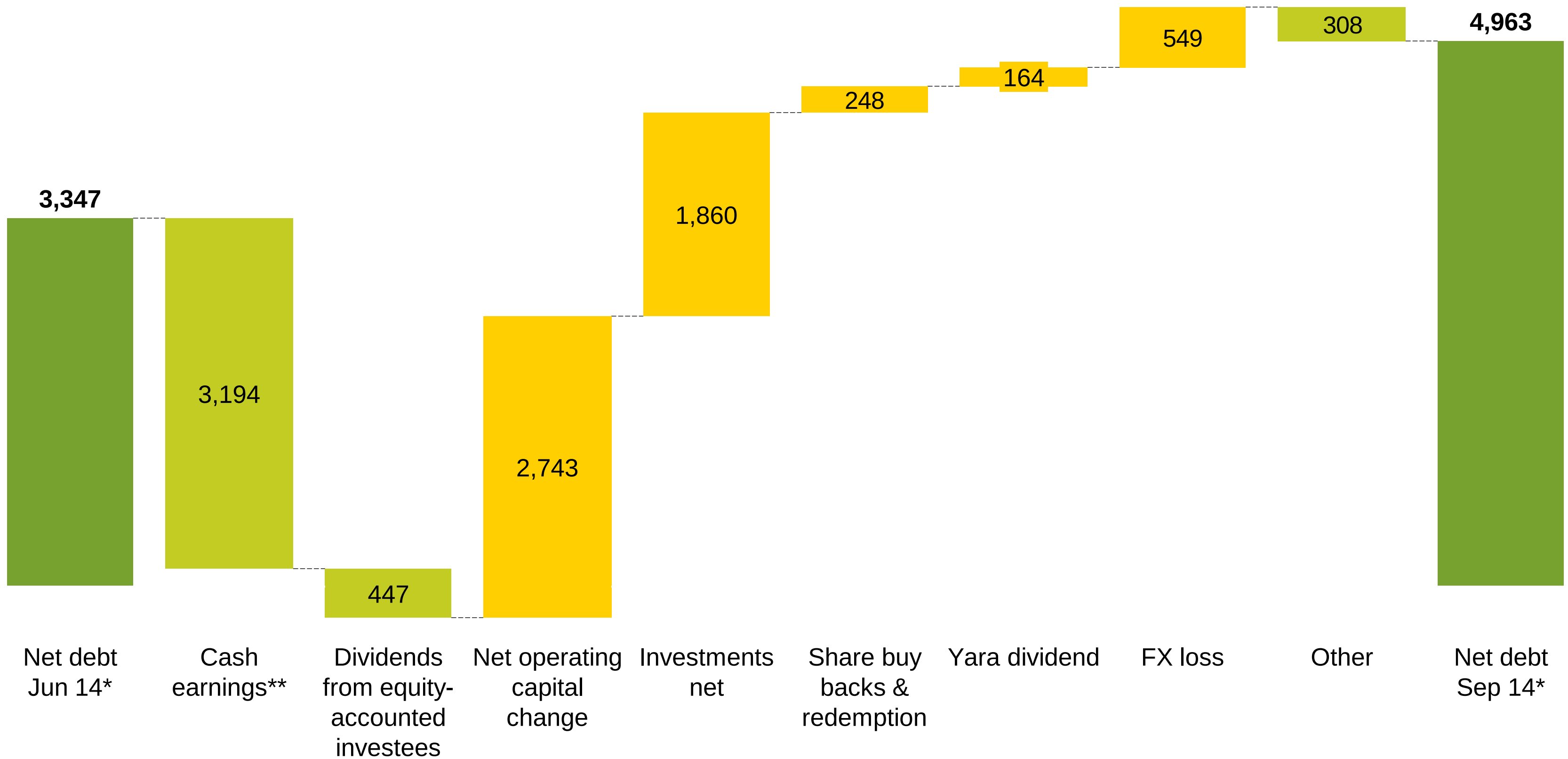
** Based on forward prices as of 14 October 2014

Fertilizer deliveries by product and source



Net interest-bearing debt development

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

Prospects

Prospects

- Incentives for nitrogen application remain supportive despite recent decline in grain prices
- Continued nitrogen curtailments in China, Ukraine and other export regions
- Capacity outside China: limited greenfield additions next two years; and gas availability uncertain for some locations
- Strong European order book at start of fourth quarter
- Expected further gas cost reduction of NOK 1.15 billion in Europe next two quarters
- OFD acquisition completed in October, and Galvani completion due in fourth quarter

Galvani acquisition (Brazil) improves raw material and production integration

- Two existing fertilizer production sites
- Three existing mining operations
- Two new mining projects under development
- Distribution terminal/Port import terminal

- Current assets:
  - Three mining operations with a total production of ~500kt phosphate rock
  - Two industrial sites with a total granulation capacity ~1,000kt
- Future additions (partly replacement):
  - ~2 million tons phosphate rock from two new mines.
    - Serra do Salitre (greenfield) 1,200 kt
    - Santa Quiteria (greenfield) 800 kt
    - Angico (brownfield) additional 150 kt
- 2013 Galvani EBITDA USD 48 million

250 kt NPK and Calcium Nitrate expansion in Porsgrunn, Norway

- Strong Downstream demand for additional value-added fertilizer volumes
- Brownfield investment of NOK 2,250 million
- Project adds 200 kt calcium nitrate and 50 kt compound NPK annual capacity
- Enables further 150 kt NPK and 35 kt calcium nitrate annual capacity in Glomfjord and Uusikaupunki through optimization
- Completion during 2017

YaraLiva benefits cash crops in particular

- YaraLiva provides soluble and strength-building calcium, alongside nitrate-N (15.5%)
- Products containing calcium nitrate as the key component are sold under YaraLiva brand
- Calcium used for good rooting, stress-free growth, strong cell walls, improved fruit quality and better storage.
- Stable pricing, typical range 400 – 600 USD/t[1]
- Yara's current annual capacity approximately 1.1 million tons[2]

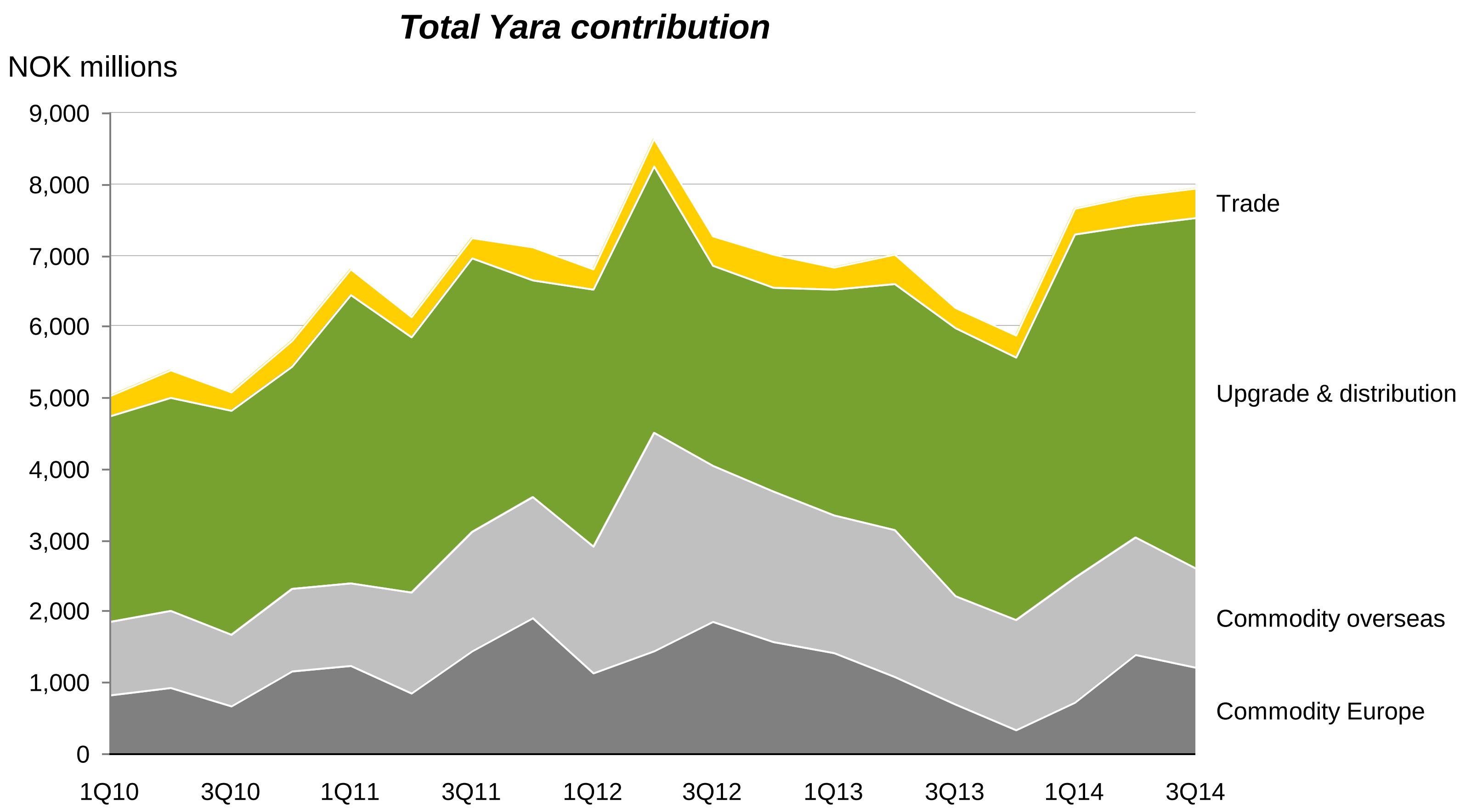
1) Prices are before freight, and other handling cost. Products sold at different points in value chain, and reflects different types of product.
2) Dry product equivalents

YARA

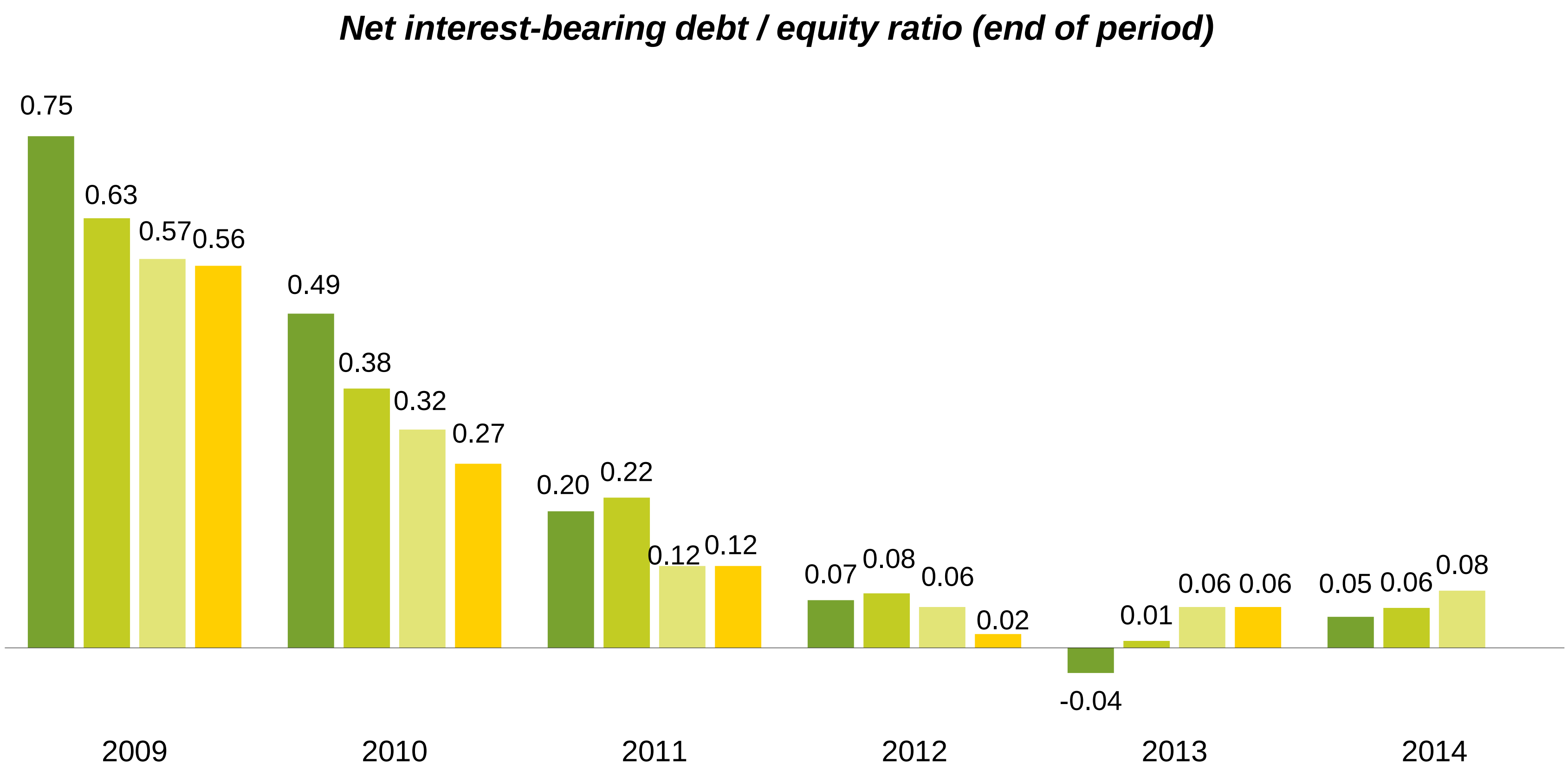
Knowledge grows

Additional information

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

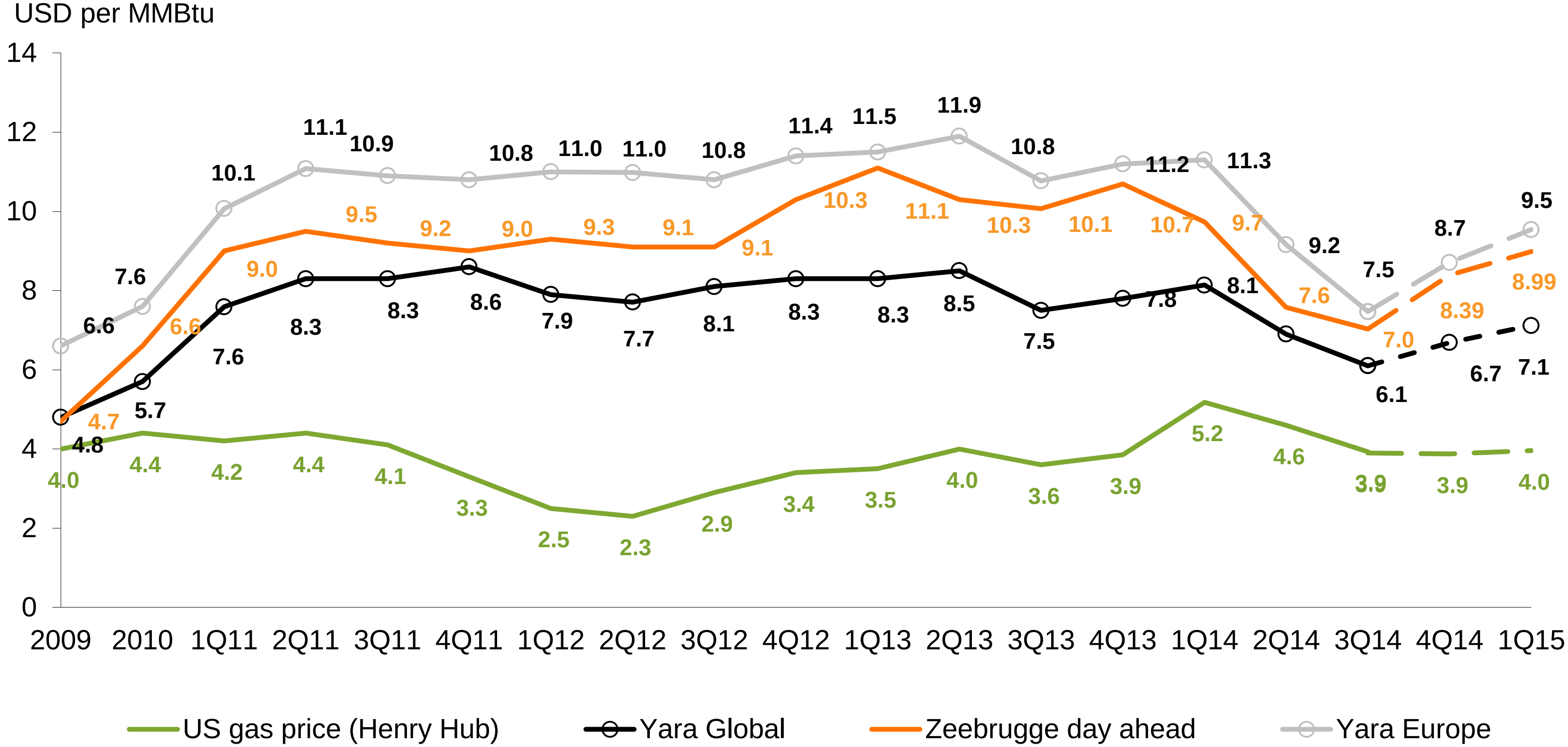


Debt/equity ratio



Gas & oil cost

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



*Dotted lines denote forward prices as of 14 October 2014

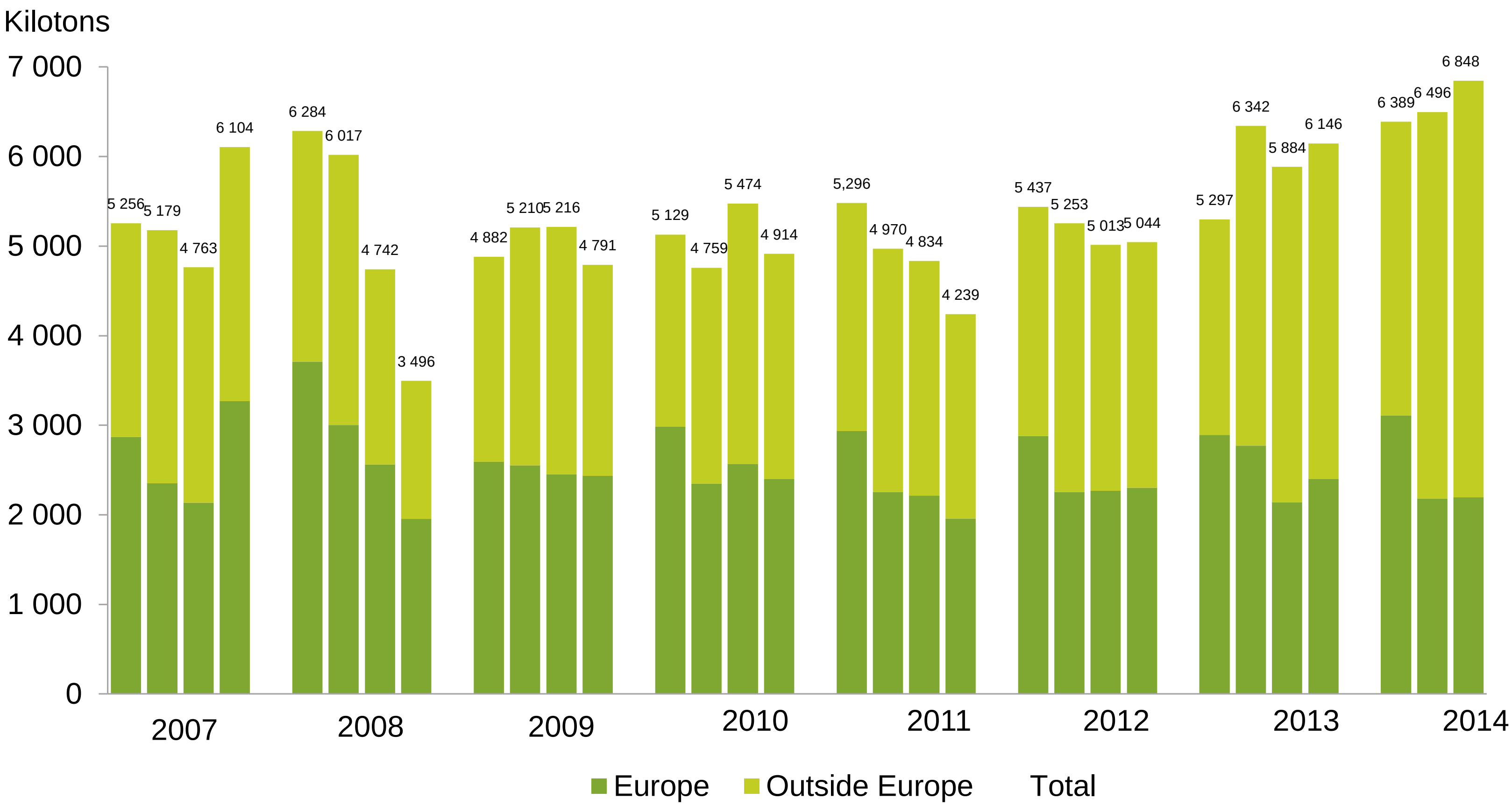
Source: Yara, World Bank, Platts

Currency exposure affecting Profit & Loss

At the beginning of the fourth quarter 2014

1. The US dollar debt generating profit & loss exposure was USD 1,400 million
   - Kept as hedge of future earnings and to finance inventories in emerging markets
   - Around 60% towards BRL with the rest towards other emerging market currencies, NOK and EUR
   - The debt level in emerging markets will fluctuate with fertilizer seasons
2. Additional profit & loss exposure from internal currency positions vs. NOK
   - Payables mainly CAD (200 million)
   - Receivables mainly EUR (320 million)

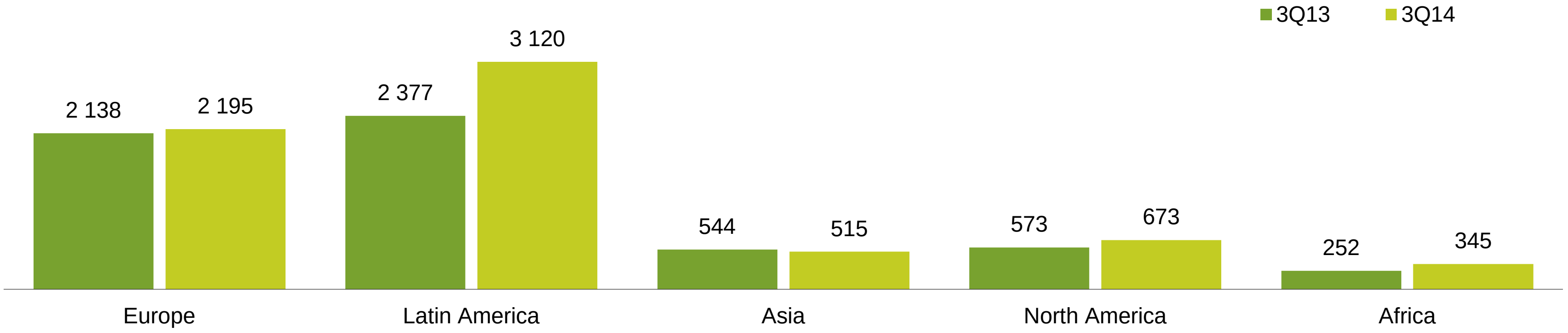
Fertilizer deliveries

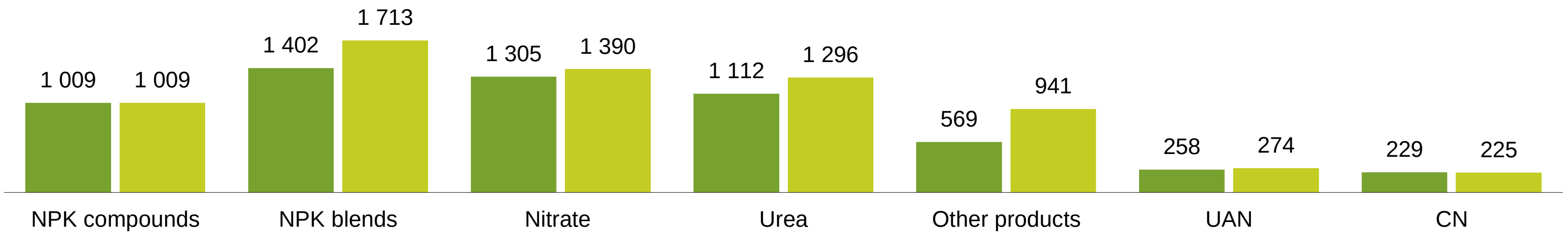


IR-Date: 2014-10-22

Yara 3Q fertilizer sales by market and product

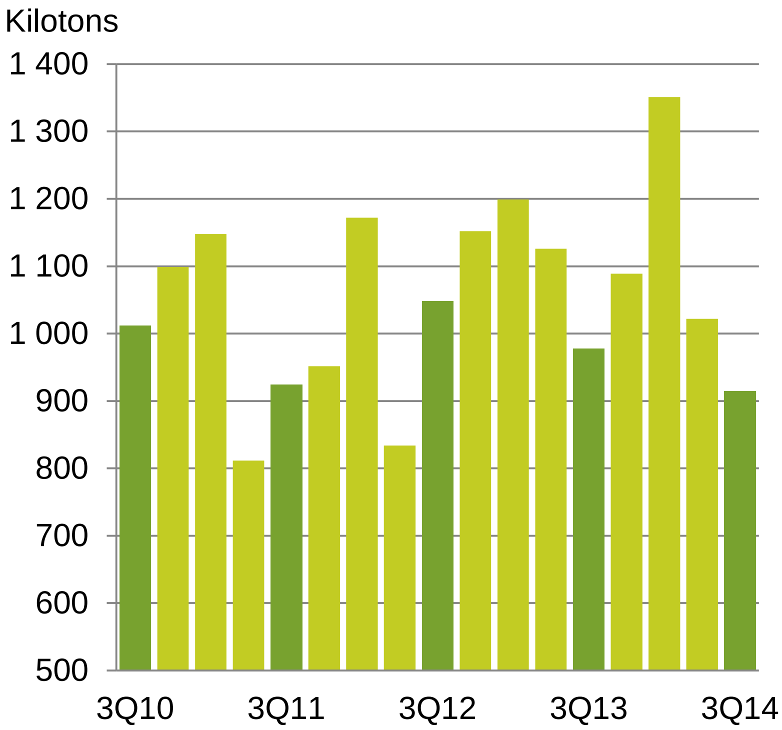
Kilotons



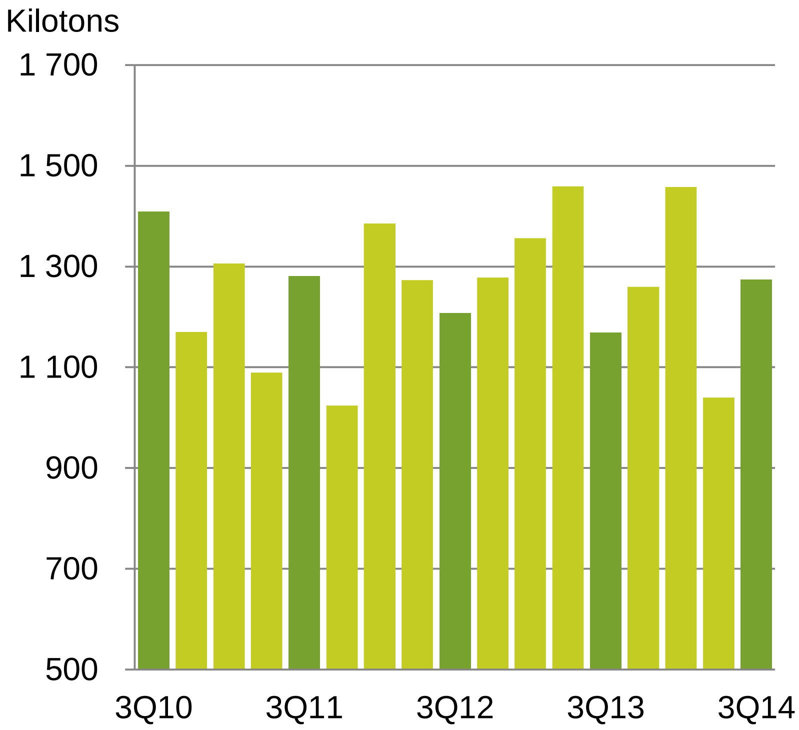


NPK and nitrate deliveries

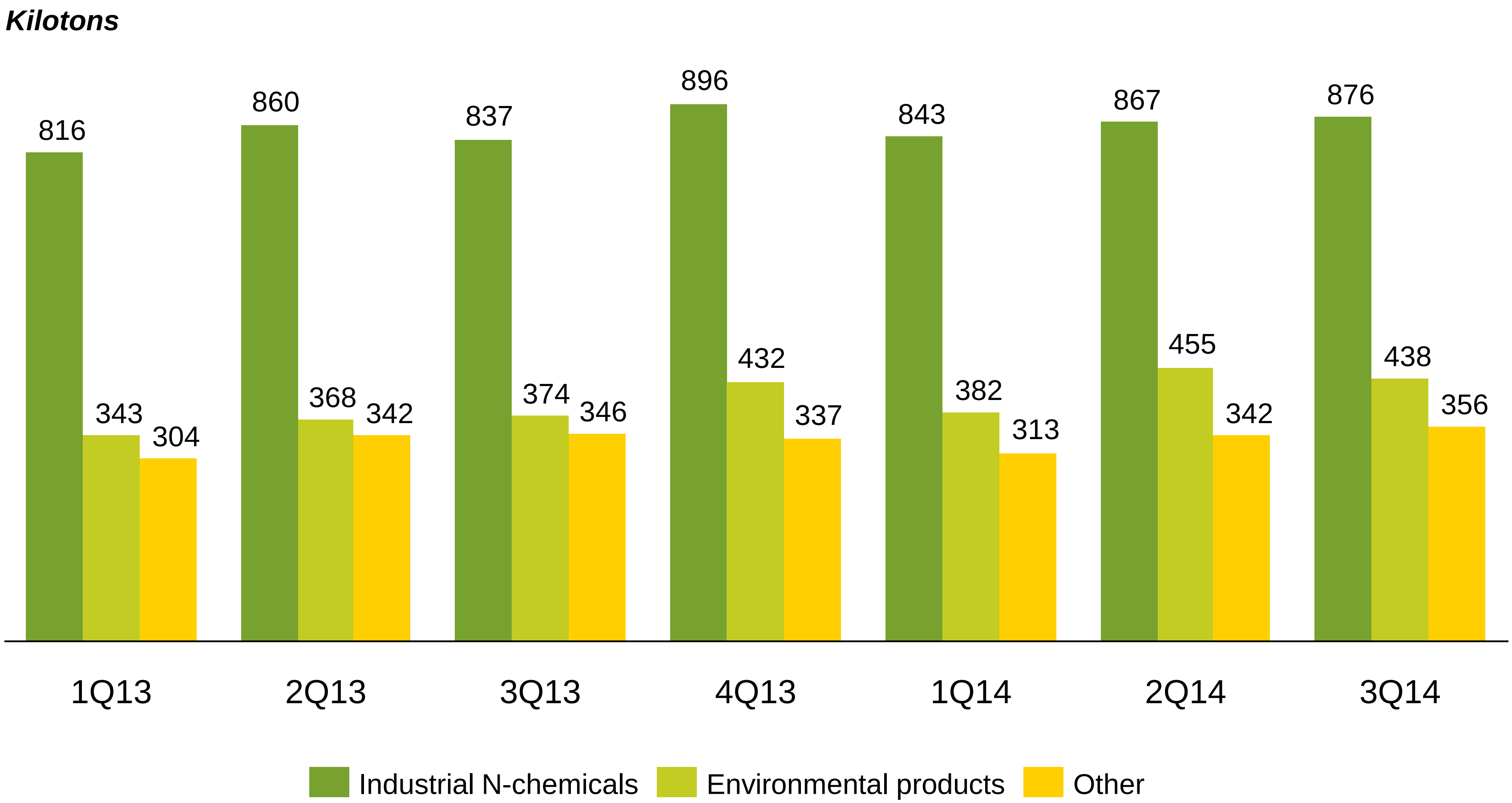
Yara-produced compound NPK deliveries



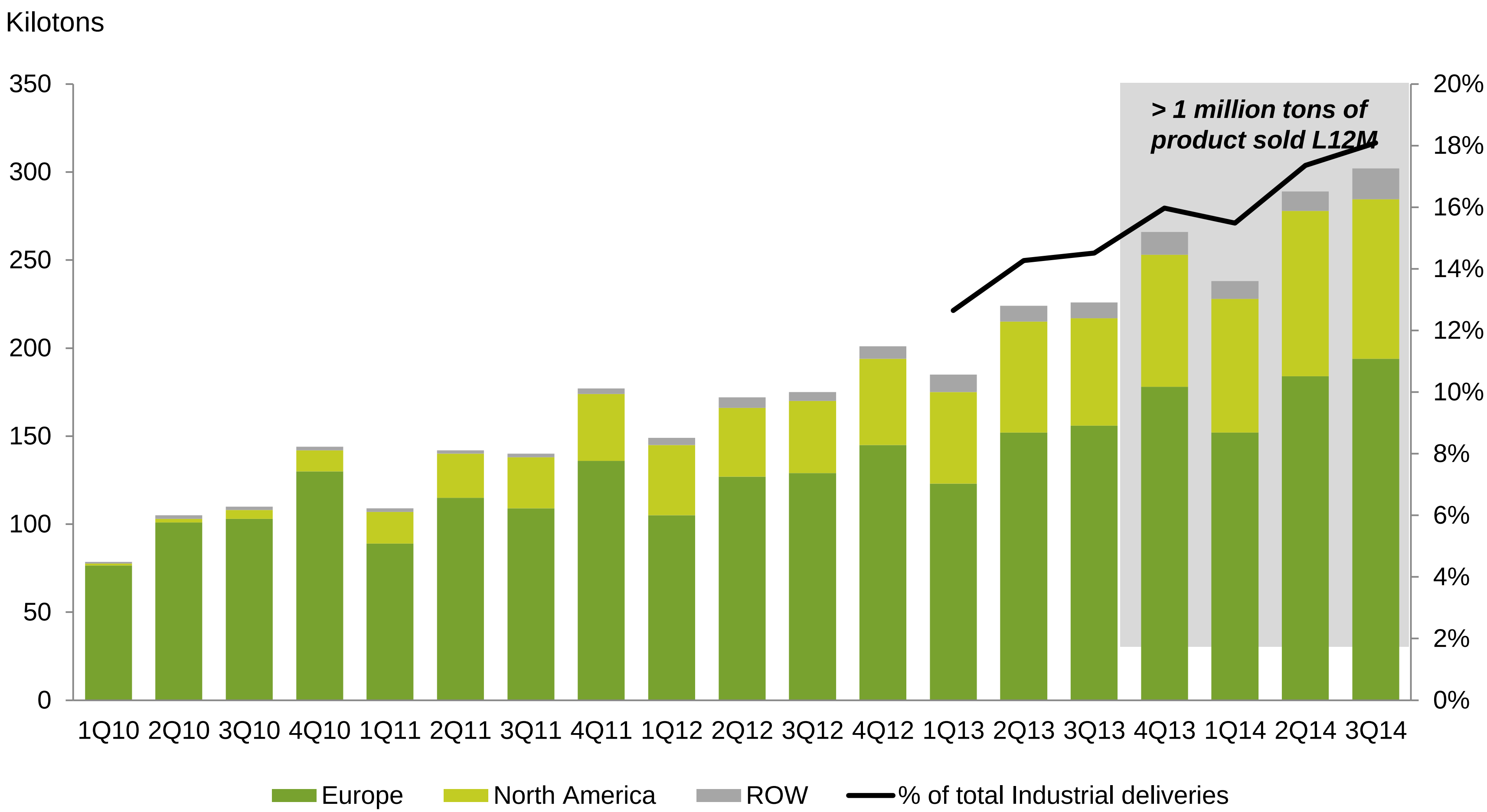
Yara-produced nitrate deliveries



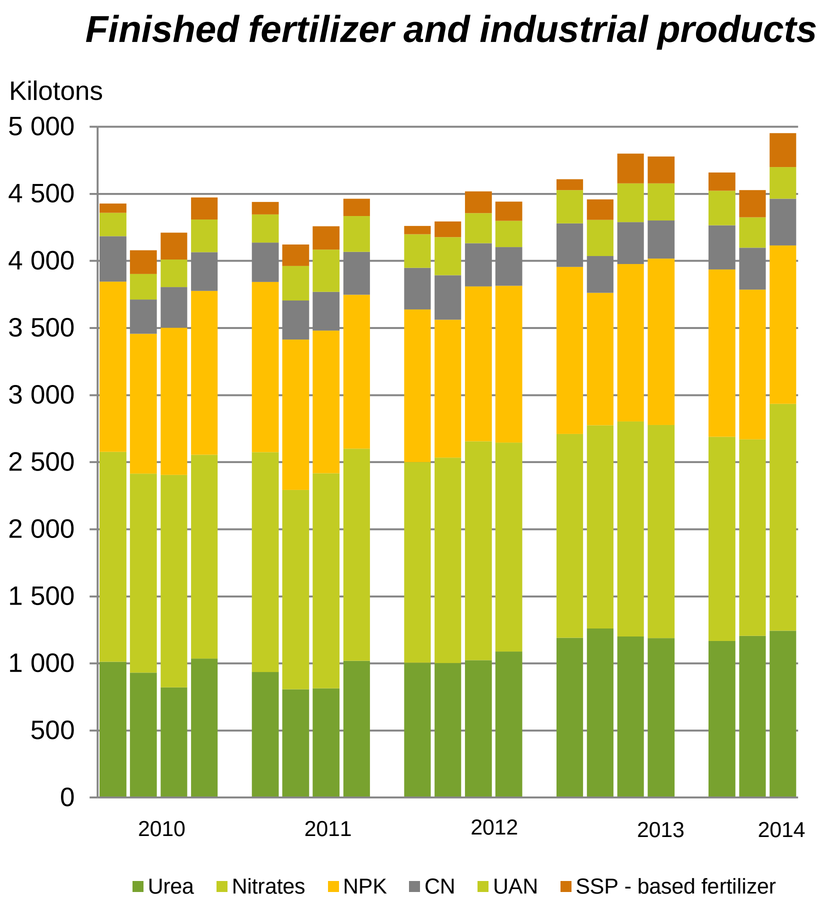
Industrial deliveries

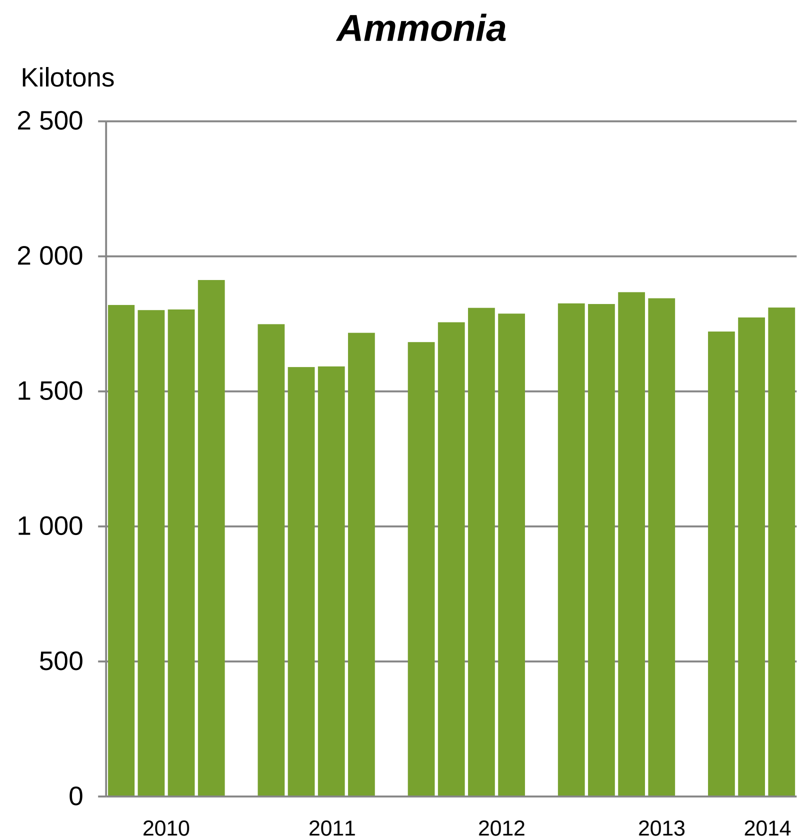


Strong growth in Air1 deliveries



Yara production volume*

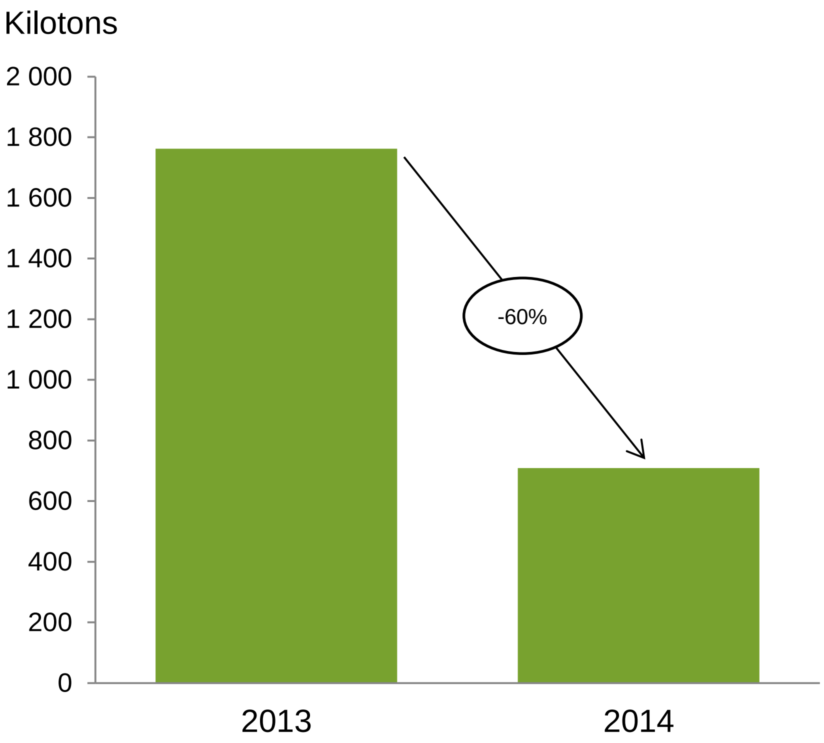




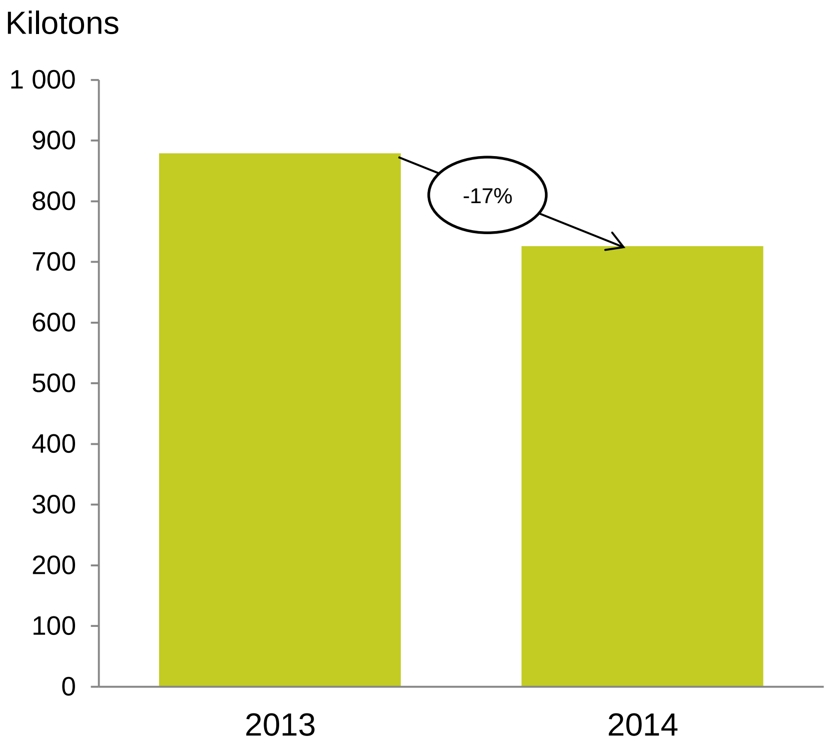
* Including share of equity-accounted investees

Production curtailments in Ukraine and Egypt

Ukraine urea exports (Jan-Jun)

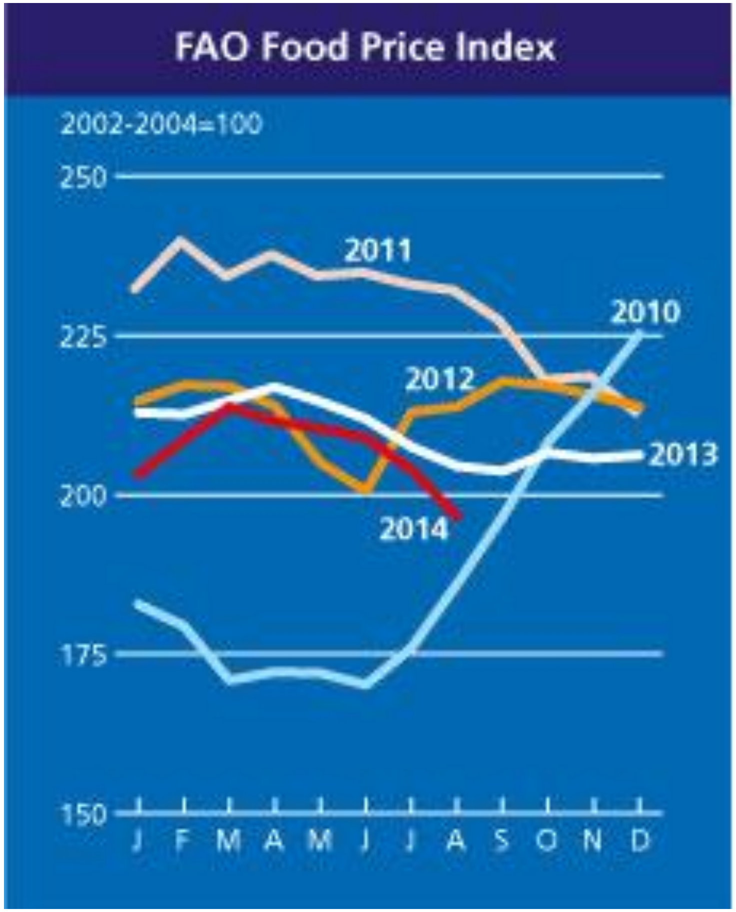


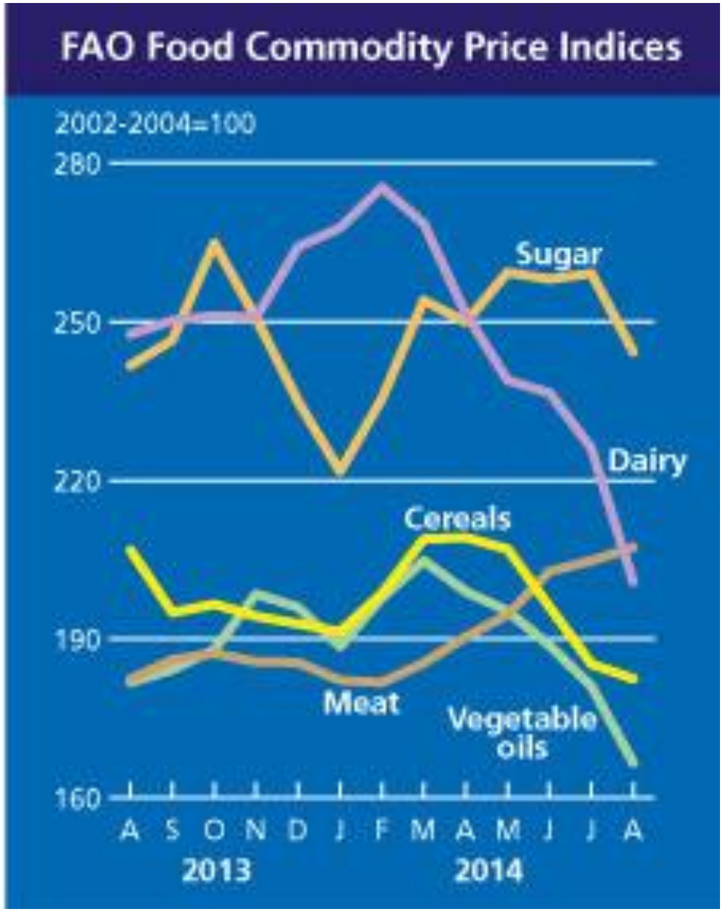
Egypt urea exports (Jan-Jun)



Source: IFA

Farm economics supportive, despite grain price decline

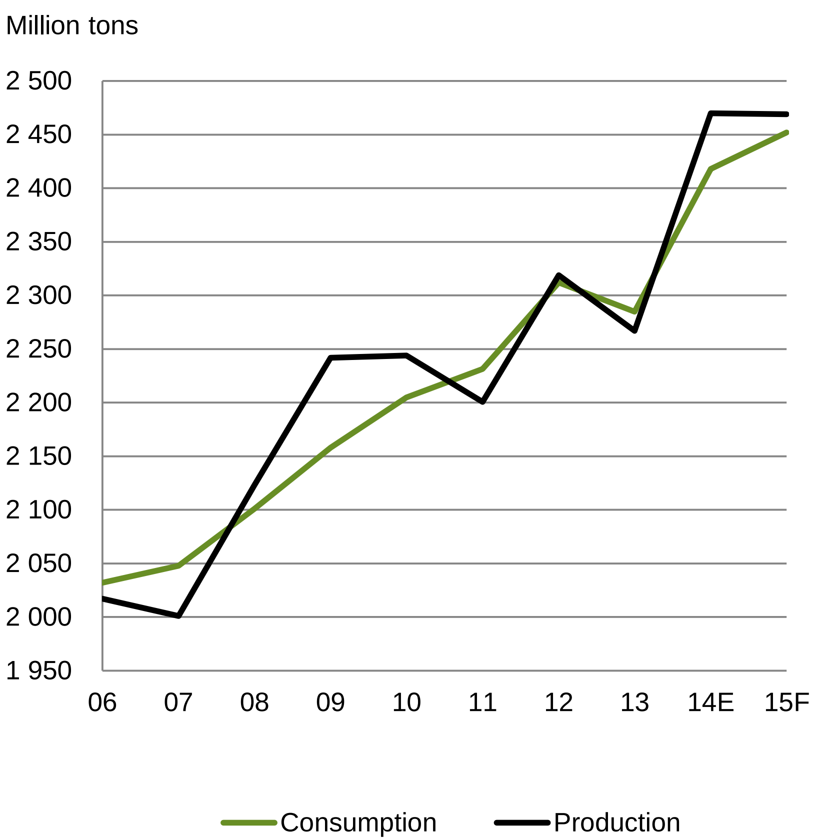




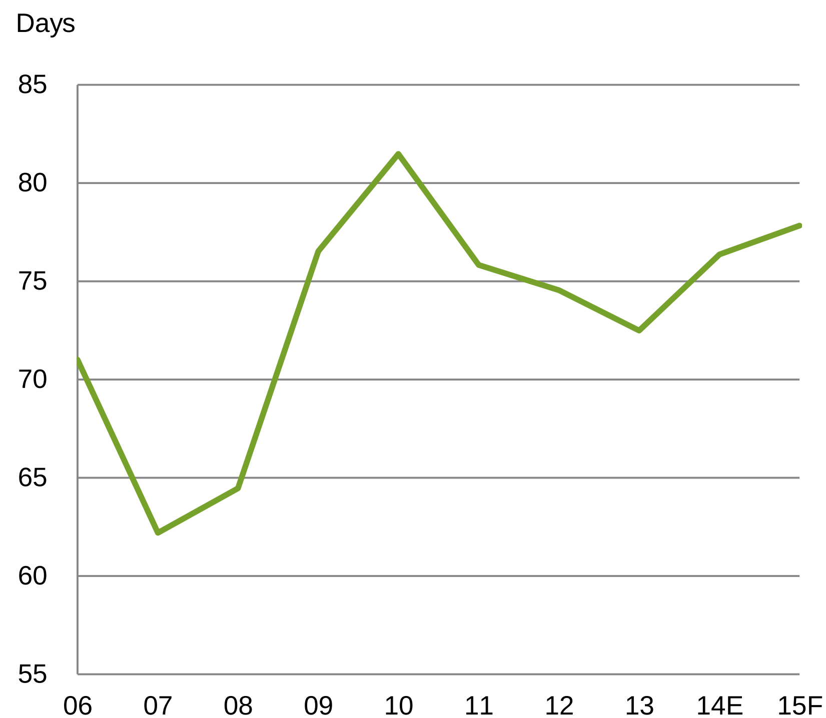
Source: FAO

For 2014/15, global grain production expected to moderately exceed consumption

Grain consumption and production

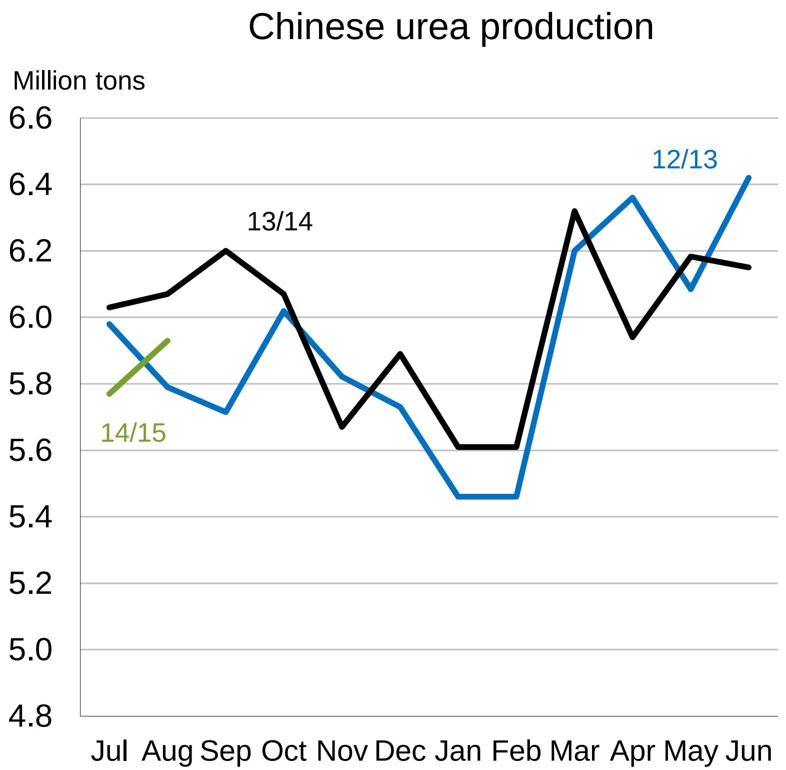


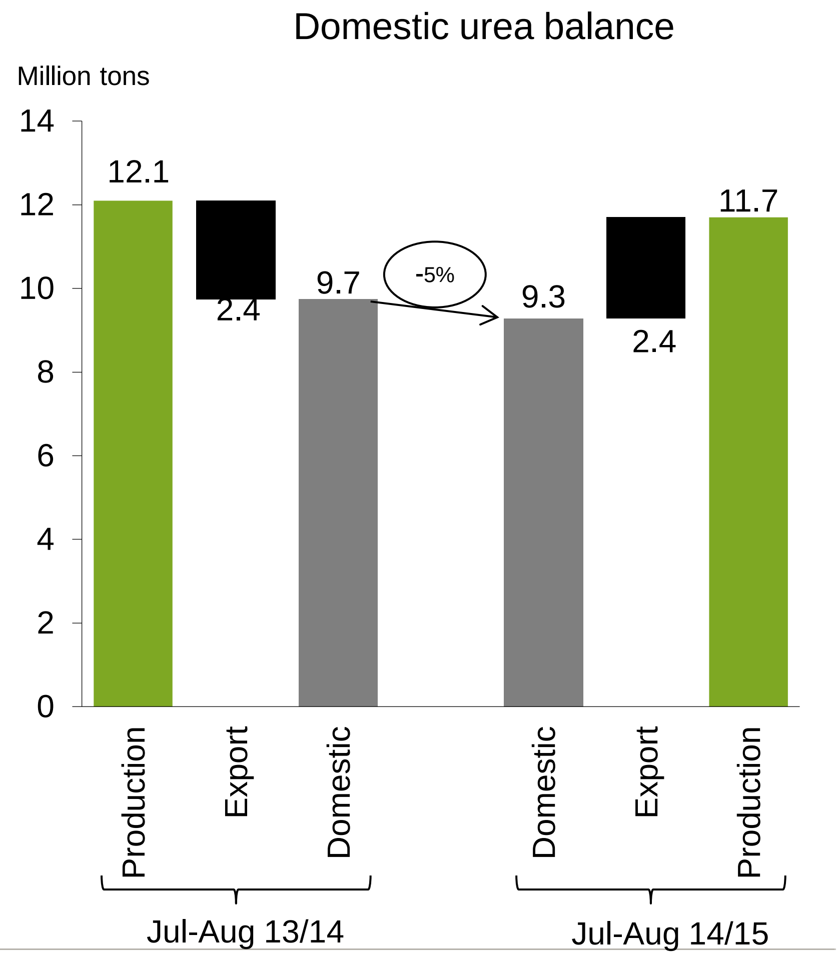
Days of consumption in stocks



Source: USDA October 2014

Production not increasing





Source: BOABC, CFMW

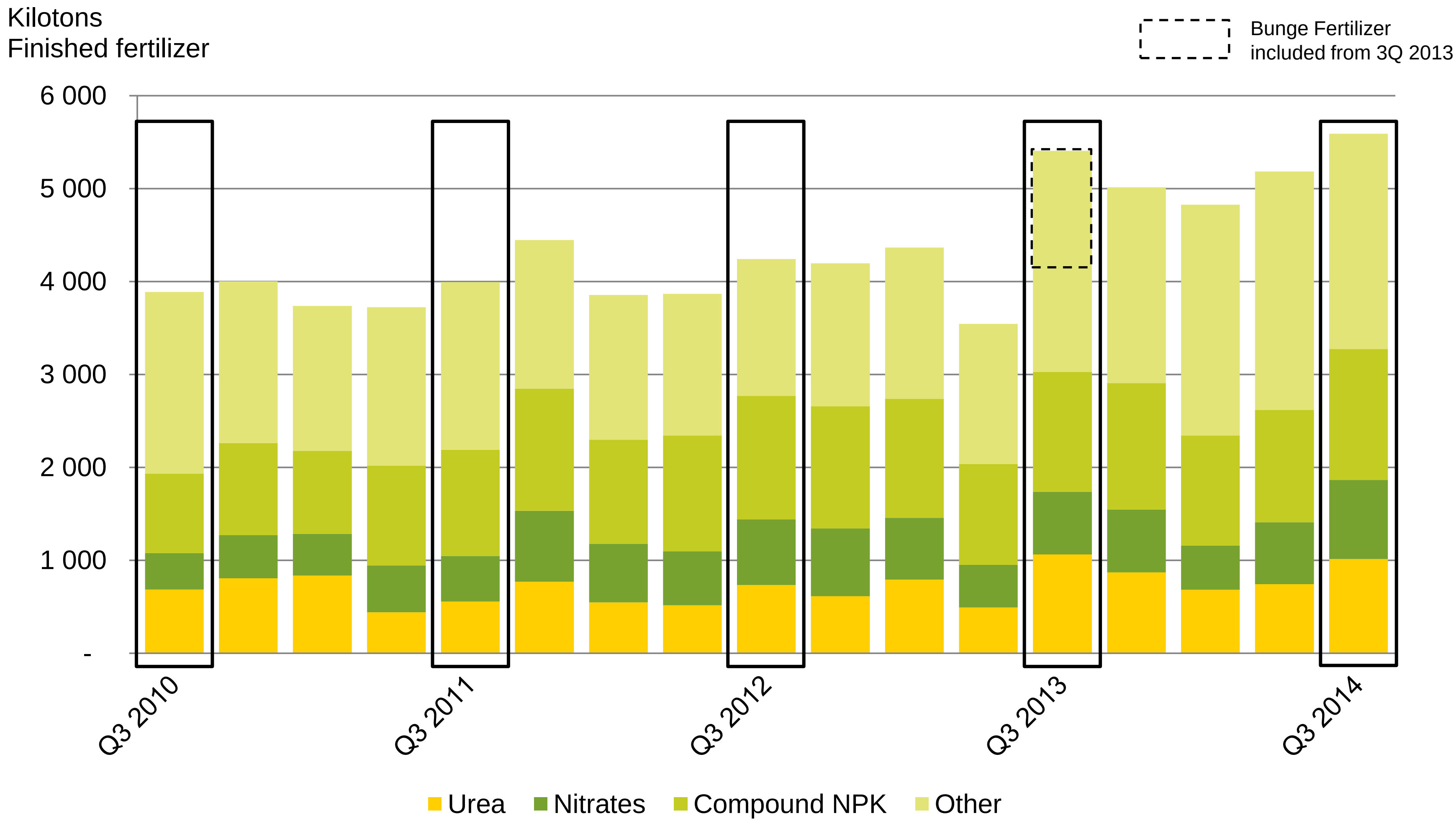
Projected nitrogen capacity additions outside China

Year	Driving regions	Urea capacity growth relative to nitrogen capacity
	Excluding China	**Excluding China**
2014	Algeria 16% Egypt 15%	1.5%
2015	Saudi Arabia 20% USA 19%	2.1%
2016	USA 42% India 11%	2.3%
2017	Nigeria 32% USA 24%	2.2%
2018	Nigeria 55% Russia 17%	1.3%
Gross annual addition 2014-2018		**~1.9%**

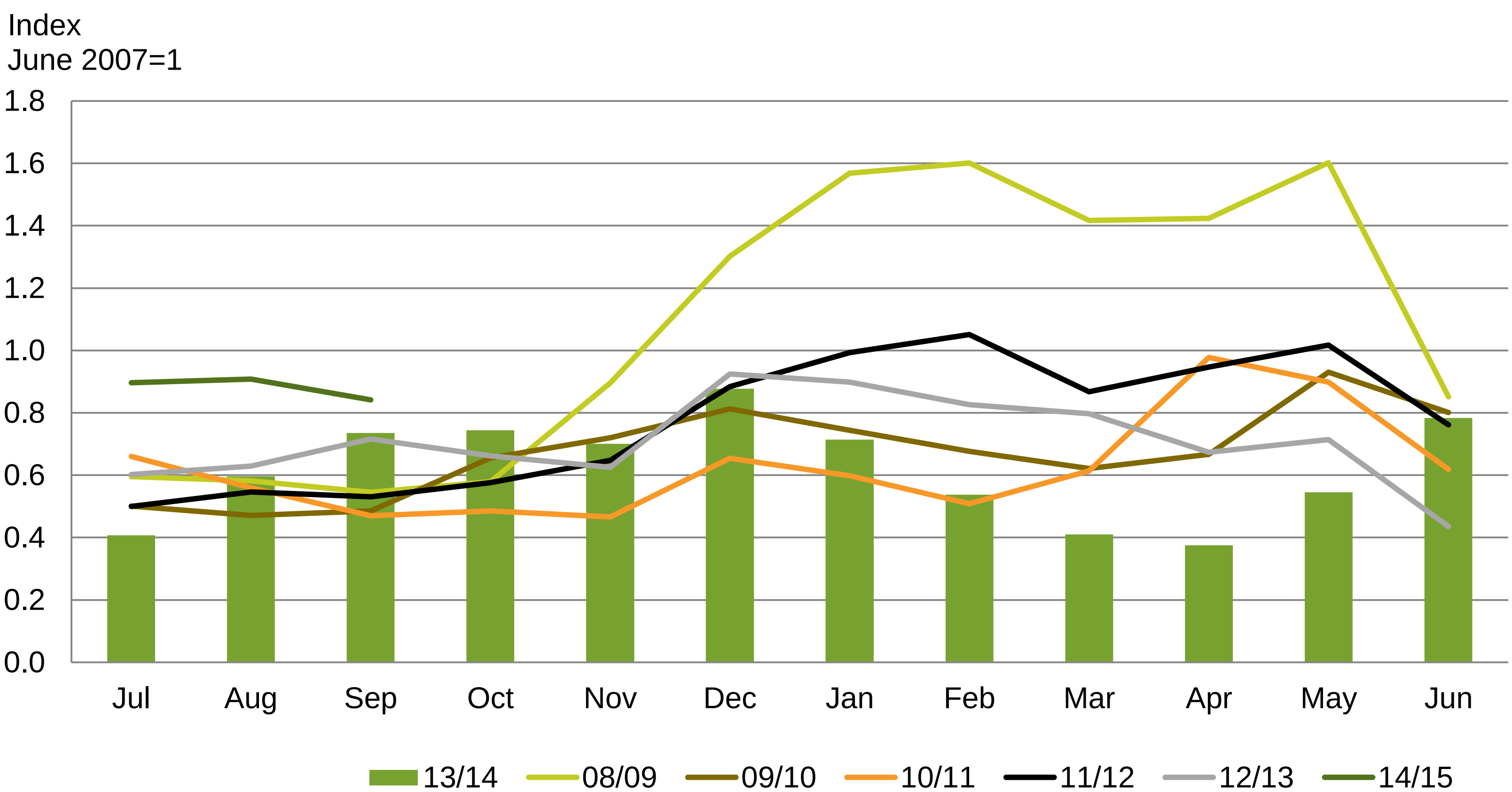
Assumed annual closures	~0.5%
Net annual addition 2014-2018	**~1.4%**
Trend consumption growth from 2002	**2.1%**

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

Yara stocks: normal level, adjusted for Bunge

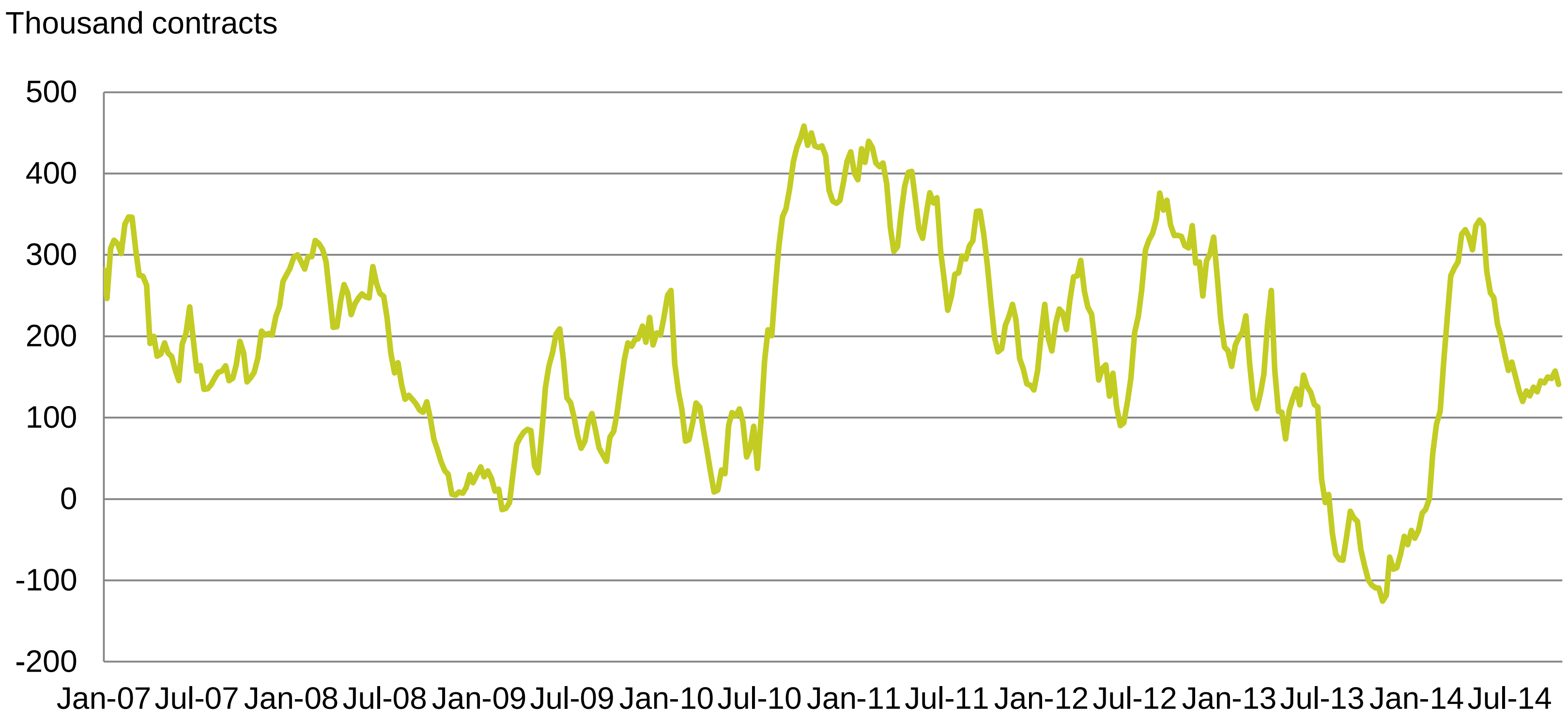


European producer nitrate stocks ending the season close to average



Source: Fertilizers Europe, Yara estimate for September

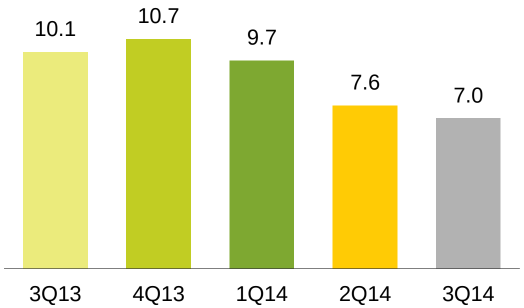
Non-commercials' net long position in corn



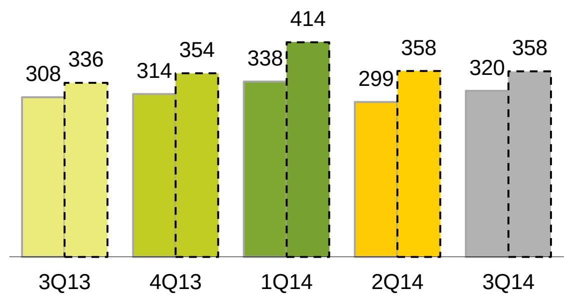
Source: US Commodity Futures Trading Commission

Key value drivers – quarterly averages

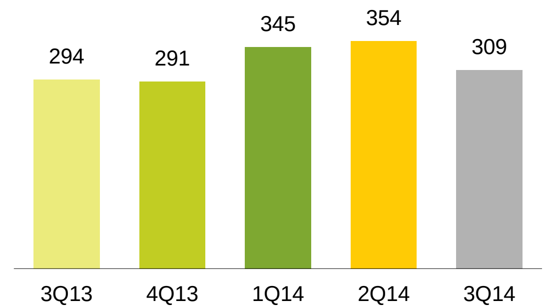
Zeebrugge day ahead (USD/MMBtu)



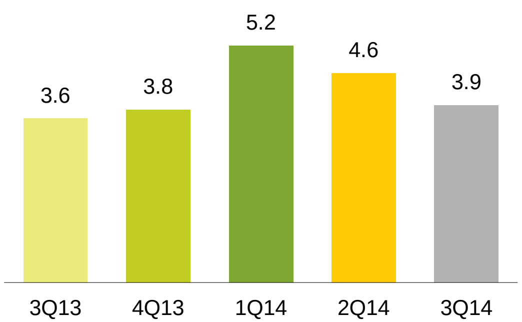
Urea prilled fob Black Sea (USD/t)/Urea granular fob Egypt (USD/t)



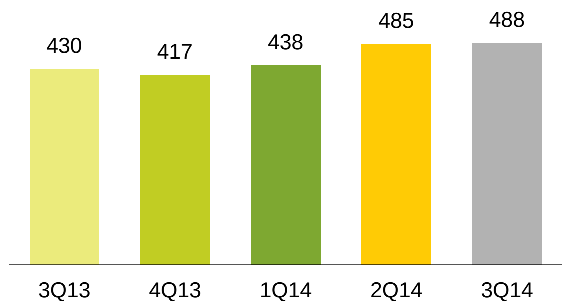
CAN cif Germany (USD/t)



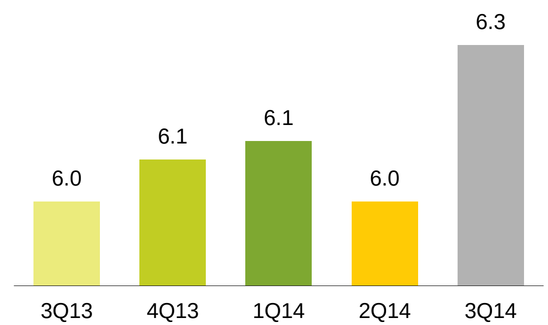
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)



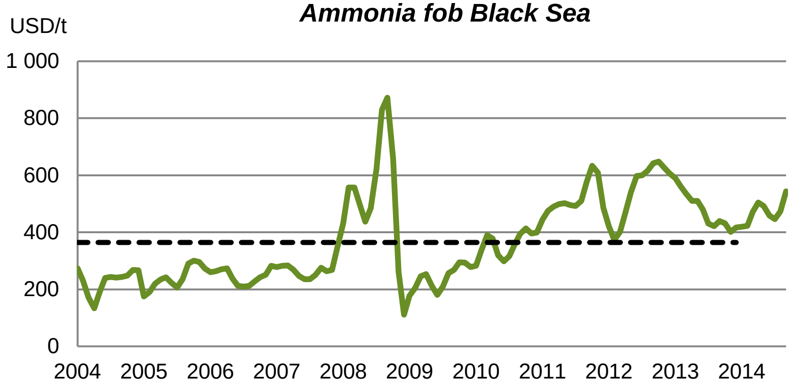
NOK/USD exchange rate



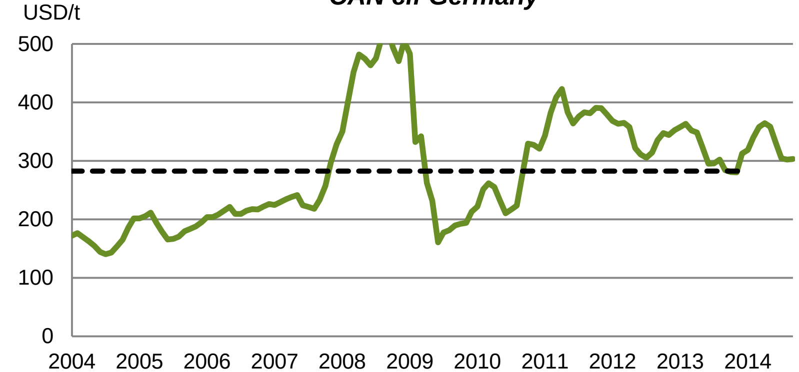
Source: Fertilizer Market Publications, CERA, World Bank, Norges Bank

10-year fertilizer prices – monthly averages

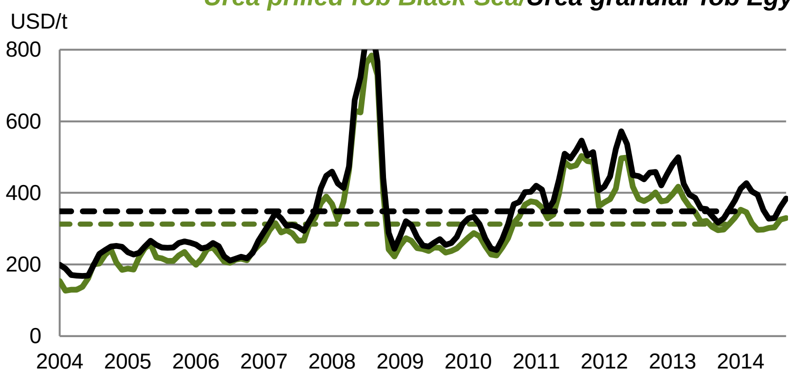
Ammonia fob Black Sea



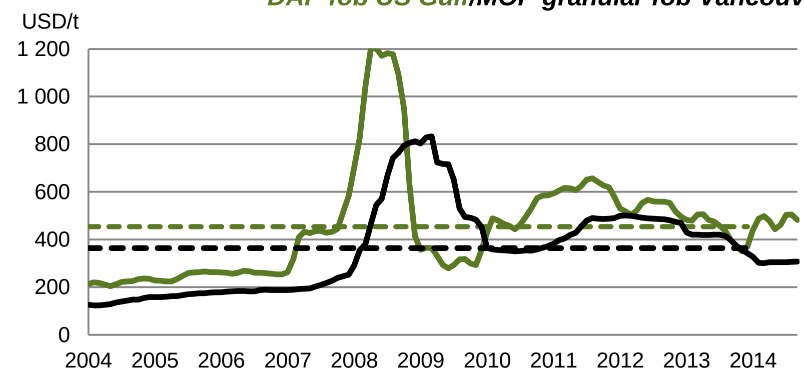
CAN cif Germany



Urea prilled fob Black Sea/Urea granular fob Egypt



DAP fob US Gulf/MOP granular fob Vancouver



Source: Average of international publications

Average prices 2004 - 2013