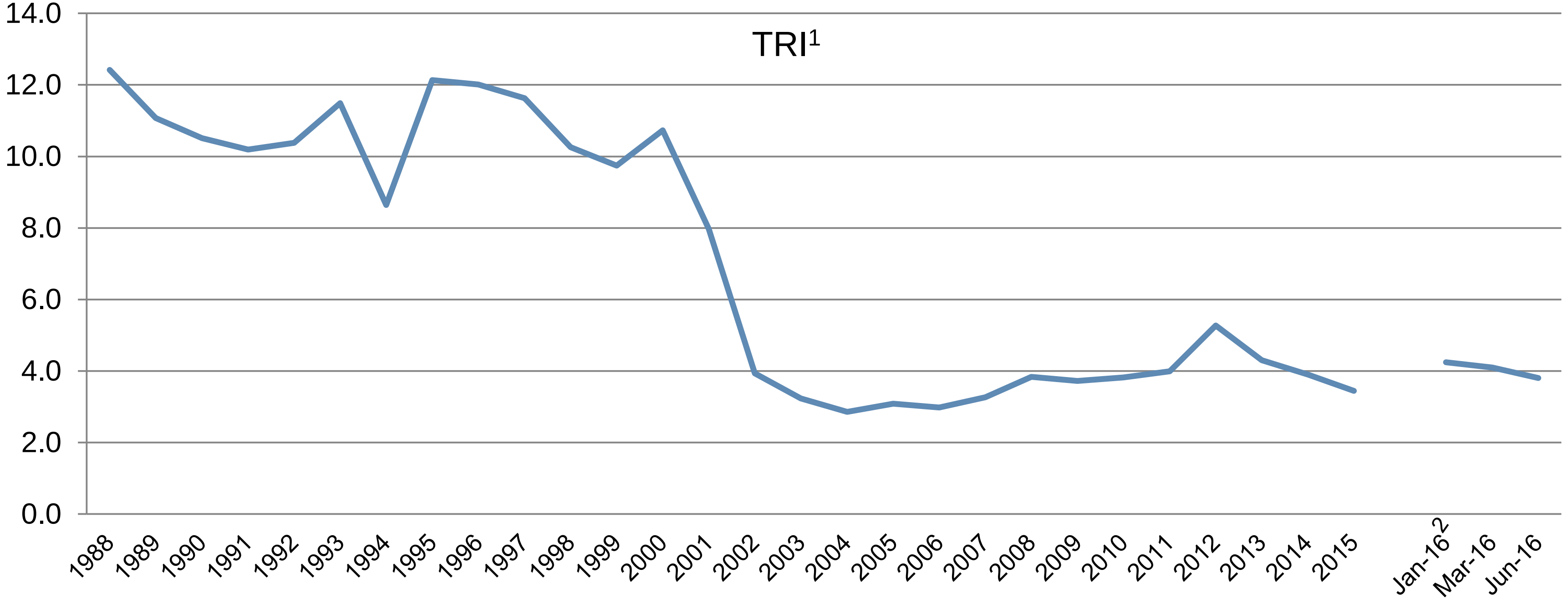
Knowledge grows

Yara International ASA 2016 second quarter results

21 July 2016

Safe operations is our first priority

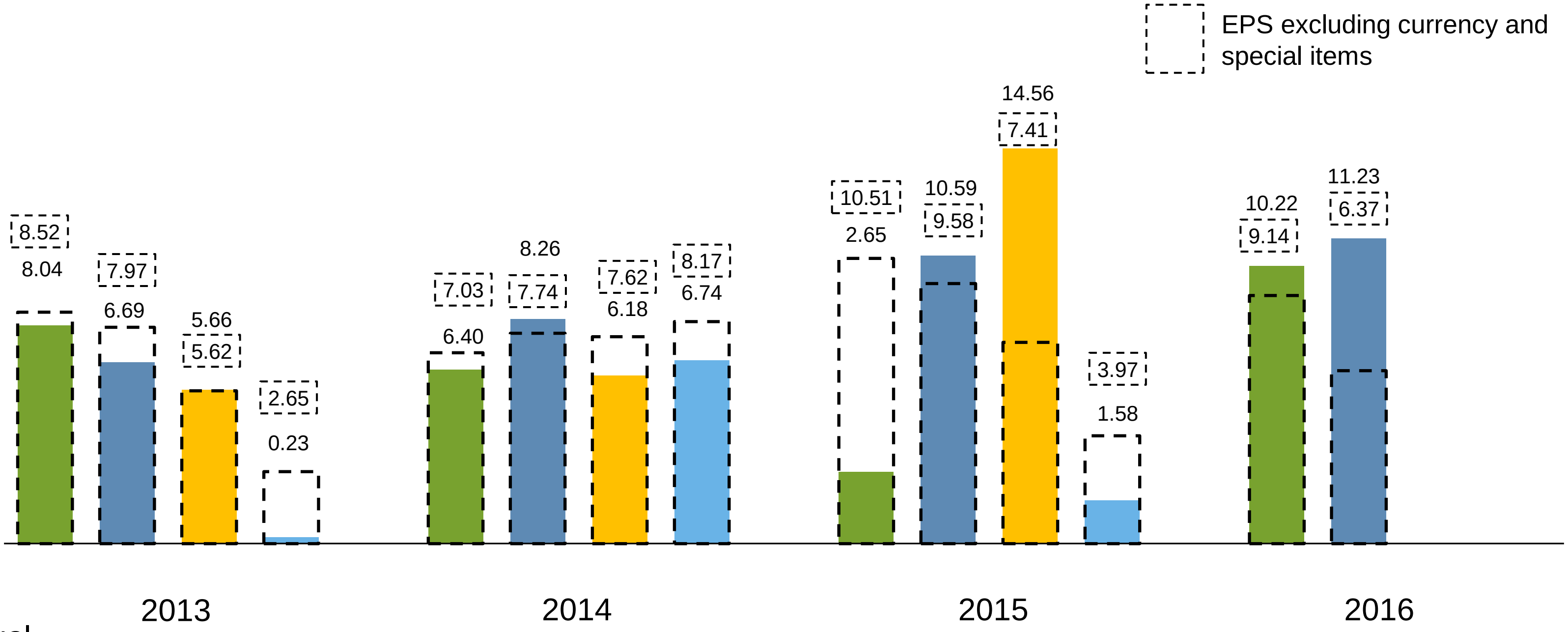


1) TRI: Total recordable injuries, lost time (absence from work), restricted work and medical treatment cases per one million work hours
2) OFD and Galvani included in statistics from January 2016

Summary second quarter

- Results impacted by lower fertilizer prices
- Positive impact from lower energy prices and stronger US dollar
- Deliveries of Yara-produced fertilizer up 8%
- Continued strong production performance, especially ammonia
- Gain of NOK 1.6 billion from sale of CO_2 business
- Improvement program: at least USD 500 million identified

Earnings per share*



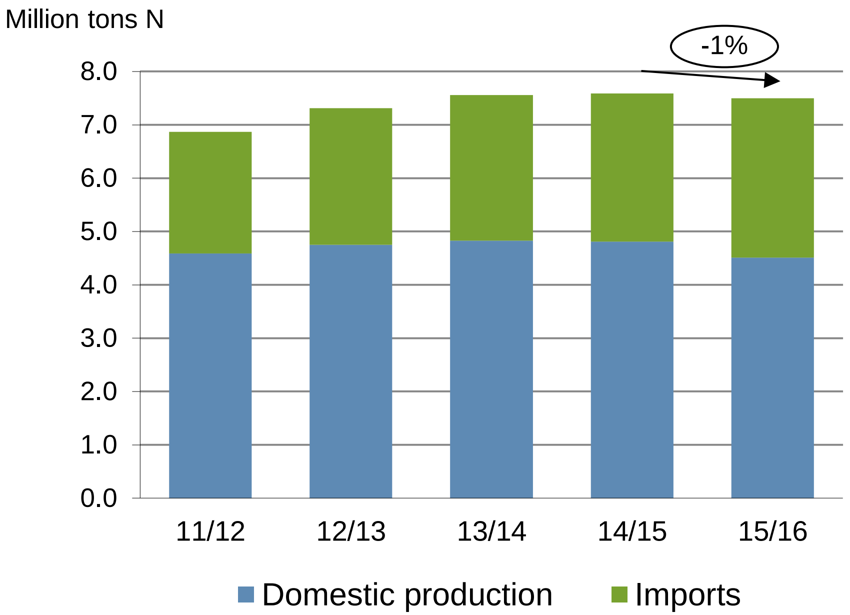
Annual

NOK	20.67	27.59	29.38	21.45

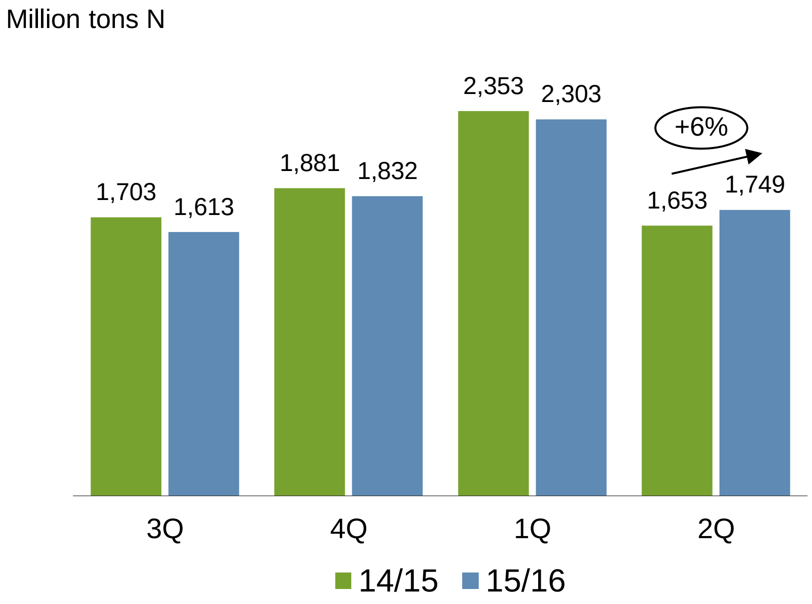
*Average number of shares for 2Q 2016: 273.5 million (2Q 2015: 275.3 million).

2Q catch-up in European fertilizer industry deliveries; full season in line with a year earlier

Full-season deliveries (12m ending 30 Jun)



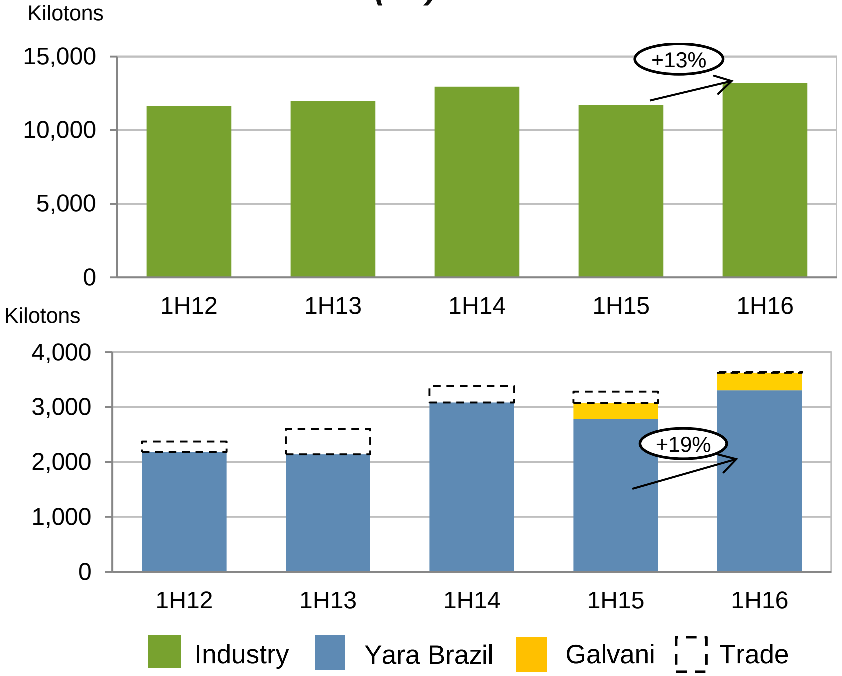
Quarterly deliveries



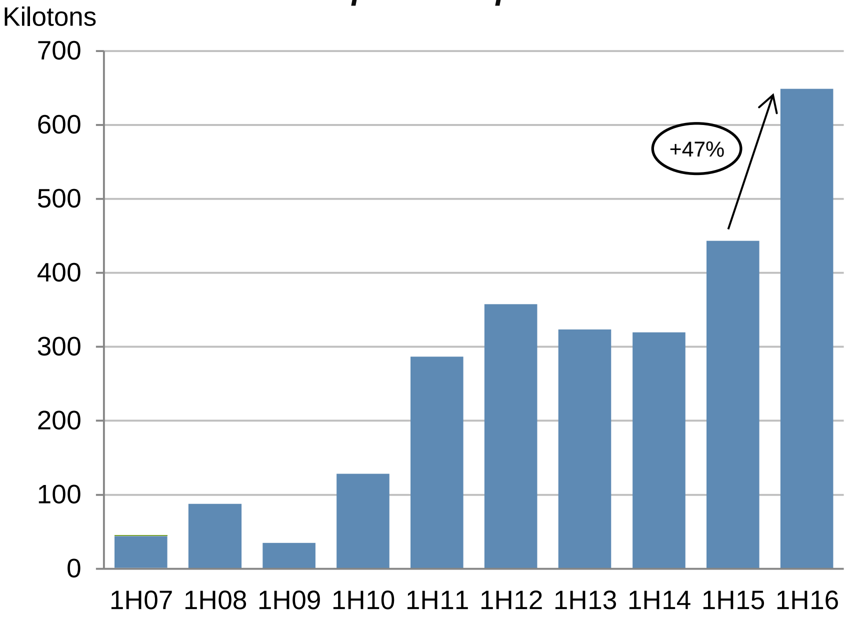
Source: Yara estimate for fertilizer deliveries to selected West European countries.

Brazil: 1H industry deliveries up 13%, Yara up 19%

Season-to-date (1H) fertilizer deliveries



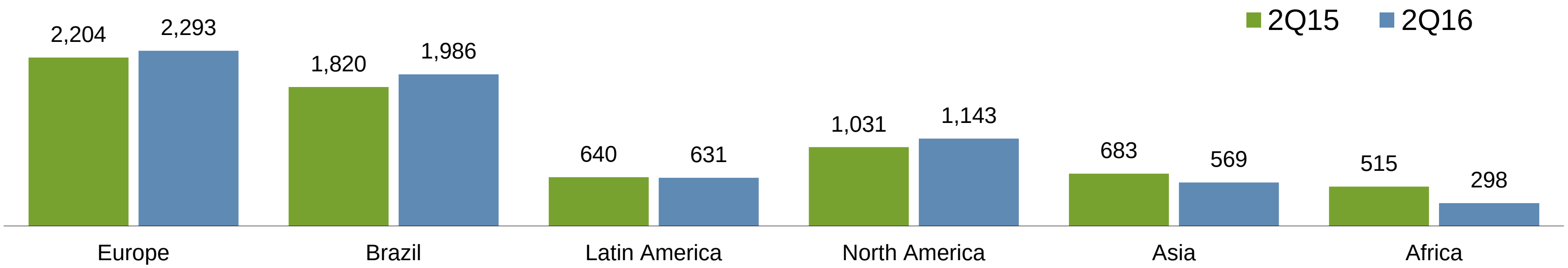
Season-to-date premium product deliveries

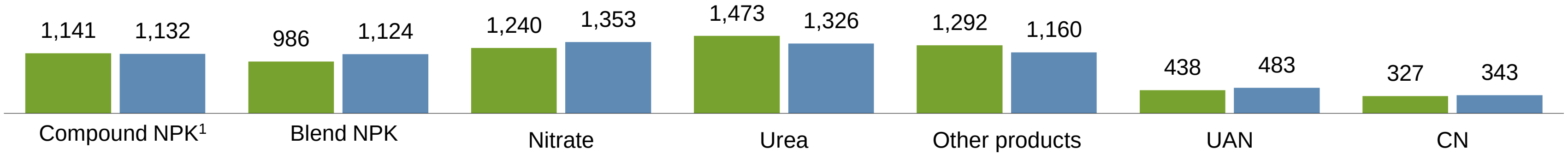


Source: ANDA, Yara

Yara 2Q fertilizer sales by market and product

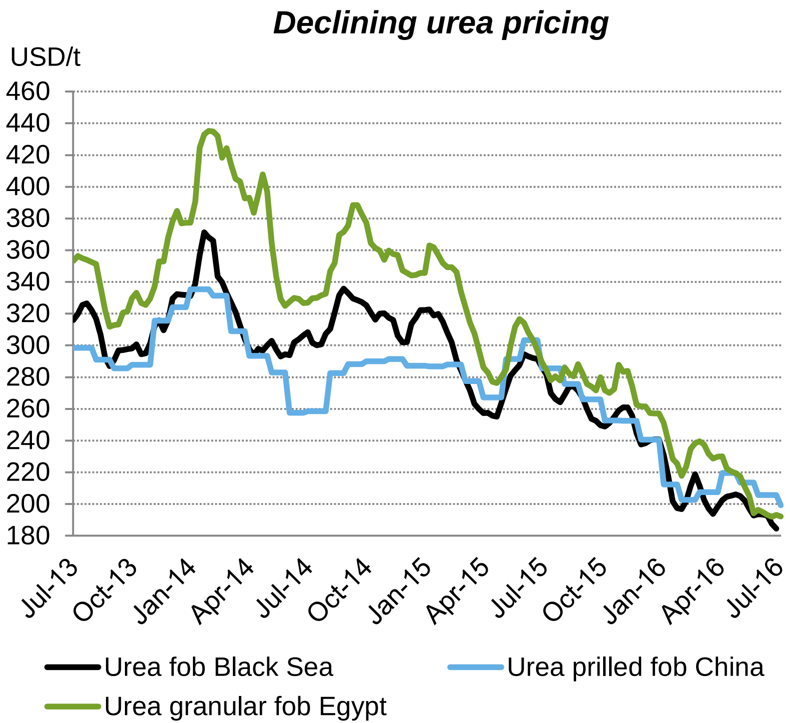
Kilotons

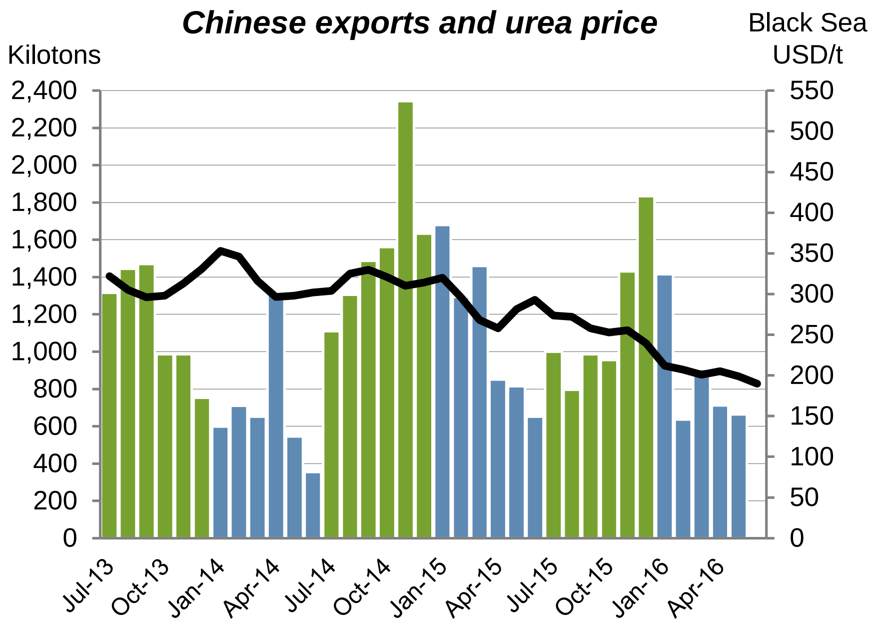




1) Yara-produced compound NPK and third party sourced (Total NPK minus blend NPK)

Reduced exports from China amid lower prices…

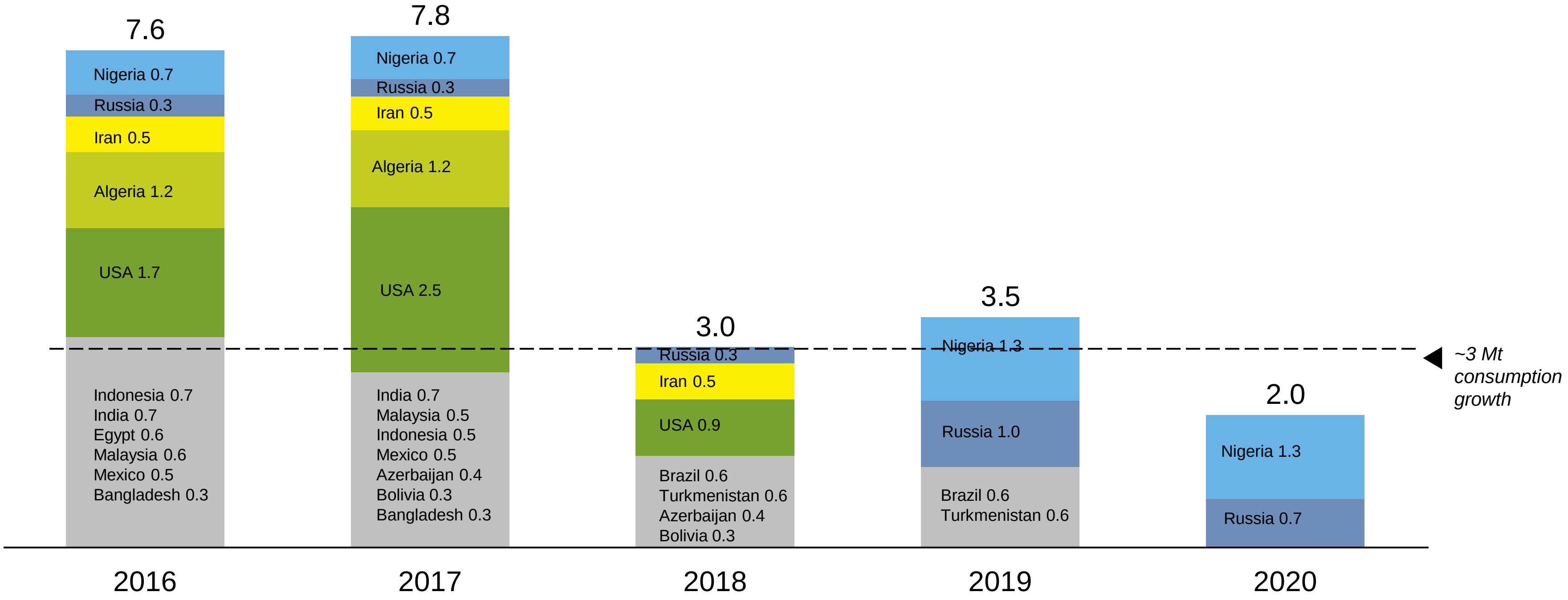




Source: BOABC, CFMW

…and increased production elsewhere

Gross capacity additions, excl. China
(mill. tonnes urea[1])



Source: CRU, gross capacities, June 2016
1) Using 50% operating rate in new plants' first year of production

Yara Improvement Program will deliver cost and revenue improvements throughout the organization

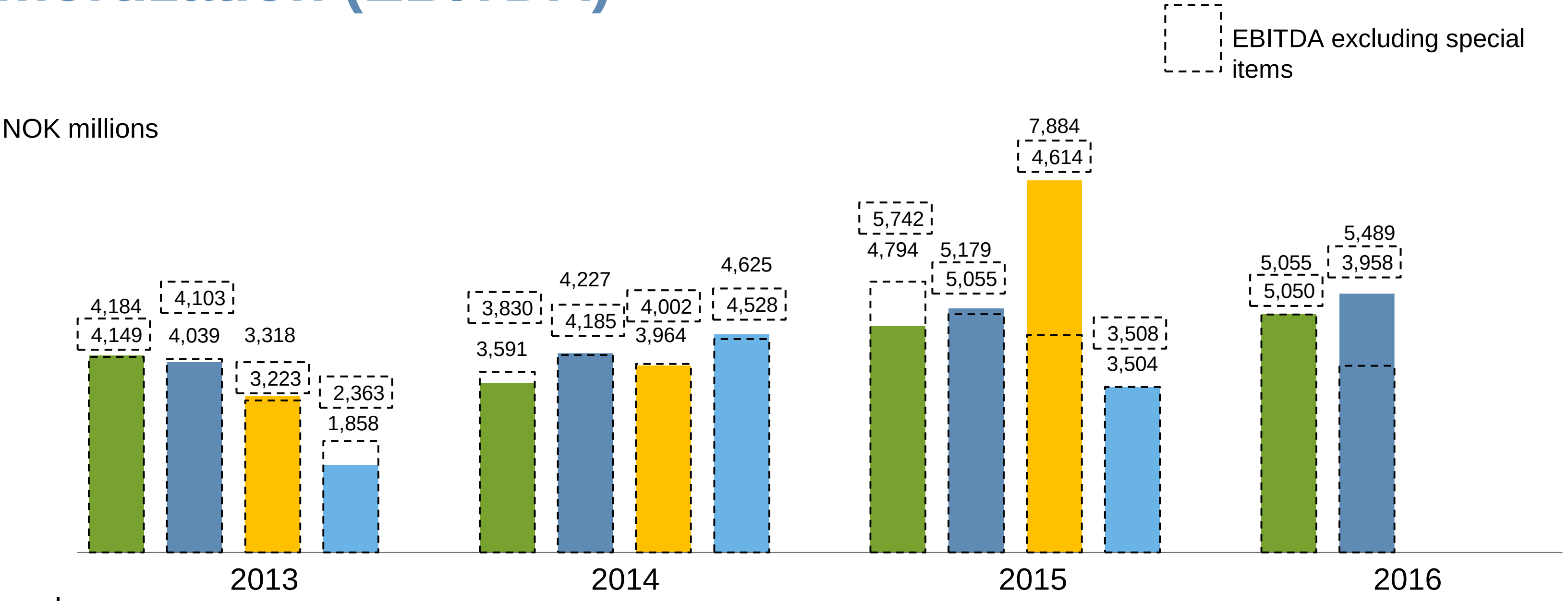
Overview of main initiatives

Production	Commercial	Supply Chain/Other
Plant productivity improvement and portfolio optimization	Crop roadmap implementation Sales excellence Small site productivity improvement Brazil post integration improvement program	Supply Chain transformation IT optimization Procurement excellence Expert Functions optimization

The program is expected to deliver at least USD 500 million EBITDA improvement by 2020

Note: Size of boxes does not indicate relative EBITDA potential from initiatives

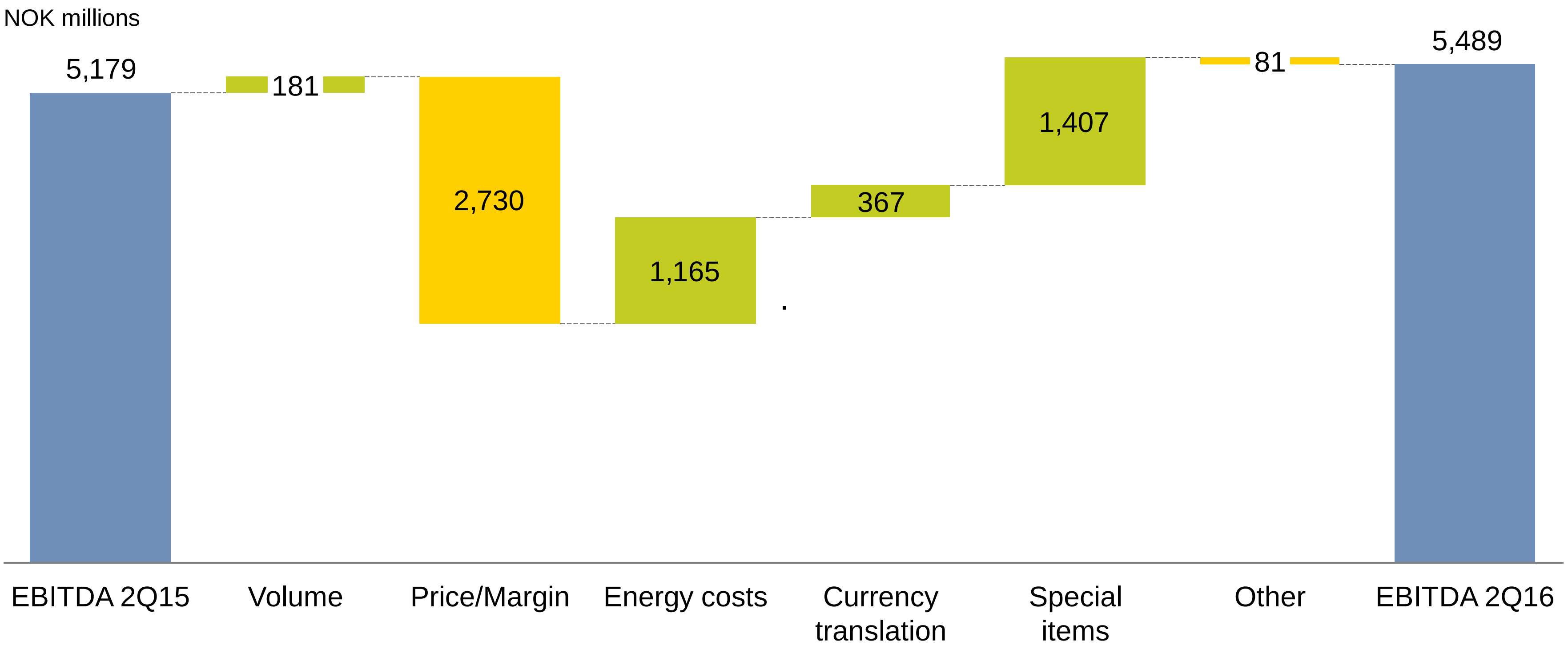
Earnings before interest, tax, depreciation and amortization (EBITDA)



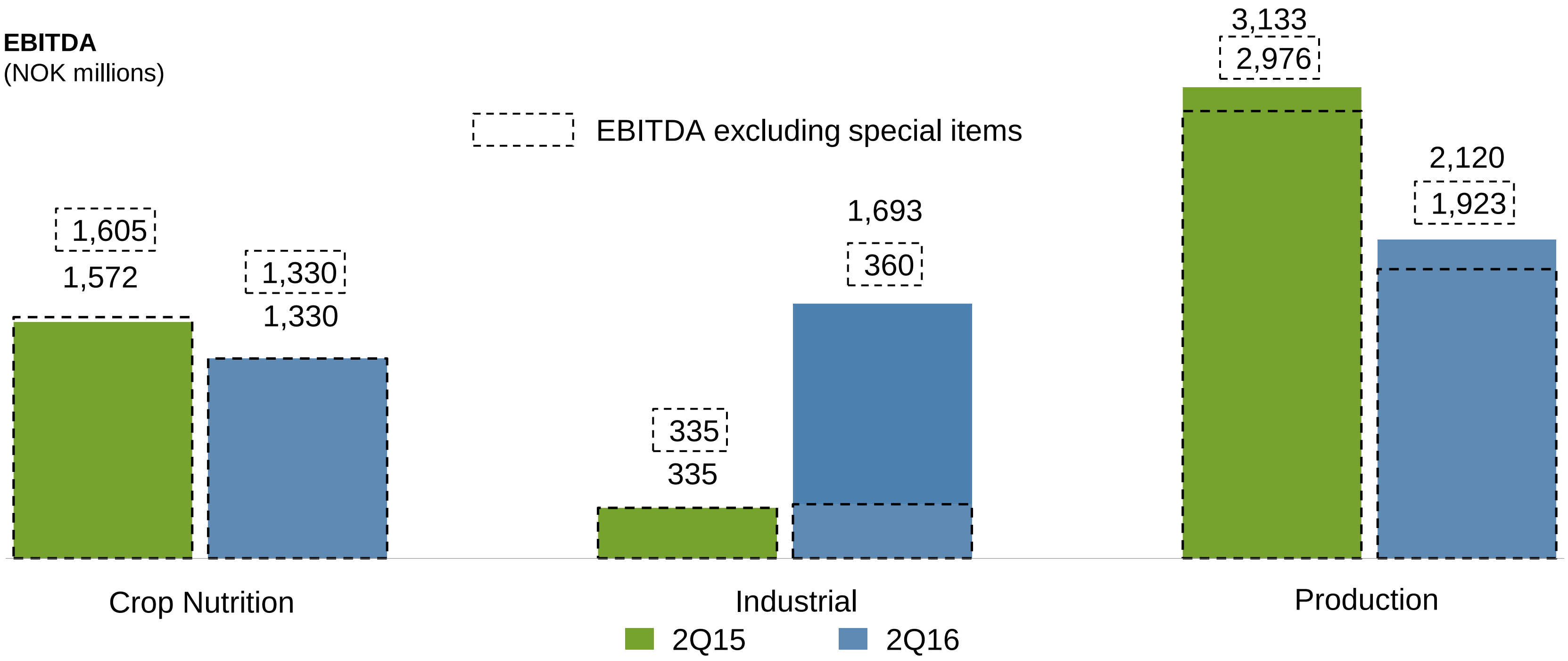
Annual

NOK millions	13,399	16,407	21,361	10,544

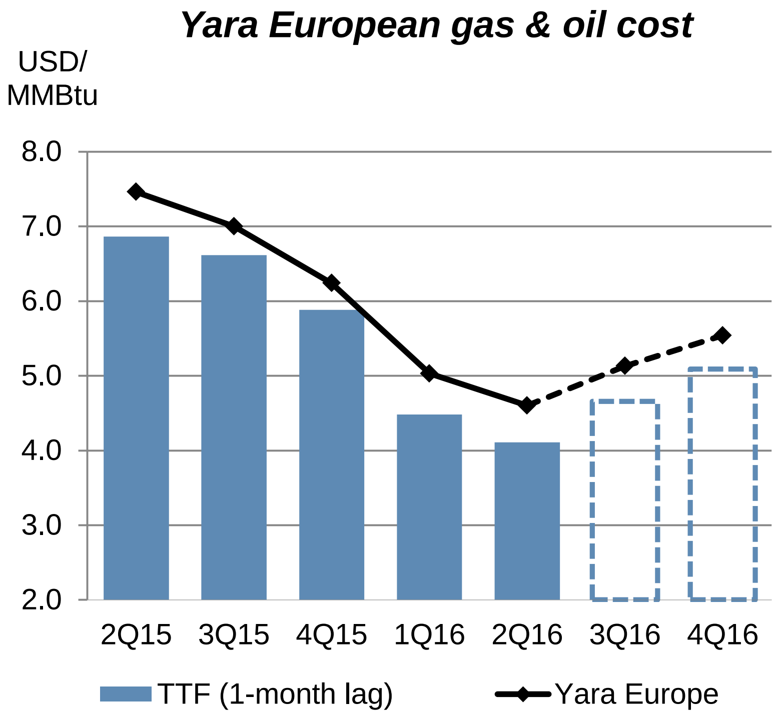
EBITDA development

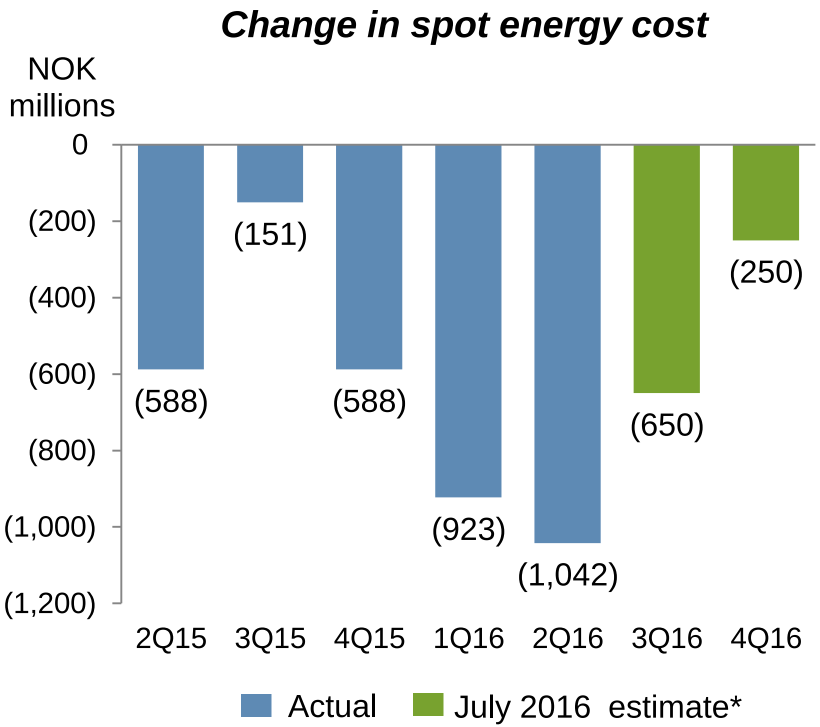


Lower prices mainly impact Production segment



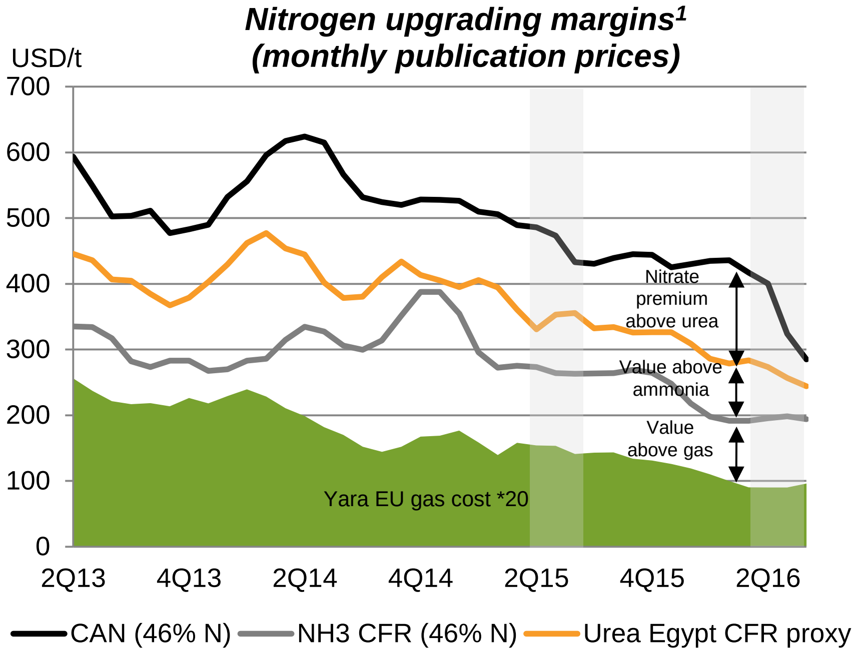
Lower natural gas cost in Europe



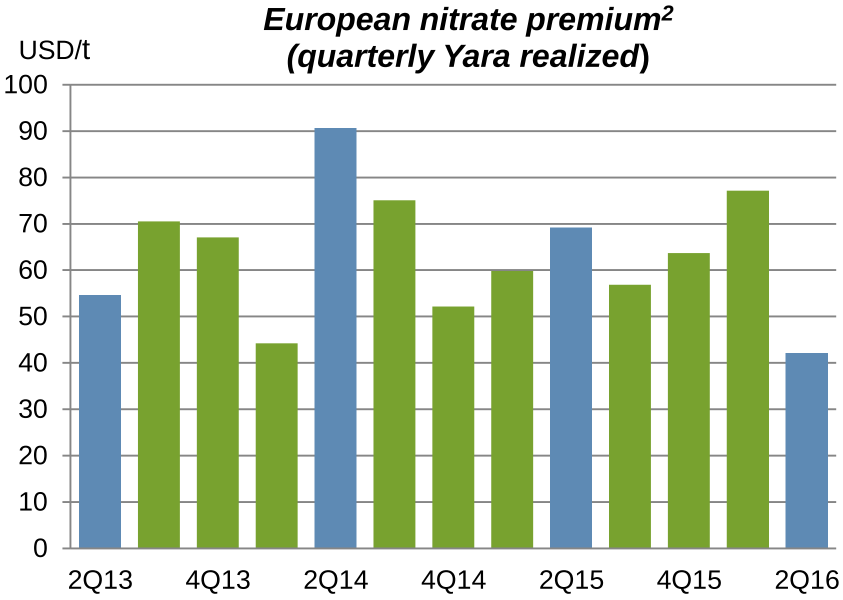


*Dotted lines denote forward prices as of 12 July 2016
Source: Yara, World Bank, Argus/ICIS Heren

Lower European nitrate premiums at end of season



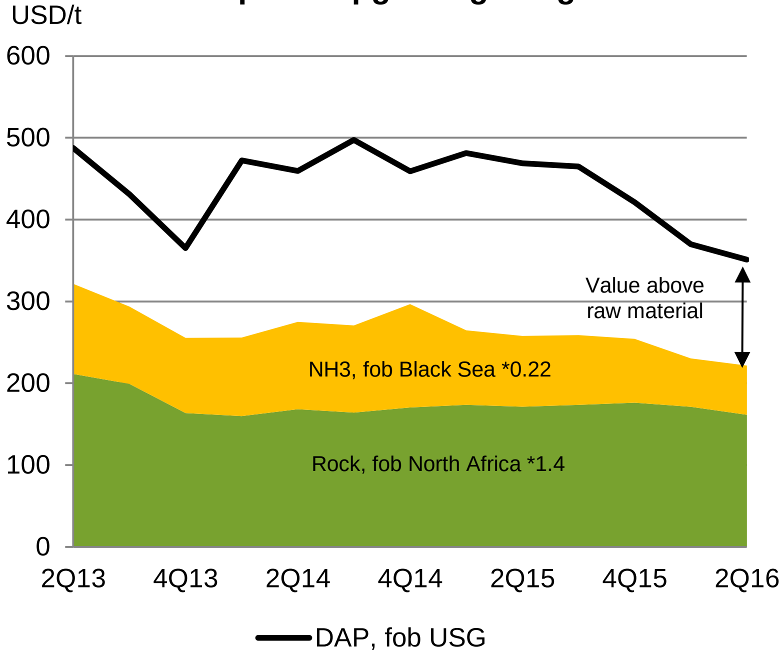
1) All prices in urea equivalents



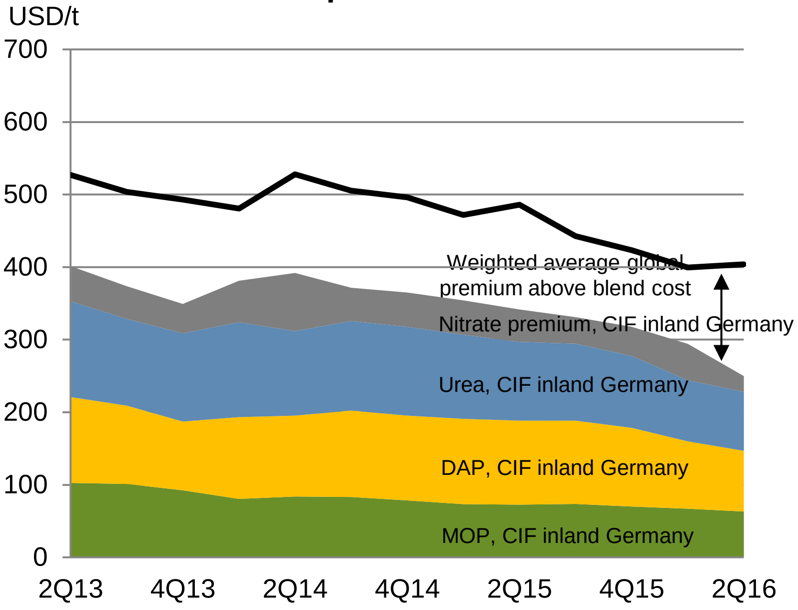
2) Yara European realized nitrate prices (excl. sulphur grades) compared with urea publication prices (Egypt CFR proxy) with 1 month time lag. All numbers in USD per tonne of CAN equivalents.

Lower commodity phosphate margins, solid compound NPK premiums

Phosphate upgrading margins



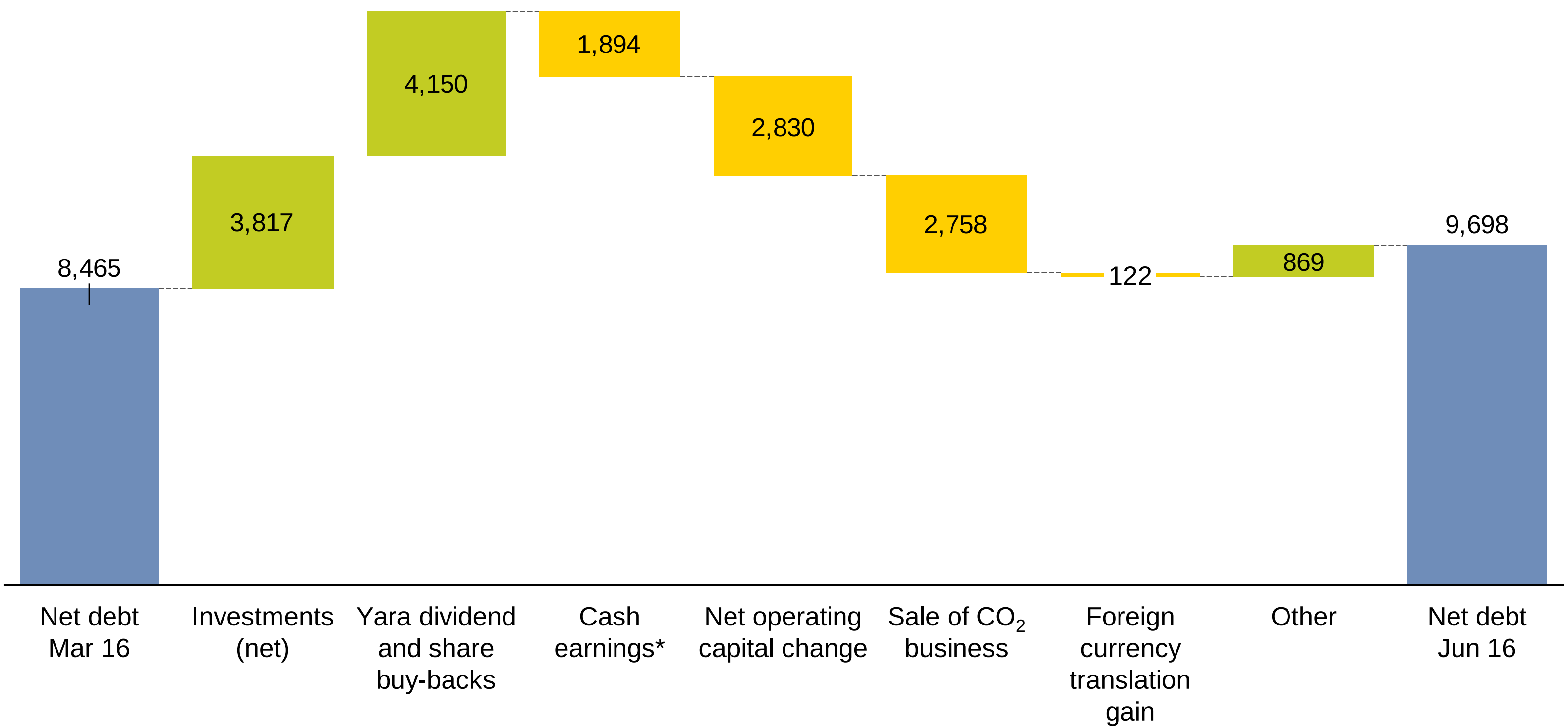
NPK premium over blend[1]



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

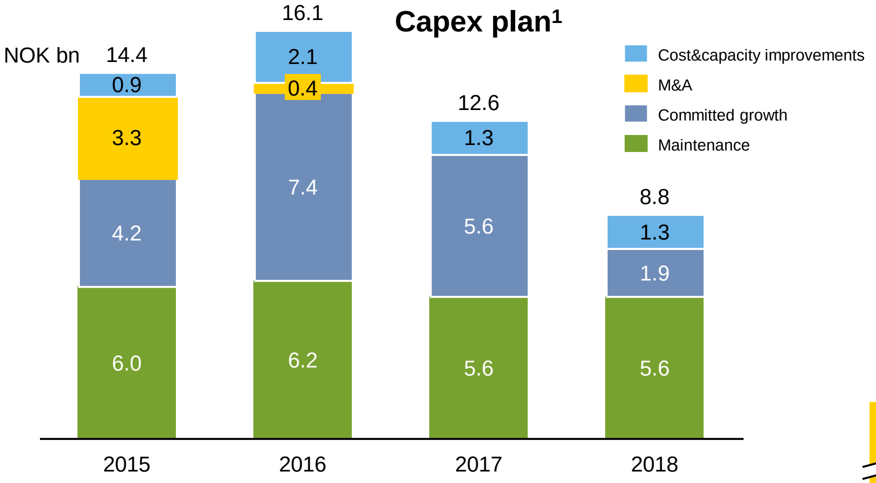
Prospects

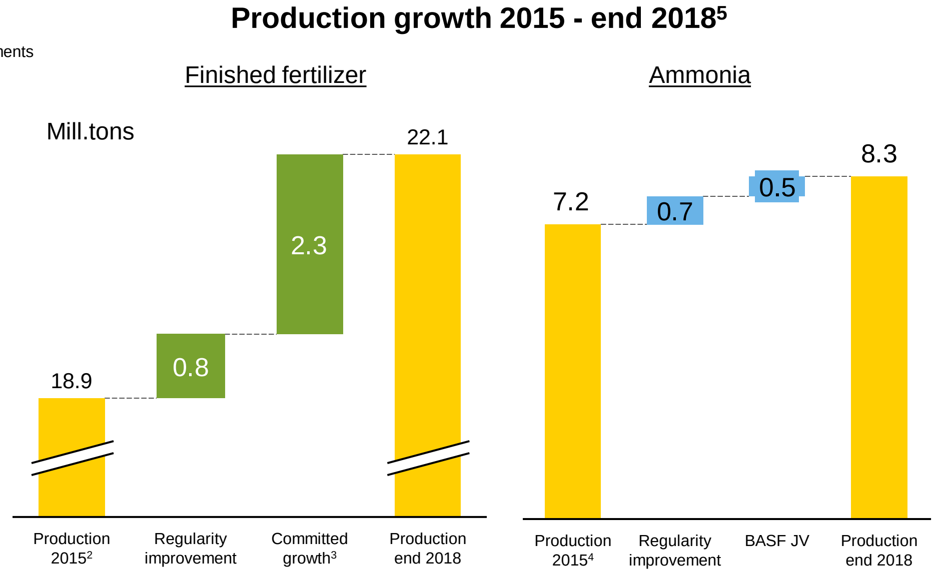
- Supportive farm margin outlook overall, with lower input prices
- On-going production increases elsewhere displacing Chinese exports
- Improved pre-buying incentives in Europe; strong Yara order book
- Continued demand growth in Brazil, but P&K demand in other regions impacted by lower crop prices
- NOK ~900 million reduction in Yara's spot-priced gas cost for next 2 quarters

Knowledge grows

Additional information

Strong growth pipeline





Committed growth (NOK bn):

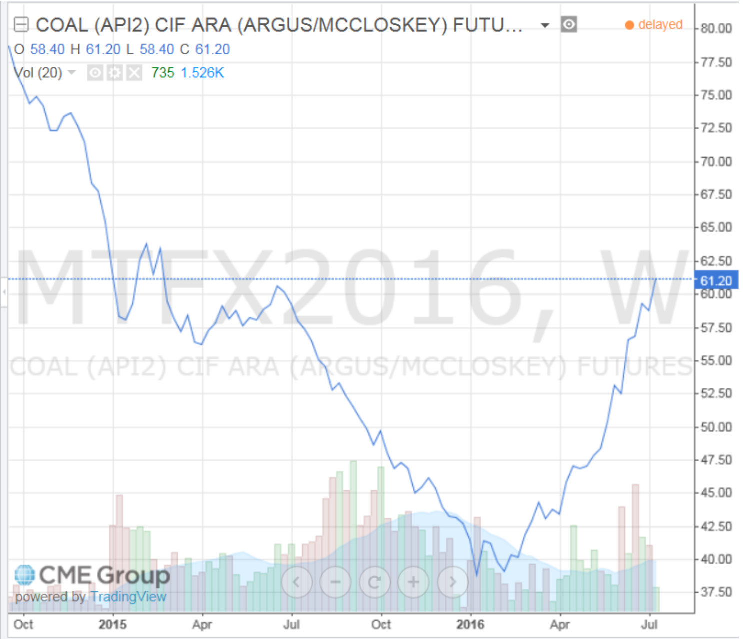
BASF JV	1.0	1.9	0.7	
Pilbara TAN	0.5	0.4		
Porsgrunn	0.5	1.1	0.4	
Köping	0.3	0.7	0.5	
Sluiskil	0.1	0.8	0.8	
Uusikapunki	0.3	0.2		
Galvani (Salitre)	1.0	0.6	1.7	0.7
Ammonia vessels	0.2	1.5		
Rio Grande		0.2	1.5	1.1
Other projects	0.3	0.1		
Total	**4.2**	**7.4**	**5.6**	**1.9**

1) Yara's share of capex

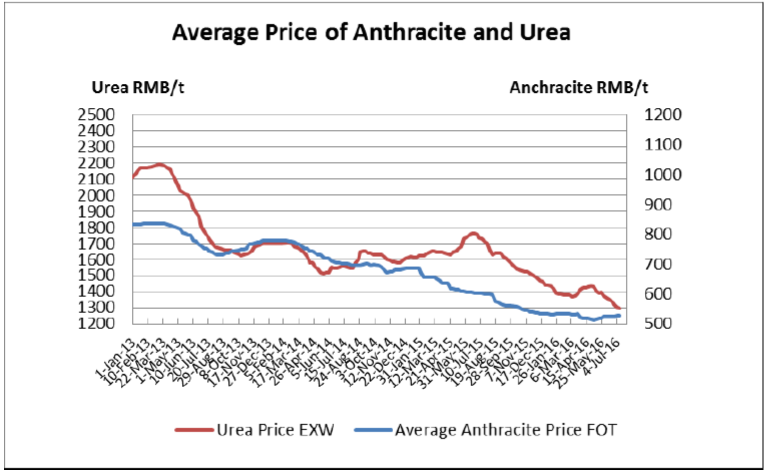
2) Finished fertilizer and industrial products, excl. bulk blends. Including Yara share of production in JVs. 2015 numbers excl. Growhow UK (~300 kt)
3) Committed projects only. TAN Pilbara: 160 kt, Porsgrunn: 250kt, Glomfjord: 185kt, Uusikapunki: 250kt, Köping: 90kt, Sluiskil: net 160kt, Galvani (Salitre - 60% of ~ 2 mill.tons)
4) Excl. Growhow UK (~200 kt). Including 100% ownership in Pilbara NH_3 plant
5) Rio Grande expansion ads 0.5 million tons SSP and 1 million ton blends by 2020

Increasing coal prices

CIF ARA[1] November 2016 ($/mt)

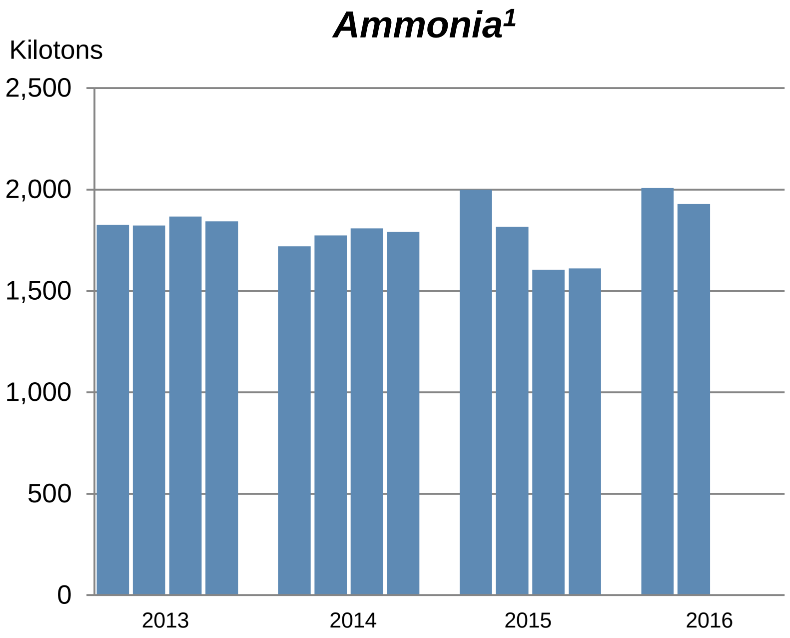


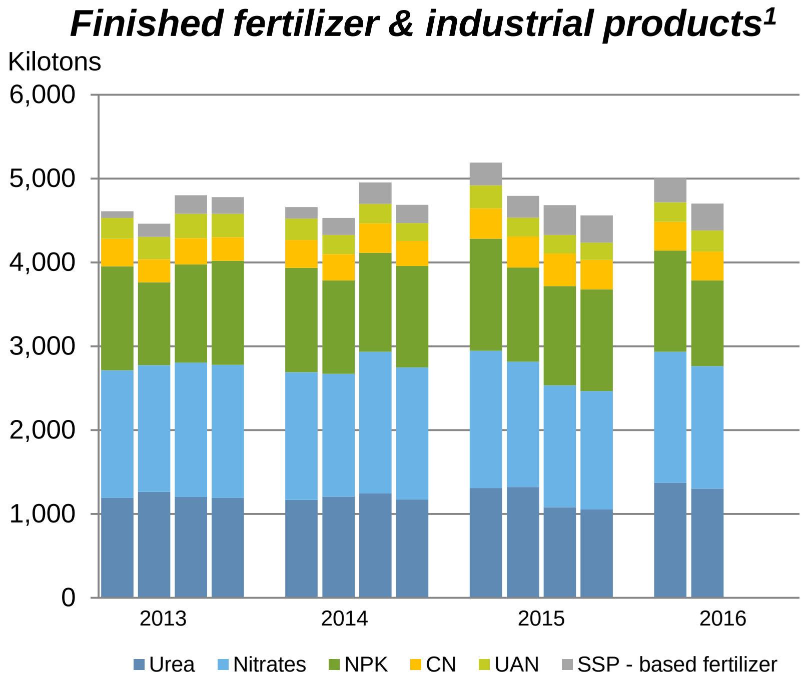
CFMW Anthracite prices July 2016 (RMB/mt)



1) Amsterdam, Rotterdam, Antwerp

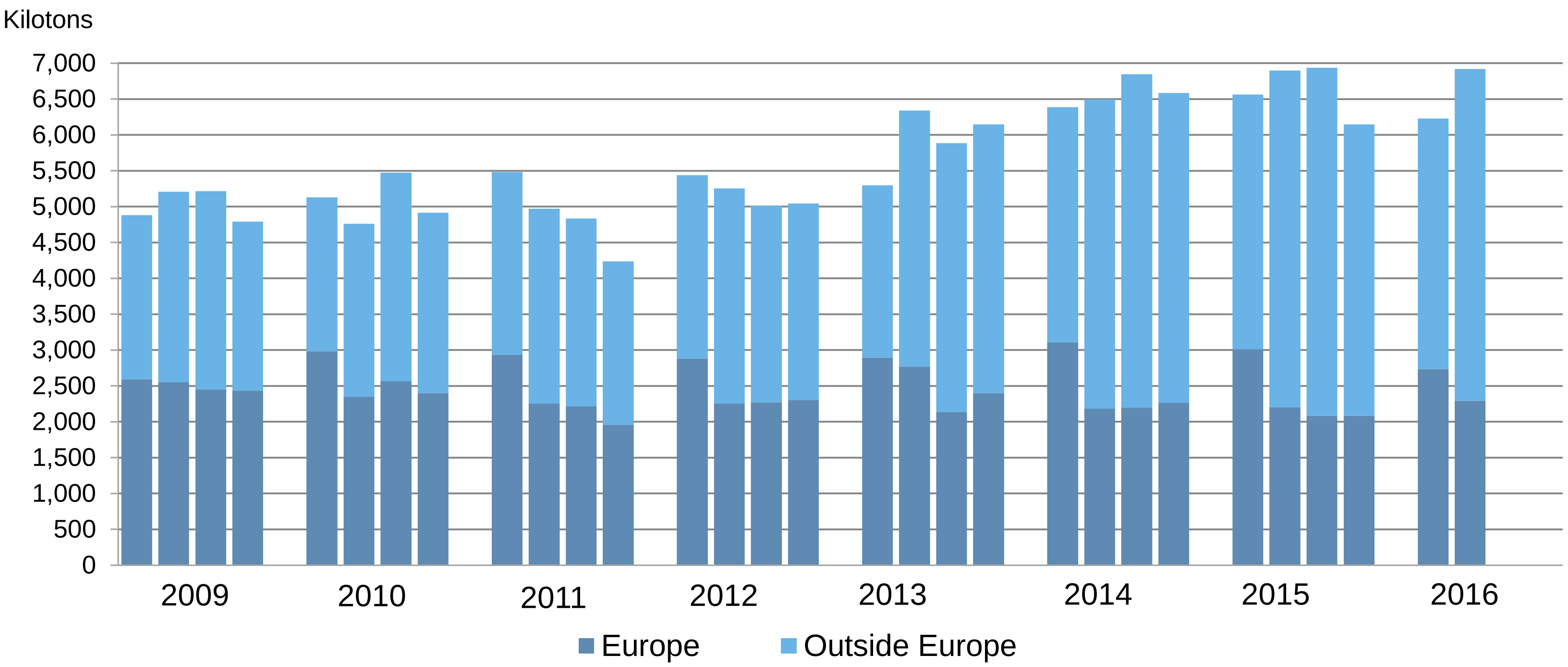
Continued strong production performance



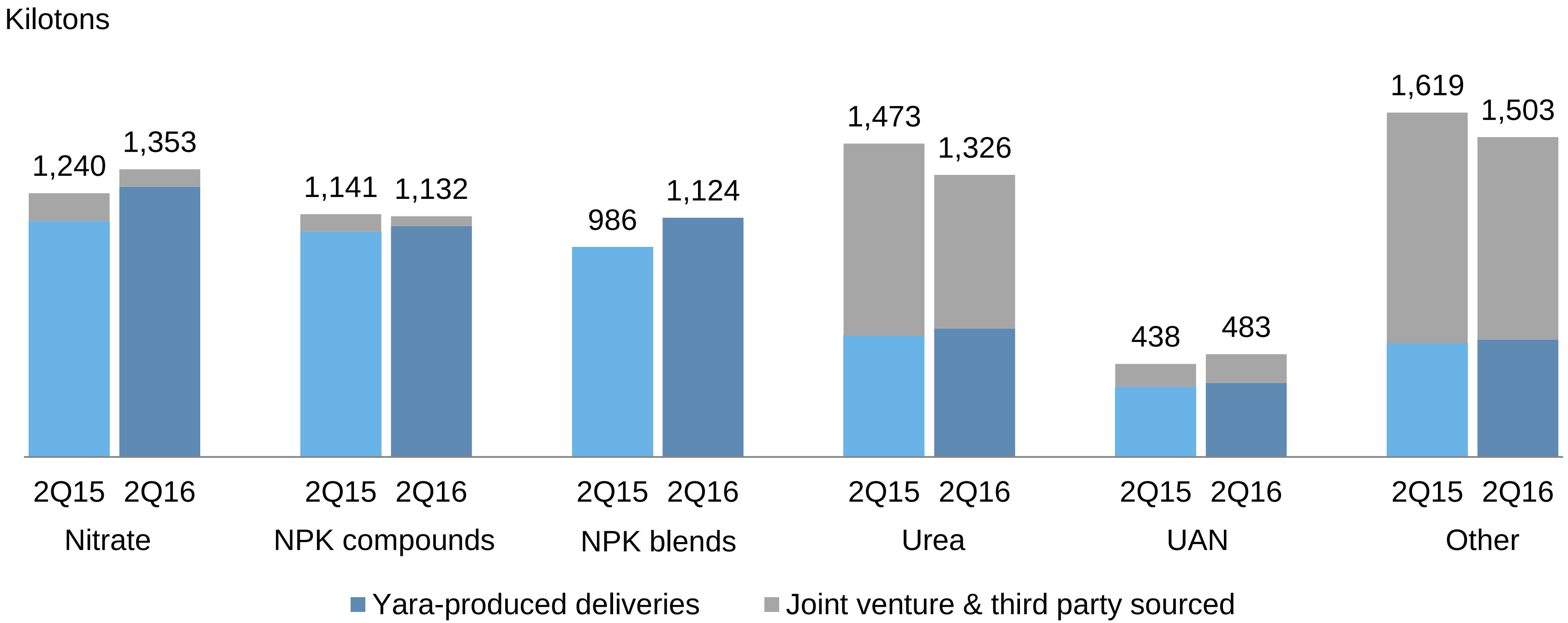


1) Including share of equity-accounted investees

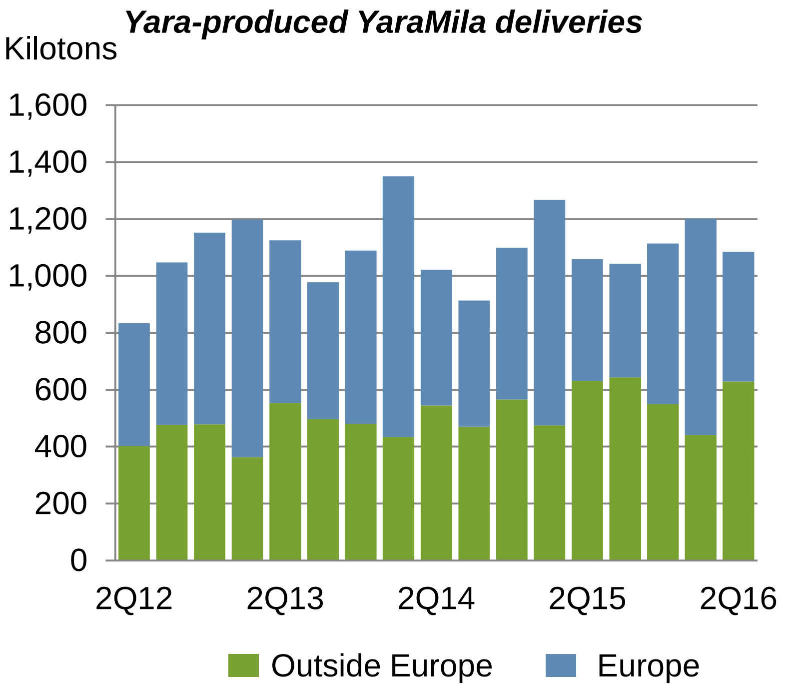
Fertilizer deliveries

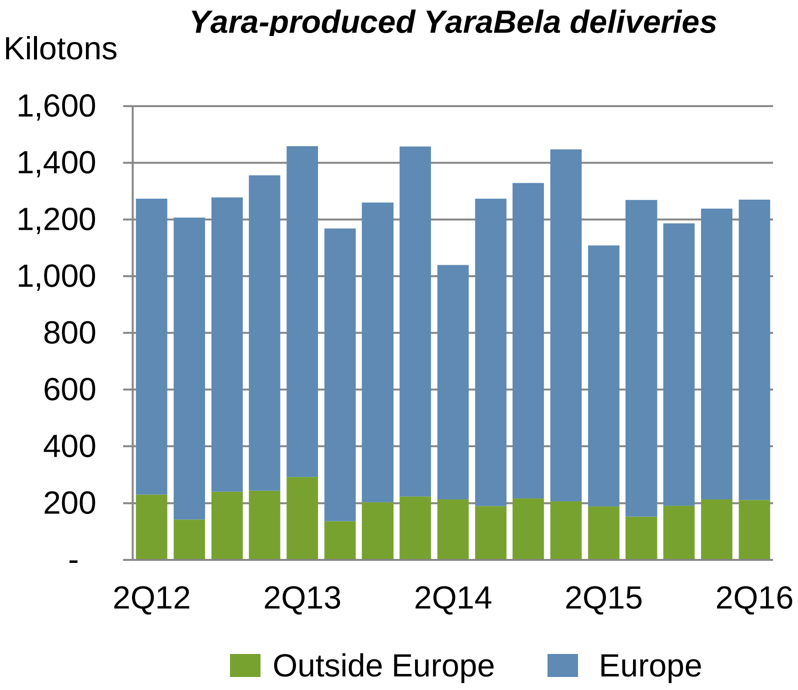


Fertilizer deliveries by product and source

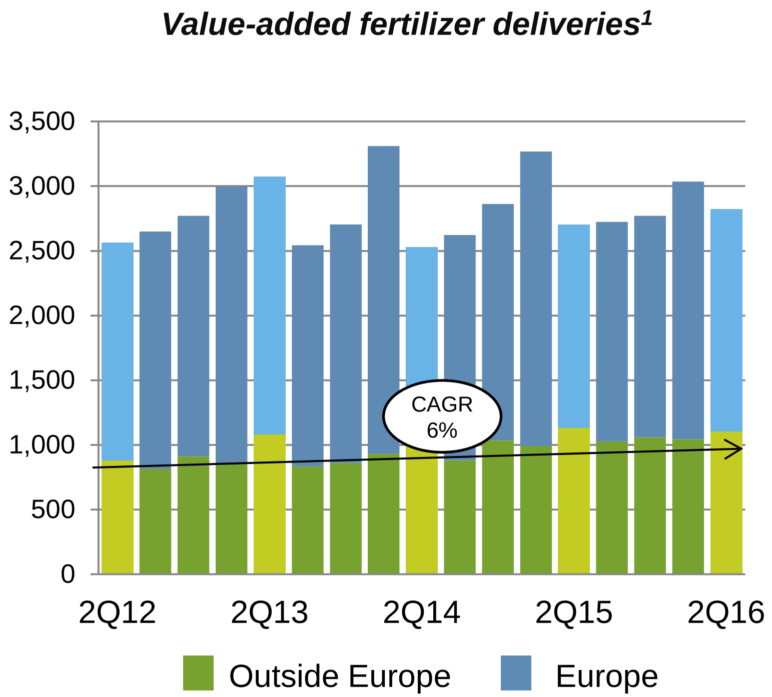


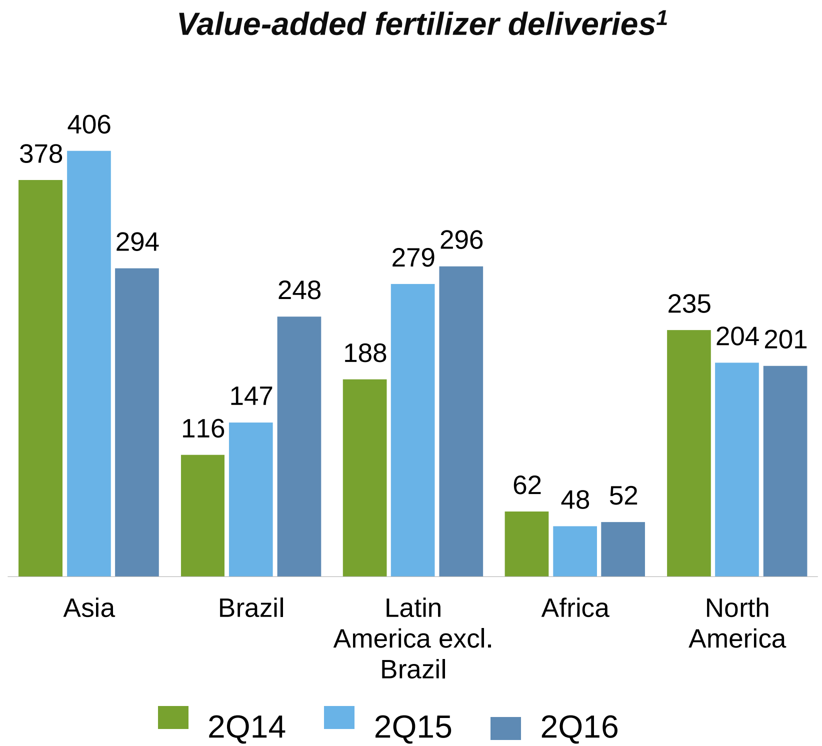
YaraMila and YaraBela deliveries





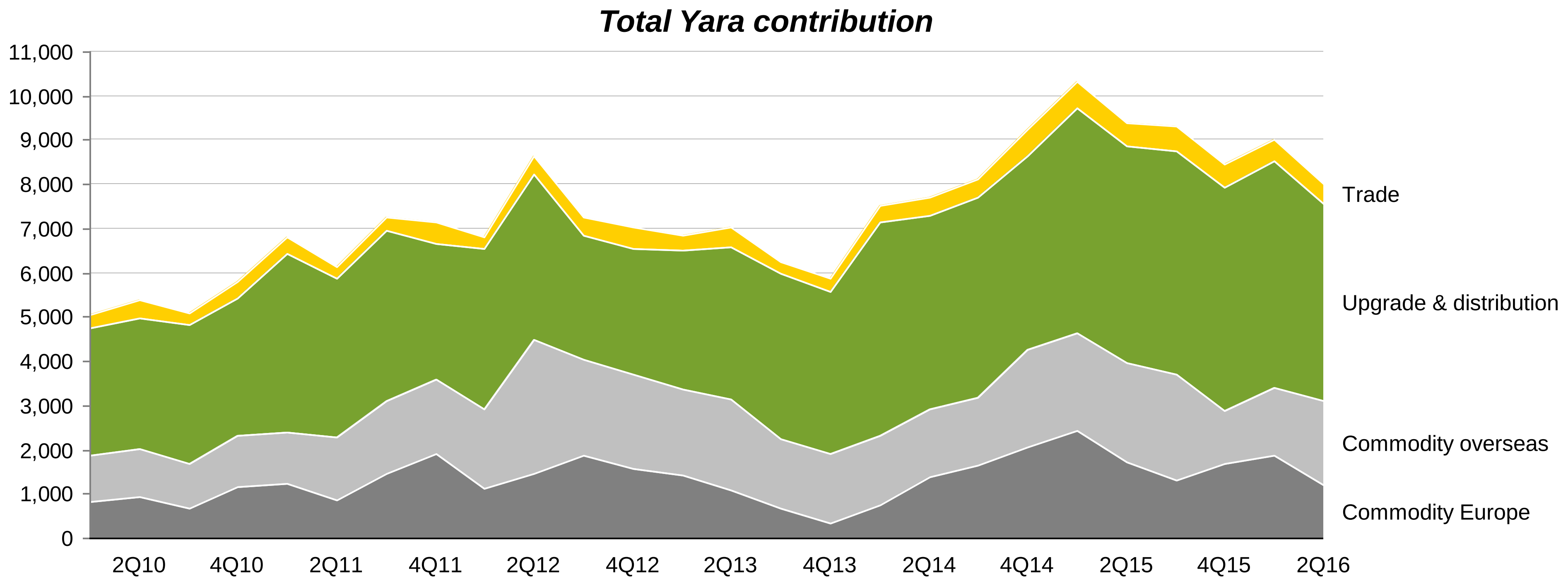
Strong premium product deliveries in Brazil



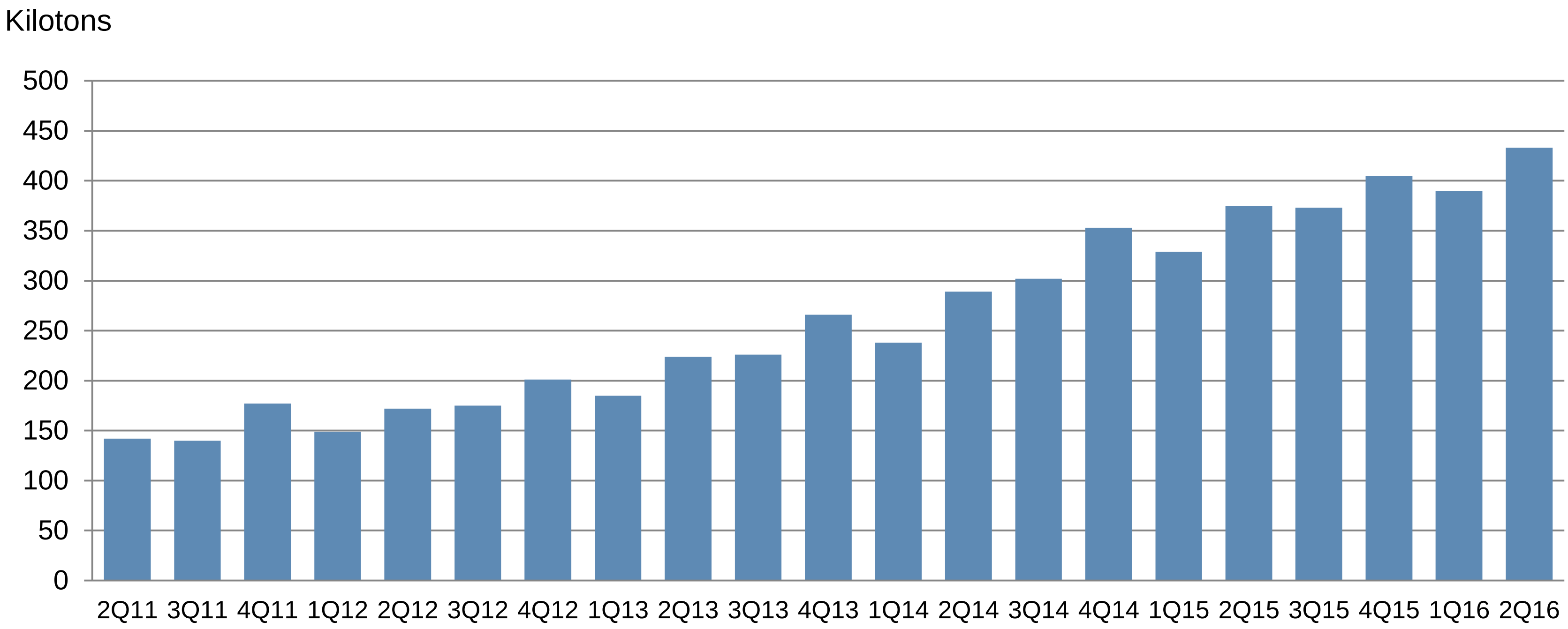


1) YaraBela, YaraMila and YaraLiva deliveries

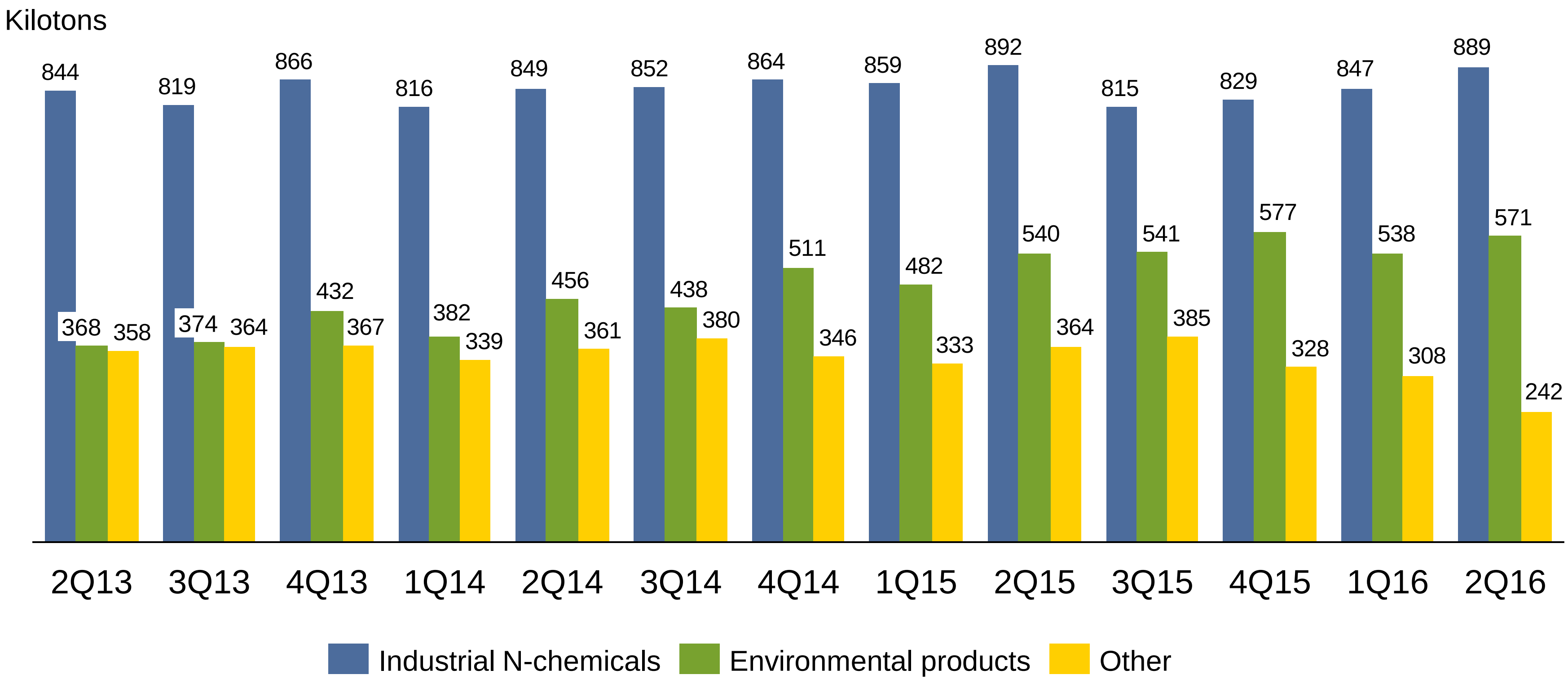
Value-added and distribution make up larger part of Yara’s contribution



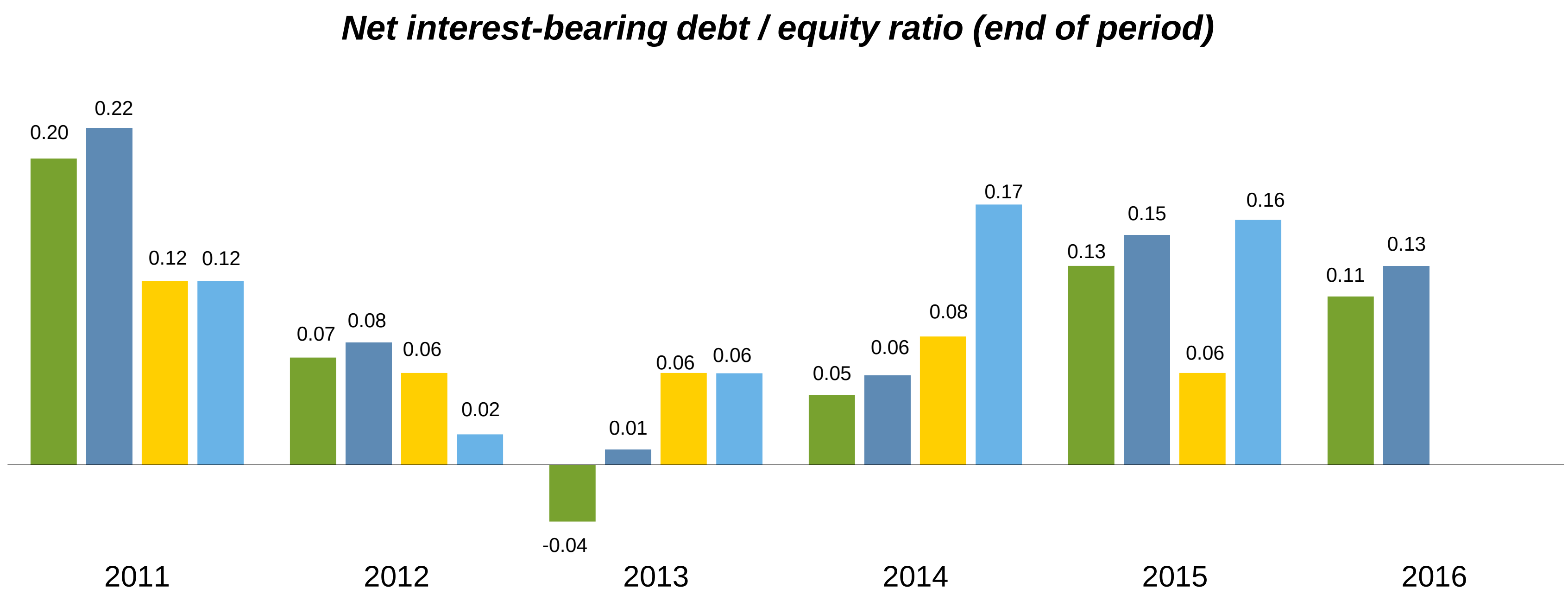
AdBlue deliveries



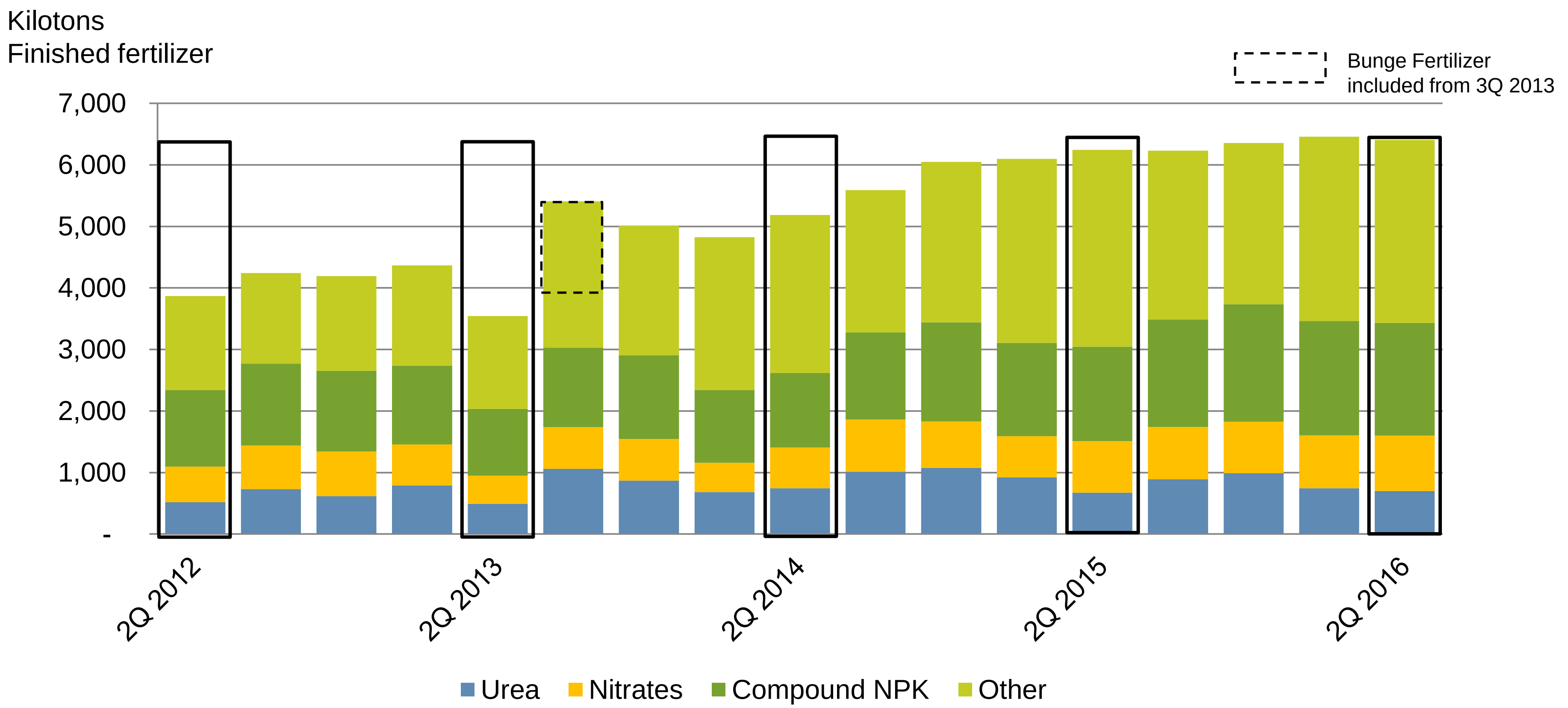
Industrial volume development



Debt/equity ratio

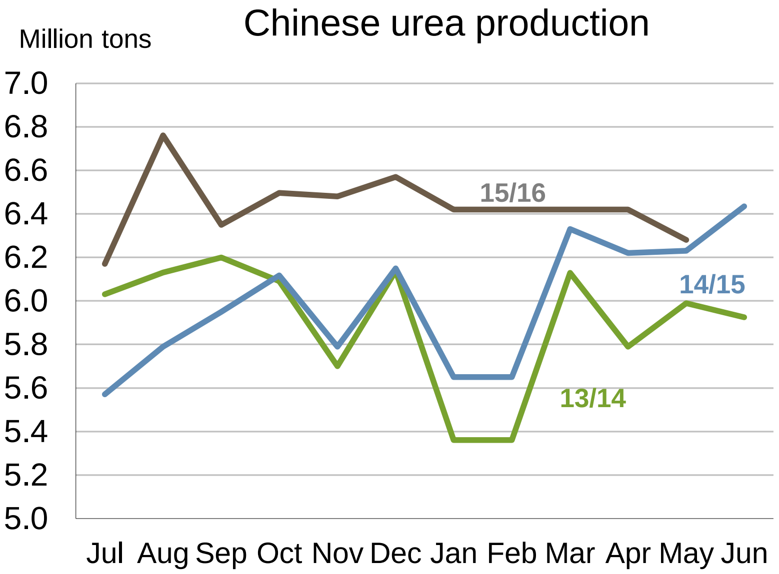


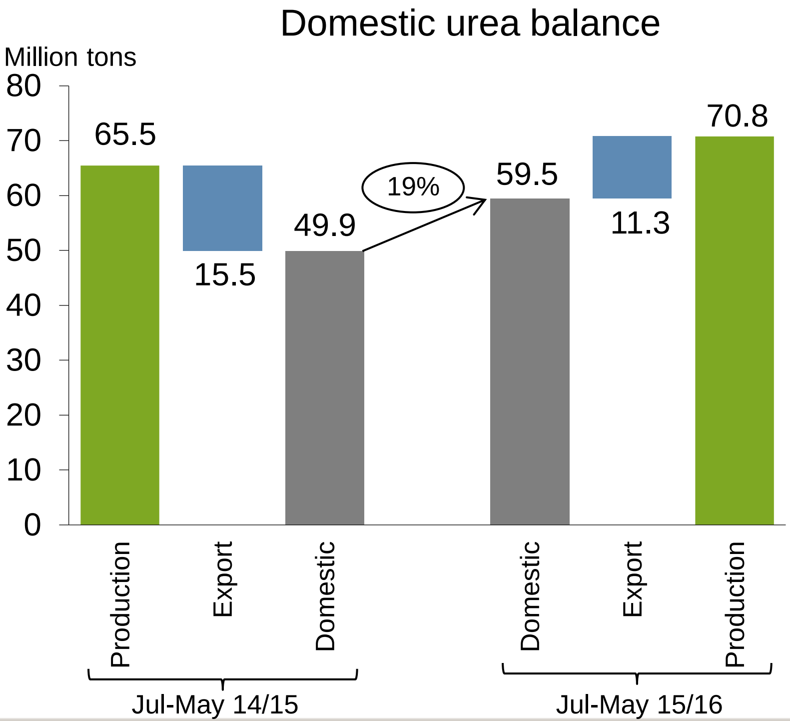
Yara stocks



Kilotons
Finished fertilizer
Bunge Fertilizer
included from 3Q 2013
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2Q 2012
2Q 2013
2Q 2014
2Q 2015
2Q 2016
Urea
Nitrates
Compound NPK
Other

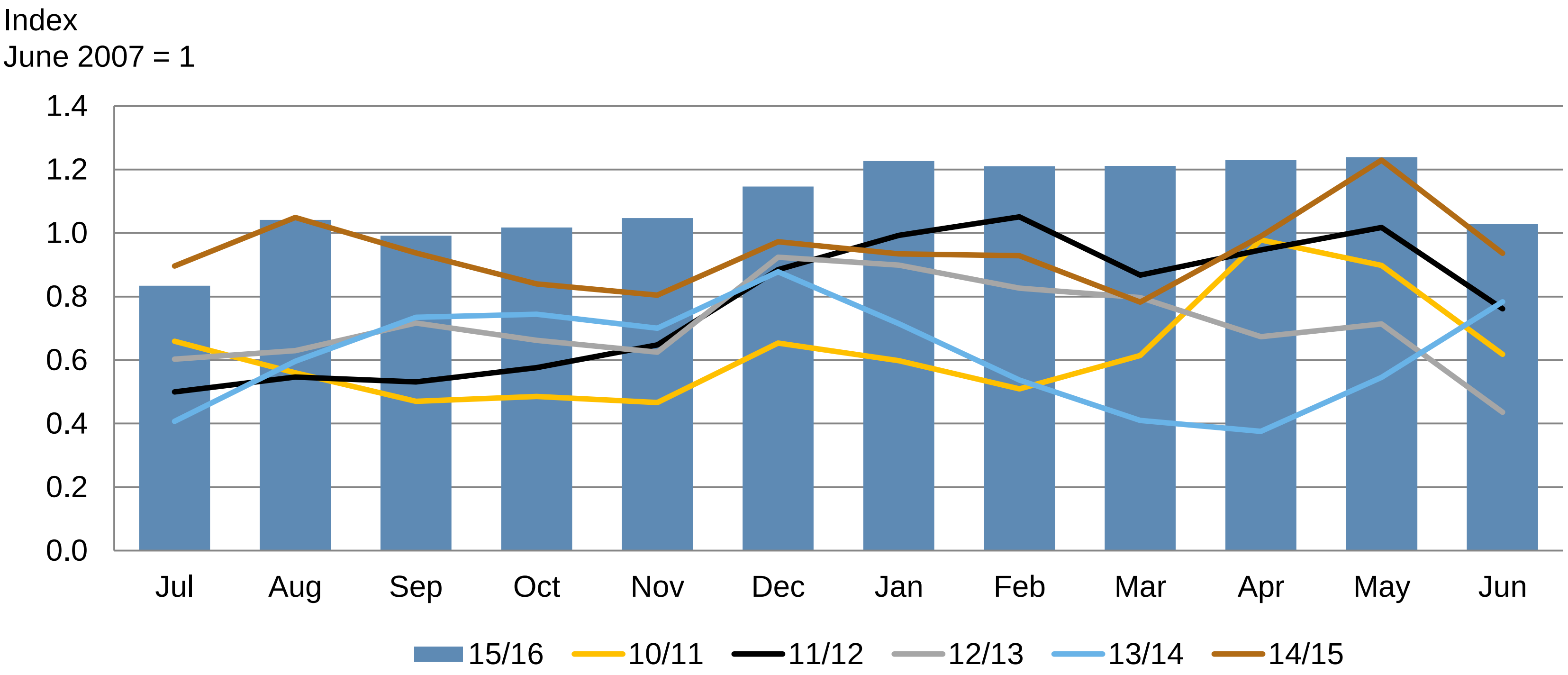
Increased production and lower export have boosted domestic supply strongly so far this season





Source: CFMW

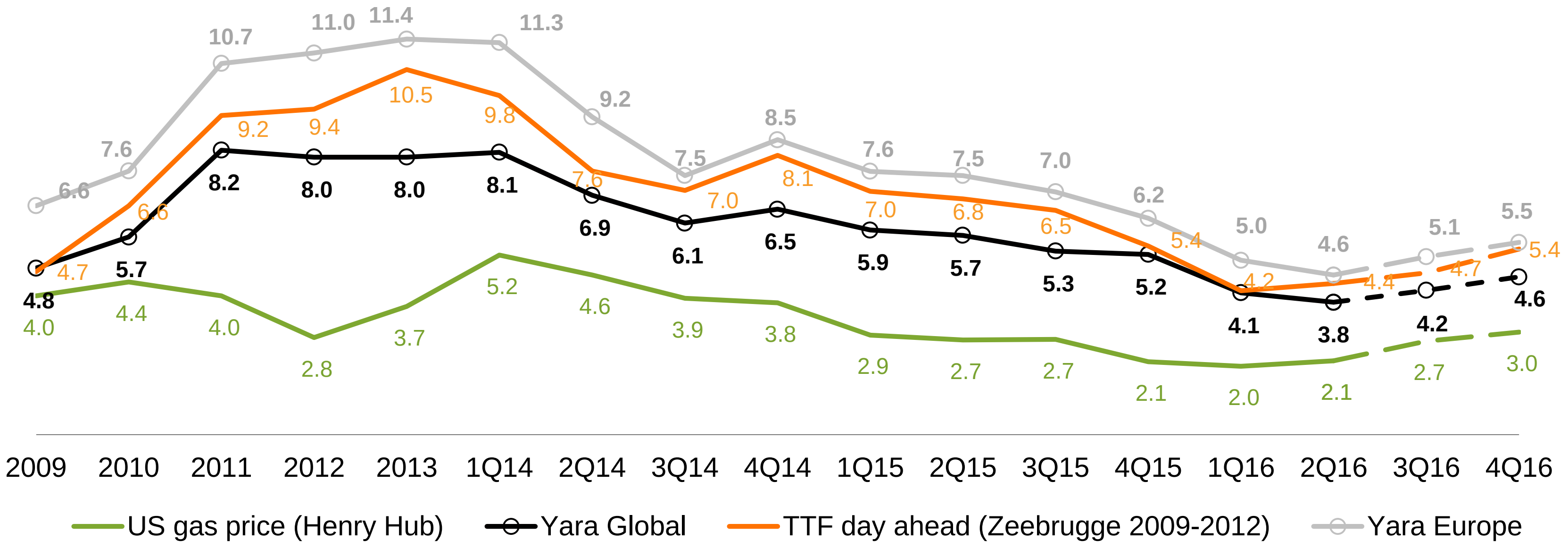
European producers' nitrate stocks



Source: Fertilizers Europe, Yara estimate for June

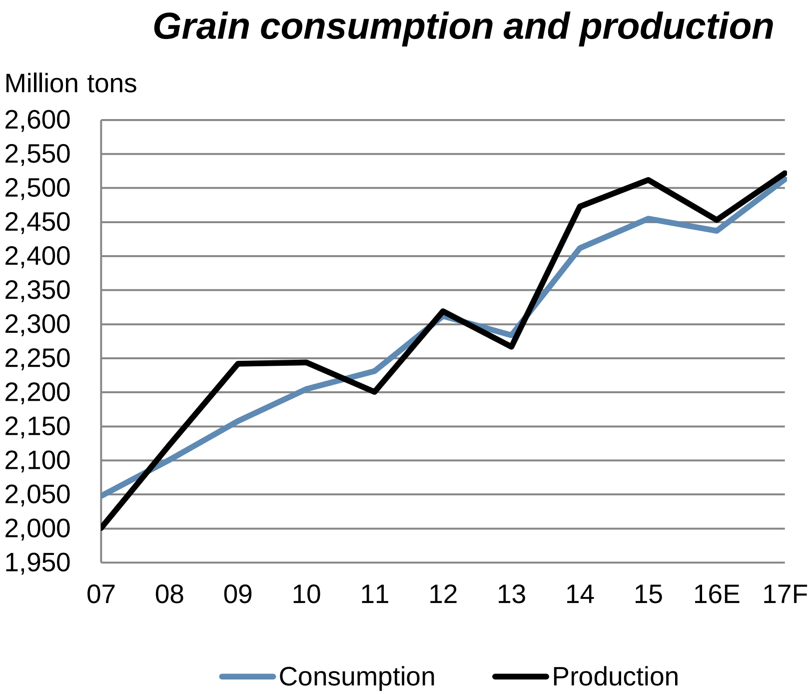
Energy cost

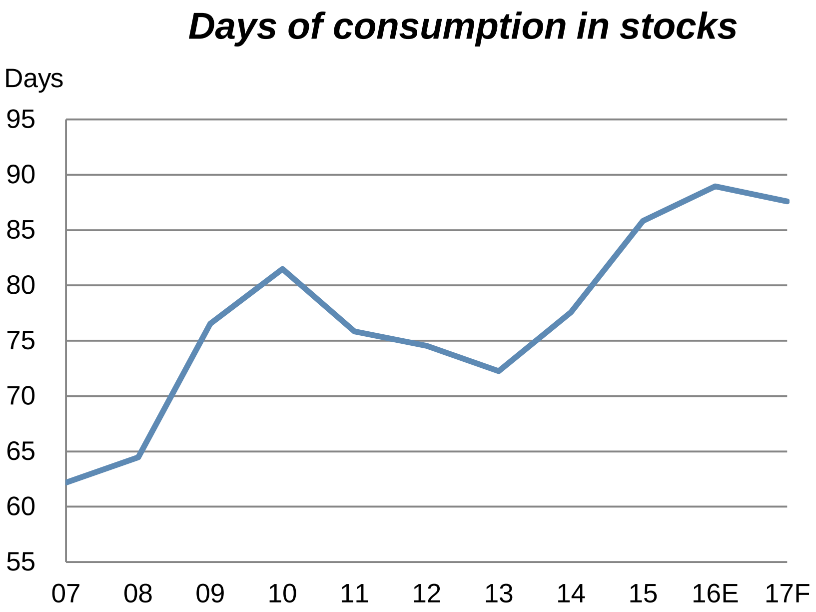
Yearly averages 2009 – 2013, quarterly averages for 2014-16 with forward prices* for 3Q16 and 4Q16.



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

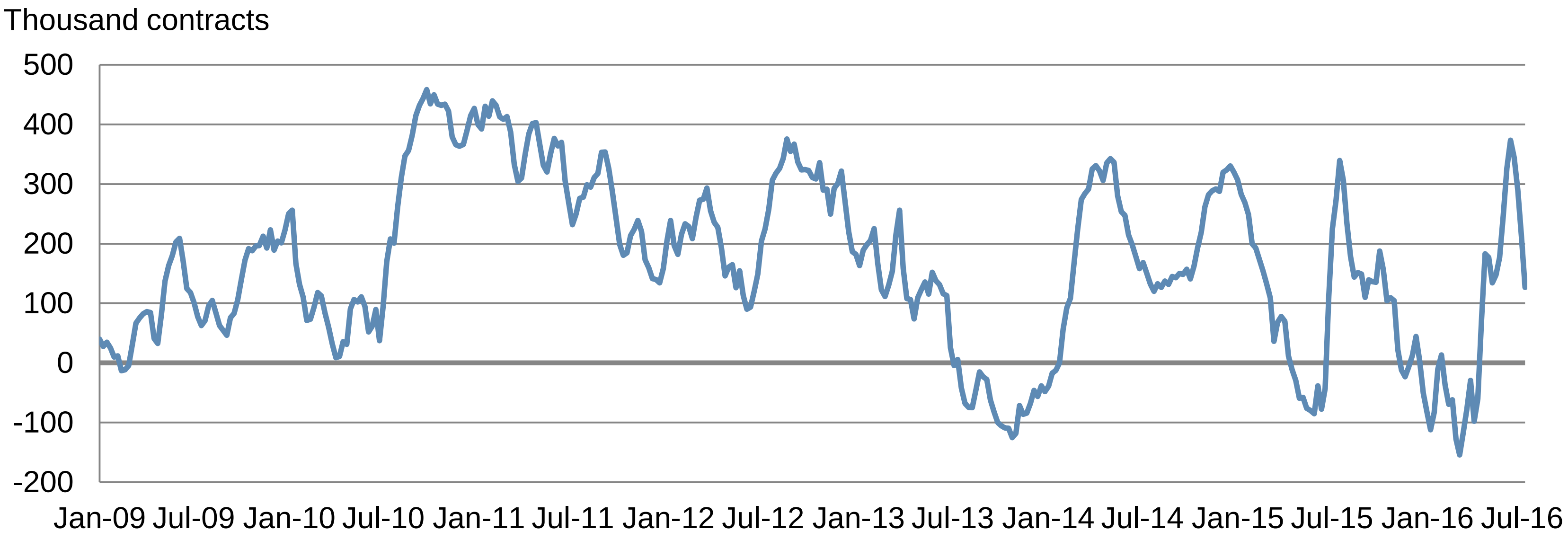
Global grain balance





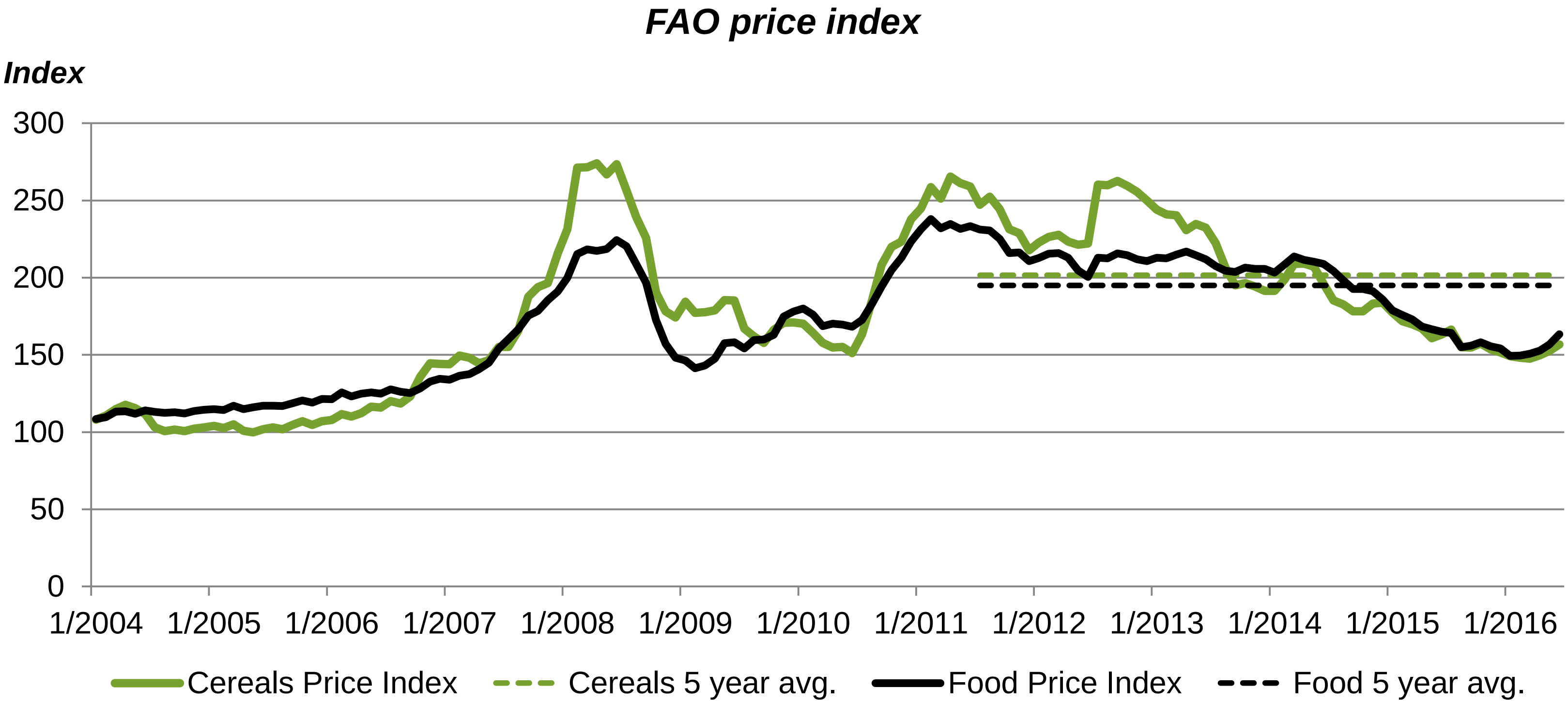
Source: USDA July 2016

Non-commercials' net long position in corn



Source: US Commodity Futures Trading Commission

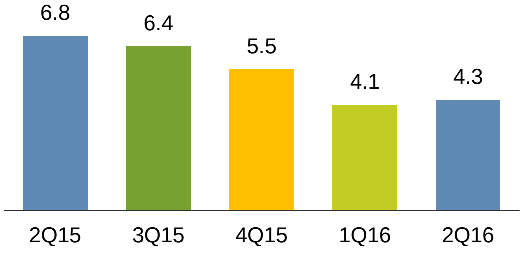
Weaker farm economics in USD, affecting particularly P and K demand



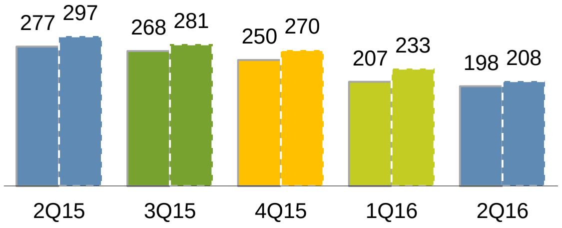
Source: FAO

Key value drivers – quarterly averages

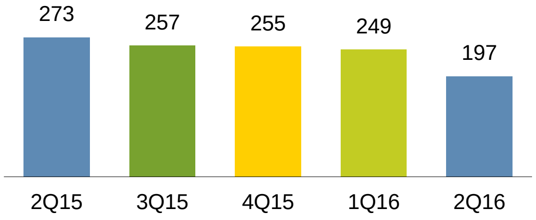
TTF day ahead (USD/MMBtu)



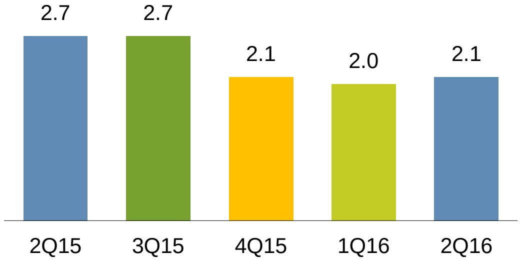
Urea prilled fob Black Sea (USD/t)/Urea granular fob Egypt (dotted line, USD/t)



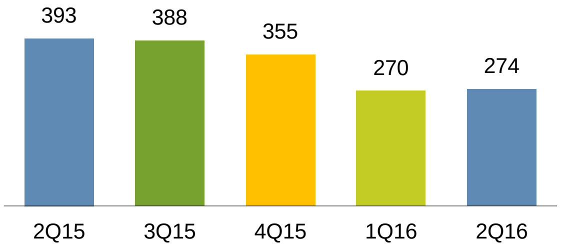
CAN cif Germany (USD/t)



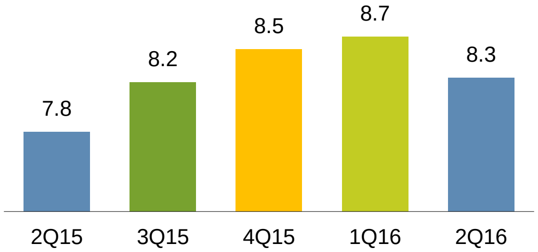
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)

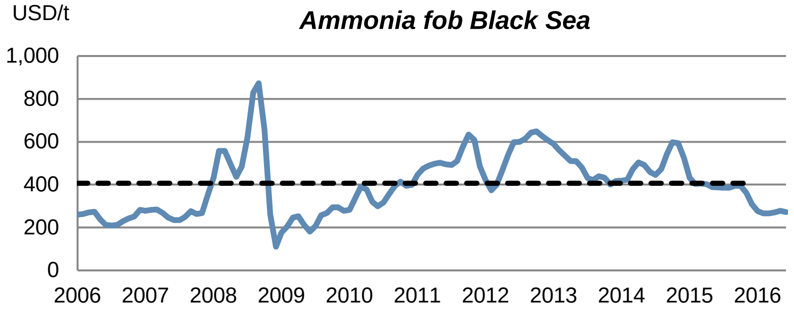


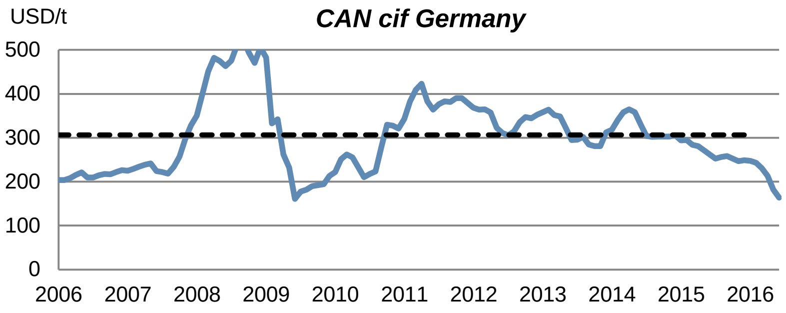
NOK/USD exchange rate

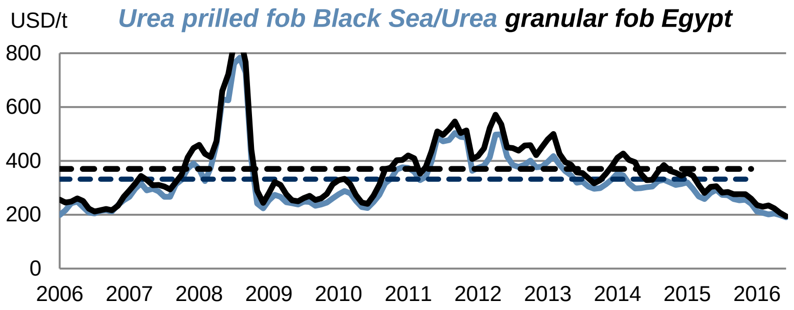


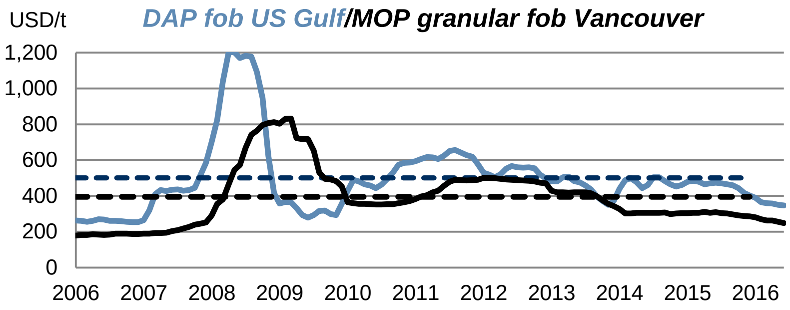
Source: Fertilizer Market Publications, CERA, World Bank, Norges Bank

10-year fertilizer prices – monthly averages









Average prices 2006 - 2015