



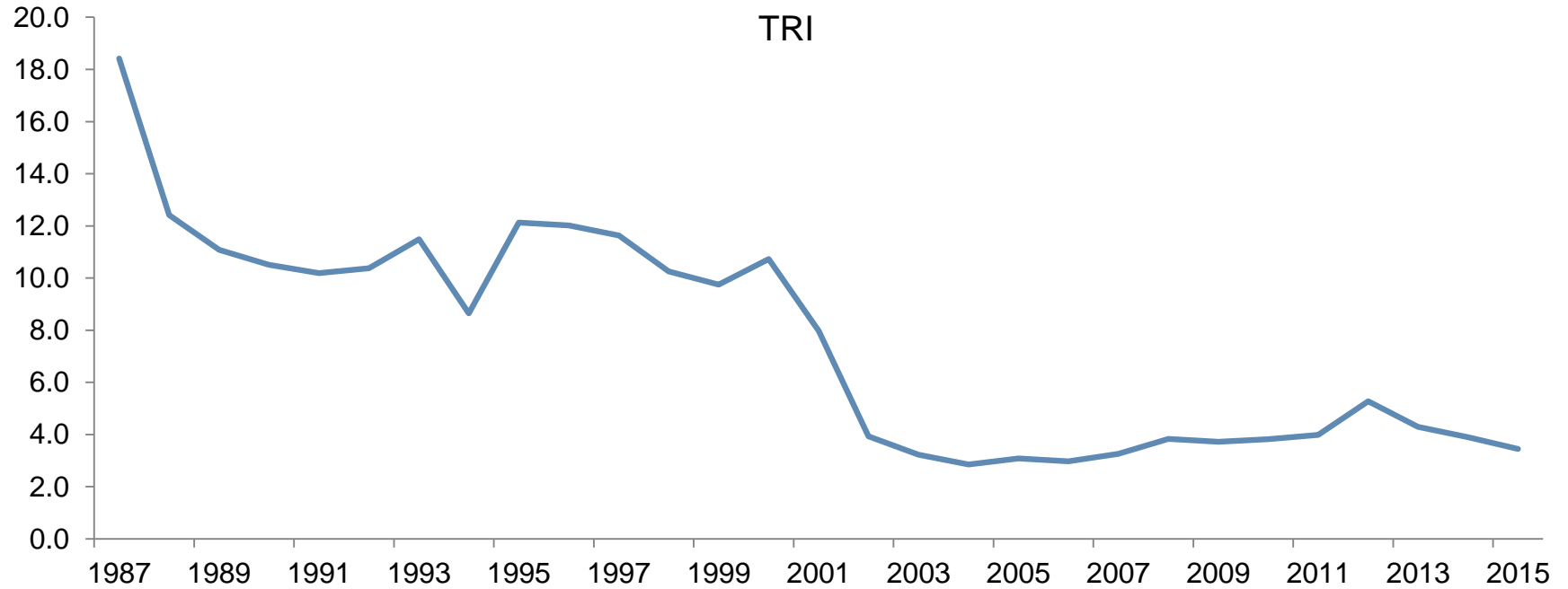
Knowledge grows

# Yara International ASA 2015 fourth quarter results

11 February 2016



# Safe operations is our first priority

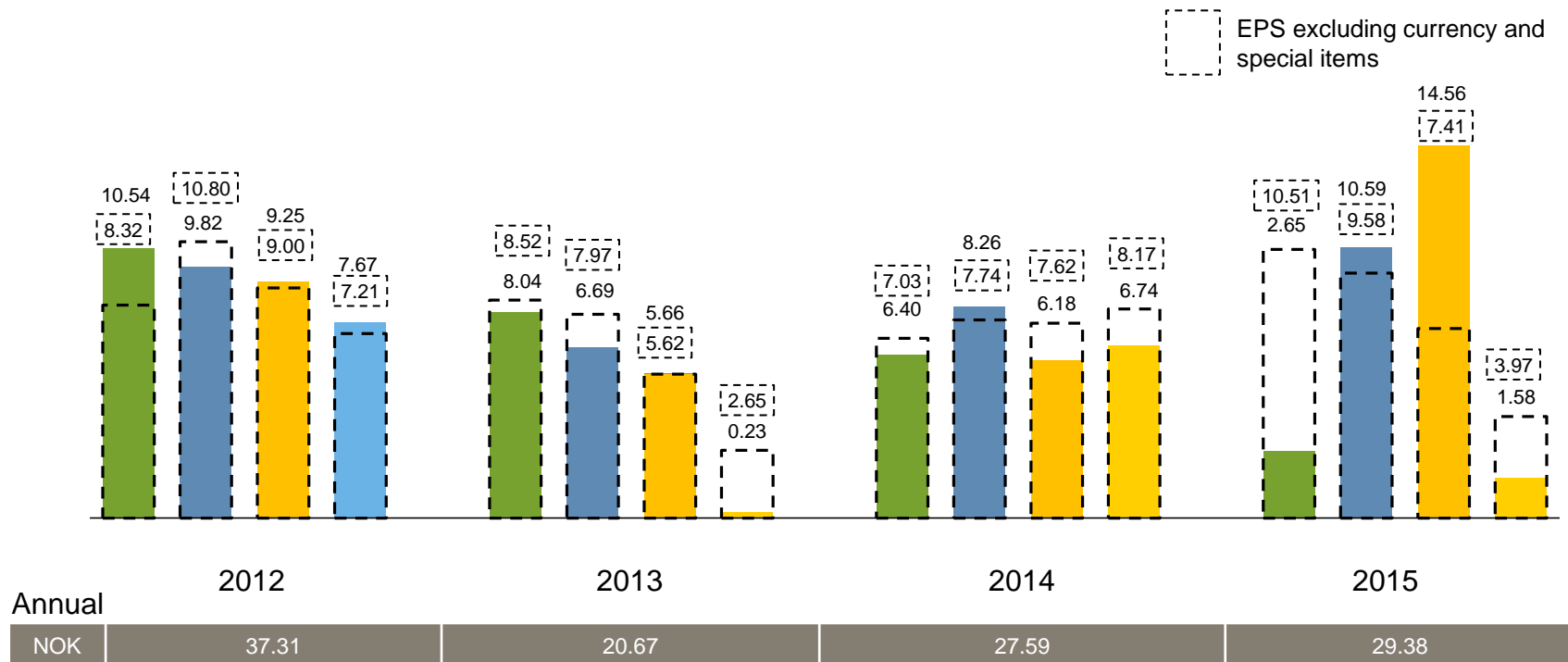


TRI: Total recordable injuries, lost time (absence from work), restricted work and medical treatment cases per one million work hours

# Summary fourth quarter

- Weaker result reflecting lower margins and deliveries
- Significant downtime impacts production of urea, ammonia and nitrates
- Global deliveries down 7%, but increase in Brazil
- Strong Industrial result with continued growth for environmental products
- Asset write-downs of NOK 1,150 million
- Proposed dividend NOK 15 per share, 51% of net income

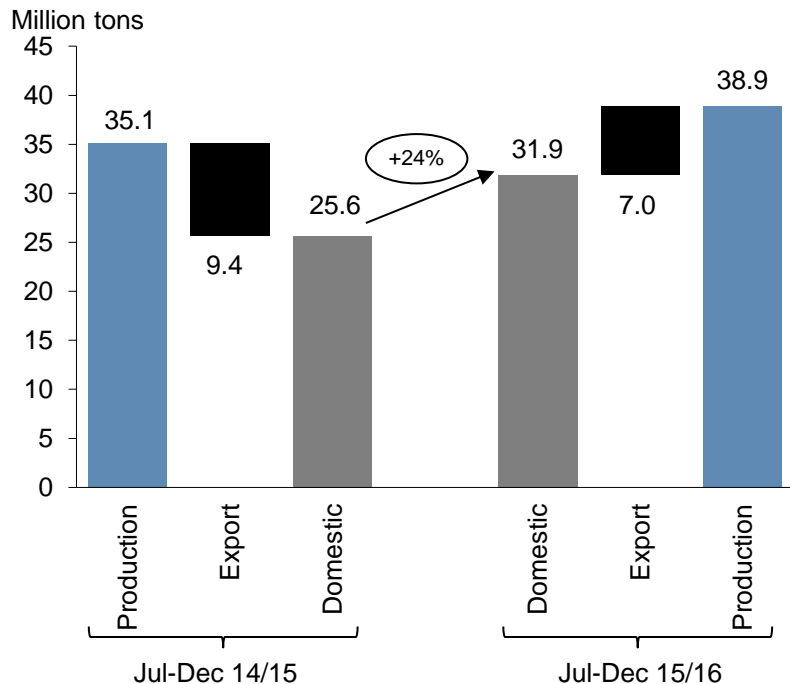
# Earnings per share\*



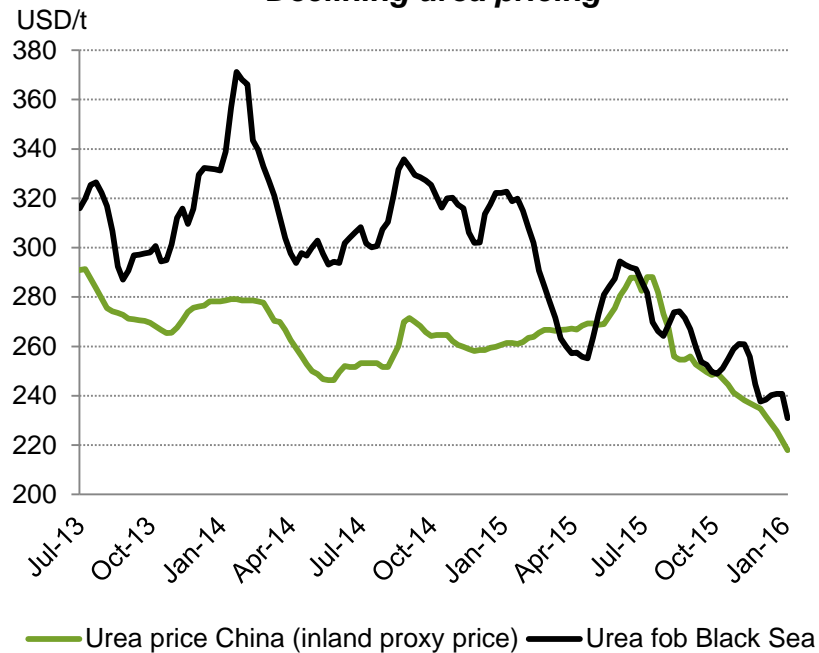
\*Average number of shares for 4Q 2015: 274.6 million (4Q 2014: 275.8 million).

# Lower urea prices due to lower supply cost from China

**Chinese urea balance this season**



**Declining urea pricing**



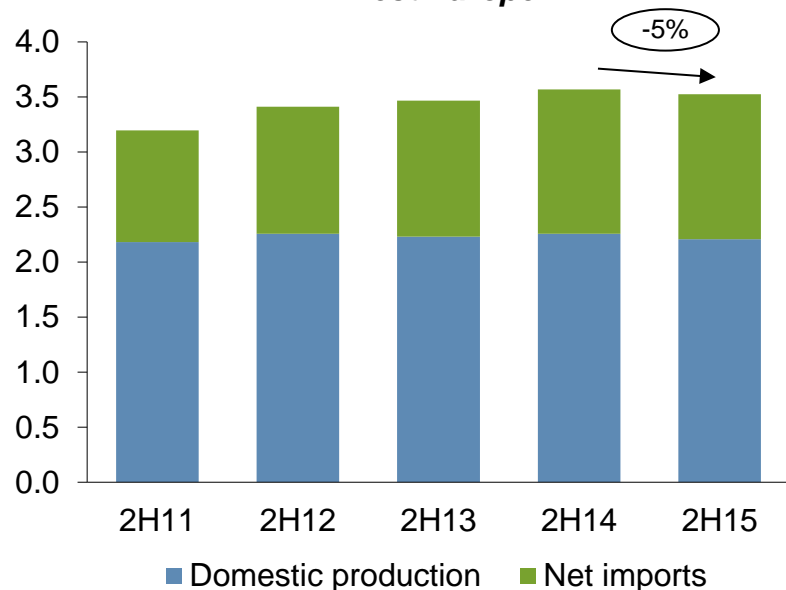
Source: BOABC, CFMW



# Season-to-date Europe and US nitrogen fertilizer industry deliveries behind last year

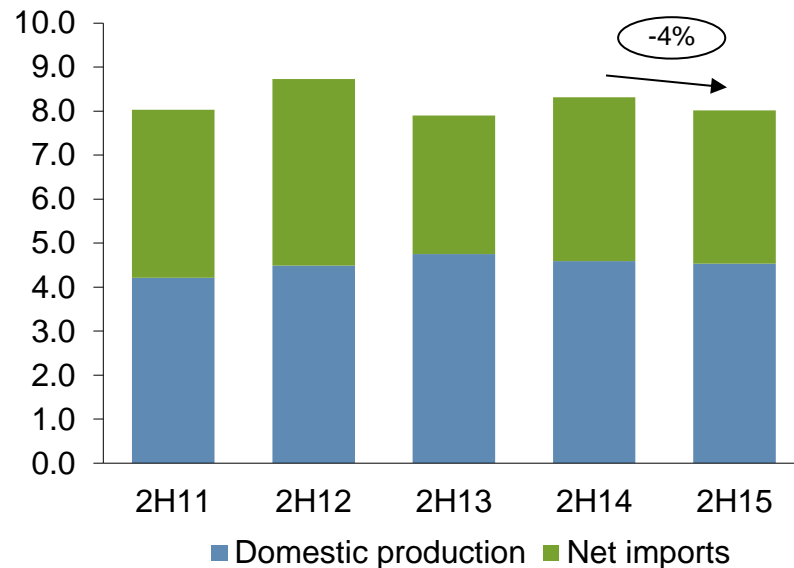
Million tons N

**West Europe**



Million tons N

**US**

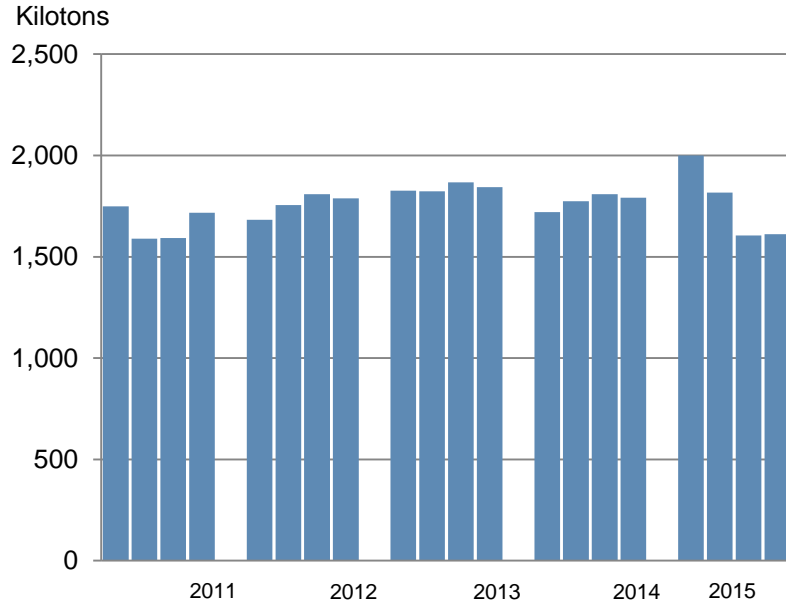


Source: Yara estimate for fertilizer deliveries to selected West European countries.

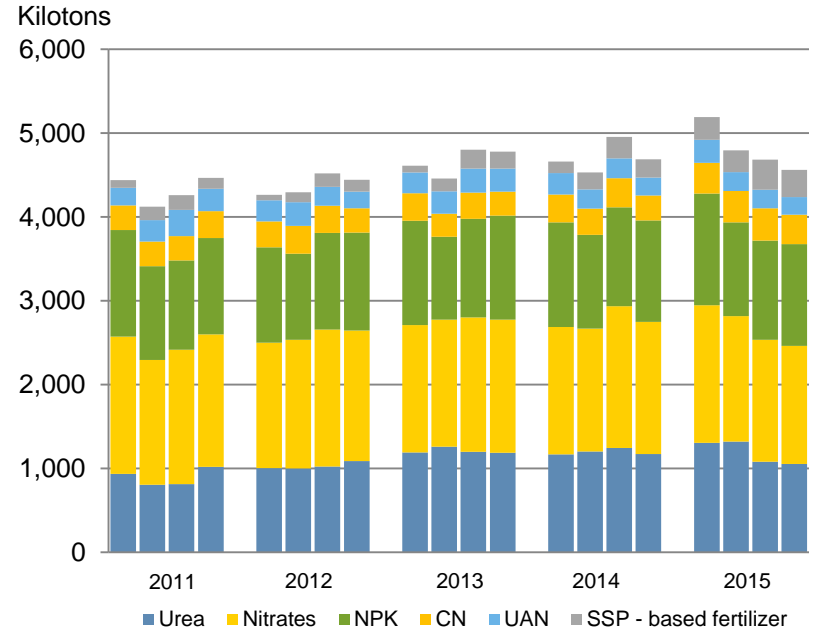
Total nitrogen deliveries based on TFI, US Trade Commission, Blue-Johnson and Yara estimates

# Lower production due to maintenance stops and unplanned outages

## Ammonia<sup>1</sup>



## Finished fertilizer & industrial products<sup>1</sup>

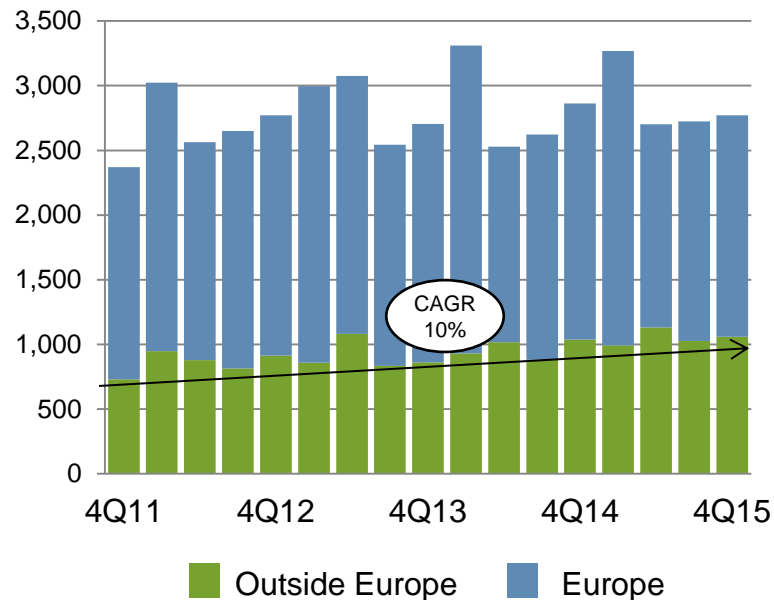


\* Including share of equity-accounted investees

# Continued premium products growth outside Europe

*Value-added fertilizer deliveries<sup>1</sup>*

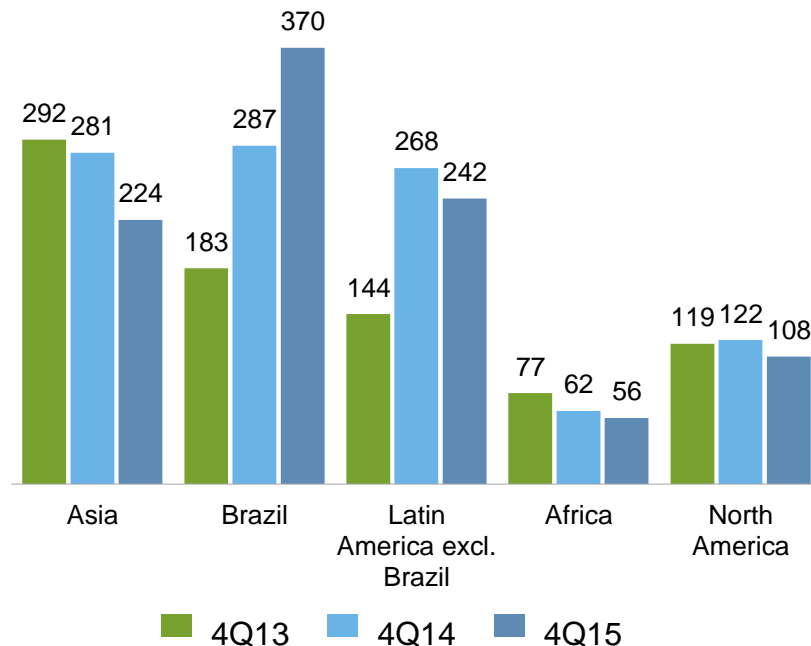
Kilotons



1) YaraBela, YaraMila and YaraLiva deliveries

*Value-added fertilizer deliveries<sup>1</sup>*

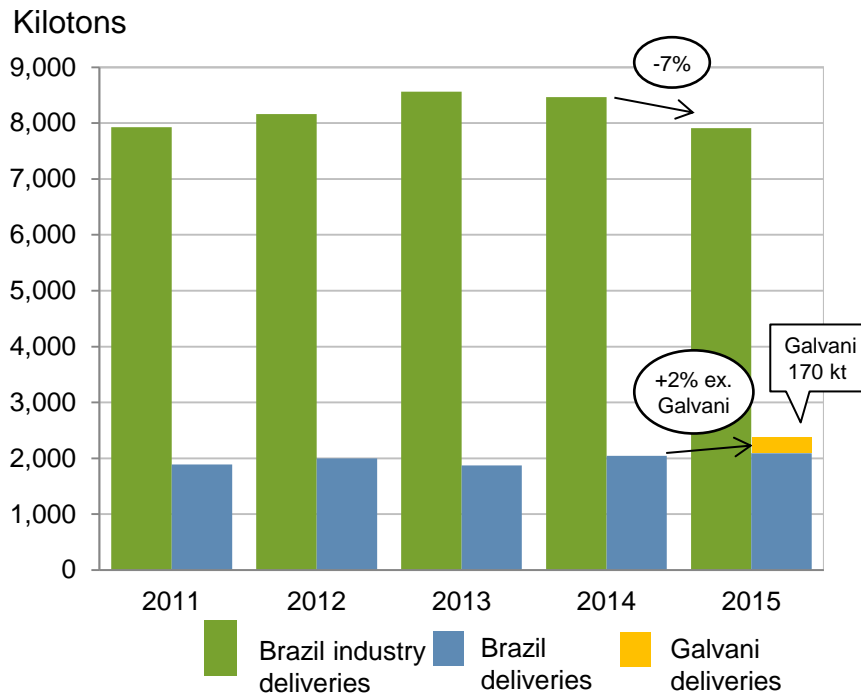
Kilotons



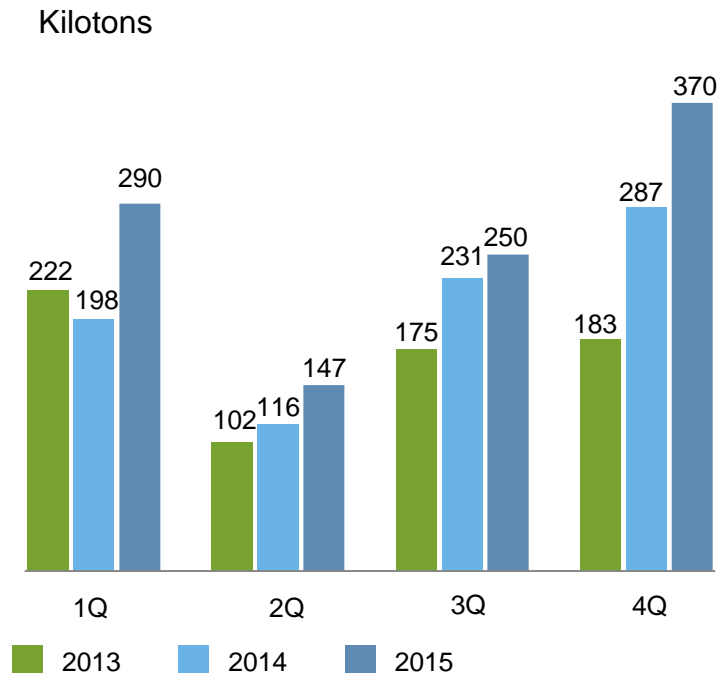


# Brazil: 4Q industry deliveries 7% lower than last year, pick-up in Yara deliveries

## Brazil 4Q fertilizer deliveries



## Yara Brazil value-added product deliveries

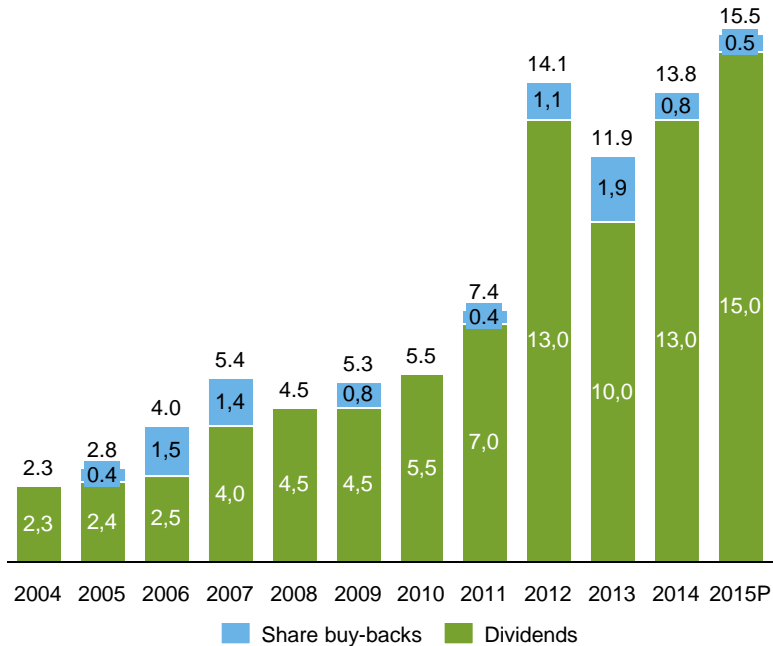


Source: ANDA, Yara

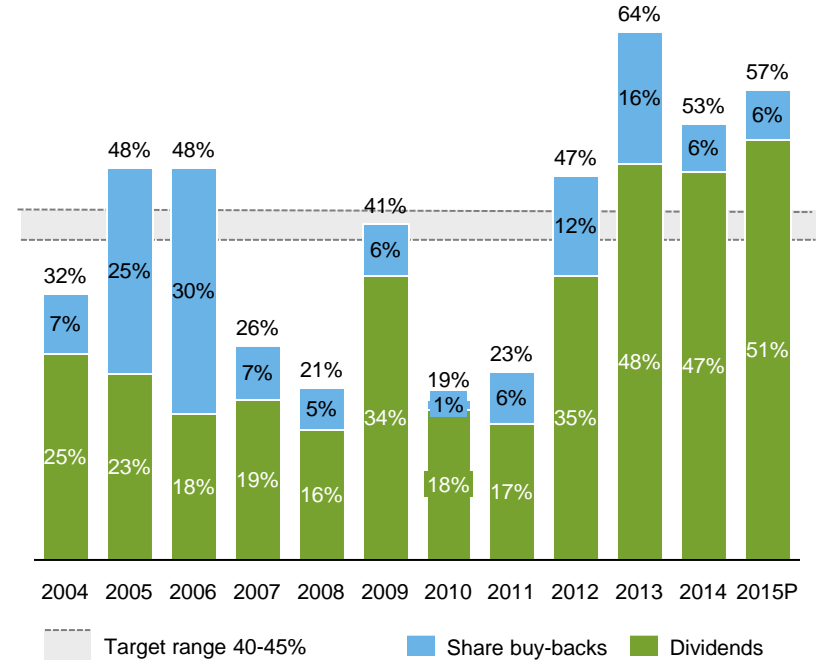


# Proposed dividend NOK 15 per share

## Dividend and buy-backs<sup>1</sup> NOK per share



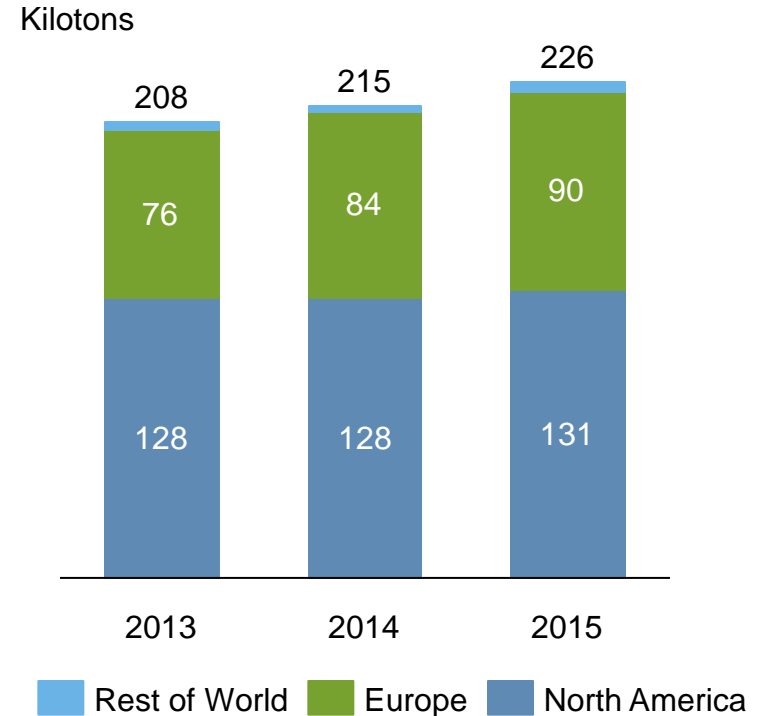
## Share of net income



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

# Nutriox™ - calcium nitrate with integrated technology solutions, for preventive waste water odor control

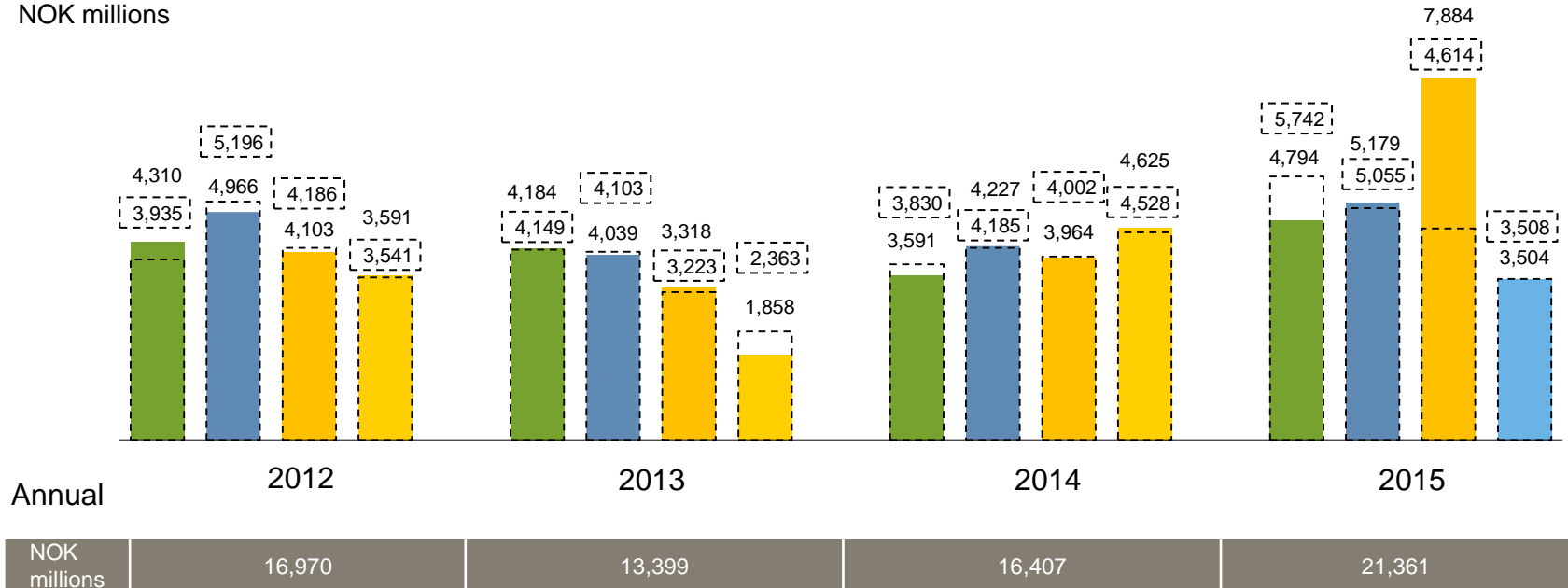
- Hydrogen sulphide (H<sub>2</sub>S) is a toxic gas that often develops in waste water and sewage systems
- The absence of air and oxygen cause bacterial production of hydrogen sulphide (H<sub>2</sub>S).
- H<sub>2</sub>S causes eye, nose and throat irritation. H<sub>2</sub>S can also transform into sulphuric acid, causing corrosion in sewage networks
- **Nutriox™** provides H<sub>2</sub>S prevention for corrosion, odor and toxicity control of municipal and industrial waste water systems



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

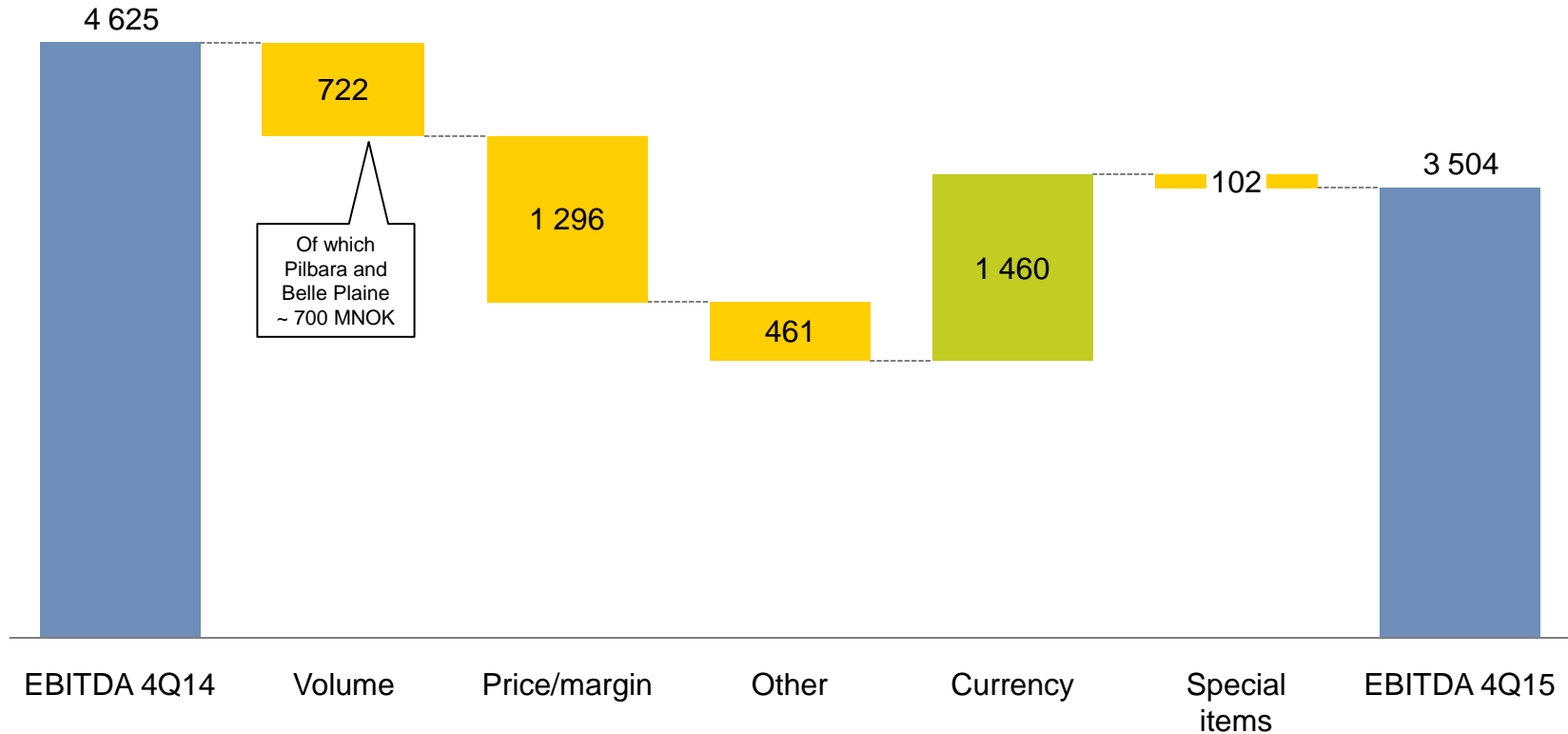
EBITDA excluding special items

NOK millions



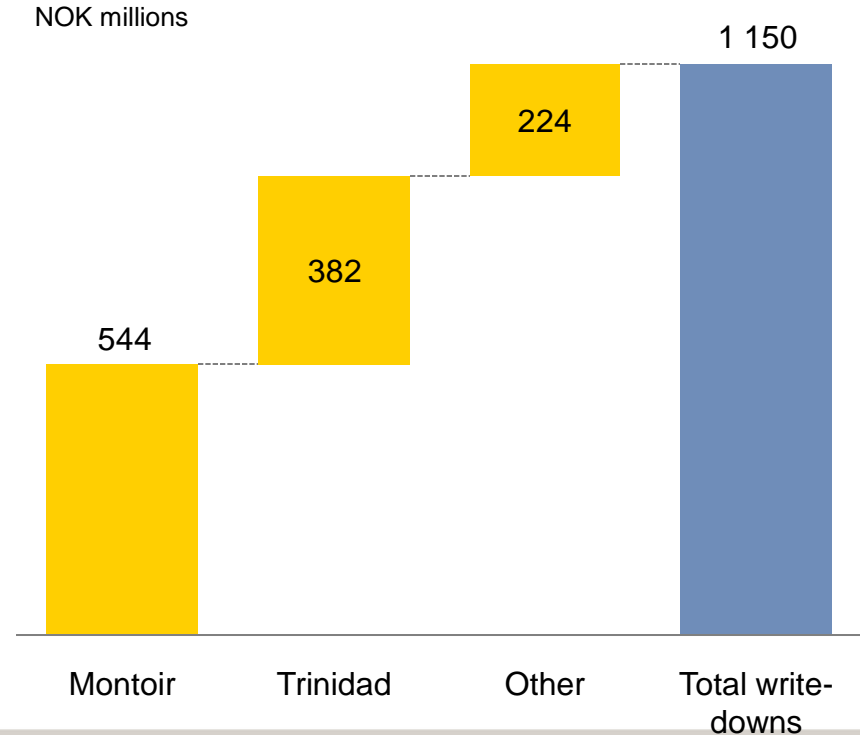
# EBITDA development

NOK millions



# Write-downs of NOK 1,150 million

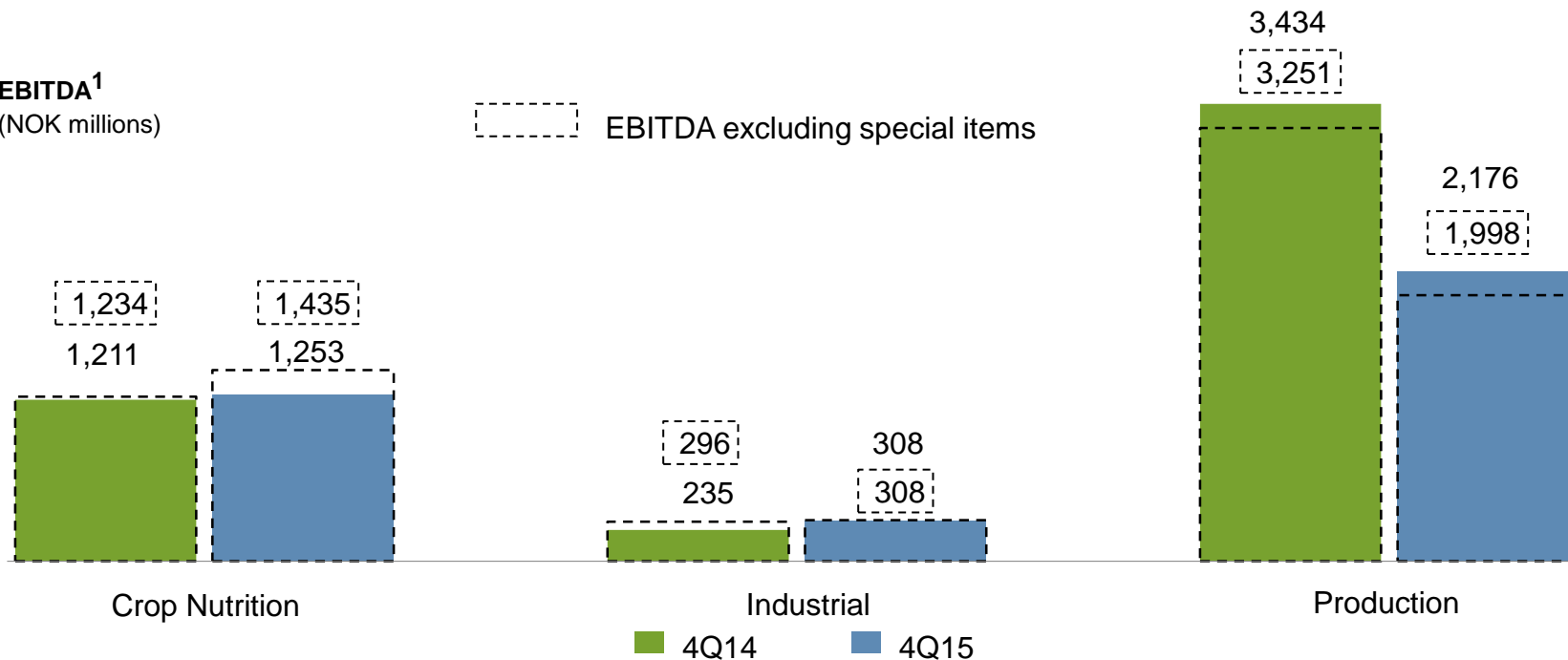
- Yara Montoir (France) – nitrate and compound NPK plant
  - small scale
  - limited export opportunities
  - serves home market, exposed to more commodity grains
- Yara Trinidad - ammonia plant
  - small scale
  - frequent gas supply curtailments
  - lower energy efficiency compared to Yara's average



# Earnings per segment

**EBITDA<sup>1</sup>**  
(NOK millions)

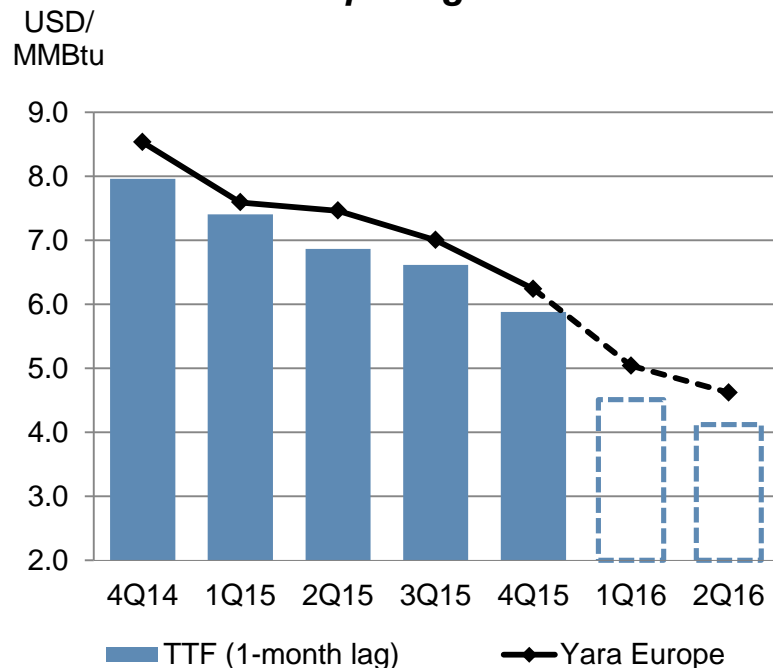
 EBITDA excluding special items



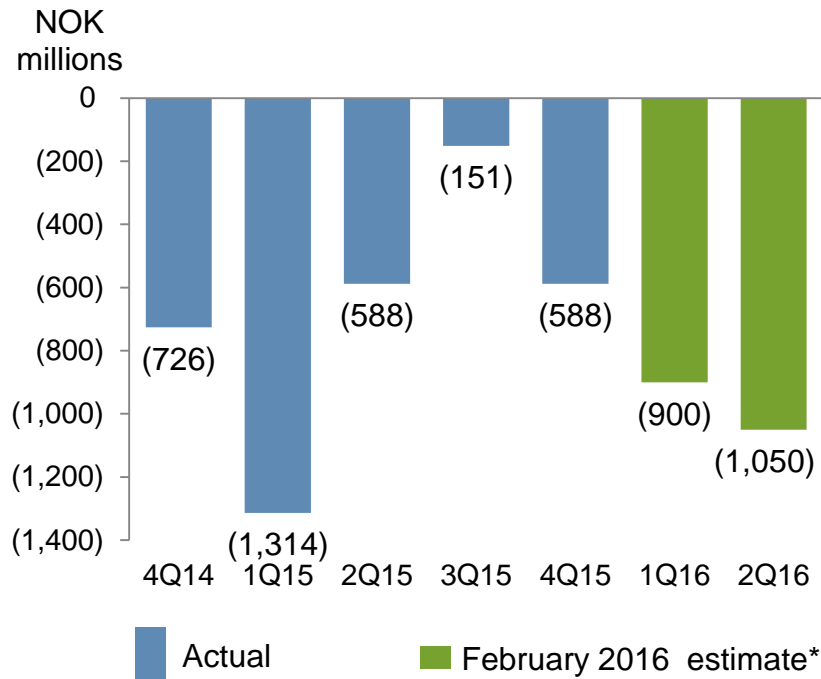
1) 4Q 2015 result reflects new segment structure as described in note 3 of the financial report.

# Lower natural gas cost in Europe

## Yara European gas & oil cost



## Change in European energy cost



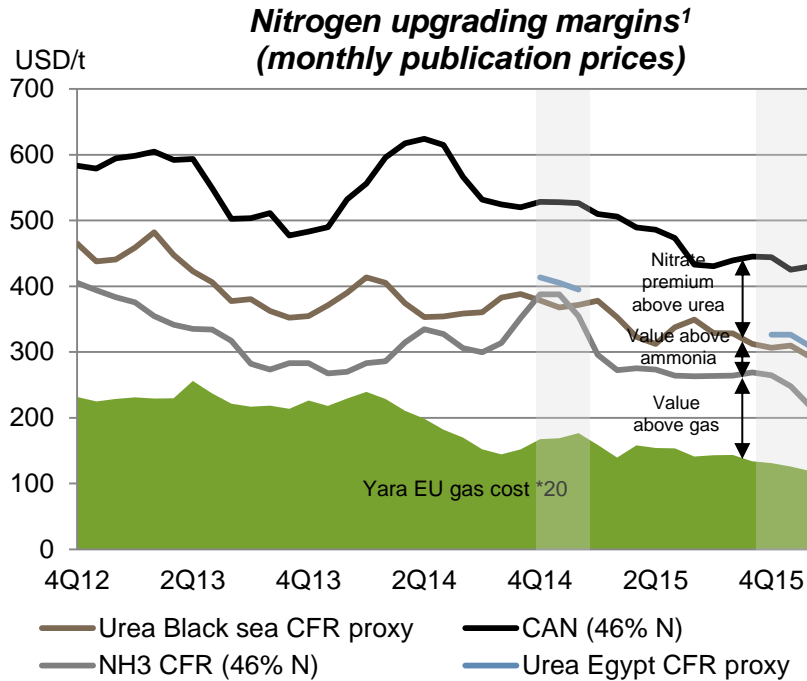
\*Dotted lines denote forward prices as of 02 February 2016

Source: Yara, World Bank, Argus/ICIS Heren

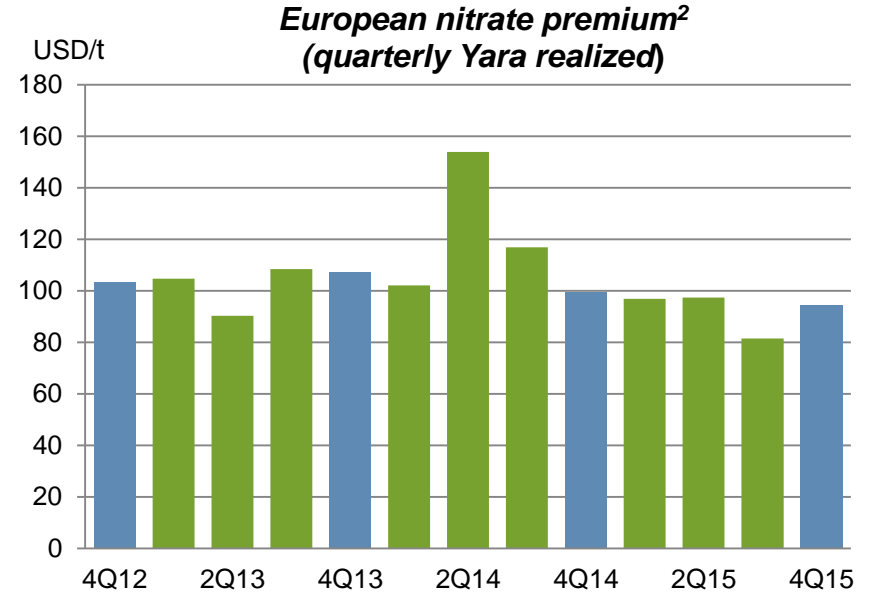




# Stable European nitrate premium

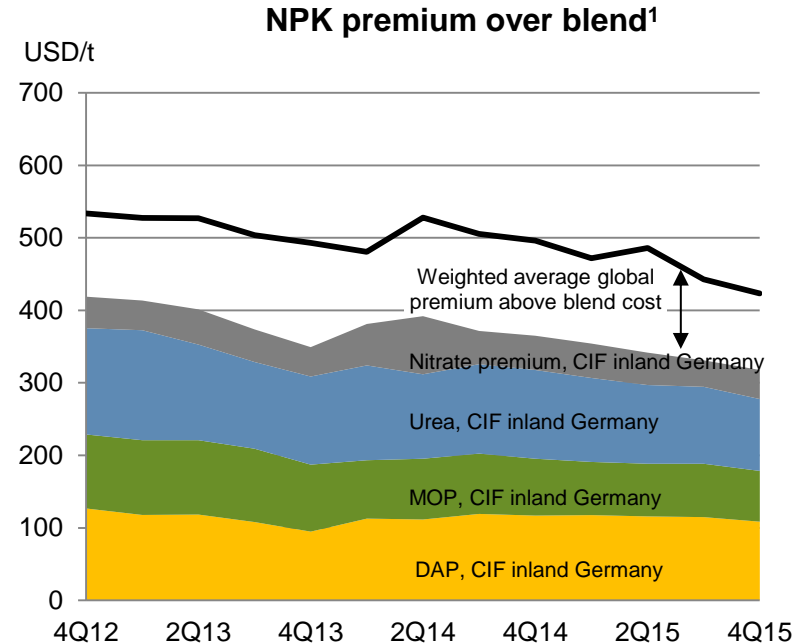
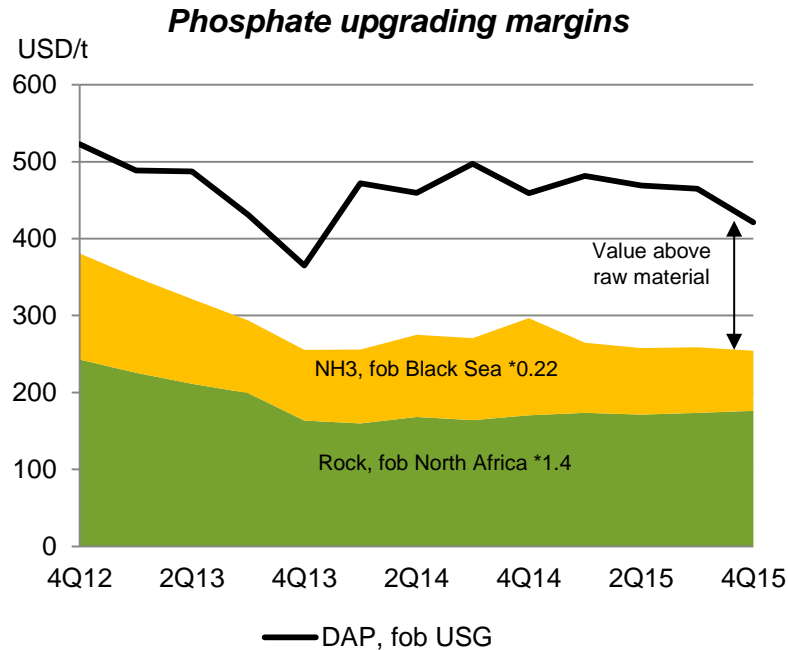


1) All prices in urea equivalents



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.

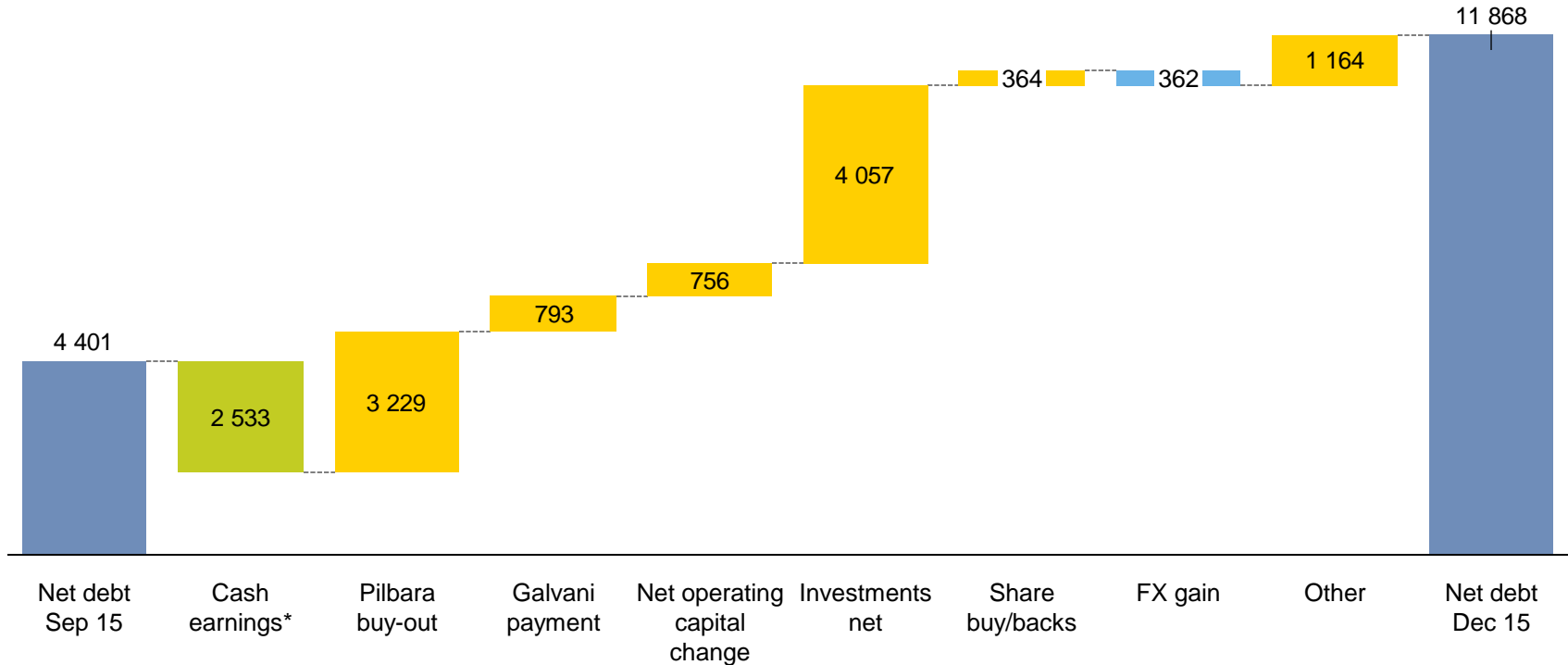
# Stable commodity phosphate margins and solid NPK compound premiums



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

# Net interest-bearing debt development

NOK millions



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

# Prospects

- Supportive farm margin outlook and fertilizer application incentives
- Chinese urea production and export costs remain key for global nitrogen pricing
- Catch-up in Europe deliveries expected in 1H 2016
- Continued nitrate and NPK demand growth for higher value crops, but P and K demand impacted in commodity crop sectors
- Further NOK 2 billion European gas cost saving expected next 2 quarters

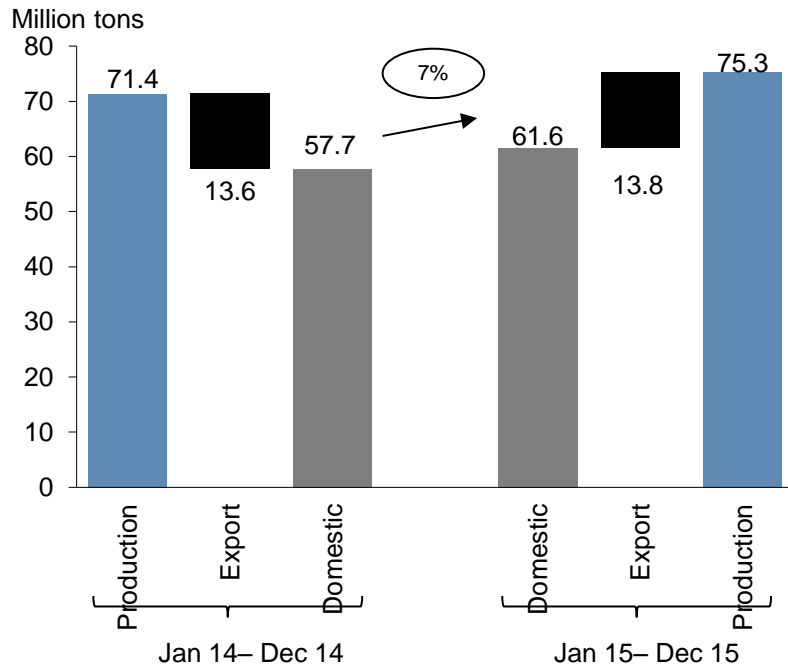


Knowledge grows

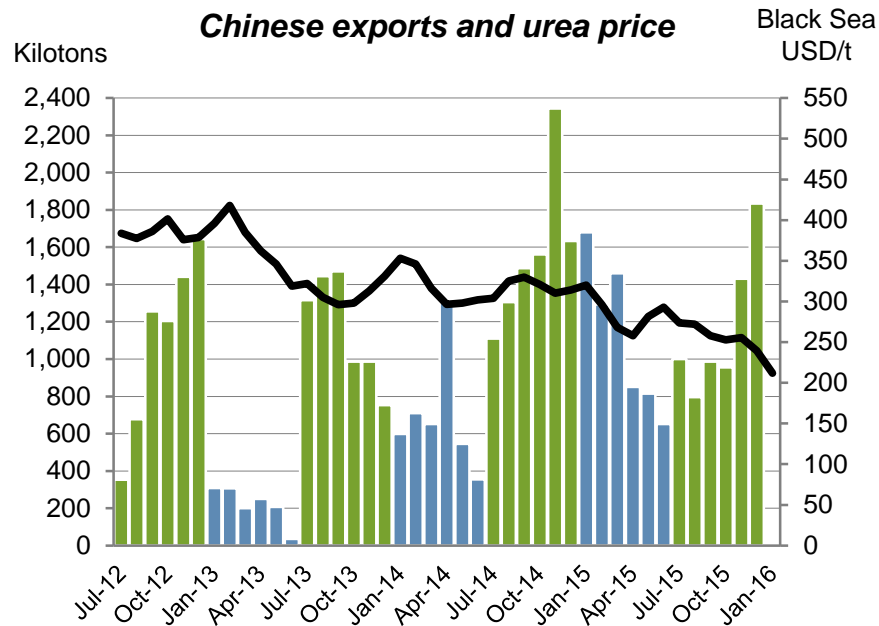


# Increased production and exports from China

**Chinese urea balance L12M**



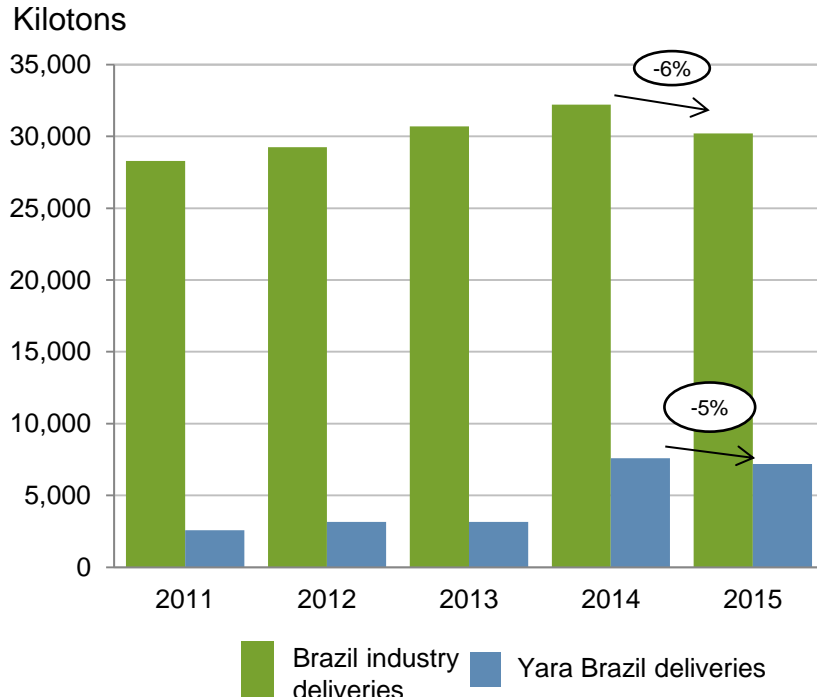
**Chinese exports and urea price**



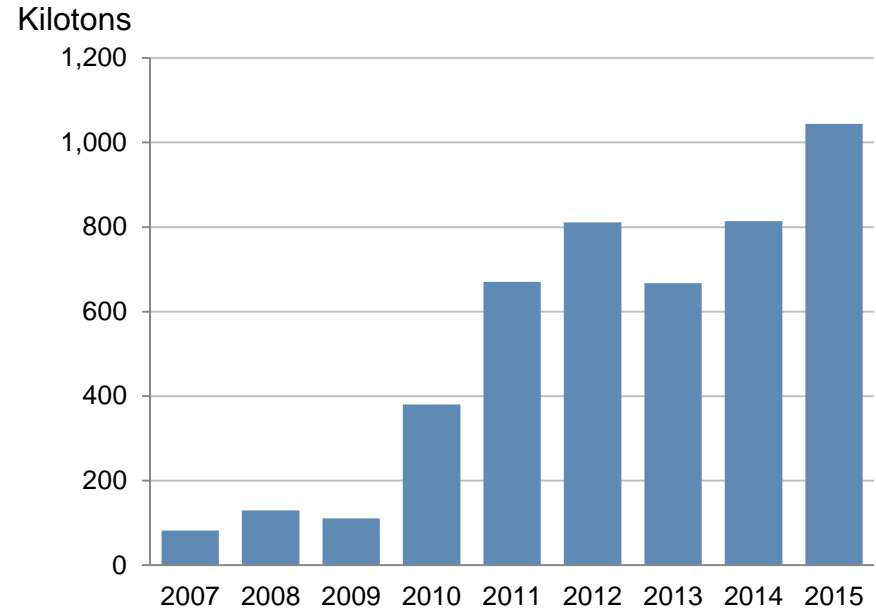
Source: BOABC, CFMW

# Brazil 2015 industry deliveries 6% lower than last year, Yara Brazil -5%

## Brazil 2015 fertilizer deliveries



## Yara Brazil value-added product 2015 deliveries

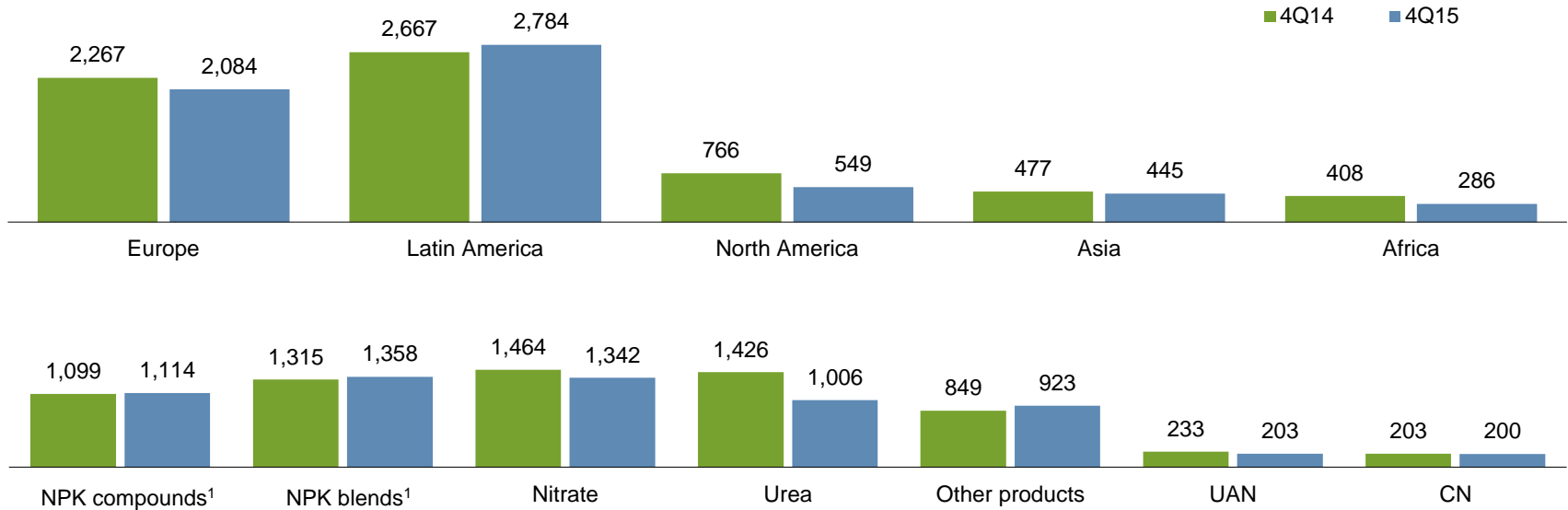


Source: ANDA, Yara



# Yara 4Q fertilizer sales by market and product

**Kilotons**



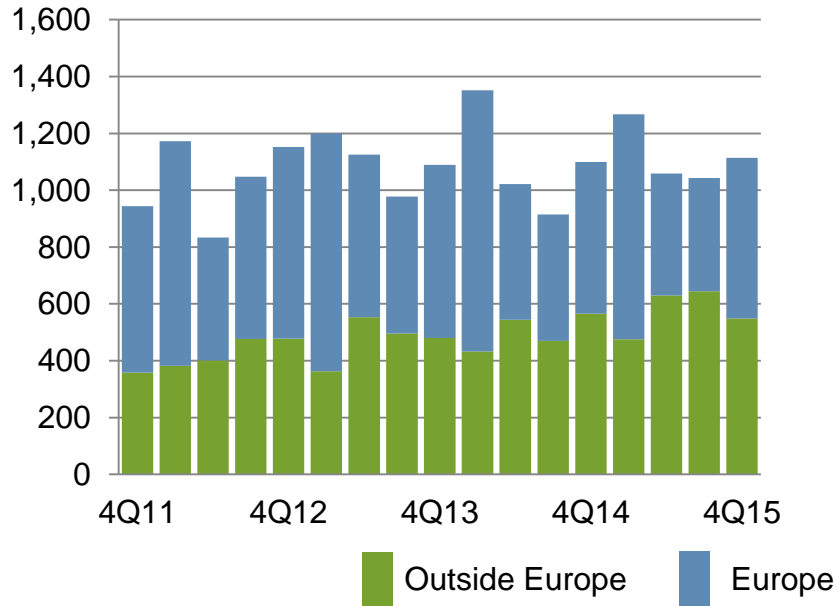
1) Yara produced NPK compound and NPK blends



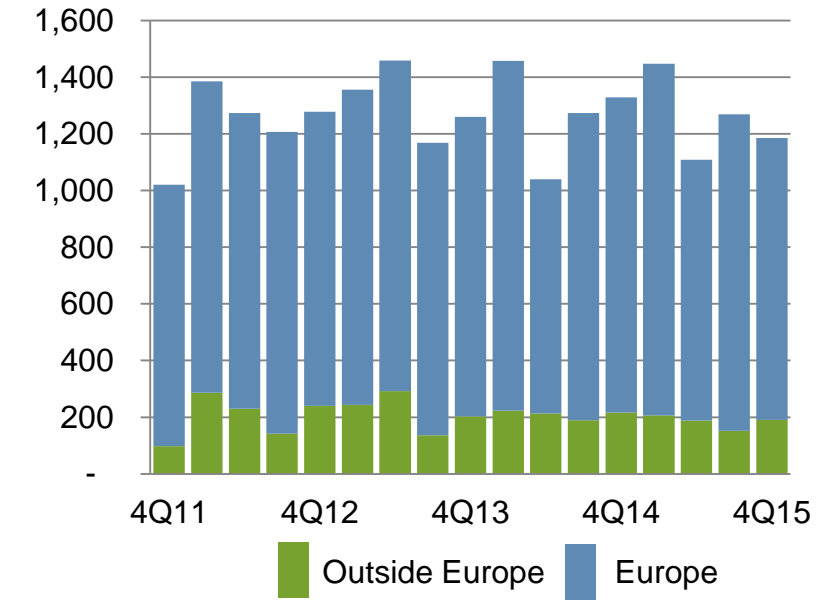


# YaraMila and YaraBela deliveries

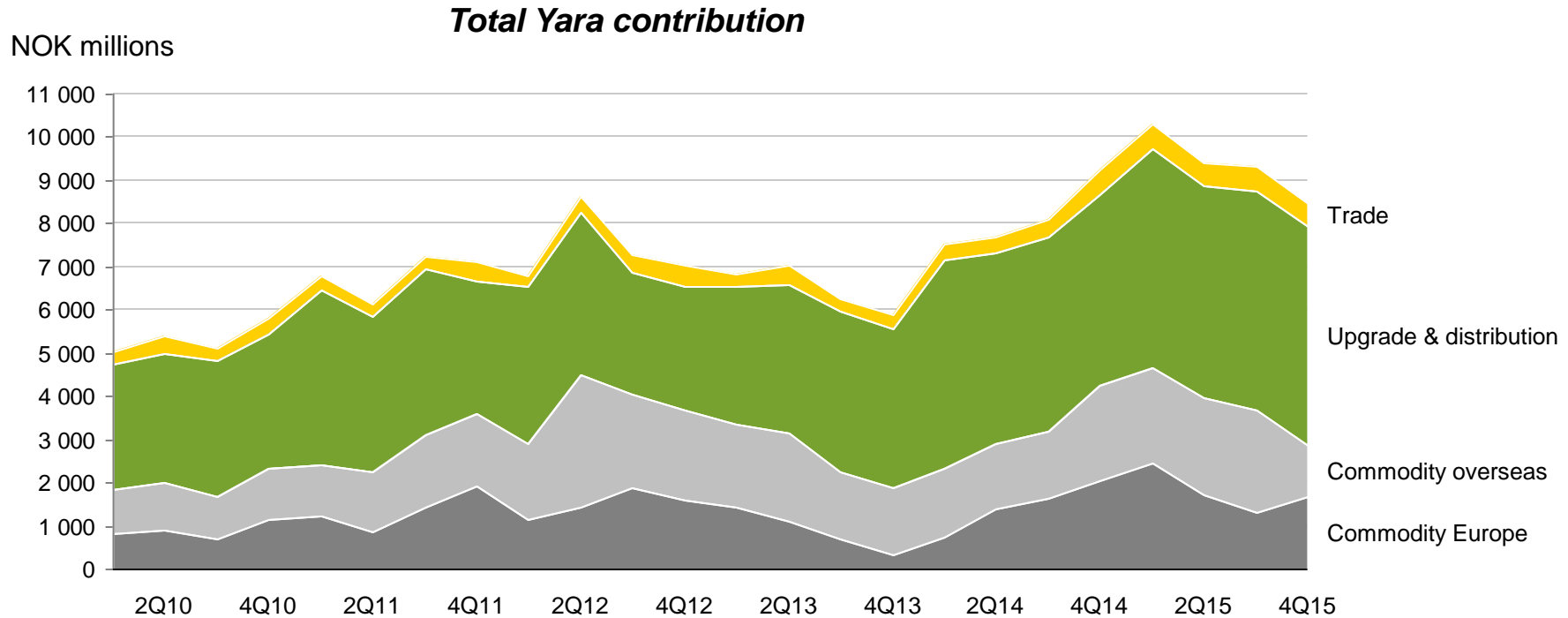
**Yara-produced YaraMila deliveries**  
Kilotons



**Yara-produced YaraBela deliveries**  
Kilotons

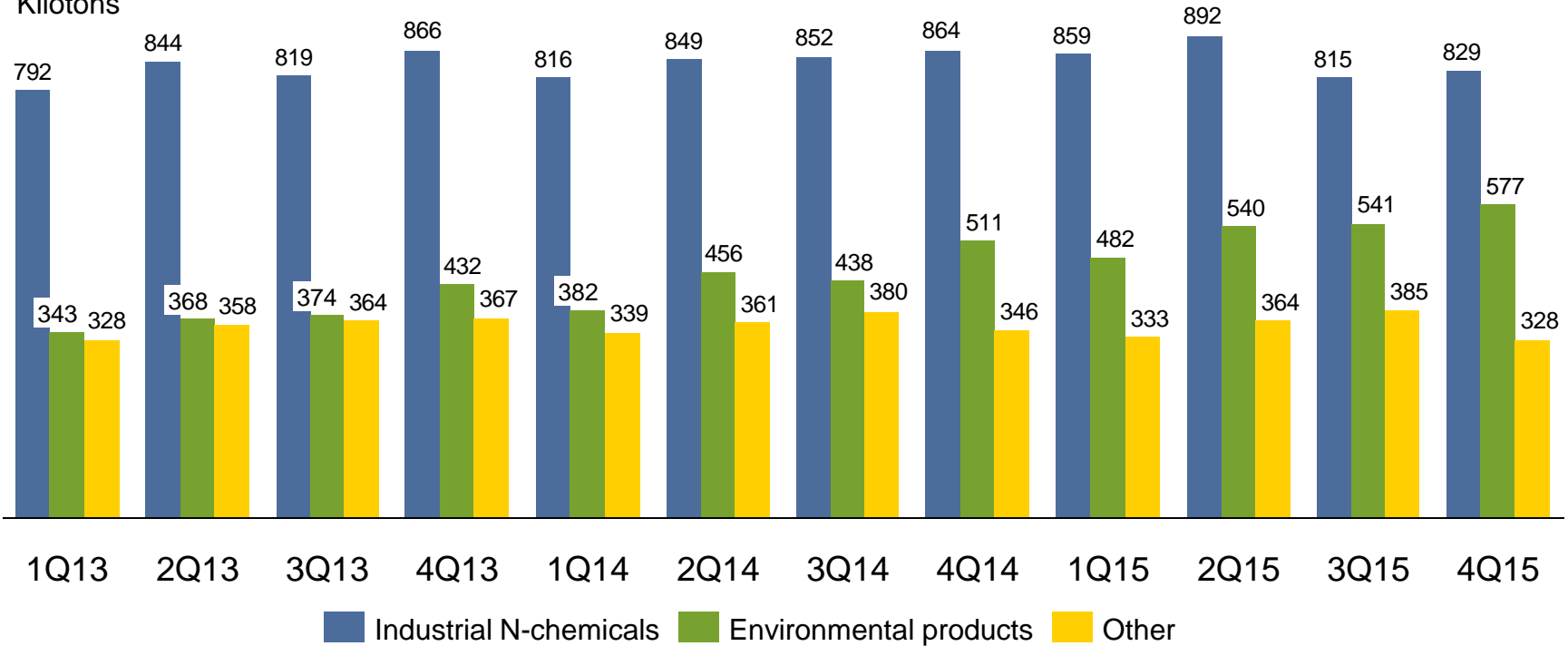


# Value-added and distribution make up larger part of Yaras contribution



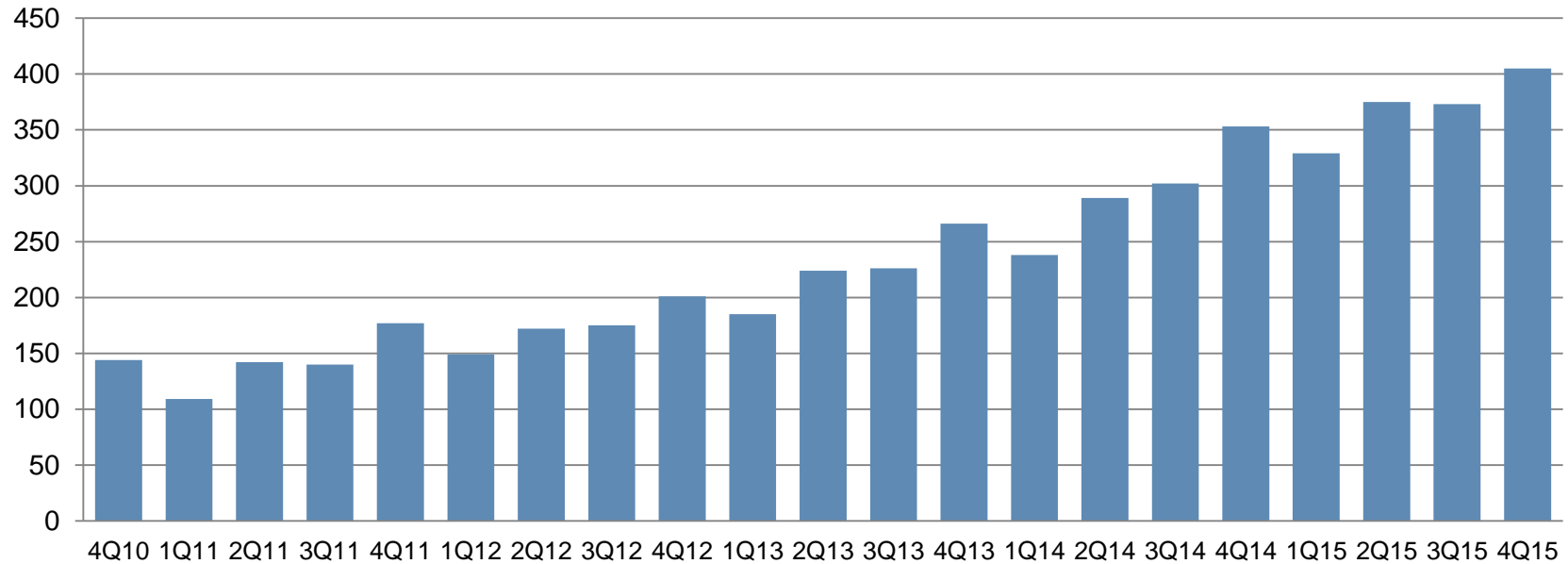
# Industrial volume development

Kilotons



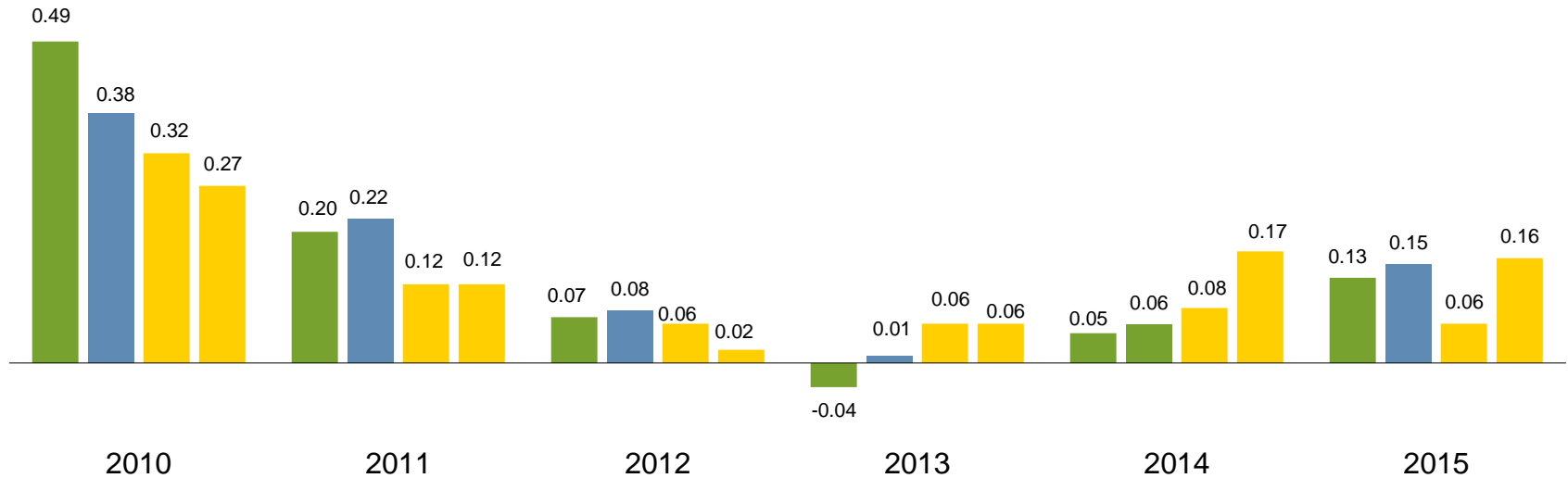
# AdBlue deliveries

Kilotons



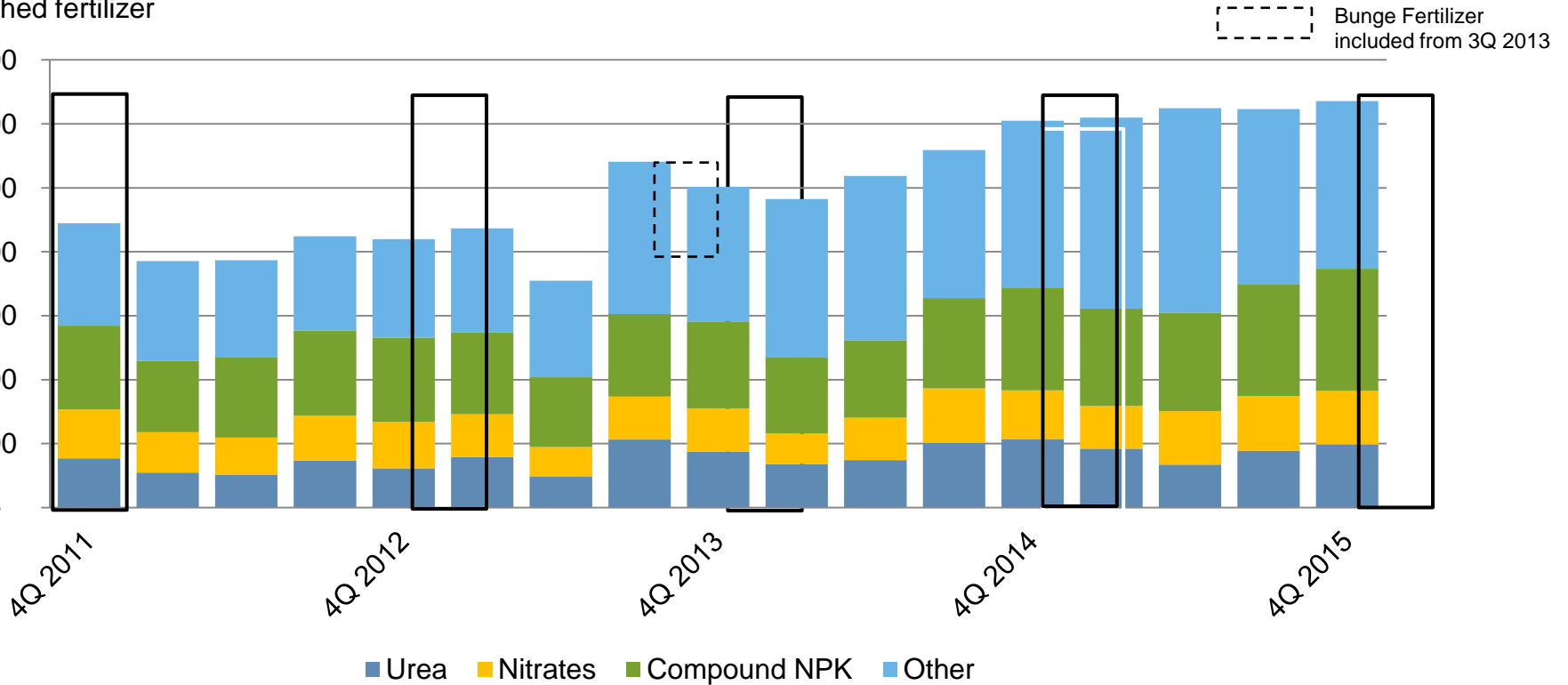
# Debt/equity ratio

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



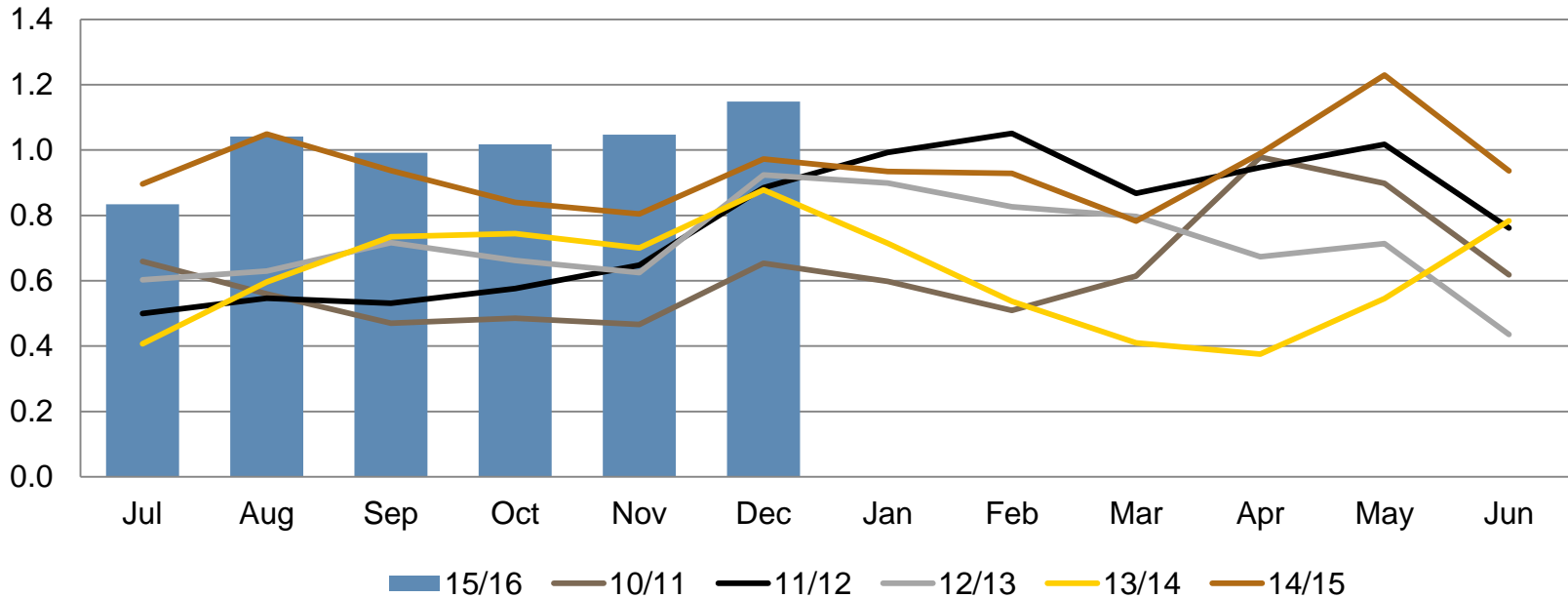
# Yara stocks

Kilotons  
Finished fertilizer



# European producers' nitrate stocks

Index  
June 2007 = 1

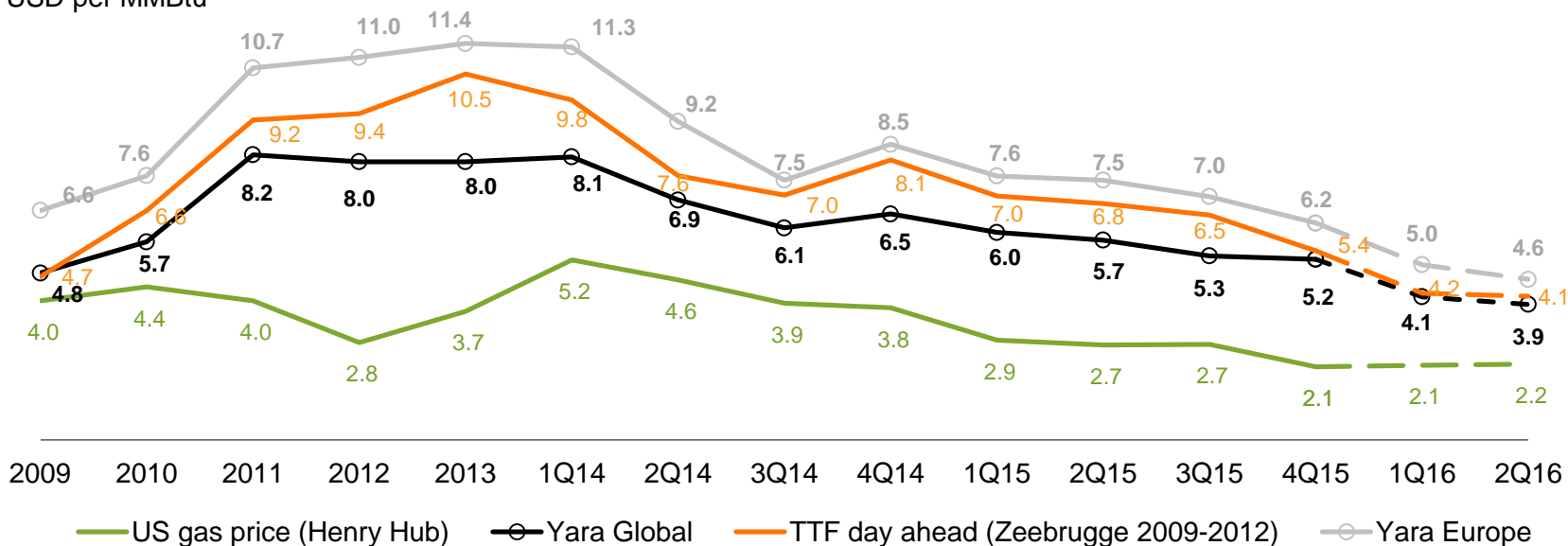


Source: Fertilizers Europe

# Energy cost

Yearly averages 2009 – 2013, quarterly averages for 2014-15 with forward prices\* for 1Q16 and 2Q16.

USD per MMBtu



\*Dotted lines denote forward prices as of 13 October 2015

Source: Yara, World Bank, Platts/Argus/ICIS Heren



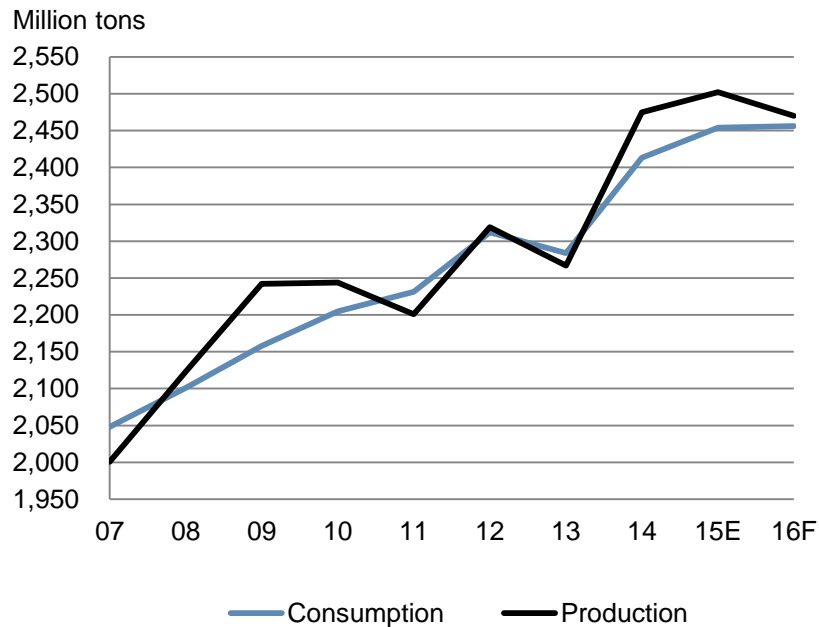
# Currency exposure affecting Profit & Loss

At the beginning of the first quarter 2016

1. The US dollar debt generating Profit & Loss exposure was USD 1,800 million
  - Kept as hedge of future earnings and to finance inventories in emerging markets
  - Exposure mainly towards EUR (40 %), AUD and BRL (20 % each) and other emerging market currencies
  - The debt level in emerging markets will fluctuate with fertilizer seasons
2. Additional Profit & Loss exposure from internal currency positions
  - Payables mainly CAD (150 million) vs. NOK
  - Receivables mainly EUR (700 million) vs. NOK and BRL (1,750 million) vs. EUR

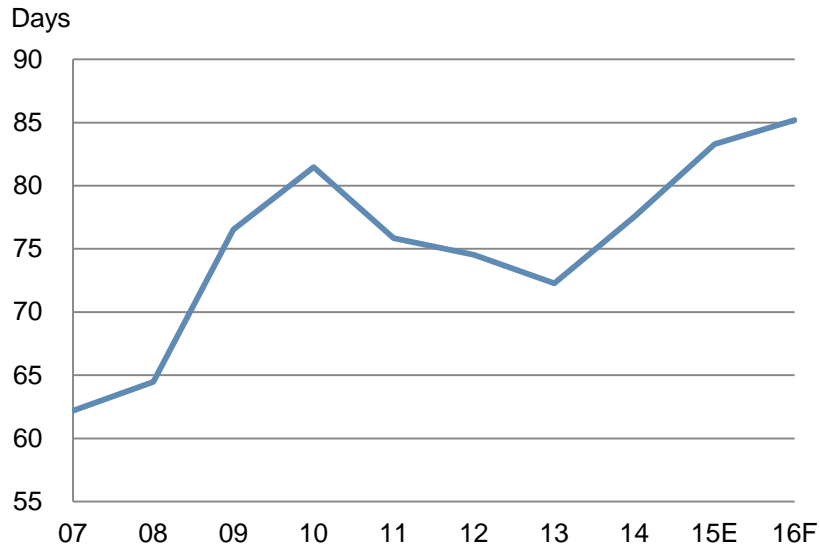
# Global grain balance

## Grain consumption and production



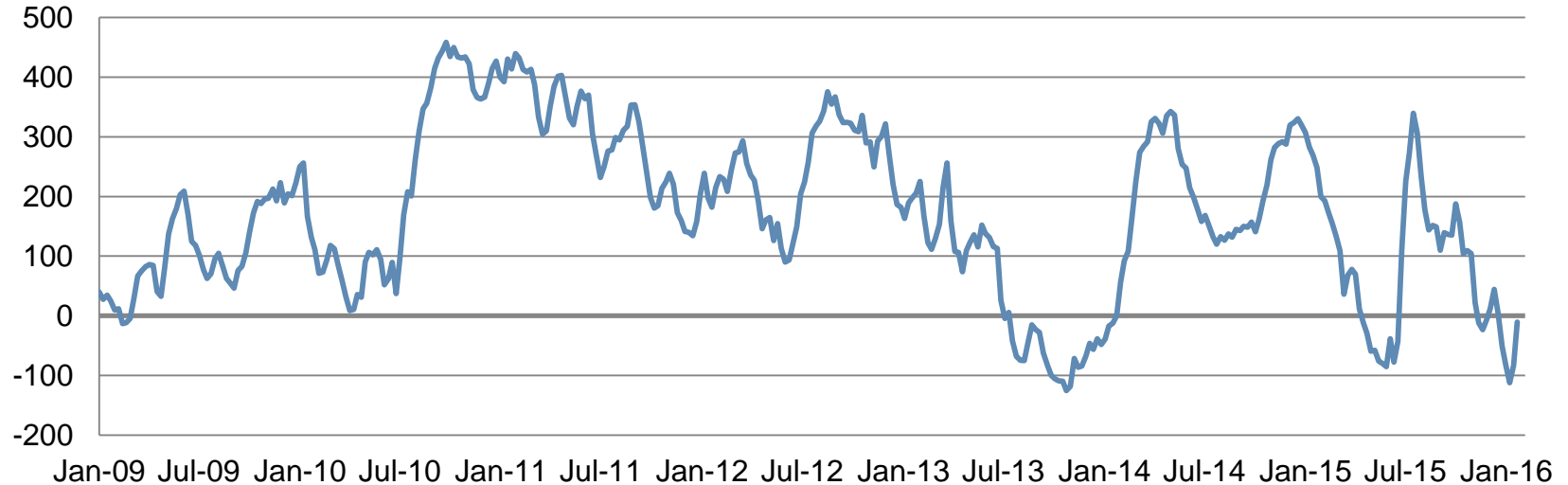
Source: USDA February 2016

## Days of consumption in stocks



# Non-commercials' net long position in corn

Thousand contracts



Source: US Commodity Futures Trading Commission

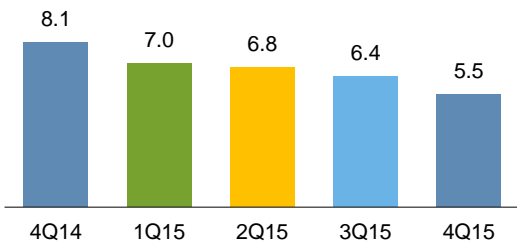
# Projected nitrogen capacity additions outside China

Year	Driving regions	Urea capacity growth relative to nitrogen capacity
	Excluding China	Excluding China
2015	Algeria 26% Saudi Arabia 24%	1.8% (2.6%)
2016	USA 33% Algeria 14%	3.1% (3.0%)
2017	USA 35% Nigeria 10%	2.3% (1.6%)
2018	Nigeria 30% Russia 20%	1.5% (1.5%)
2019	Nigeria 36% Russia 29%	1.2% (1.3%)
<b>Gross annual addition 2015-2019</b>		<b>~2.0%</b>
Assumed annual closures		~0.5%
<b>Net annual addition 2015-2019</b>		<b>~1.5%</b>
<b>Trend consumption growth from 2004</b>		<b>2.0%</b>

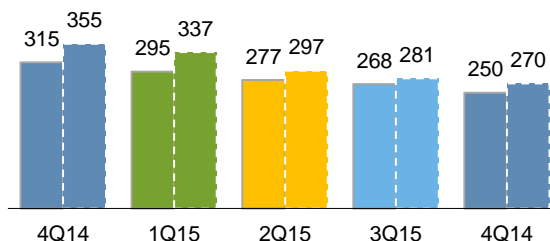
Source: CRU urea update September 2015 (June 2015 in brackets) . Consumption data source is IFA.

# Key value drivers – quarterly averages

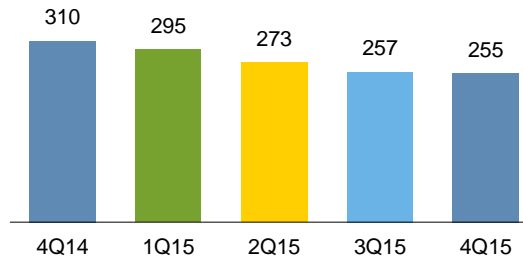
TTF day ahead (USD/MMBtu)



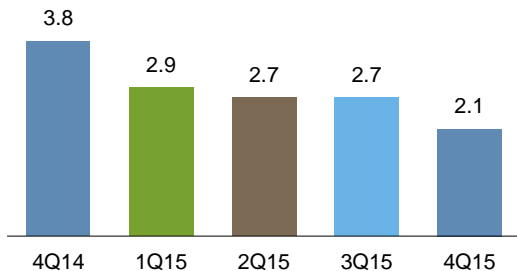
Urea prilled fob Black Sea (USD/t)/Urea granular fob Egypt (dotted line, USD/t)



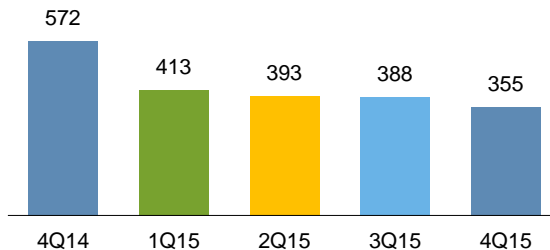
CAN cif Germany (USD/t)



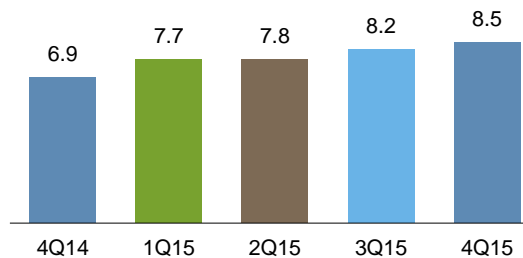
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)

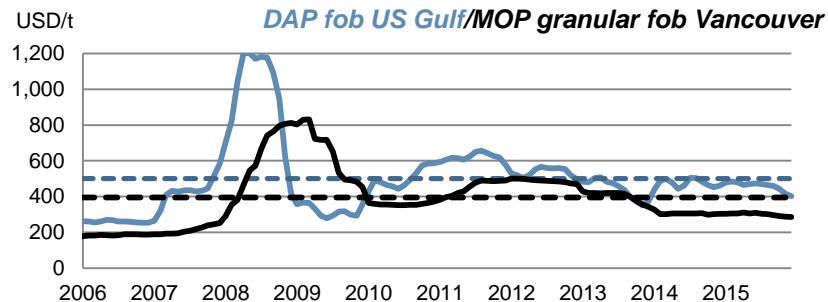
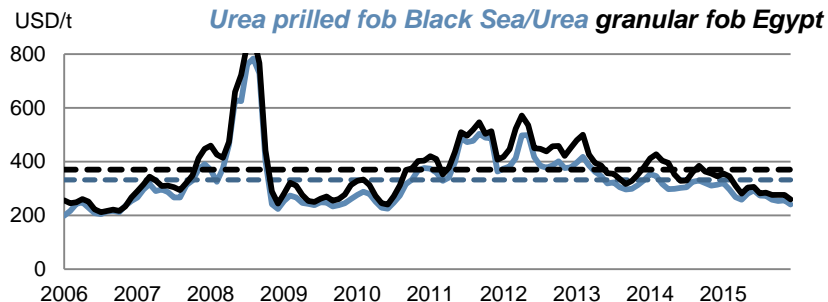
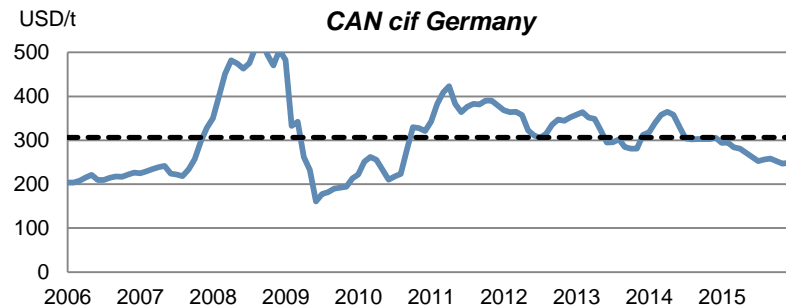
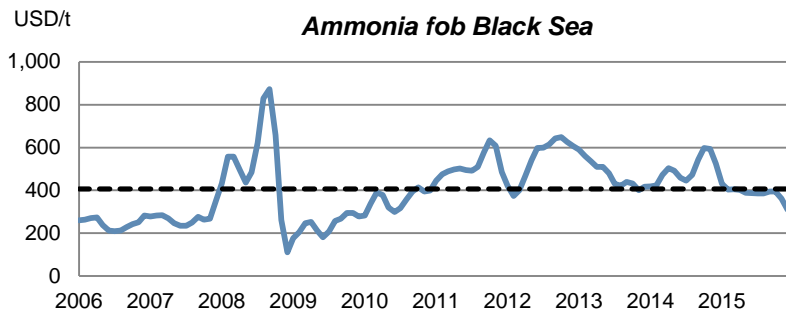


NOK/USD exchange rate



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

# 10-year fertilizer prices – monthly averages



Source: Average of international publications

--- Average prices 2006 - 2015