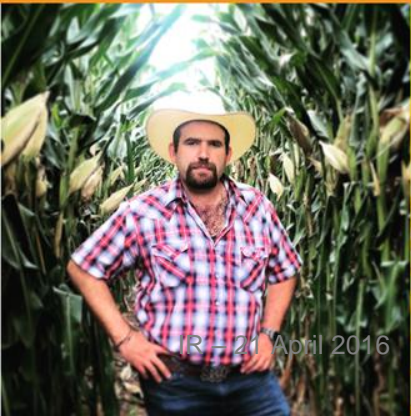




Knowledge grows

# Yara International ASA 2016 first quarter results

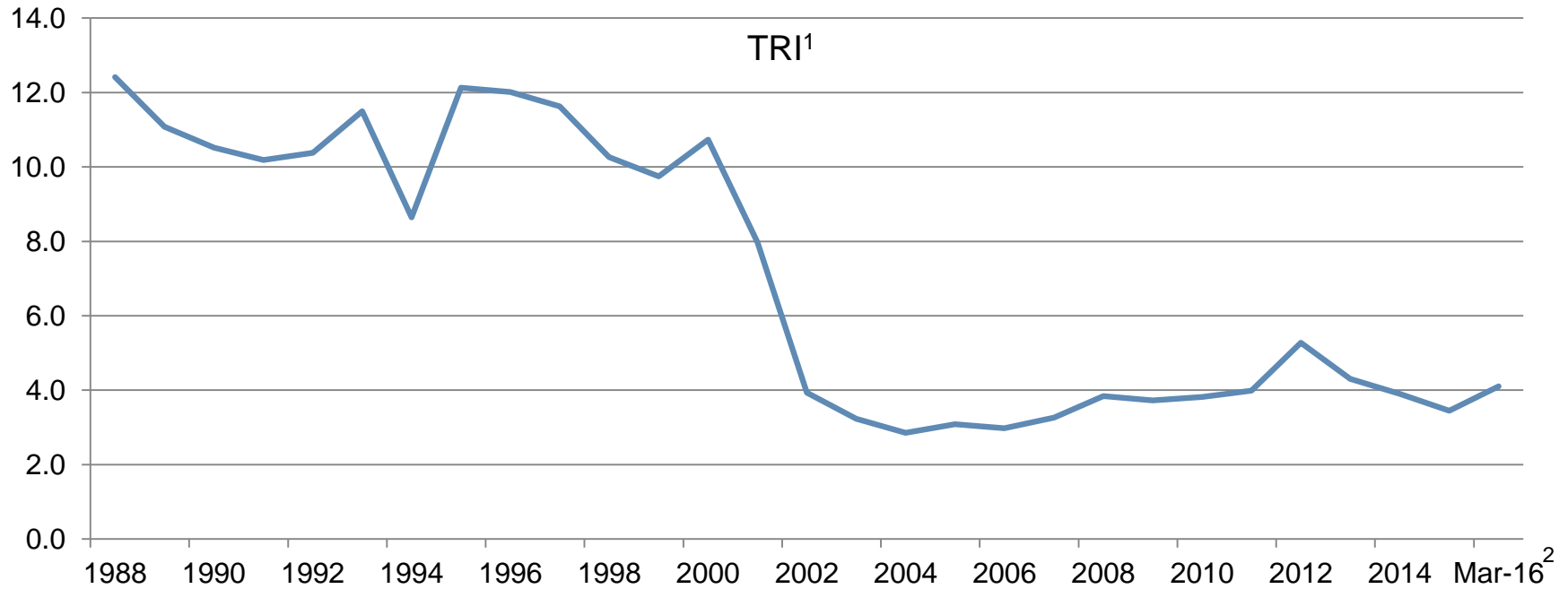
21 April 2016



IR - 21 April 2016



# Safe operations is our first priority



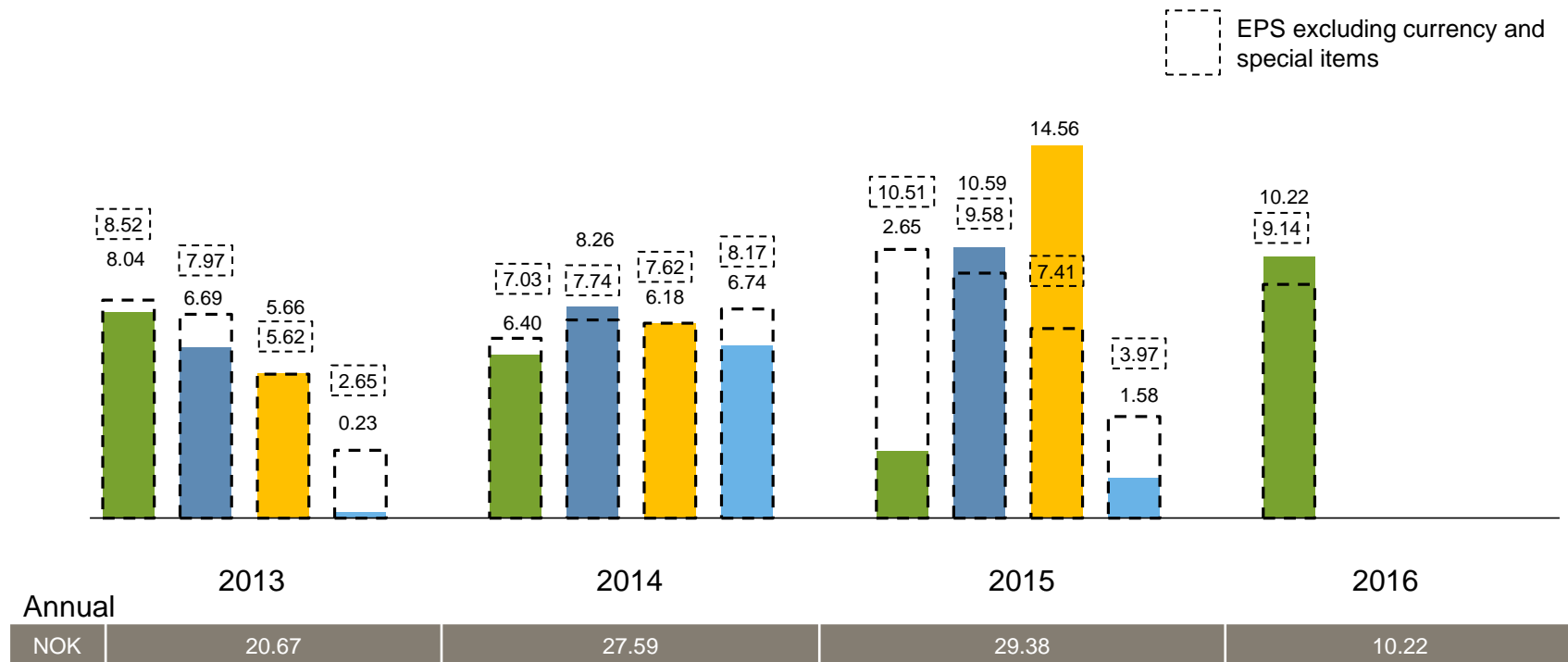
1) TRI: Total recordable injuries, lost time (absence from work), restricted work and medical treatment cases per one million work hours

2) OFD and Galvani included in statistics from January 2016

# Summary first quarter

- Strong results in a challenging market
- Global fertilizer deliveries 5% lower, Brazil deliveries 15% higher
- Negative price effects offset by lower energy prices and currency effects
- Improved production reliability
- Strong Industrial result

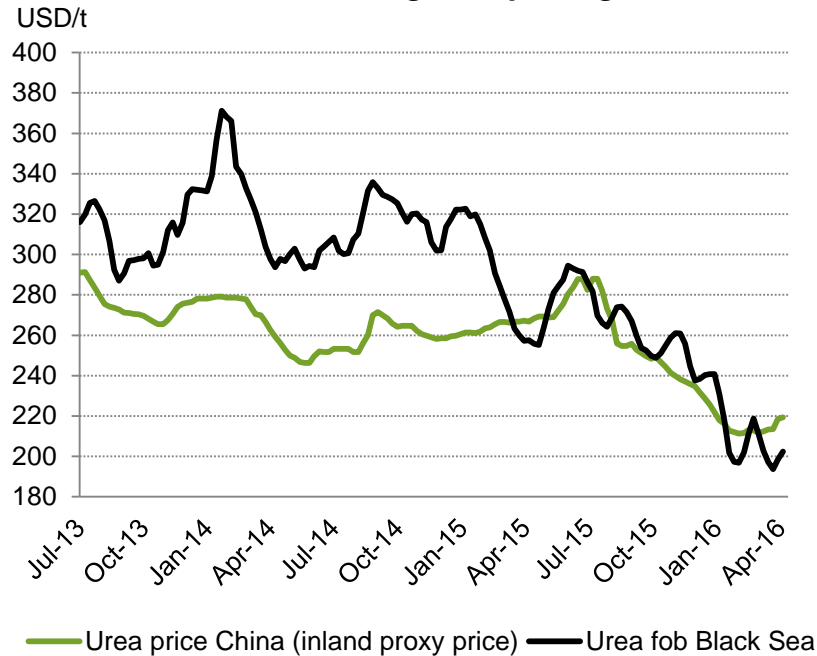
# Earnings per share\*



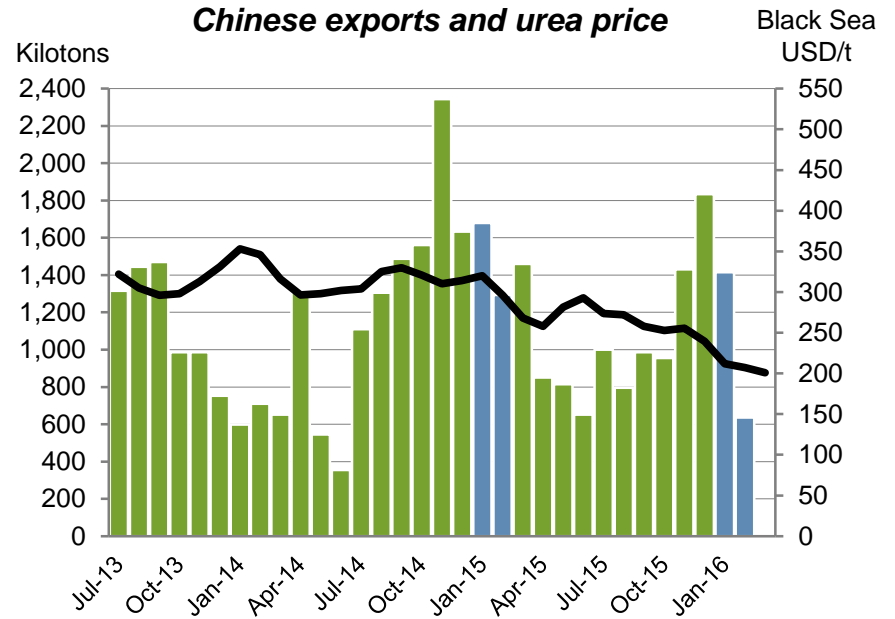
\*Average number of shares for 1Q 2016: 274.1 million (1Q 2015: 275.5 million).

# Lower exports from China, higher domestic price

## Declining urea pricing



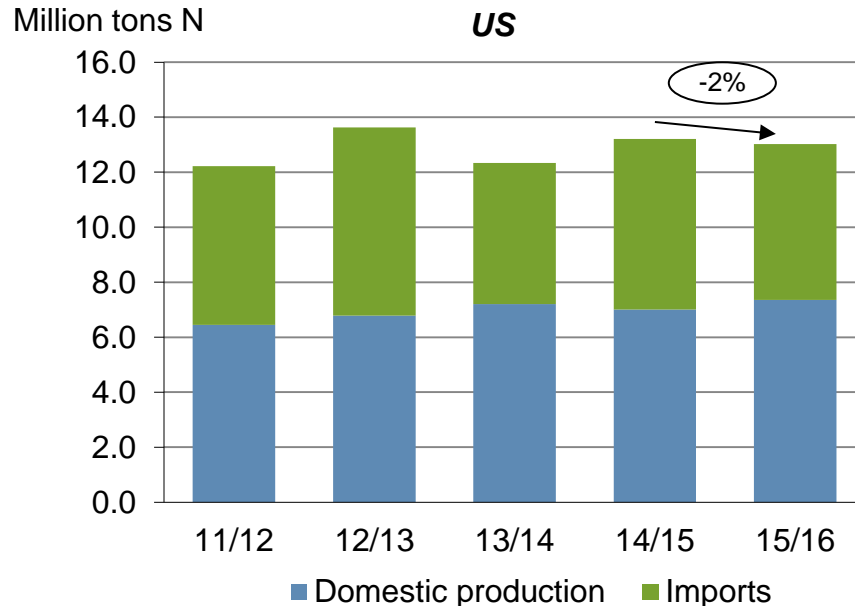
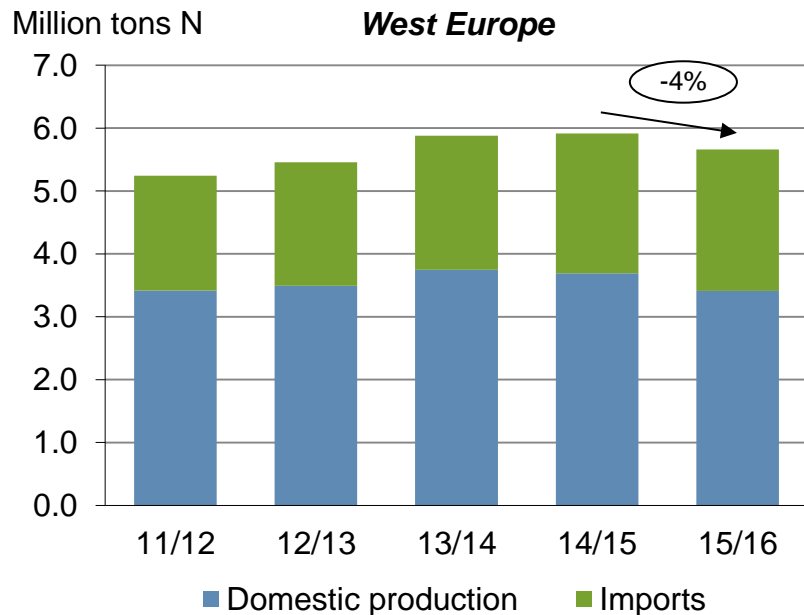
## Chinese exports and urea price



Source: BOABC, CFMW

# Season-to-date Europe and US nitrogen fertilizer industry deliveries at normal level

## Season-to-date deliveries (9 months ending 31 March)

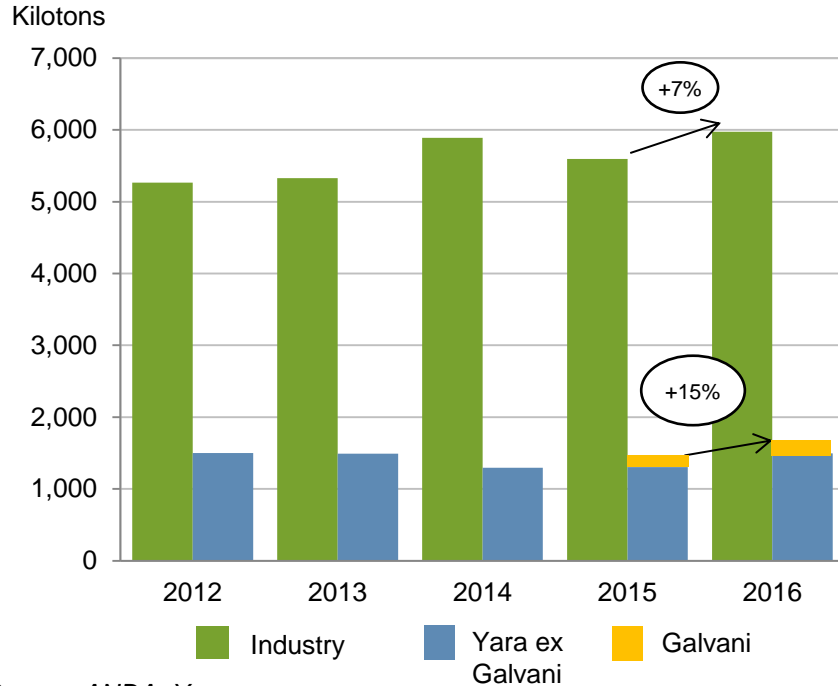


Source: Yara estimate for fertilizer deliveries to selected West European countries.

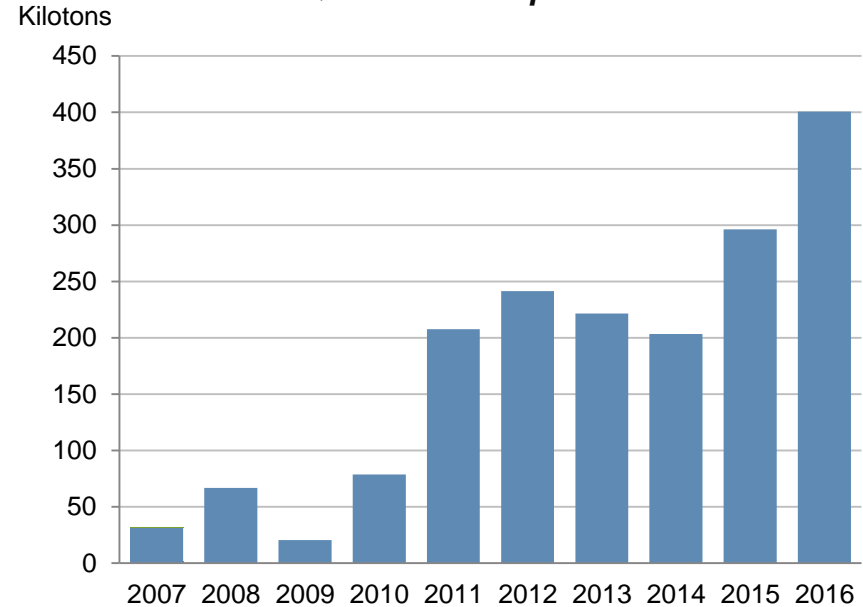
Total nitrogen deliveries based on TFI, US Trade Commission, Blue-Johnson and Yara estimates

# Brazil: industry deliveries up 7%, Yara up 15%

## Brazil season-to-date fertilizer deliveries



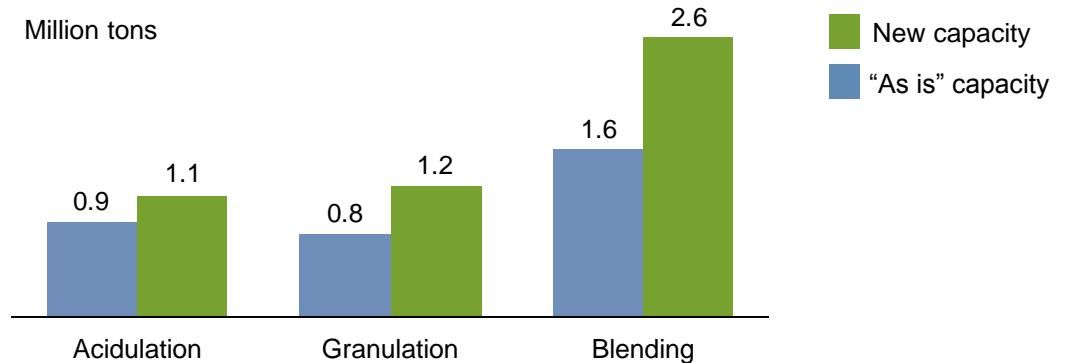
## Yara Brazil 1Q value-added product deliveries



Source: ANDA, Yara

# Rio Grande expansion and operational improvement

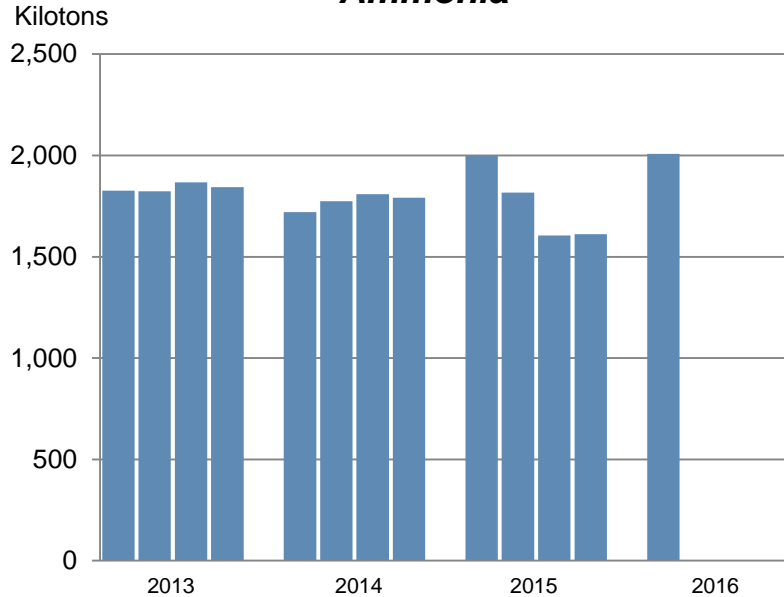
- Consolidation of 3 sites reduces fixed cost and maintenance investments
- Increased fertilizer production and blending capacity
- Improved safety and lower unit cost through:
  - Improved material flows
  - Automated bagging process
- Increased product quality through improved handling and storage conditions



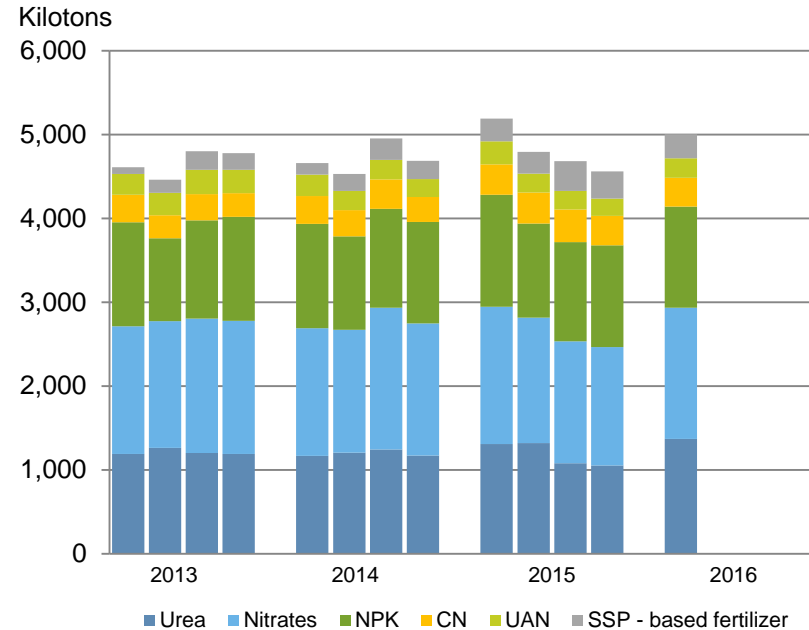


# Improved production reliability

## Ammonia<sup>1</sup>

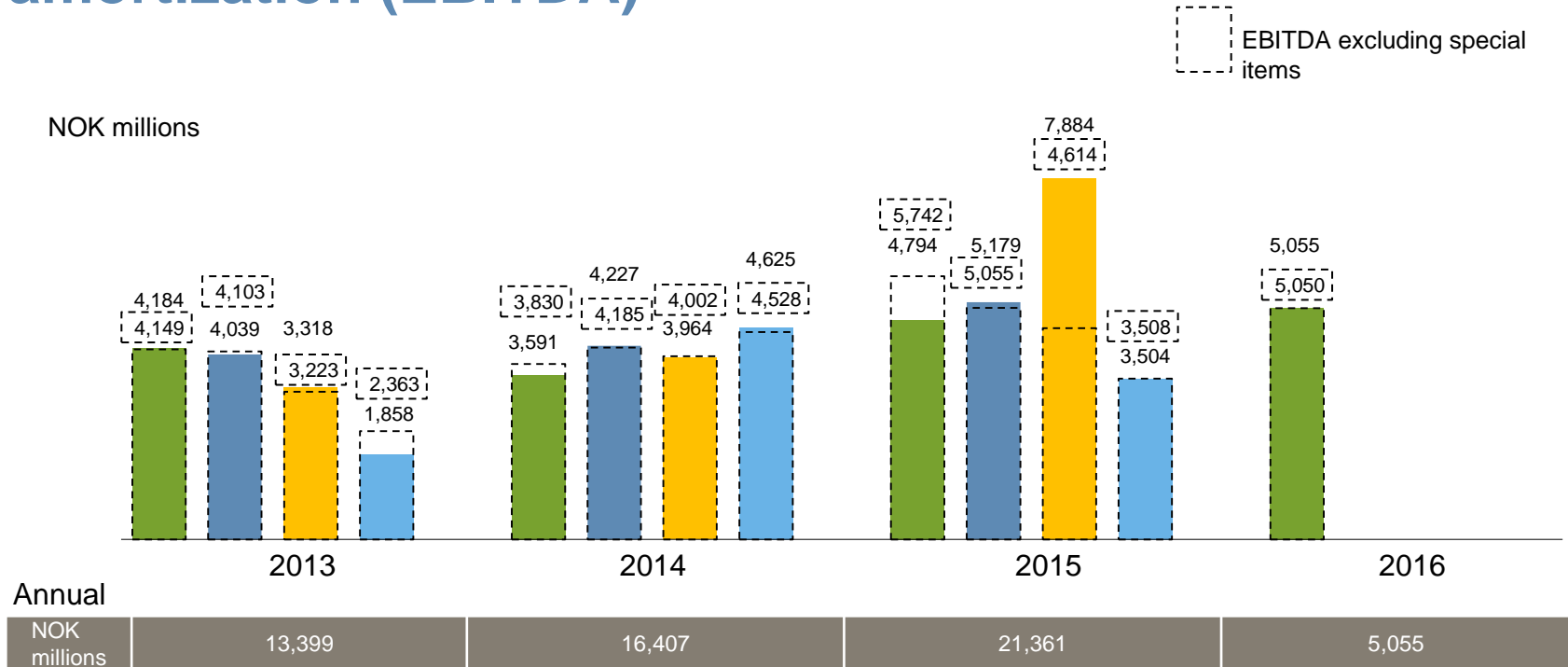


## Finished fertilizer & industrial products<sup>1</sup>



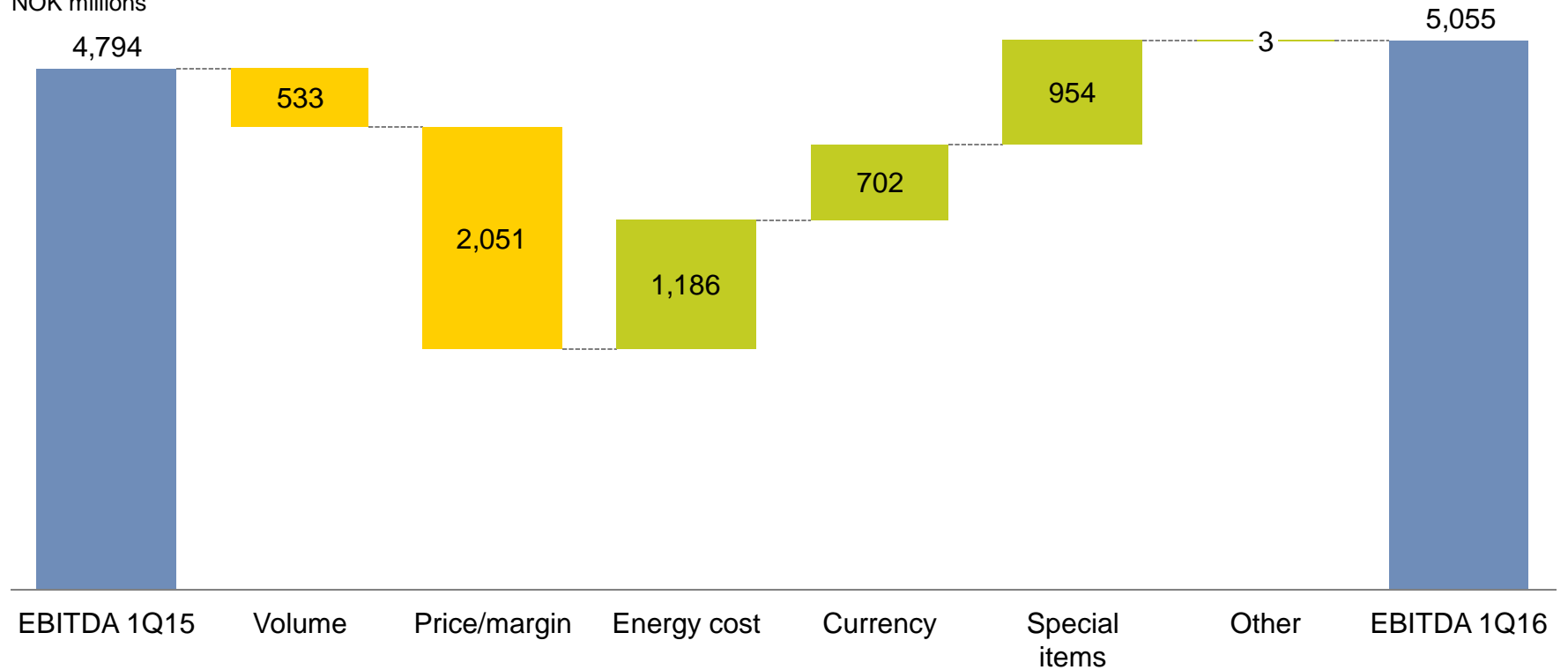
\* Including share of equity-accounted investees

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



# EBITDA development

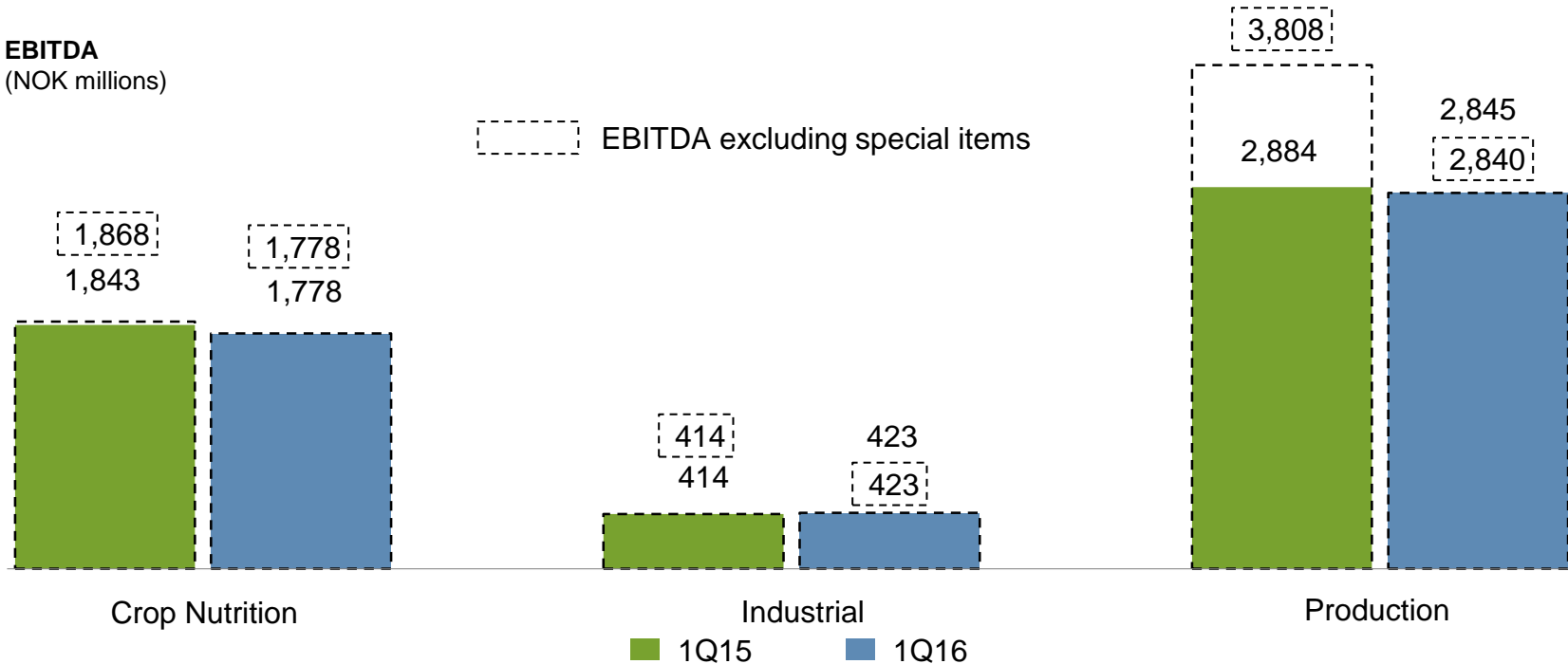
NOK millions



# Stable earnings for Crop Nutrition and Industrial

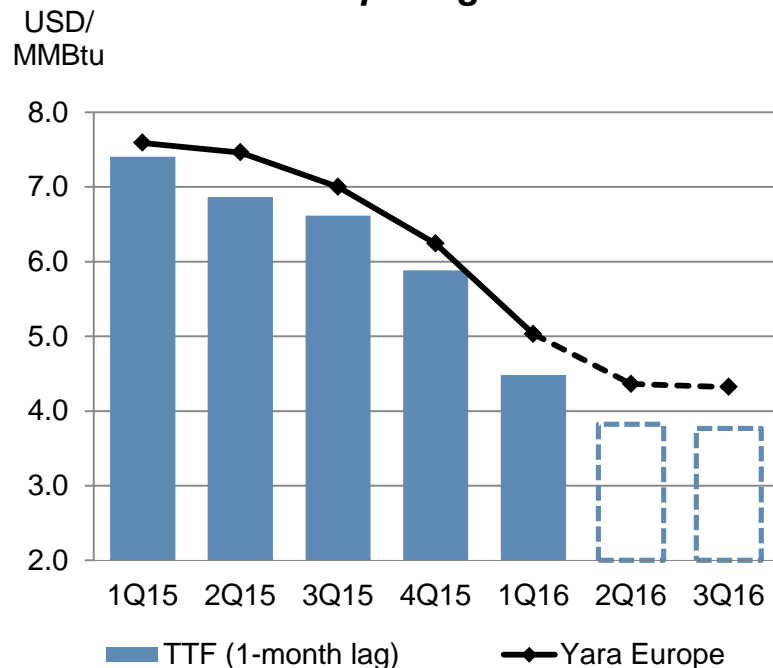
**EBITDA**  
(NOK millions)

EBITDA excluding special items



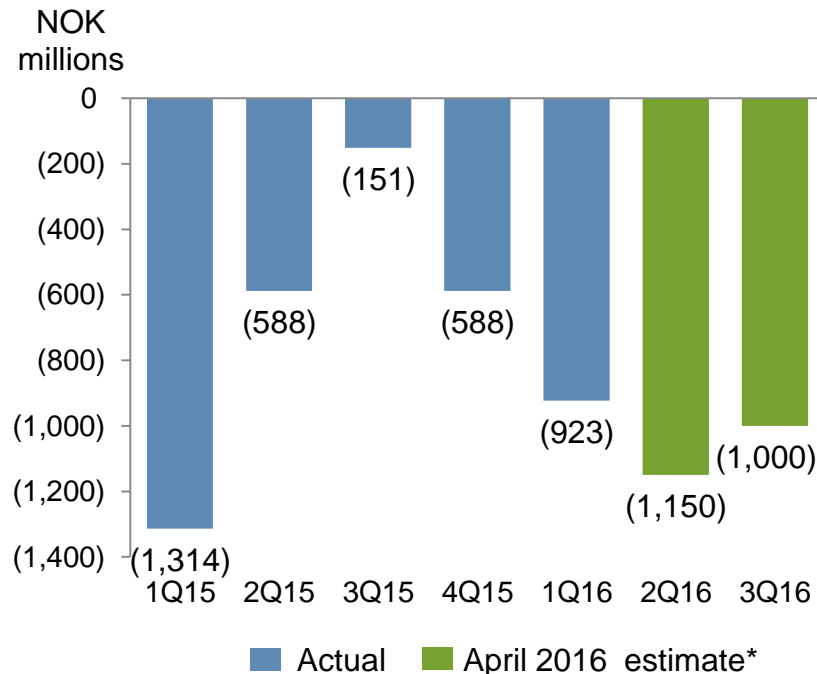
# Lower natural gas cost in Europe

## Yara European gas & oil cost



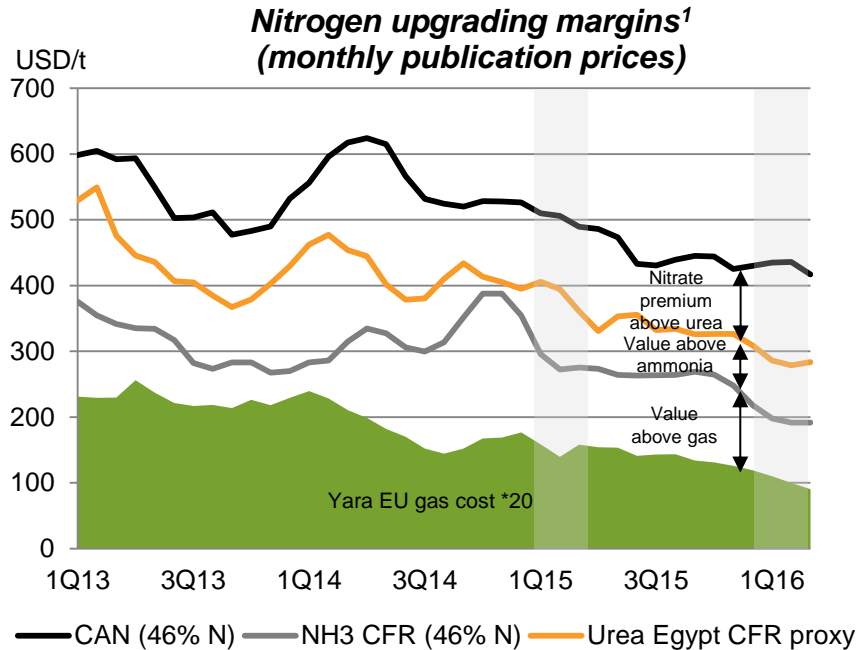
\*Dotted lines denote forward prices as of 12 April 2016  
 Source: Yara, World Bank, Argus/ICIS Heren

## Change in spot energy cost

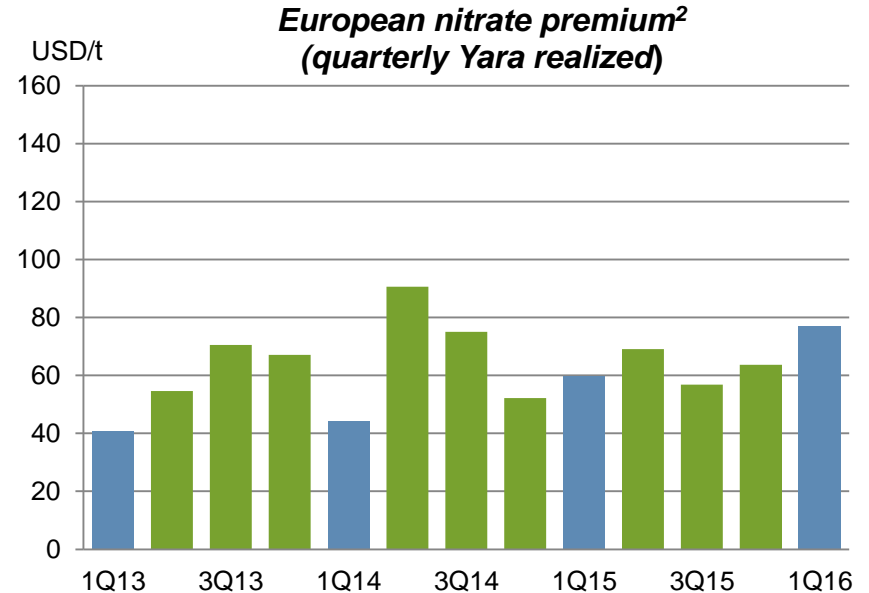


# Stable European nitrate premium

Based on Egypt granular urea reference, and excluding nitrate with sulphur

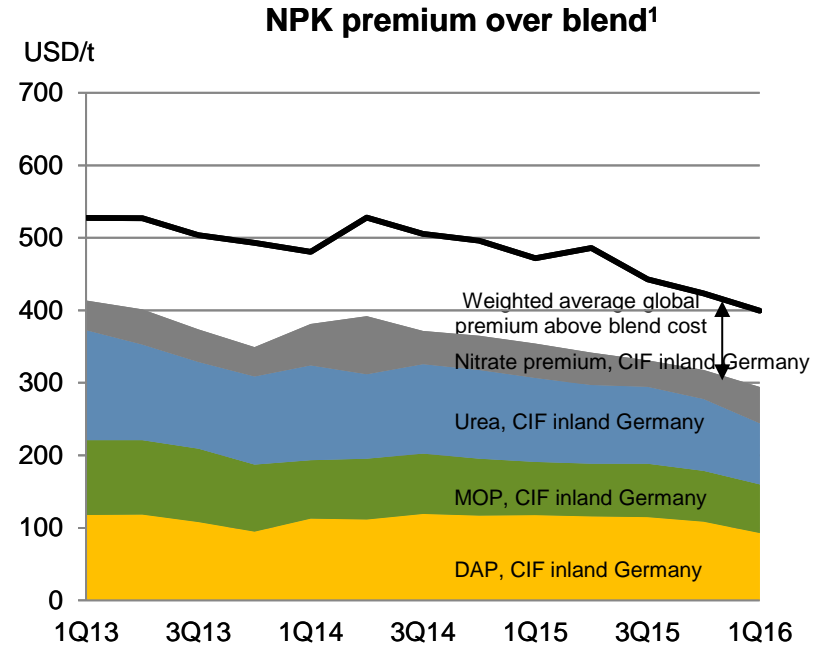
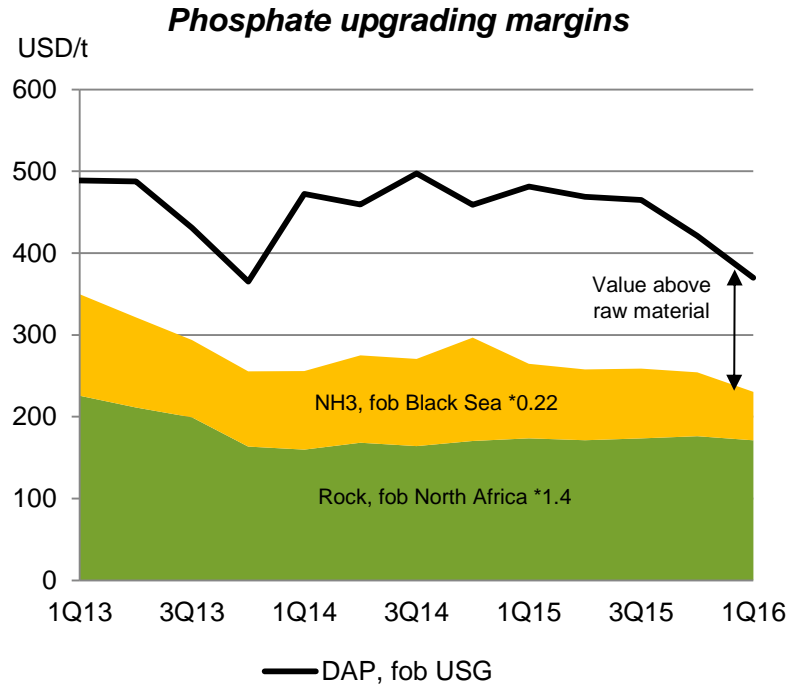


1) All prices in urea equivalents



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.

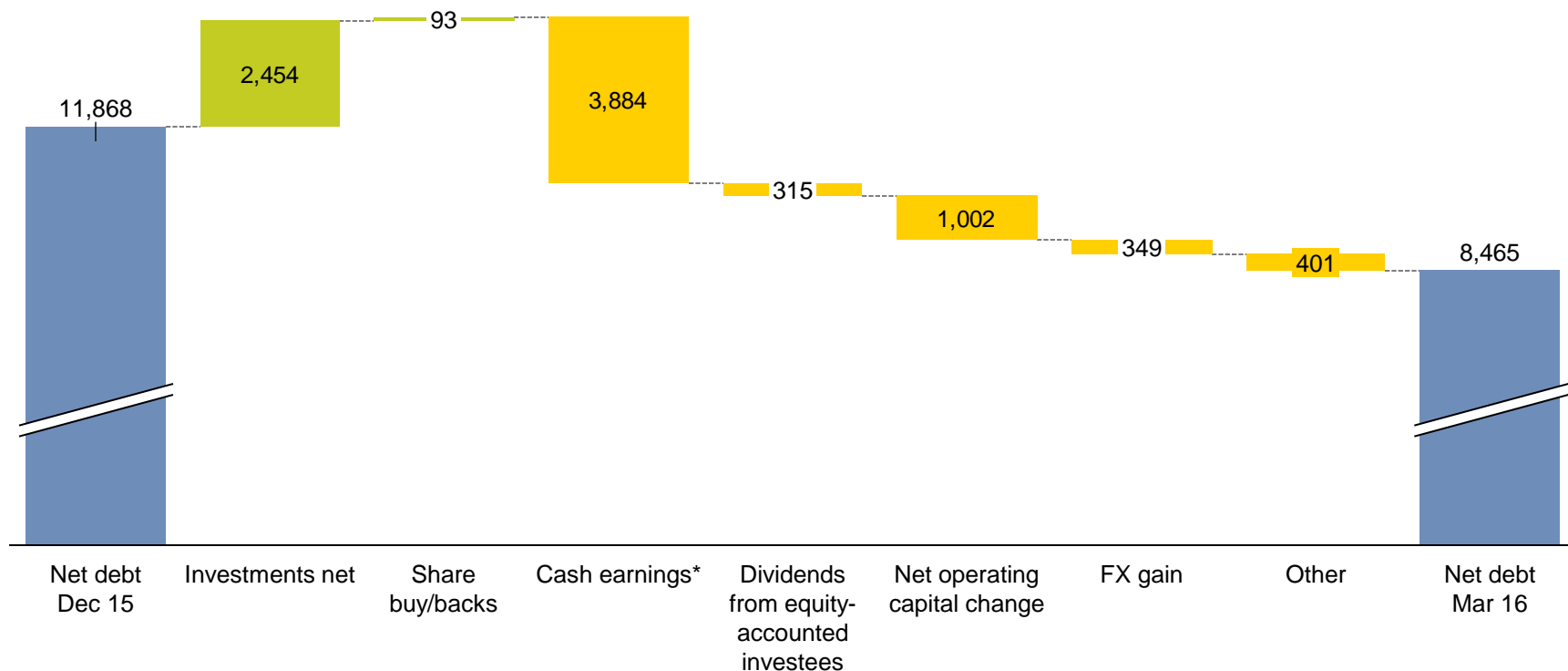
# Stable commodity phosphate margins and solid NPK compound premiums



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

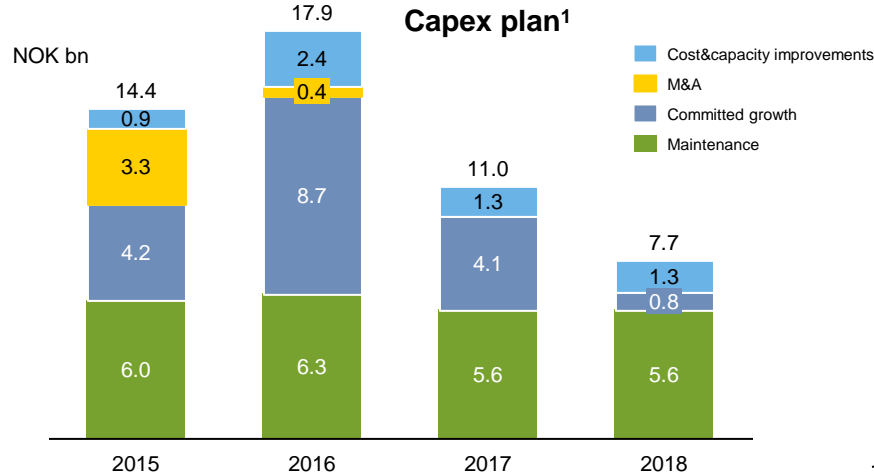
- Supportive farm margin outlook overall; higher export profitability in Brazil
- Current Chinese fob urea prices close to break-even levels for swing producers
- 2Q catch-up in European nitrogen deliveries expected
- Continued premium products growth in Brazil, but commodity crop sector demand elsewhere impacted by lower prices
- NOK ~2.2 billion reduction in Yara's spot-prices gas cost for next 2 quarters



Knowledge grows

IR - 21 April 2016

# Strong growth pipeline

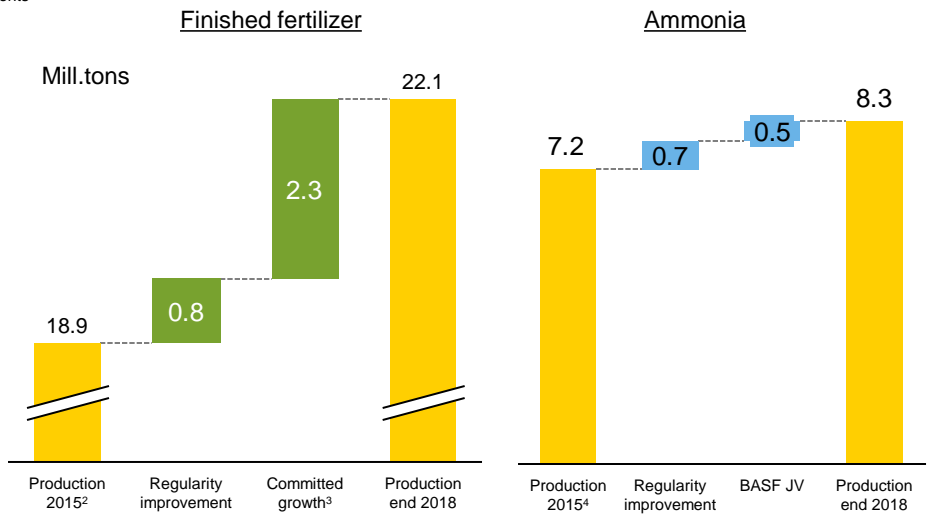


#### Committed growth (NOK bn):

	2015	2016	2017	2018
BASF JV	1.0	1.9	0.7	
Pilbara TAN	0.5	0.4		
Porsgrunn	0.5	1.4	0.2	
Köping	0.3	0.8	0.4	
Sluiskil	0.1	0.8	0.8	
Uusikapunki	0.3	0.2		
Galvani (Salitre)	1.0	1.0	0.8	
Ammonia vessels	0.2	1.4		
Rio Grande		0.4	1.1	0.8
Other projects	0.3	0.4	0.1	
<b>Total</b>	<b>4.2</b>	<b>8.7</b>	<b>4.1</b>	<b>0.8</b>

1) Yara's share of capex

### Production growth 2015 - end 2018<sup>5</sup>

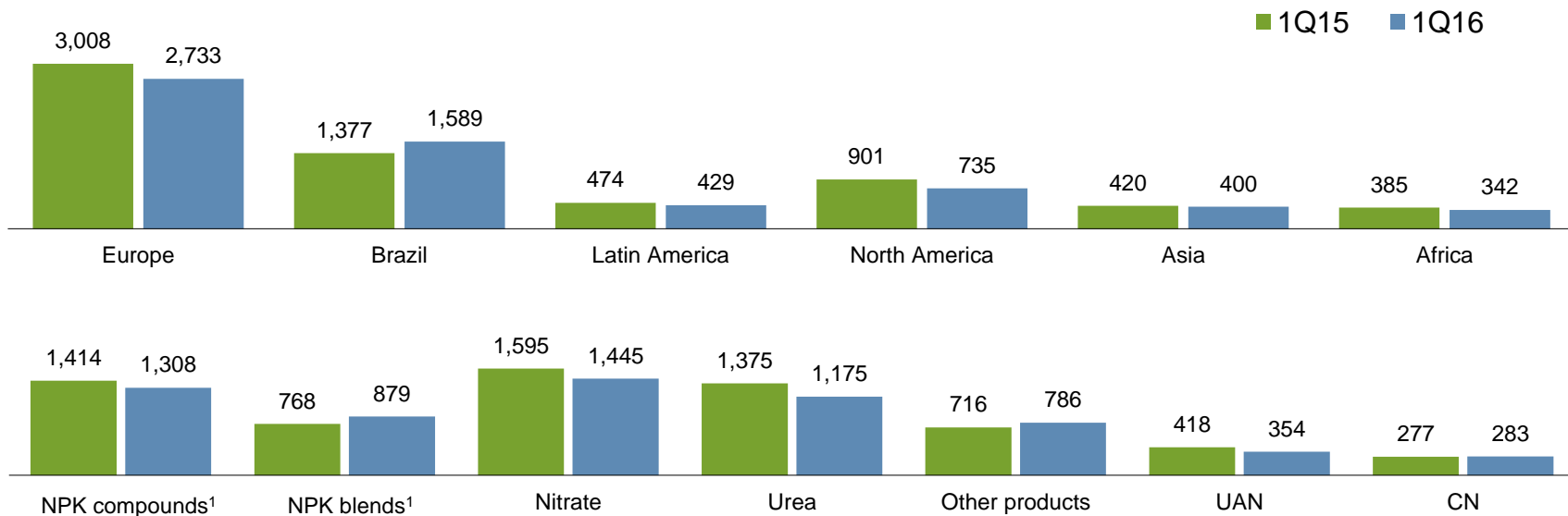


- Finished fertilizer and industrial products, excl. bulk blends. Including Yara share of production in JVs. 2015 numbers excl. Growhow UK (~300 kt)
- Committed projects only. TAN Pilbara: 160 kt, Porsgrunn: 250kt, Glomfjord: 185kt, Uusikapunki: 250kt, Köping: 90kt, Sluiskil: net 160kt, Galvani (Salitre - 60% of ~ 2 mill.tons)
- Excl. Growhow UK (~200 kt). Including 100% ownership in Pilbara NH<sub>3</sub> plant
- Rio Grande expansion adds 0.5 million tons SSP and 1 million ton blends by 2020



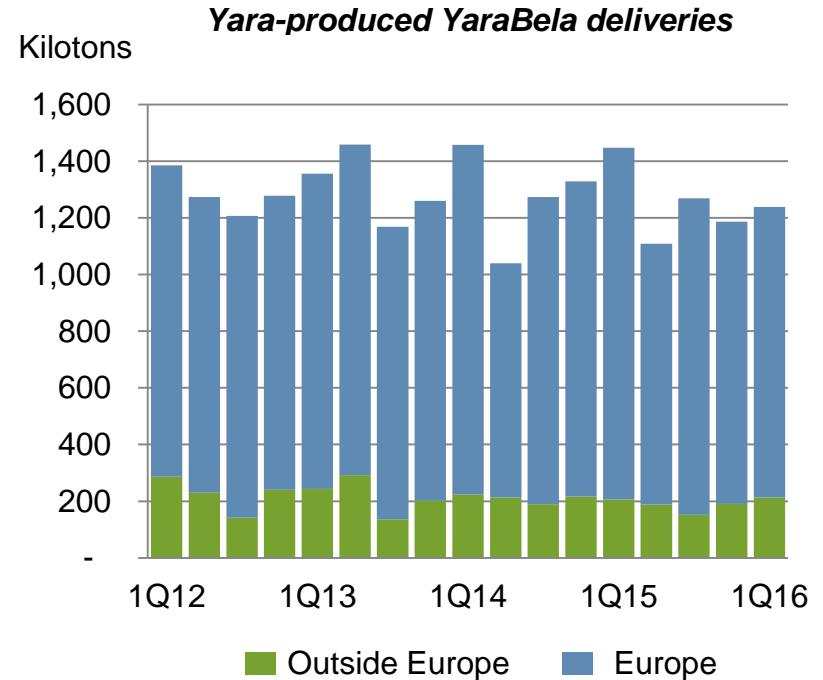
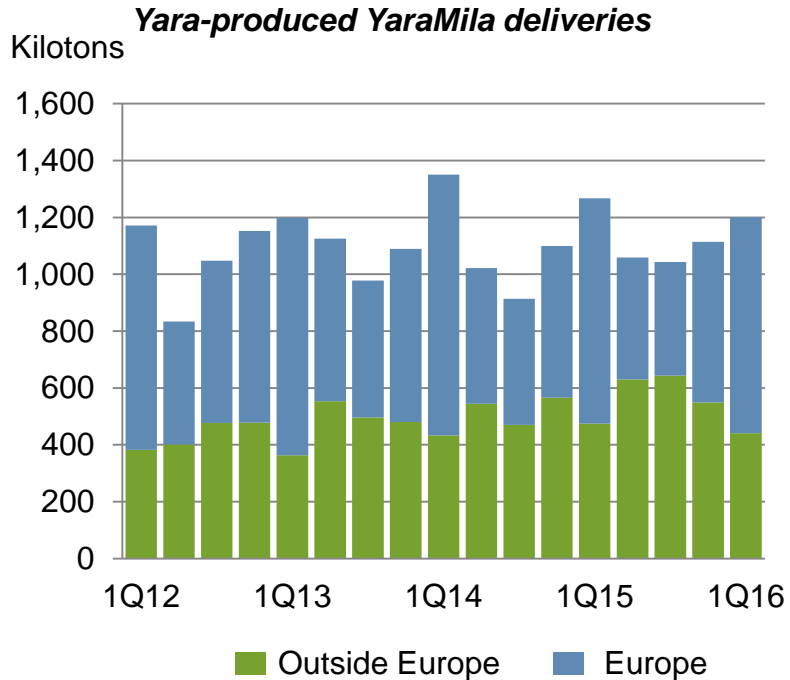
# Yara 1Q fertilizer sales by market and product

Kilotons



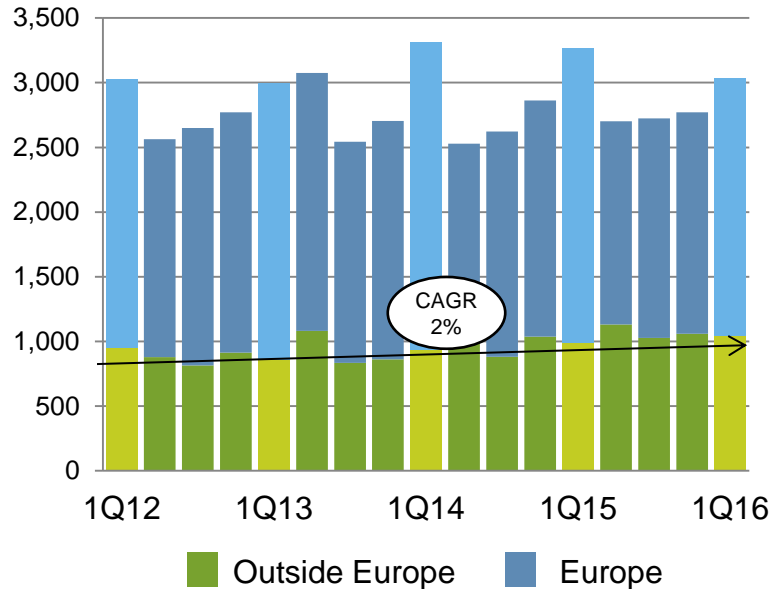
1) Yara produced NPK compound and NPK blends

# YaraMila and YaraBela deliveries

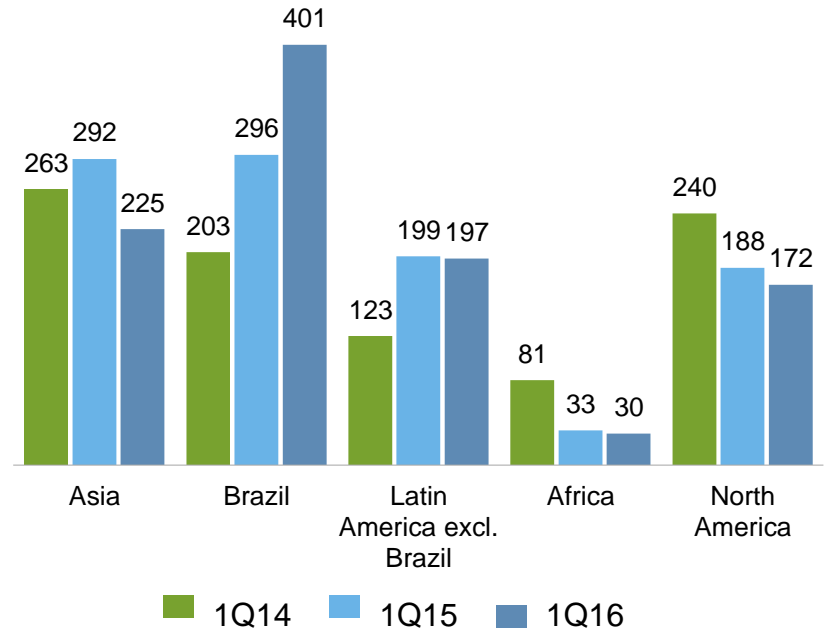


# Strong premium product deliveries in Brazil; weaker elsewhere

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

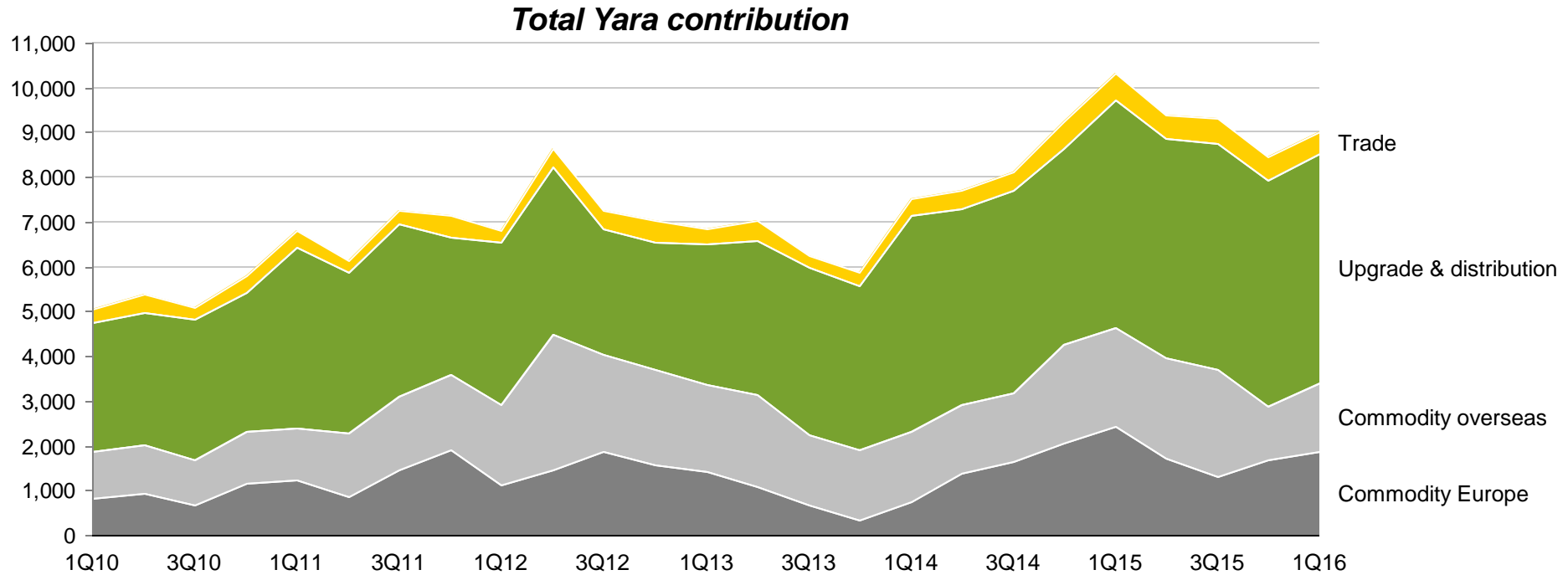


*Value-added fertilizer deliveries<sup>1</sup>*



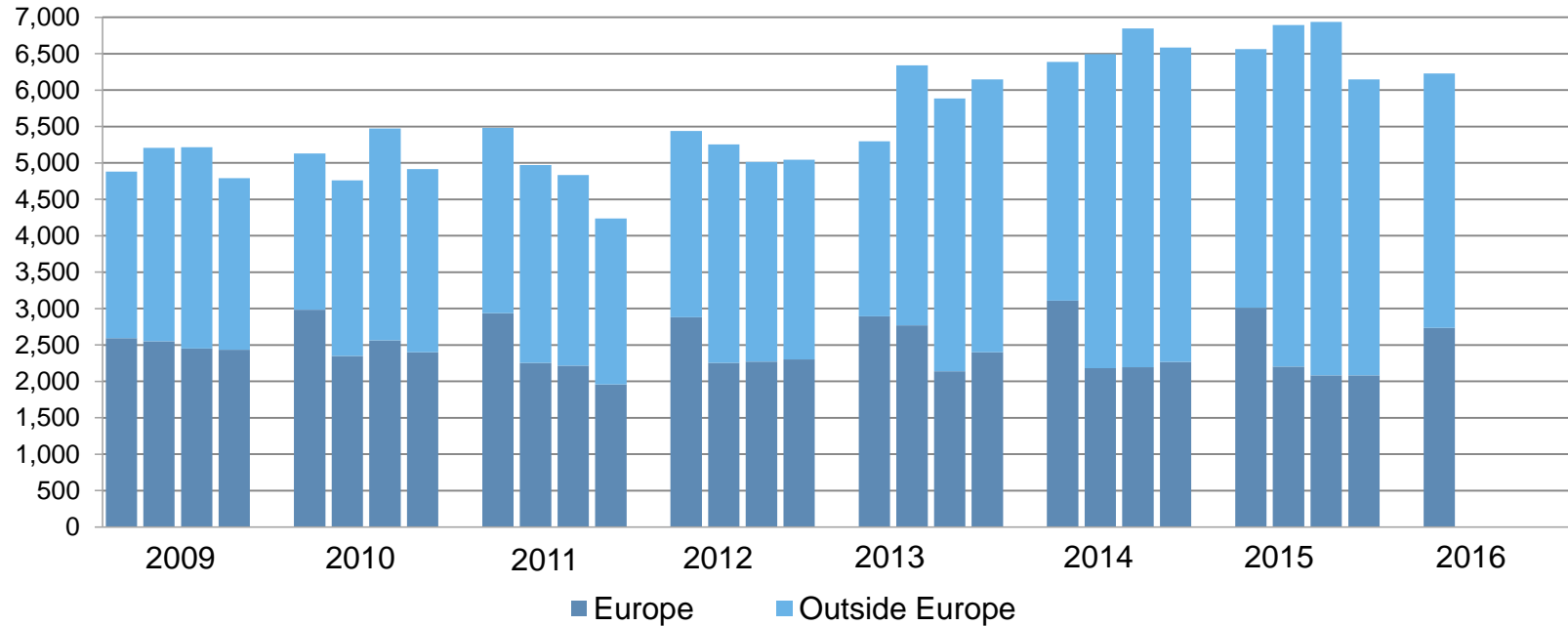
1) YaraBela, YaraMila and YaraLiva deliveries

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



# Fertilizer deliveries

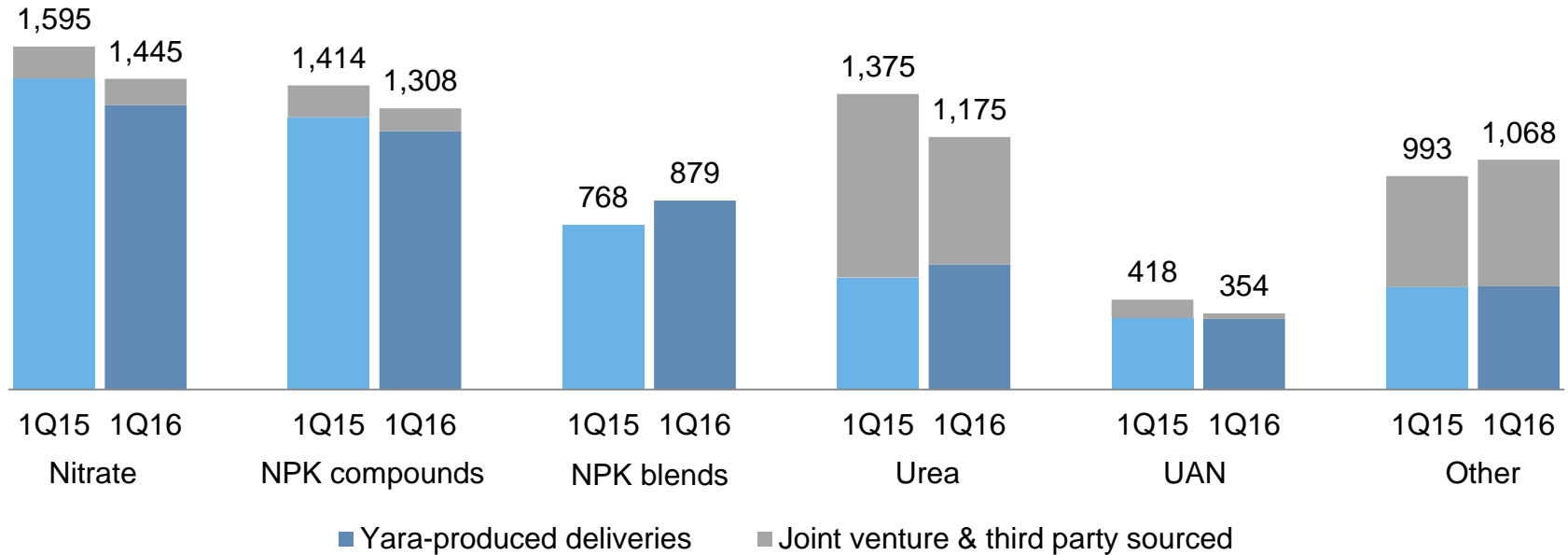
Kilotons





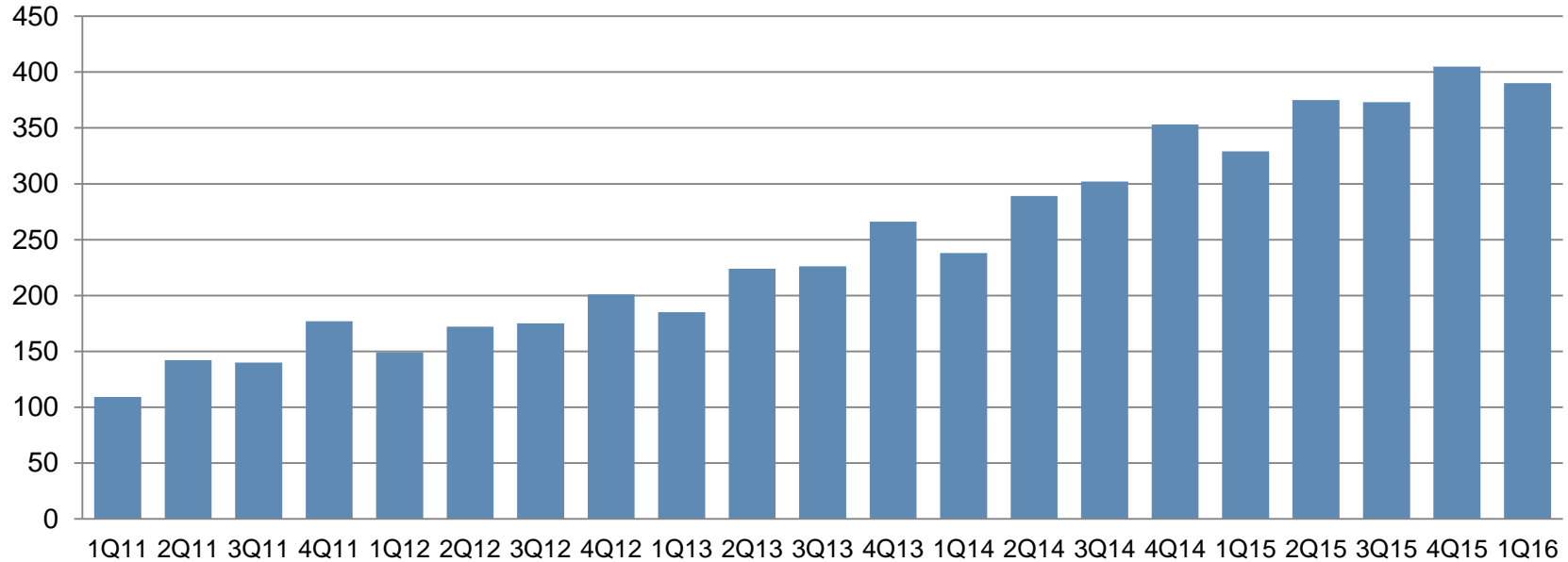
# Fertilizer deliveries by product and source

Kilotons



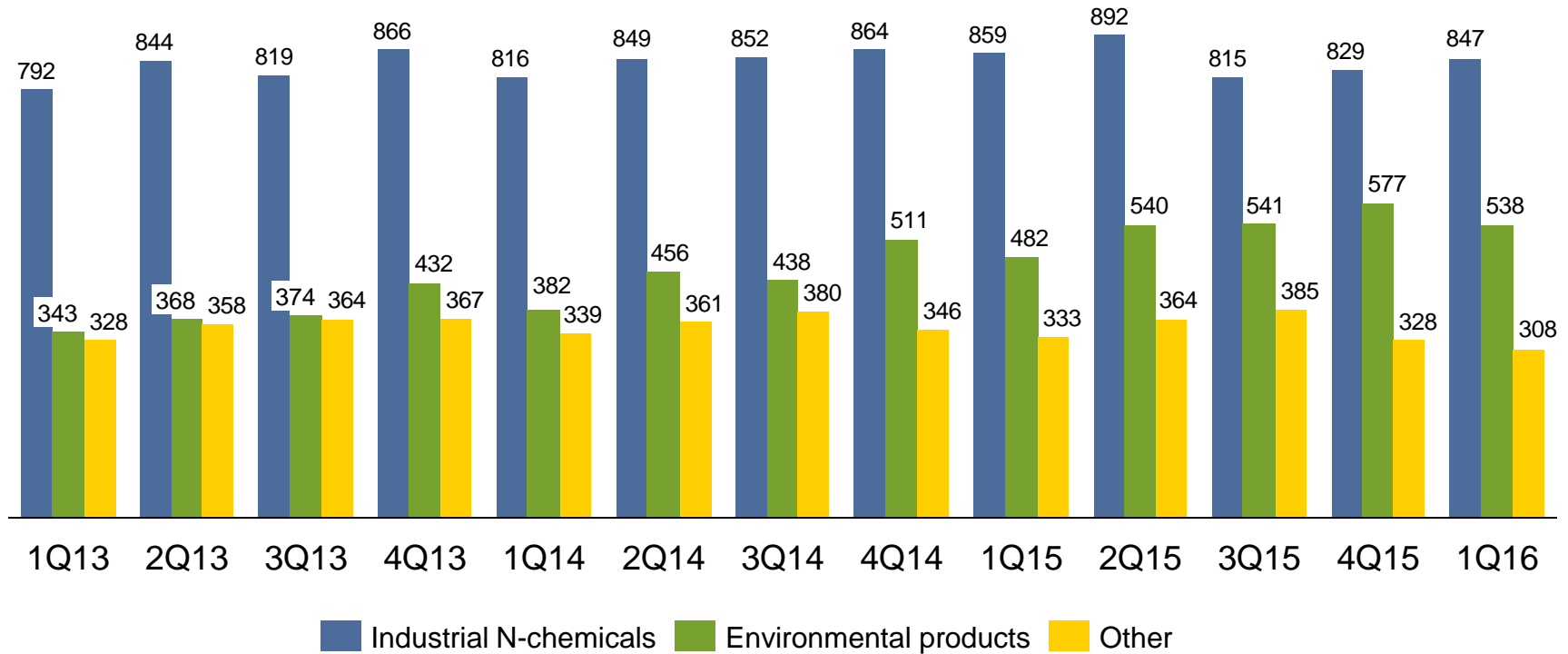
# AdBlue deliveries

Kilotons



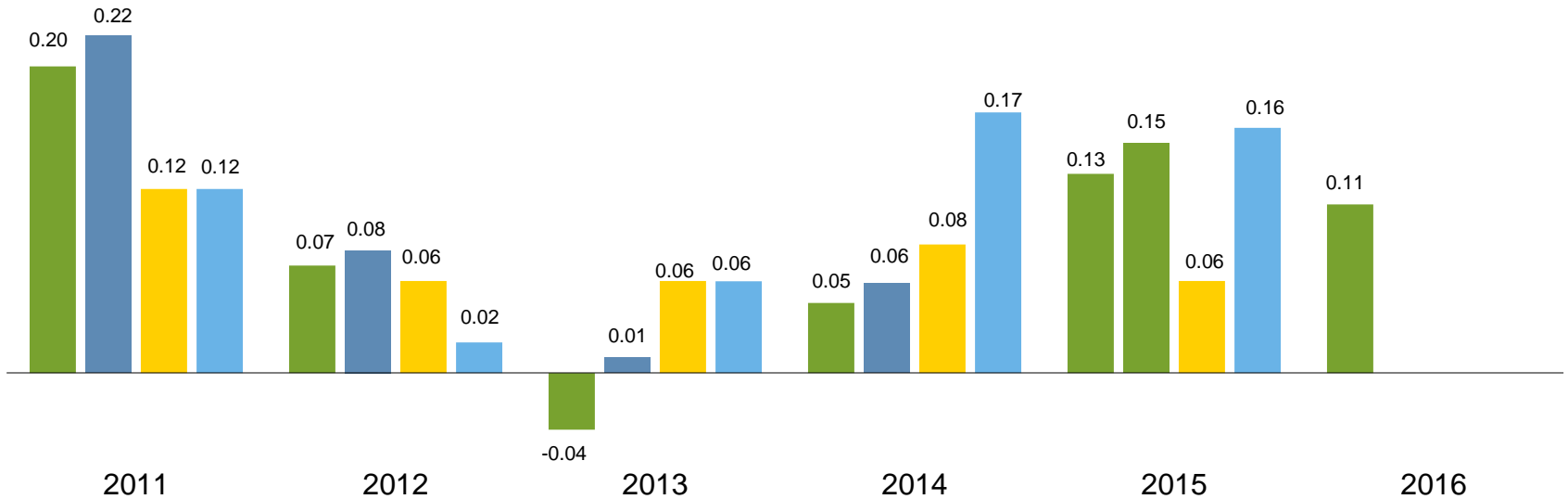
# Industrial volume development

Kilotons



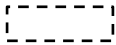
# Debt/equity ratio

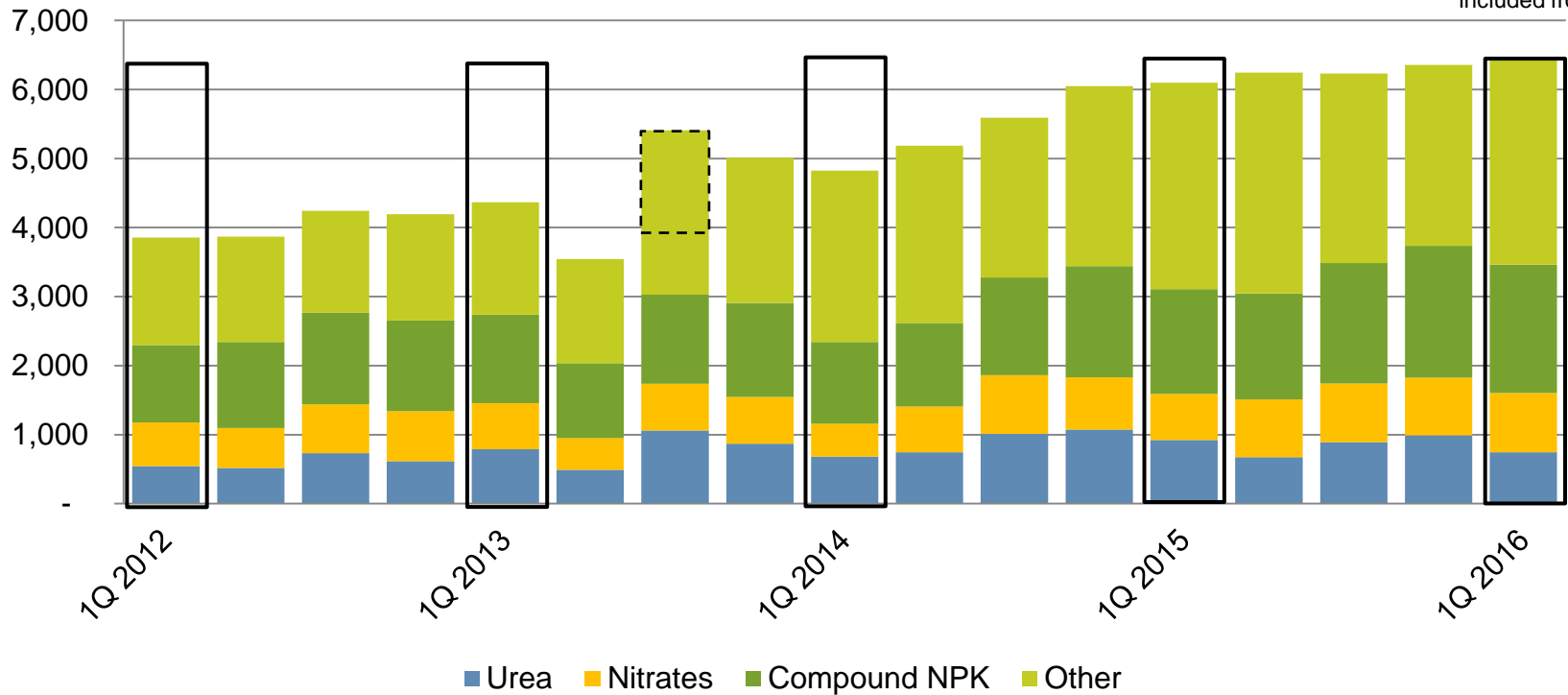
*Net interest-bearing debt / equity ratio (end of period)*



# Yara stocks

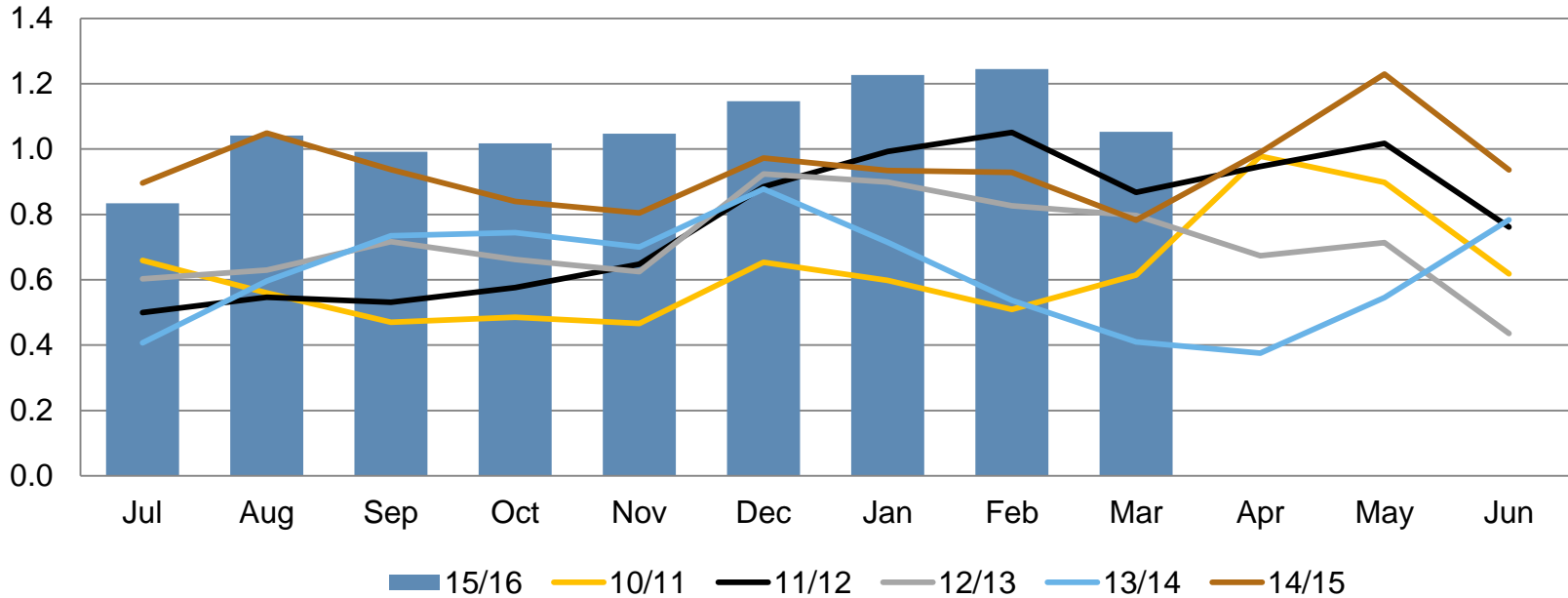
Kilotons  
Finished fertilizer

 Bunge Fertilizer included from 3Q 2013



# European producers' nitrate stocks

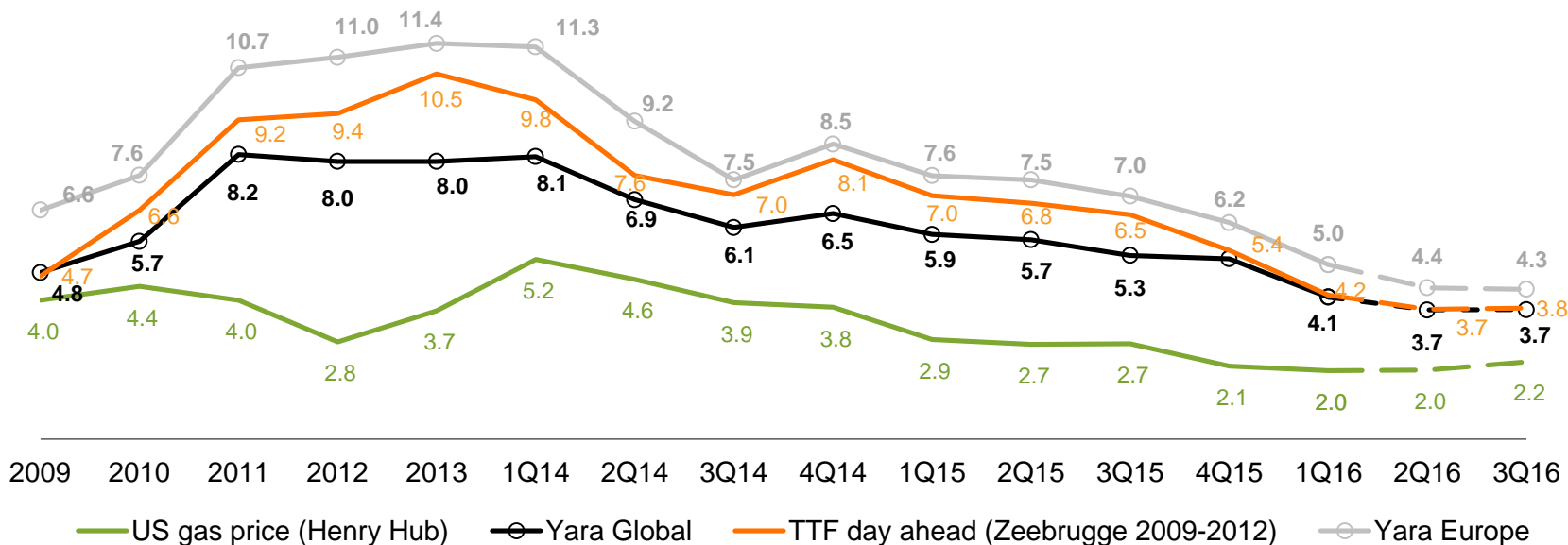
Index  
June 2007 = 1



Source: Fertilizers Europe, Yara estimate for March

# Energy cost

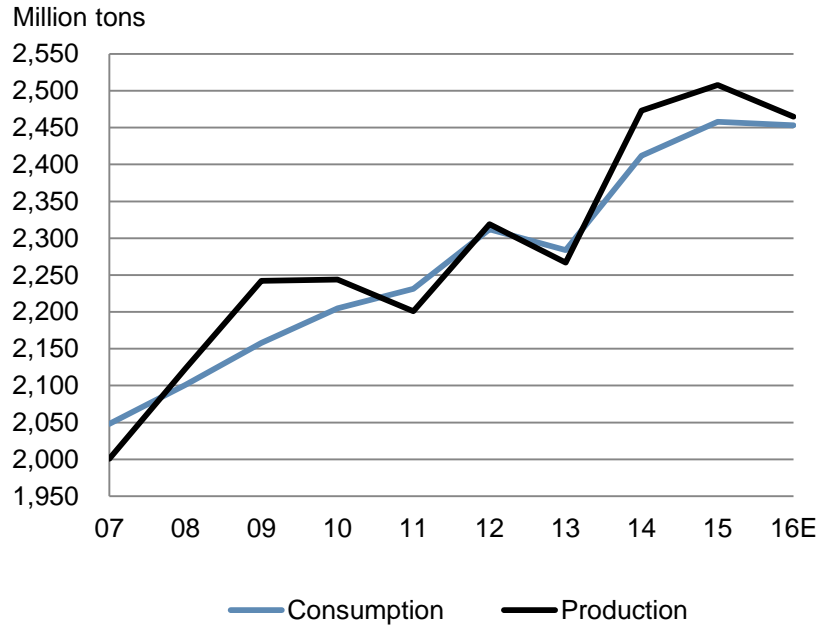
Yearly averages 2009 – 2013, quarterly averages for 2014-16 with forward prices\* for 2Q16 and 3Q16.



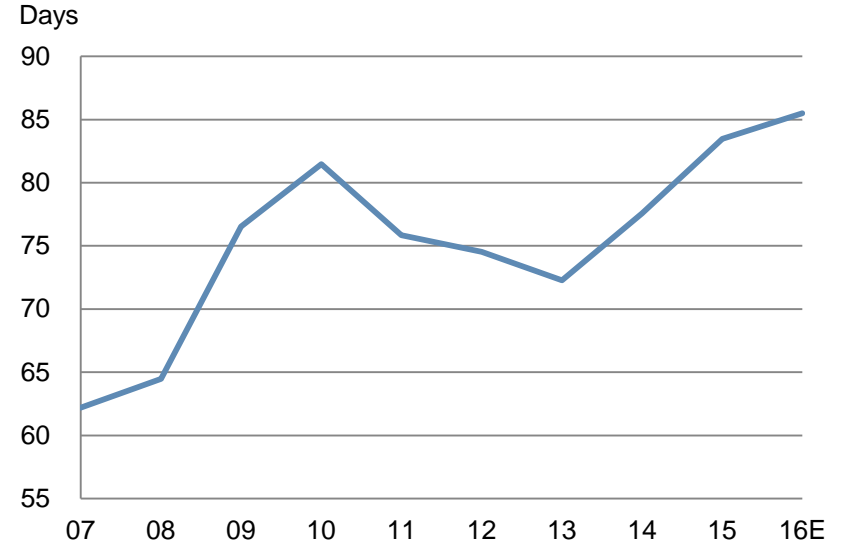
\*Dotted lines denote forward prices as of 12 April 2016  
 Source: Yara, World Bank, Argus/ICIS Heren

# Global grain balance

## Grain consumption and production



## Days of consumption in stocks

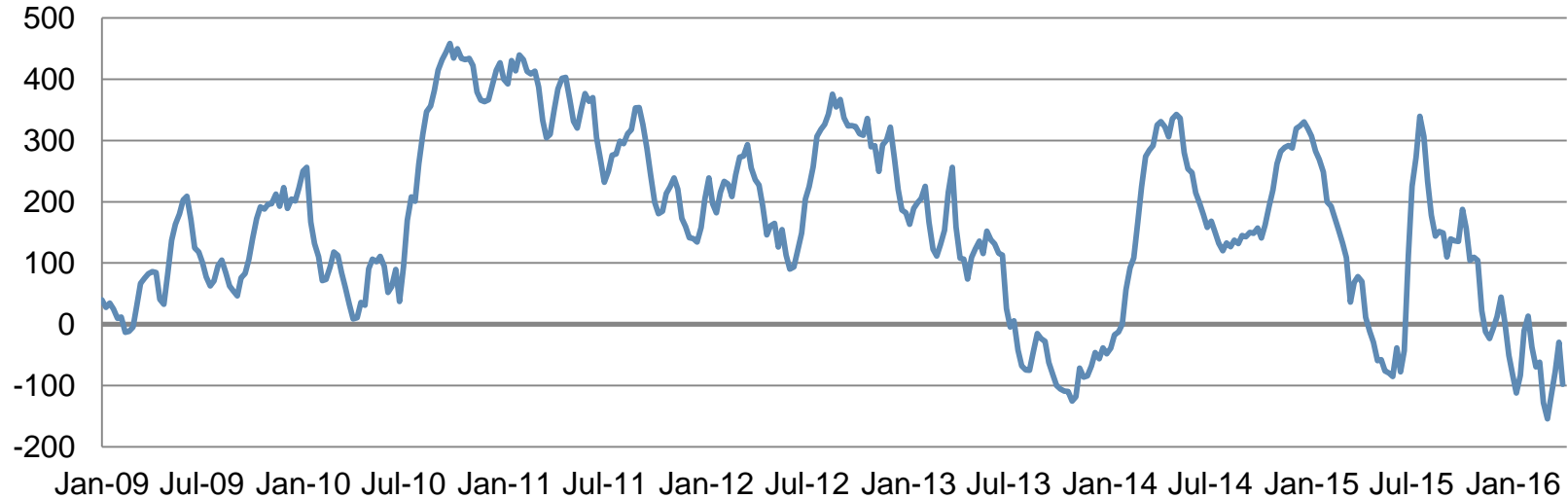


Source: USDA April 2016



# Non-commercials' net long position in corn

Thousand contracts

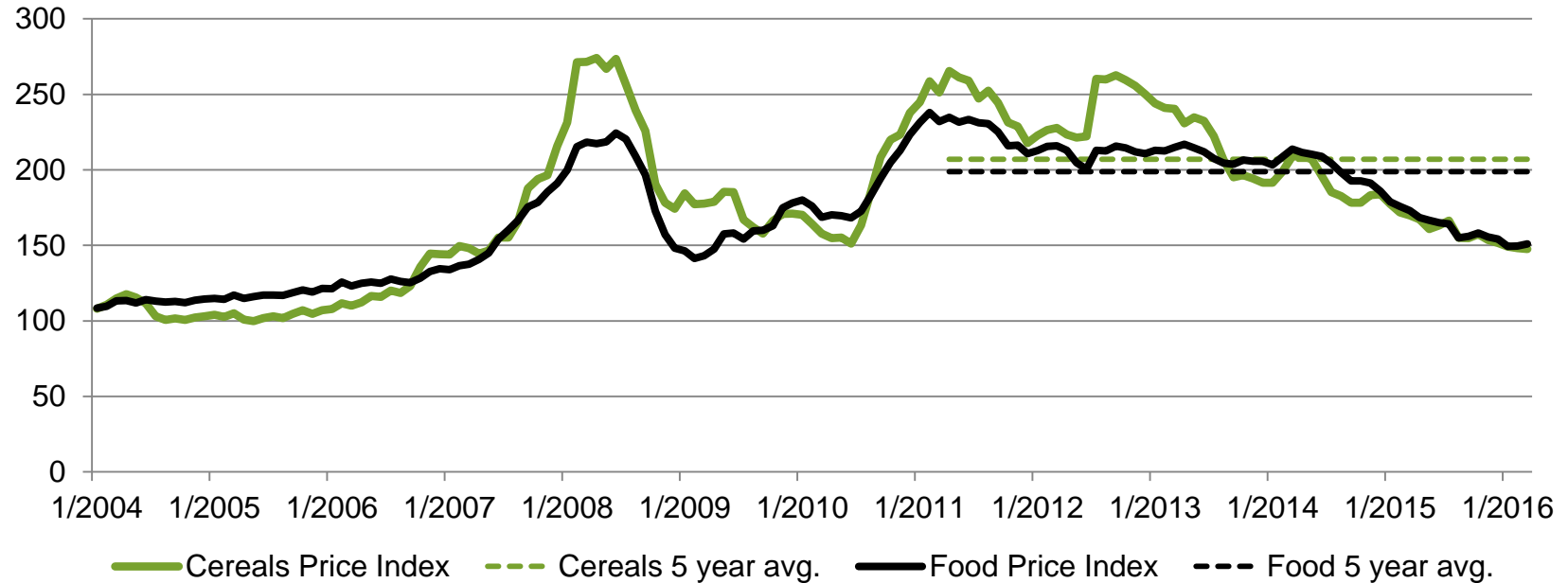


Source: US Commodity Futures Trading Commission

# Weaker farm economics in USD, affecting particularly P and K demand

*FAO price index*

**Index**



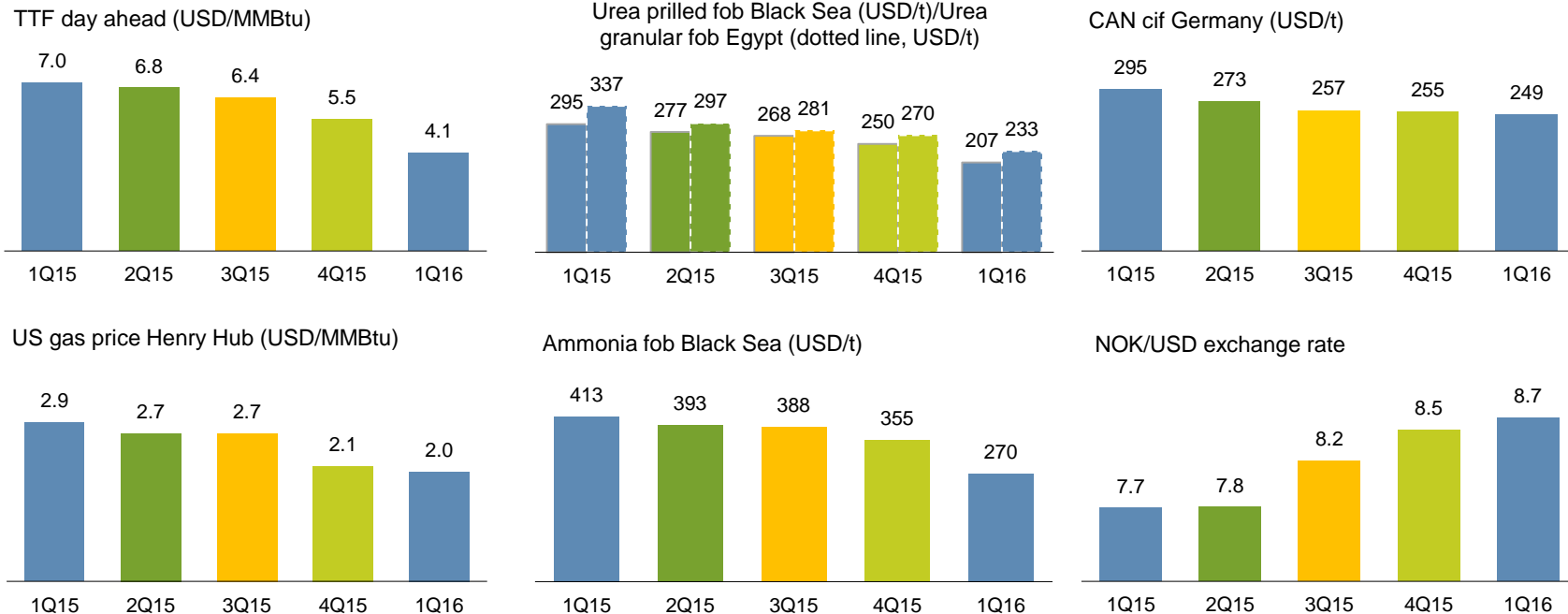
Source: FAO

# 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% (1.8%)
2016	USA 22% Algeria 15%	3.0% (3.1%)
2017	USA 33% Iran 15%	2.5% (2.3%)
2018	USA 34% Turkmenistan 19%	1.1% (1.5%)
2019	Nigeria 36% Russia 29%	1.2% (1.2%)
<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>

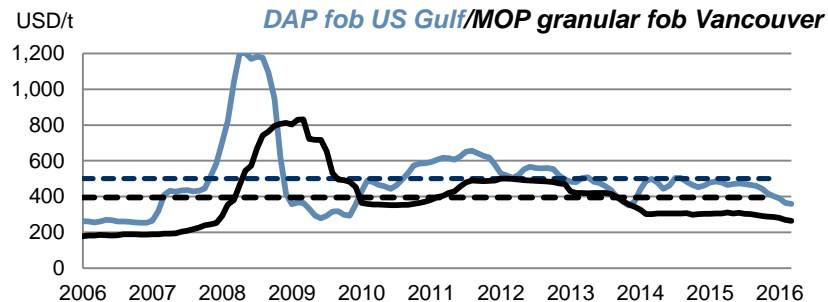
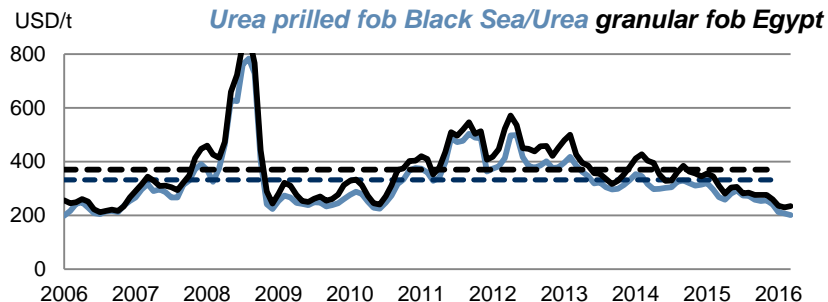
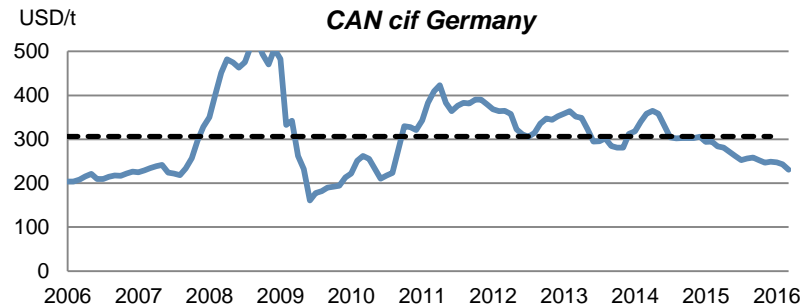
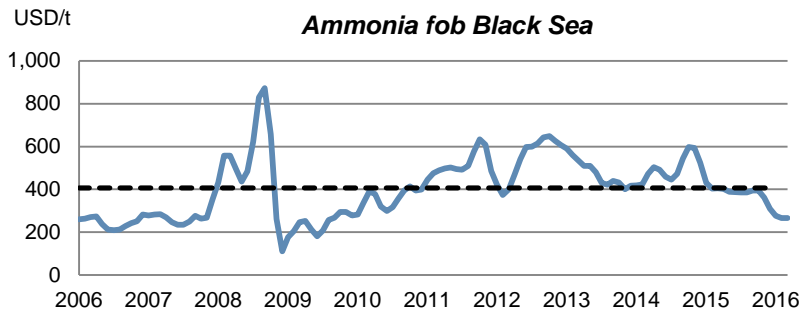
Source: CRU urea update March 2016 (December 2015 in brackets) . Consumption data source is IFA.

# Key value drivers – quarterly averages



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

# 10-year fertilizer prices – monthly averages



--- Average prices 2006 - 2015