Knowledge grows

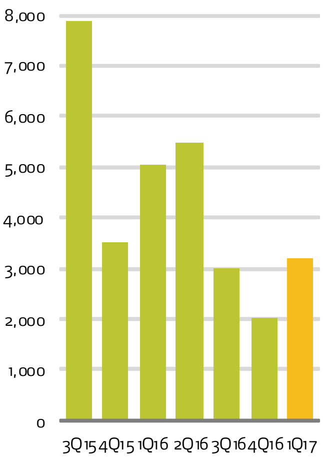
First-quarter 2017 report

Yara International ASA

- Weaker results reflecting lower margins
- Strong finished fertilizer production, but lower ammonia production
- Strong Industrial result
- Improvement program on track

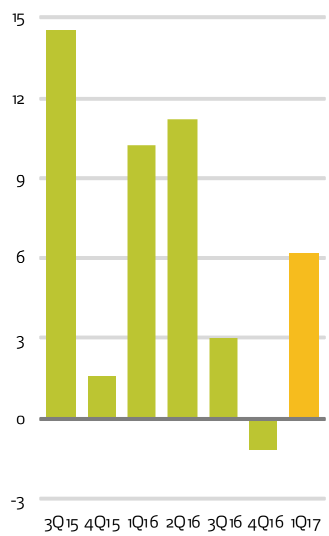
EBITDA

NOK millions

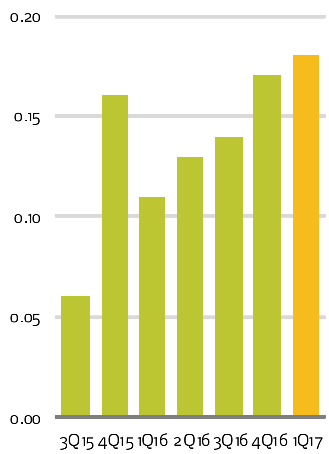


Earnings per share

NOK



Debt/equity ratio



First quarter 2017

Financial highlights

NOK millions, except where indicated otherwise	1Q 2017	1Q 2016
Revenue and other income	22,635	25,053
Operating income	1,524	3,403
Share net income equity-accounted investees	79	-
EBITDA	3,216	5,055
EBITDA excl. special items	3,335	5,050
Net income after non-controlling interests	1,692	2,800
Earnings per share [1]	6.19	10.22
Earnings per share excl.currency [1]	4.71	9.17
Earnings per share excl.currency and special items [1]	5.01	9.16
Average number of shares outstanding (millions)	273.2	274.1
CROGI [2]	7.8 %	12.0 %
ROCE [2]	5.7 %	11.7 %

1) NOK per share. Yara currently has no share-based compensation programs that result in a dilutive effect on EPS.
2) Quarter numbers annualized.

Key Yara statistics

	1Q 2017	1Q 2016
Yara Production (Thousand tonnes) [1]		
Ammonia	1,880	2,008
Finished fertilizer and industrial products, excl. bulk blends	5,192	5,002
Yara Deliveries (Thousand tonnes)		
Ammonia trade	422	537
Fertilizer	6,359	6,229
Industrial products	1,802	1,719
Total deliveries	8,583	8,485
Yara's Energy prices (USD per MMBtu)		
Global weighted average gas cost	5.2	4.1
European weighted average gas cost	6.5	5.0

1) Incl. Yara share of production in equity-accounted investees, excl. Yara-produced blends.

Market information

		1Q 2017	1Q 2016
Urea granular (fob Egypt)	USD per tonne	265	233
CAN (cif Germany)	USD per tonne	231	249
Ammonia (fob Black Sea)	USD per tonne	301	270
DAP (fob US Gulf)	USD per tonne	353	371
Phosphate rock (fob Morocco)	USD per tonne	96	123
European gas (TTF)	USD per MMBtu	5.8	4.1
US gas (Henry Hub)	USD per MMBtu	3.0	2.0
USD/NOK currency rate		8.43	8.64
EUR/NOK currency rate		8.98	9.52
BRL/NOK currency rate		2.68	2.21

Yara's first-quarter net income after non-controlling interests was NOK 1,692 million, compared with a NOK 2,800 million a year earlier. Excluding net foreign currency translation gain/loss and special items, the result was NOK 1,369 million (NOK 5.01 per share), compared with NOK 2,510 million (NOK 9.16 per share) in first quarter 2016.

"Yara reports a weaker result than a year earlier, reflecting lower fertilizer prices and margins. However, we delivered increased sales volumes, both for fertilizer and industrial products," said Svein Tore Holsether, President and Chief Executive Officer of Yara.

"Our ammonia production was lower, underlining the need for our on-going efforts to improve operations. The Yara Improvement Program is on track, and has already delivered 90 of the targeted 500 million dollars of annual earnings improvement within 2020," said Holsether.

Fertilizer market conditions

Another strong global grain harvest is expected for the 2016/17 season, with the US Department of Agriculture currently forecasting output to exceed the previous record from 2014/15 by 2.5%. But consumption is also growing, and the projected stocks-to-use ratio at 90 days of consumption is down one day from last year, despite the record projected crop. Still, the strong harvests have resulted in low prices for grains, but for several other key crops, including sugar, coffee, oils and dairy products, prices are higher than a year ago. The Food and Agriculture Organization of the United Nations (FAO) food price index was up 16% from first quarter 2016, but 7% below the five-year average, while the cereal price index was equal to first quarter last year and 21% below the five-year average.

Granular urea prices fob Egypt averaged USD 265 per tonne, up 14% compared to same quarter last year, and similar increase compared to the previous quarter. From China, export costs increased compared to previous quarters primarily due to higher coal prices. This cost inflation resulted in substantial production curtailments in China, and increased prices in China and globally, despite increased production in Egypt, and from new plants in Algeria, FSU and the US, reducing the need for Chinese urea exports. In addition, Indian import demand has been slow for the last couple of quarters, partly due to high inventories following strong imports earlier. China exported 0.8 million tonnes urea during January and February, down from 2.1 million tonnes same period last year. Season-to-date (July-February), China exported 4.6 million tonnes urea, down from 9.1 million tonnes the previous season.

Ammonia prices fob Black Sea averaged at USD 301 per tonne for the quarter, up from USD 270 per tonne a year earlier, and from USD 190 per tonne the previous quarter. Prices have increased sharply, primarily driven by lack of supply from the largest ammonia supplier in Russia, linked to a dispute over pipeline tariffs through Ukraine.

First quarter saw a seasonal upswing in phosphate demand, with increasing prices through the quarter, and the average DAP fob US Gulf price was up 9% compared with the previous quarter, but still 5% lower than same quarter last year.

The average phosphate rock price fob Morocco was down 22% compared to a year earlier, and upgrading margins from rock to DAP were similar to last year, but increasing through the quarter.

Regional market developments

First-quarter nitrogen fertilizer deliveries in Western Europe are down by an estimated 6% on a year earlier, with imports down 25% as domestic producers increased deliveries, primarily of nitrate products. Nitrate availability in Western Europe was low in first quarter 2016 due to production problems. Season to date, nitrogen fertilizer deliveries are up by an estimated 3% compared to last season, with imports down 11%.

In Brazil, first-quarter fertilizer deliveries were 6.4 million tonnes, up 3.5% compared to last year. Imports of fertilizer were up 31%, domestic production decreased by 6%, and industry stocks started this year 6% lower than a year earlier. First-quarter urea imports were 1.9 million tonnes, compared with 0.9 million tonnes a year earlier.

First-quarter US nitrogen deliveries are estimated to be 6% higher than a year earlier, with increased domestic production as well as stronger imports, resulting in flat US Gulf urea prices compared with the same quarter last year, not following the positive price development elsewhere. Season-to-date deliveries are lagging by an estimated 5%, following a very slow third quarter, as buyers waited for new domestic capacity additions to start producing. Expected reductions in corn and wheat acreage this year and relatively low grain prices have also contributed to slow demand.

January and February urea production in China was reported 22% lower than a year earlier, with season-to-date (July-February) production down 19%. Higher coal prices and logistical costs have increased production costs, but although urea prices have increased, production curtailments are maintained at a high level. In addition to higher production costs, urea demand is negatively affected by lower crop prices in China, with lower corn price and acreage a major contributor, and this is also a factor explaining the low production level. The average Chinese urea price for the first quarter was 21% higher than a year earlier (measured in local currency).

In India, first-quarter urea sales were 7% lower than a year earlier. Total season sales (April-March) are also lagging by 7%, partly due to high stocks at the start of this season, but also other factors, like the withdrawal of the large bank notes during fourth quarter 2016, and the efforts to avoid subsidized urea sales to reach non fertilizer sectors, are relevant. Season-to-date domestic production was stable compared with a year ago, with urea imports down more than 3 million tonnes.

Production volumes [1)]

Thousand tonnes	1Q 2017	1Q 2016
Ammonia	1,880	2,008
of which equity-accounted investees	251	264
Urea	1,312	1,369
of which equity-accounted investees	361	400
Nitrate	1,617	1,564
of which equity-accounted investees	-	-
NPK	1,370	1,219
of which equity-accounted investees	-	-
CN	363	342
UAN	250	233
SSP-based fertilizer	279	274
Total Finished Products[1)]	5,192	5,002

1) Incl. Yara share of production in equity-accounted investees, excl. Yara-produced blends.

Fertilizer deliveries

Thousand tonnes	1Q 2017	1Q 2016
Fertilizer deliveries per product		
Urea	1,158	1,173
of which Yara-produced fertilizer	466	580
of which equity-accounted investees	380	369
Nitrate	1,511	1,445
of which Yara-produced fertilizer	1,440	1,323
NPK	2,399	2,187
of which Yara-produced compounds	1,416	1,201
of which Yara-produced blends	863	879
CN	299	283
of which Yara-produced fertilizer	296	279
UAN	320	354
of which Yara-produced fertilizer	270	329
SSP	112	113
of which Yara-produced fertilizer	60	102
DAP/MAP	179	266
MOP/SOP	169	169
Other fertilizer products	213	238
Total fertilizer deliveries	6,359	6,228
Fertilizer deliveries per region		
Europe	2,754	2,733
Brazil	1,562	1,589
Latin America excluding Brazil	469	429
North America	756	735
Asia	525	400
Africa	293	342
Total fertilizer deliveries	6,359	6,229

For a description of the key global fertilizer products, see the Yara Fertilizer Industry Handbook:
http://yara.com/investor_relations/reports_presentations

Industrial product deliveries

Thousand tonnes	1Q 2017	1Q 2016
Ammonia [1)]	214	171
Urea [1)]	558	466
of which Environmental products	217	171
Nitrate [2)]	208	185
CN	98	82
Other industrial products [3)]	270	418
Water content in Industrial Ammonia and Urea	453	396
Total Industrial product deliveries	1,802	1,719

1) Pure product equivalents
2) Including AN Solution
3) Including nitric acid, feed phosphates, CO_2, sulphuric acid and other minor products

Variance analysis first quarter

NOK millions	1Q 2017
EBITDA 2017	3,216
EBITDA 2016	5,055
Reported EBITDA variance	(1,839)
Special Items variance	(124)
EBITDA ex special items variance	(1,715)
Volume	95
Price/Margin	(784)
Energy costs	(738)
Currency translation	(9)
Other	(279)
Total variance explained	(1,715)

Yara delivered weaker first-quarter results compared with a year earlier. EBITDA excluding special items was 34% lower compared to last year, driven by both lower realized fertilizer prices and higher energy costs.

Volume development

Deliveries of Yara-produced fertilizer including blends were 3% higher than in first quarter 2016. The growth was mainly driven by higher deliveries of nitrates and compound NPKs in Europe and higher deliveries of compound NPKs in China and Thailand, two of Yara's most important NPK markets outside of Europe.

In Europe, Yara's total fertilizer deliveries were in line with last year but deliveries of Yara–produced products were 5% higher. Yara's season-to-date deliveries at the end of first quarter are up 4% compared to a season ago while total nitrogen industry deliveries are 3% higher for the season reflecting a sharp drop in imports.

Yara Brazil's fertilizer deliveries were 1% lower than a year earlier. However, deliveries of Yara's premium products were 8% higher than a year ago.

Adjusted for the sale of the CO_2 business in 2016, Industrial deliveries were 17% higher than a year ago with all product groups contributing. Deliveries of AdBlue were 19% higher compared to a year ago while Technical ammonium nitrate deliveries increased 12% driven by higher sales to Asia and Oceania.

Ammonia production ran well in most plants during the quarter although overall production declined 6% compared to a year earlier. The majority of the decline is explained by unplanned stops in the Pilbara and the Le Havre plants.

Finished fertilizer production increased by 4% from last year with production records in several plants. NPK production was up 12%, partly due to the expansion in the Uusikaupunki plant in Finland, while both nitrate and CN production increased 3% from first quarter last year. Urea production was down 6%, mainly due to the unplanned stop in the Le Havre plant.

Margin development

Lower realized prices and higher gas costs impacted both commodity upgrading margins and premiums for fertilizer and industrial products compared with a year earlier.

On average for the year Yara's pricing time lag is approximately one month, reflecting normal time between order taking and delivery. However, the time lag is often longer between the fourth and first quarter, to allow for continuous deliveries through the holiday season.

Yara's average realized urea and nitrate prices decreased 5% and 15% respectively while realized NPK prices decreased by around 10%. The realized prices for nitrates and urea reflect strong order books at the end of fourth quarter, resulting in first-quarter time lags compared with spot prices up to two months for nitrates in Europe and up to three months for urea deliveries in North America.

First-quarter nitrate prices and premiums were lower than a year earlier, for the entire European industry. This reflects both that last season's premiums became higher due to falling urea prices, and partly that European nitrate supply was tighter a year ago, as some industry capacity was curtailed due to technical issues.

Yara's average European gas cost was 28% higher than in first quarter 2016 on a USD per MMBtu basis. Yara's average gas cost outside Europe increased 28% driven by a contractual gas price step-up in in Yara's Pilbara ammonia plant in Australia.

Other Items

The negative other variance reflects mainly higher fixed costs and the loss of EBITDA from the divested CO_2 business.

Improvement program

Yara has established a corporate program to drive and coordinate existing and new improvement initiatives. The Yara Improvement program will deliver at least USD 500 million of annual EBITDA improvement (NOK 10 net income per share) within 2020, of which an estimated USD 150 million will be realized in 2017.

The roll-out of the main components of the program is going according to plan and as of first quarter 2017, USD 90 million of the targeted 500 million dollars have been realized.

Financial items

NOK millions	1Q 2017	1Q 2016
Interest income	171	175
Dividends and net gain/(loss) on securities	-	15
Interest income and other financial income	171	190
Interest expense	(130)	(231)
Net interest expense on net pension liability	(16)	(16)
Net foreign currency translation gain/(loss)	584	349
Other	(26)	(32)
Interest expense and foreign currency translation gain/(loss)	411	70
Net financial income/(expense)	582	260

First-quarter net financial income was NOK 582 million compared with NOK 260 million a year ago. The variance primarily reflects a net foreign currency translation gain of NOK 584 million this quarter, compared with NOK 349 million in the same quarter last year.

First quarter interest expense was NOK 101 million lower than in the same quarter last year, with the variance mainly reflecting a NOK 52 million increase in capitalized interest related to expansion projects and a reduced portion of the funding in high interest currencies such as the Brazilian real. Average gross debt in the quarter was around NOK 2.8 billion higher than last year.

The net foreign currency translation gain this quarter was NOK 584 million as the US dollar depreciated up to 6 % against Yara's main currencies. NOK 78 million of the gain came from the US dollar exposure towards the euro. The reported gain also includes a NOK 179 million gain on internal currency positions, primarily in euro towards the Norwegian krone and in Brazilian real towards the euro. Last year's gain included NOK 82 million related to such positions.

Yara's US dollar debt generating currency effects in the income statement was approximately USD 1,500 million at the start of the second quarter 2017, with around 50% of the exposure towards the euro.

Tax

First-quarter provisions for current and deferred taxes were NOK 524 million, representing a tax rate of 24%.

Net interest-bearing debt

NOK millions	1Q 2017
Net interest-bearing debt at beginning of period	(12,802)
Cash earnings [1]	2,136
Dividends received from equity-accounted investees	23
Net operating capital change	(1,167)
Investments (net)	(2,555)
Foreign currency translation gain/(loss)	584
Other [2]	(672)
of which foreign currency translation adjustment	(646)
Net interest-bearing debt at end of period	(14,454)

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

2) The currency effect included in «Other» is an adjustment from the currency gain/(loss) in the income statement to the currency impact on net interest bearing debt. The adjustment is mainly explained by applied hedge accounting for net investments in USD, the translation effect when consolidating net interest bearing debt to the presentation currency NOK and internal currency positions that are not related to net interest bearing debt.

As a supplement to the consolidated statement of cash flows (page 16), this table highlights the key factors behind the development in net interest-bearing debt.

Net interest-bearing debt at the end of first quarter 2017 was NOK 14,454 million compared with NOK 12,802 million at the end of 2016. Cash earnings were more than consumed by investments and increase of working capital.

The investment activity for the quarter mainly reflects growth investments and planned maintenance programs. This includes the construction of Urea 8 plant in Sluiskil of NOK 398 million and investment in the Salitre mining project of NOK 331 million.
Working capital increased during the quarter, reflecting seasonally higher volume-driven receivables.

The debt/equity ratio at the end of first quarter 2017, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.18 compared with 0.17 at the end of fourth quarter 2016.

Outlook

Despite a projected fourth consecutive strong grain harvest globally, the US Department of Agriculture projects a one day lower stocks-to-use ratio this year, as consumption continues to grow. The global farm margin outlook and incentives for fertilizer application remains supportive overall, and while grain prices are stable, prices for other key crops like sugar, coffee, oils and dairy products are higher than a year ago.

Chinese urea production and export costs continue to be the main reference point for global nitrogen pricing, and these have increased over the past year, putting increased pressure on producer margins resulting in substantial curtailments. However, the strong on-going urea capacity increases outside China are weighing on global urea prices, a situation which could persist throughout 2017.

In Europe, first-quarter nitrogen industry deliveries were 6% higher than a year earlier, but with a slower trend in March as weather-related delays and lower global nitrogen prices delayed purchasing. However, Yara expects normal nitrogen consumption for the European spring season overall.

Based on current forward markets for natural gas (19 April) Yara's spot-priced gas costs for second and third quarter 2017 are expected to be respectively NOK 350 million higher and NOK 250 million higher than a year earlier. The estimates may change depending on future spot gas prices. In addition, natural gas costs in the Pilbara plant will be approximately NOK 180 million higher per quarter in 2017 due to a contractual step-up effective end 2016.

As communicated earlier, Yara has established a corporate program to drive and coordinate existing and new improvement initiatives. The Yara Improvement program will deliver at least USD 500 million of annual EBITDA improvement (NOK 10 net income per share) within 2020, of which an estimated USD 150 million will be realized in 2017.

To meet growing demand for premium products in particular, Yara is expanding capacity in several plants at a significantly lower capital expenditure per capacity tonne compared with benchmark greenfield expansions. Most of these projects will be completed during 2017 and 2018. Applying current market prices, these projects are expected to generate approximately USD 600 million of annual EBITDA improvement (NOK 6 net income per share) by 2020 when fully operational.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 25 April 2017

Leif Teksum Chairperson	Maria Moræus Hanssen Vice chair	John Thuestad Board member	Hilde Bakken Board member
Geir O. Sundbø Board member	Geir Isaksen Board member	Rune Bratteberg Board member	Kjersti Aass Board member

Svein Tore Holsether
President and CEO

Definitions and variance analysis

Several of Yara's purchase and sales contracts for commodities are, or have embedded terms and conditions which under IFRS are, accounted for as derivatives. The derivative elements of these contracts are presented under "Commodity-based derivatives gain/(loss)" in the condensed consolidated interim statement of income, and are referenced in the variance analysis (see below) as "Special items".

In the segment information, "other and eliminations" consists mainly of cross-segment eliminations, in addition to Yara's headquarter costs. Profits on sales from Production to Crop Nutrition and Industrial are not recognized in the consolidated Yara condensed consolidated interim statement of income before the products are sold to external customers. These internal profits are eliminated in "Other and eliminations". Changes in "Other and eliminations" EBITDA therefore usually reflect changes in Production-sourced stock (volumes) held by Crop Nutrition and Industrial, but can also be affected by changes in Production margins on products sold to Crop Nutrition and Industrial, as transfer prices move in line with arms-length market prices. With all other variables held constant, higher stocks would result in a higher (negative) elimination effect in Yara's results, as would higher Production margins. Over time these effects tend to even out, to the extent that stock levels and margins normalize.

In the discussion of historical operating results, Yara refers to certain non-GAAP financial measures including operating income, EBITDA and CROGI. Yara's management makes regular use of these measures to evaluate the performance, both in absolute terms and comparatively from period to period. Yara manages long-term debt and taxes on a group basis. Therefore, net income is discussed only for the Group as a whole.

Operating income include all activities which normally are to be considered as "operating", Share of net income in equity-accounted investees is however not included.

EBITDA is presented because Yara believe that it is frequently used by securities analysts, investors and other interested parties as a measure of a company's operating performance and debt servicing ability. It assists in comparing performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending on accounting methods or non-operating factors, and provides a more complete and comprehensive analysis of our operating performance relative to other companies. EBITDA, as defined by Yara, includes operating income, interest income, other financial income and share of net income in equity-accounted investees. It excludes depreciation, amortization and impairment loss, as well as amortization of excess values in equity-accounted investees. Yara's definition of EBITDA may differ from that of other companies.

EBITDA should not be considered as an alternative to operating income and income before tax as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is EBITDA an alternative to cash flow from operating activities in accordance with generally accepted accounting principles.

Yara management uses CROGI (Cash Return On Gross Investment) to measure financial performance of Yara's segments as well as the whole of the business. CROGI is defined as gross cash flow, divided by average gross investment and is calculated on a 12-month rolling basis. "Gross cash flow" is defined as EBITDA less total tax expense, excluding tax on net foreign currency translation gain/ loss. On Yara level, actual tax expense is used for the calculation while a standardized tax rate of 25% is used on segment level. "Gross Investment" is defined as total assets (exclusive of deferred tax assets, cash and cash equivalents, other liquid assets and fair value adjustment recognized in equity) plus accumulated depreciation and amortization, less all short-term interest-free liabilities, except deferred tax liabilities. On segment level, cash and other liquid assets are not excluded from "Gross Investment".

ROCE (Return on capital employed) is presented as an additional performance measure to CROGI to simplify benchmarking with other companies. ROCE is defined as EBIT minus tax (less tax on net foreign currency translation gain/loss) divided by average capital employed and is calculated on a 12-month rolling average basis. Capital employed is defined as total assets adjusted for cash and cash equivalents, other liquid assets, deferred tax assets, fair value adjustment recognized in equity minus other current liabilities.

In order to track underlying business developments from period to period, Yara's management also uses a variance analysis methodology, developed within the Company ("Variance Analysis"), that involves the extraction of financial information from the accounting system, as well as statistical and other data from internal management information systems. Management considers the estimates produced by the Variance Analysis, and the identification of trends based on such analysis, sufficiently precise to provide useful data to monitor our business. However, these estimates should be understood to be less than an exact quantification of the changes and trends indicated by such analysis.

The variance analysis presented in Yara quarterly and annual financial reports is prepared on a Yara EBITDA basis including net income from equity-accounted investees. The volume, margin and other variances presented therefore include effects generated by performance in equity-accounted investees.

Yara defines "special items" as items in the results which are not regarded as part of underlying business performance for the period. These comprise restructuring-related items, contract derivatives, impairments and other items which are not primarily related to the period in which they are recognized, subject to a minimum value of NOK 30 million per item within a 12month period. "Contract derivatives" are commodity-based derivatives gains or losses (see above) which are not the result of active exposure or position management by Yara.

Net interest bearing debt is defined by Yara as cash and cash equivalents and other liquid assets, reduced for bank loans, other short-term interest bearing debt and long-term interest bearing debt, including current portion.

The debt/equity ratio is calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests.

Earnings per share excluding currency and special items represent net income after non-controlling interests, excluding foreign currency translation gain/loss and special items after tax, divided by average number of shares outstanding in the period.

Net operating capital is calculated as trade receivables net of impairments plus inventories net of write-downs less trade payables.

Reconciliations of alternative performance measures are provided on page 24, 25 and 26.

Special items

	EBITDA effect		Operating income effect	
NOK millions	1Q 2017	1Q 2016	1Q 2017	1Q 2016
Total Crop Nutrition	-	-	-	-
Total Industrial	-	-	-	-
Contract derivatives gain/(loss)	(119)	5	(119)	5
Total Production	(119)	5	(119)	5
Total Yara	(119)	5	(119)	5

Condensed consolidated interim statement of income

NOK millions, except share information	Notes	1Q 2017	1Q 2016	2016
Revenue		22,743	24,902	95,245
Other income	5	15	146	1,867
Commodity based derivatives gain/(loss)		(123)	5	58
Revenue and other income		22,635	25,053	97,170
Raw materials, energy costs and freight expenses		(16,739)	(17,334)	(69,606)
Payroll and related costs		(2,194)	(2,119)	(8,520)
Depreciation, amortization and impairment loss	5	(1,443)	(1,461)	(6,427)
Other operating expenses		(735)	(736)	(3,847)
Operating costs and expenses		(21,111)	(21,650)	(88,399)
Operating income		1,524	3,403	8,771
Share of net income in equity-accounted investees		79	-	(348)
Interest income and other financial income		171	190	725
Earnings before interest expense and tax (EBIT)		1,773	3,594	9,149
Foreign currency translation gain/(loss)		584	349	115
Interest expense and other financial items		(172)	(279)	(901)
Income before tax		2,185	3,663	8,363
Income tax expense		(524)	(879)	(2,041)
Net income		1,661	2,784	6,322
Net income attributable to				
Shareholders of the parent		1,692	2,800	6,360
Non-controlling interests		(31)	(16)	(37)
Net income		1,661	2,784	6,322
Earnings per share [1]		6.19	10.22	23.25
Weighted average number of shares outstanding [2]	2	273,217,830	274,053,369	273,499,403

1) Yara currently has no share-based compensation that results in a dilutive effect on earnings per share.
2) Weighted average number of shares outstanding was reduced in the first and second quarter 2016 due to the share buy-back program.

Condensed consolidated interim statement of comprehensive income

NOK millions	1Q 2017	1Q 2016	2016
Net income	1,661	2,784	6,322
Other comprehensive income that may be reclassified to statement of income			
Exchange differences on translation of foreign operations	260	(2,592)	(1,320)
Available-for-sale financial assets - change in fair value	-	(35)	(19)
Hedge of net investments	8	298	108
Share of other comprehensive income of equity-accounted investees, excluding remeasurements	2	(5)	45
Net other comprehensive income that may be reclassified to statement of income in subsequent periods	271	(2,333)	(1,186)
Other comprehensive income that will not be reclassified to statement of income in subsequent periods			
Remeasurements of the net defined benefit pension liability	-	(769)	(760)
Net other comprehensive income that will not be reclassified to statement of income in subsequent periods	-	(769)	(760)
Reclassification adjustments of the period			
- cash flow hedges	1	1	4
- exchange differences on foreign operations disposed of in the year	-	-	(22)
Net reclassification adjustments of the period	1	1	(18)
Total other comprehensive income, net of tax	272	(3,102)	(1,964)
Total comprehensive income	1,933	(318)	4,358
Total comprehensive income attributable to			
Shareholders of the parent	1,912	(313)	4,194
Non-controlling interests	21	(4)	165
Total	1,933	(318)	4,358

Condensed consolidated interim statement of changes in equity

NOK millions	Share Capital[1]	Premium paid-in capital	Translation of foreign operations	Available for sale financial assets	Cash flow hedges	Hedge of net invest-ments	Total other reserves	Retained earnings	Attributable to share-holders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2015	466	117	15,996	34	(76)	(1,600)	14,353	58,954	73,890	1,837	75,727
Net income	-	-	-	-	-	-	-	2,800	2,800	(16)	2,784
Other comprehensive income, net of tax	-	-	(2,603)	(35)	1	298	(2,339)	(769)	(3,108)	11	(3,097)
Share of other comprehensive income of equity-accounted investees	-	-	(1)	-	(4)	-	(5)	-	(5)	-	(5)
Total other comprehensive income, net of tax	-	-	(2,604)	(35)	(3)	298	(2,344)	(769)	(3,113)	11	(3,102)
Long term incentive plan	-	-	-	-	-	-	-	4	4	-	4
Treasury shares	-	-	-	-	-	-	-	(93)	(93)	-	(93)
Share capital increase in subsidiary, non-controlling interest	-	-	-	-	-	-	-	-	-	61	61
Balance at 31 March 2016	466	117	13,392	(1)	(79)	(1,302)	12,010	60,895	73,488	1,893	75,381
Net income	-	-	-	-	-	-	-	3,560	3,560	(21)	3,538
Other comprehensive income, net of tax	-	-	1,059	15	3	(190)	888	9	897	190	1,088
Share of other comprehensive income of equity-accounted investees	-	-	1	-	48	-	49	-	50	-	50
tax	-	-	1,061	15	51	(190)	937	10	947	190	1,137
Long term incentive plan	-	-	-	-	-	-	-	(7)	(7)	-	(7)
Transactions with non-controlling interests	-	-	-	-	-	-	-	1	1	(11)	(10)
Step-up of tax base in Australia	-	-	-	-	-	-	-	814	814	-	814
Redeemed shares, Norwegian State 2)	(1)	-	-	-	-	-	-	(251)	(252)	-	(252)
Share capital increase in subsidiary, non-controlling interest	-	-	-	-	-	-	-	-	-	279	279
Dividends distributed	-	-	-	-	-	-	-	(4,106)	(4,106)	(5)	(4,111)
Balance at 31 December 2016	464	117	14,452	14	(28)	(1,492)	12,947	60,916	74,444	2,326	76,770
Net income	-	-	-	-	-	-	-	1,692	1,692	(31)	1,661
Other comprehensive income, net of tax	-	-	208	-	1	8	218	-	218	52	270
Share of other comprehensive income of equity-accounted investees	-	-	-	-	2	-	2	-	2	-	2
Total other comprehensive income, net of tax	-	-	208	-	3	8	220	-	220	52	272
Long term incentive plan	-	-	-	-	-	-	-	5	5	-	5
Transactions with non-controlling interests	-	-	-	-	-	-	-	(5)	(5)	(21)	(26)
Share capital increase in subsidiary, non-controlling interest	-	-	-	-	-	-	-	-	-	36	36
Balance at 31 March 2017	464	117	14,661	14	(25)	(1,483)	13,167	62,608	76,356	2,361	78,718

1) Par value 1.70.

2) As approved by General Meeting 10 May 2016.

Condensed consolidated interim statement of financial position

NOK millions	Notes	31 Mar 2017	31 Mar 2016	31 Dec 2016
Assets				
Non-current assets				
Deferred tax assets		2,973	3,039	2,585
Intangible assets		9,253	9,250	9,183
Property, plant and equipment	5	61,096	52,009	59,739
Equity-accounted investees		9,238	8,924	9,190
Other non-current assets		3,231	2,826	3,242
Total non-current assets		85,790	76,048	83,938
Current assets				
Inventories	6	18,280	18,609	17,580
Trade receivables		12,145	13,477	10,332
Prepaid expenses and other current assets		5,117	3,842	4,813
Cash and cash equivalents		2,778	4,015	3,751
Non-current assets and disposal group classified as held-for-sale		100	1,479	92
Total current assets		38,419	41,423	36,567
Total assets		124,209	117,471	120,505

Condensed consolidated interim statement of financial position

NOK millions, except share information	Notes	31 Mar 2017	31 Mar 2016	31 Dec 2016
Equity and liabilities				
Equity				
Share capital reduced for treasury stock		464	466	464
Premium paid-in capital		117	117	117
Total paid-in capital		582	583	582
Other reserves		13,167	12,010	12,947
Retained earnings		62,608	60,895	60,916
Total equity attributable to shareholders of the parent		76,356	73,488	74,444
Non-controlling interests		2,361	1,893	2,326
Total equity	2	78,718	75,381	76,770
Non-current liabilities				
Employee benefits		4,075	4,357	4,071
Deferred tax liabilities		4,798	5,237	4,396
Other long-term liabilities		1,508	1,177	1,404
Long-term provisions		876	772	834
Long-term interest-bearing debt	7	14,333	9,074	13,992
Total non-current liabilities		25,591	20,617	24,698
Current liabilities				
Trade and other payables		15,582	16,206	14,762
Current tax liabilities		416	721	530
Short-term provisions		329	301	323
Other short-term liabilities		673	737	859
Bank loans and other interest-bearing short-term debt		2,613	2,377	2,323
Current portion of long-term debt		288	1,030	240
Liabilities associated with disposal group held-for-sale		-	101	-
Total current liabilities		19,901	21,472	19,037
Total equity and liabilities		124,209	117,471	120,505
Number of shares outstanding 1)	2	273,217,830	273,893,369	273,217,830

1) The number of shares outstanding outstanding was reduced in the first and second quarter 2016 due to the share buy-back program.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 25 April 2017

Leif Teksum
Chairperson

Maria Moræus Hanssen
Vice chair

John Thuestad
Board member

Hilde Bakken
Board member

Geir O. Sundbø
Board member

Geir Isaksen
Board member

Rune Bratteberg
Board member

Kjersti Aass
Board member

Svein Tore Holsether
President and CEO

Condensed consolidated interim statement of cash flows

NOK millions	Notes	1Q 2017	1Q 2016	2016
Operating activities				
Operating income		1,524	3,403	8,771
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation, amortization and impairment loss		1,443	1,461	6,427
Write-down and reversals, net		(4)	(12)	156
Tax paid		(859)	(598)	(2,736)
Dividend from equity-accounted investees		23	315	358
Change in net operating capital [1)]		(1,163)	1,015	3,789
(Gain)/loss on disposal		(2)	(75)	(1,559)
Other		(4)	57	(1,121)
Net cash provided by operating activities		957	5,566	14,084
Investing activities				
Purchases of property, plant and equipment		(2,518)	(2,461)	(12,873)
Cash outflow on business combinations		-	-	(480)
Purchases of other long-term investments		(66)	(72)	(286)
Proceeds from sales of property, plant and equipment		8	13	62
Proceeds from sales of other long-term investments		21	67	2,973
Net cash used in investing activities		(2,555)	(2,454)	(10,604)
Financing activities				
Loan proceeds/(repayments), net	7	602	(2,267)	1,138
Purchase of treasury shares		-	(93)	(93)
Redeemed shares Norwegian State		-	-	(252)
Dividend		-	-	(4,108)
Other cash transfers (to)/from non-controlling interests		13	61	327
Net cash from/(used in) financing activities		615	(2,299)	(2,989)
Foreign currency effects on cash and cash equivalents		10	(17)	39
Net increase/(decrease) in cash and cash equivalents		(973)	795	531
Cash and cash equivalents at beginning of period		3,751	3,220	3,220
Cash and cash equivalents at end of period		2,778	4,015	3,751
Bank deposits not available for the use of other group companies		338	364	256

1) Operating capital consists of trade receivables, inventories and trade payables.

Notes to the condensed consolidated interim financial statements

General and accounting policies

Yara (the Group) consists of Yara International ASA (the Company) and its subsidiaries. Yara International ASA is a limited company incorporated in Norway.

The condensed consolidated interim financial statements consist of the Group and the Group's interests in equity-accounted investees. The consolidated financial statements of the Group as at and for the year ended 31 December 2016 are available upon request from the Company's registered office at Drammensveien 131, Oslo, Norway or at www.yara.com. These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements of the Group as at and for the year ended 31 December 2016. These condensed consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are mainly the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2016. From 1 January 2017, the Group changed the cost formula of interchangeable inventories from the first-in, first-out (FIFO) cost formula to weighted average. The effect of changing the accounting policy is regarded immaterial for the Group and a restatement of previously reported figures is assessed not to be necessary.

As a result of rounding differences numbers or percentages may not add up to the total.

Note 1 Judgments, estimates and assumptions

The preparation of condensed consolidated interim financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. When preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, were mainly the same as those that applied to the consolidated financial statements as of the period ended 31 December 2016.

Note 2 Shares, dividend and share buy-back program

The Board of Directors has proposed to the Annual General Meeting a dividend payment of NOK 10 per share for 2016, which represents 43% of net income after non-controlling interests. If approved by the Annual General Meeting on 11 May 2017, the total dividend payment will be NOK 2,732 million based on current outstanding shares.

On 10 May 2016, the Annual General Meeting authorized the Board of Directors to acquire up to 13,660,891 shares (5%) in the open market and from the Norwegian State. The purchase price shall not be less than NOK 10 nor more than NOK 1,000. The shares acquired pursuant to this authorization shall be subsequently cancelled. Yara has renewed its agreement with the Norwegian State according to which the State's shares will be redeemed on a pro-rata basis to ensure the State's ownership is unchanged in the event of a cancellation of shares bought back. Yara has not purchased own shares under the 2016 buy-back program.

The Board has proposed to the Annual General Meeting on 11 May 2017 that the existing buy-back program is replaced by a new program, authorizing the Board to acquire up to 5% (13,660,891 shares) of Yara's shares before the next Annual General Meeting. Shares may be purchased within a price range from NOK 10 to NOK 1,000. The shares shall be subsequently cancelled. The company will enter into a new agreement with the Norwegian State to redeem shares on a pro-rata basis so that the State's ownership is unchanged in the event of a cancellation of shares bought back.

	Ordinary shares	Own shares
Total at 31 December 2015	275,083,369	(910,000)
Treasury shares - share buy-back program 1)		(280,000)
Redeemed shares Norwegian State 2)	(675,539)	
Shares cancelled 2)	(1,190,000)	1,190,000
Total at 31 December 2016	273,217,830	-
Total at 31 March 2017	273,217,830	-

1) As approved by General Meeting 11 May 2015
2) As approved by General Meeting 10 May 2016

Note 3 Operating segment information

NOK millions	1Q 2017	1Q 2016	2016
External revenue and other income			
Crop Nutrition	17,403	18,795	72,677
Industrial	3,938	3,982	16,074
Production	1,287	2,316	8,472
Other and eliminations	7	(39)	(52)
Total	22,635	25,053	97,170
Internal revenue and other income			
Crop Nutrition	414	303	1,531
Industrial	20	25	108
Production	9,425	9,847	33,316
Other and eliminations	(9,860)	(10,174)	(34,954)
Total	-	-	-
Revenue and other income			
Crop Nutrition	17,817	19,098	74,207
Industrial	3,958	4,007	16,181
Production	10,712	12,162	41,788
Other and eliminations	(9,853)	(10,214)	(35,006)
Total	22,635	25,053	97,170
Operating income			
Crop Nutrition	707	1,498	4,118
Industrial	343	379	2,742
Production	718	1,548	1,597
Other and eliminations	(244)	(22)	314
Total	1,524	3,403	8,771
EBITDA			
Crop Nutrition	1,050	1,778	5,470
Industrial	376	423	2,916
Production	1,999	2,845	6,681
Other and eliminations	(209)	10	496
Total	3,216	5,055	15,563
Investments [1)]			
Crop Nutrition	374	208	1,462
Industrial	46	37	205
Production	1,762	1,757	12,017
Other and eliminations	80	28	173
Total	2,263	2,030	13,856
Total Assets [2)]			
Crop Nutrition	35,025	36,062	33,582
Industrial	5,030	6,203	4,760
Production	81,289	73,623	80,125
Other and eliminations	2,866	1,583	2,038
Total	124,209	117,471	120,505

1) Investments comprise property, plant and equipment, intangible assets, equity-accounted investees and other equity investments. The figures presented are capitalized amounts, and may deviate from cash flow from investing activities due to timing of cash outflows.

2) Assets exclude internal cash accounts and accounts receivables related to group relief.

NOK millions, except percentages	1Q 2017	1Q 2016	2016
CROGI (12-month rolling average)			
Yara [1]	8.5 %	14.1 %	9.5 %
Crop Nutrition	13.9 %	17.0 %	15.7 %
Industrial [2]	55.7 %	22.3 %	55.0 %
Production [2]	5.0 %	12.0 %	5.6 %
ROCE (12-month rolling average)			
Yara [1]	6.0 %	13.1 %	7.5 %
Crop Nutrition	12.3 %	16.2 %	14.7 %
Industrial [2]	63.1 %	24.8 %	61.9 %
Production [2]	0.5 %	9.8 %	1.3 %

1) Cash and other liquid assets are included in gross investments and capital employed when calculating CROGI and ROCE respectively for the segments, but not included for total Yara. In addition, actual Yara tax is used for calculating CROGI and ROCE for Yara while a standardized tax rate of 25% is used for the segments. These two effects explain the variance in CROGI and ROCE between Yara and the segments. See page 9 "Definitions and variance analysis" for more information.

2) 2016 includes gain on sale of the European CO_2 business.

Reconciliation of operating income to EBITDA

NOK millions	Operating income	Equity accounted investees	Interest income and other financial income	EBIT	Depreciation, amortization and impairment loss[1]	EBITDA
1Q 2017						
Crop Nutrition	707	(8)	129	829	221	1,050
Industrial	343	5	4	351	25	376
Production	718	82	34	833	1,166	1,999
Other and eliminations	(244)	-	4	(240)	31	(209)
Total	1,524	79	171	1,773	1,443	3,216
1Q 2016						
Crop Nutrition	1,498	(10)	145	1,633	145	1,778
Industrial	379	13	1	394	29	423
Production	1,548	(3)	40	1,586	1,259	2,845
Other and eliminations	(22)	-	3	(18)	28	10
Total	3,403	-	190	3,594	1,461	5,055
2016						
Crop Nutrition	4,118	30	501	4,649	821	5,470
Industrial	2,742	63	11	2,816	100	2,916
Production	1,597	(441)	150	1,306	5,376	6,681
Other and eliminations	314	-	64	377	118	496
Total	8,771	(348)	725	9,149	6,414	15,563

1) Including amortization of excess value in equity-accounted investees.

Note 4 Business initiatives

On 10 August 2016, Yara entered into an agreement to acquire the Tata Chemicals Ltd ("TCL") Babrala urea plant and distribution business in Uttar Pradesh, India, for INR 26,696 million (USD 400 million) on a debt and cash free basis, including normalized net working capital. The plant has an annual production of 0.7 million tonnes ammonia and 1.2 million tonnes urea, and generated revenues and EBITDA of respectively USD 350 million and USD 35 million in the fiscal year ended 31 March 2016. The plant was commissioned in 1994, and is the most energy efficient plant in India, with energy efficiency on par with Yara's best plants. The agreement is subject to regulatory approvals and sanctioning by the relevant courts in India. The transaction is expected to take place in third quarter 2017.

Note 5 Specifications to the condensed consolidated interim statement of income

Other income

NOK millions	1Q 2017	1Q 2016	2016
Divestment of the European CO_2 business	-	-	1,552
Sale of white certificates	-	67	107
Gain on swap of mineral rights	-	-	44
Insurance compensations	-	63	64
Other	15	16	100
Total	15	146	1,867

Depreciation, amortization and impairment loss

NOK millions	1Q 2017	1Q 2016	2016
Depreciation of property, plant and equipment	(1,342)	(1,254)	(5,109)
Impairment loss property, plant and equipment	(9)	(5)	(404)
Reversal of impairment loss property, plant and equipment	-	16	26
Total depreciation and impairment loss property, plant and equipment	(1,351)	(1,243)	(5,486)
Amortization of intangible assets	(91)	(218)	(771)
Impairment loss intangible assets	-	-	(169)
Total amortization and impairment loss intangible assets	(91)	(218)	(940)
Total depreciation, amortization and impairment loss	(1,443)	(1,461)	(6,427)

Note 6 Inventories

NOK millions	31 Mar 2017	31 Mar 2016	31 Dec 2016
Finished goods	9,838	11,025	9,377
Work in progress	642	598	536
Raw materials	7,800	6,986	7,667
Total	18,280	18,609	17,580
Write-down			
Balance at 1 January	(139)	(152)	(152)
Reversal/(write-down), net	9	25	(2)
Foreign currency translation gain/(loss)	(2)	5	14
Closing balance	(132)	(122)	(139)

Note 7 Long-term debt

Contractual payments on long-term debt

NOK millions	Debentures	Bank Loans	Capital lease and other LT loans	Total
2018	-	431	50	481
2019	6,486	282	61	6,828
2020	-	240	52	292
2021	707	164	53	924
2022	-	546	78	624
Thereafter	4,884	128	172	5,184
Total	12,076	1,792	466	14,333

In January 2017, Yara established a USD 150 million term loan with International Financing Corporation (IFC) to be repaid in September 2022. USD 50 million of the loan was drawn per end 1Q 2017. An updated overview of the contractual payments on long-term debt is provided in the table

Reconciliation of liabilities arising from financing activities

NOK millions	31 Dec 2016	Cash flows	Non cash changes				31 Mar 2016
			Foreign exchange movement	Fair value changes	Amorti zation 1)	Reclassi fication 2)	
Long-term interest-bearing debt	13,992	361	21	14	(10)	(44)	14,333
Bank loans and other interest-bearing short-term debt	2,323	242	48	-	-	-	2,613
Current portion of long-term debt	240	-	4	-	-	44	288
Total liabilities from financing activities	16,555	602	74	14	(10)	-	17,234

1) Amortization of transaction cost
2) Reclassification between long-term and short-term debt

Note 8 Pardies Site

On 8 March 2017, Yara announced a plan to cease operations at its Pardies site in France. This process includes considering closing the Pardies plant and seeking buyers interested in taking over the plant. The plant has 85 employees and an annual production capacity of approximately 100,000 tonnes of technical ammonium nitrate. The Pardies operations suffer from limited scale, raw material integration and export competitiveness. The closure in 2010 of a nearby industrial operation deprived the Yara Pardies plant of many synergies that existed between the two plants, forcing Yara to close the ammonia production unit at the site. Yara has fully impaired the plant in previous periods. Since no decision has been made at this stage there are no other significant accounting effects in Yara's first quarter results.

Quarterly historical information

EBITDA

NOK millions	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016
Crop Nutrition	1,050	860	1,502	1,330	1,778
Industrial	376	398	403	1,693	423
Production	1,999	823	894	2,120	2,845
Other and eliminations	(209)	(65)	205	346	10
Total	3,216	2,015	3,004	5,489	5,055

Results

NOK millions, except per share information	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016
Revenue and other income	22,635	22,327	23,924	25,866	25,053
Operating income	1,524	521	1,336	3,512	3,403
EBITDA	3,216	2,015	3,004	5,489	5,055
Net income after non-controlling interests	1,692	(333)	821	3,072	2,800
Earnings per share (NOK)	6.19	(1.22)	3.00	11.23	10.22

USD[1)] millions, except per share information	1Q 2017	4Q 2016	3Q 2016	2Q 2016	1Q 2016
Revenue and other income	2,683	2,668	2,894	3,134	2,901
Operating income	181	63	161	425	394
EBITDA	381	242	363	664	585
Net income after non-controlling interests	201	(40)	99	371	325
Earnings per share (USD)	0.73	(0.15)	0.36	1.36	1.19

1) USD numbers are calculated monthly based on average NOK/USD per month.

Reconciliation of alternative performance measures

Reconciliation of operating income to EBITDA and gross cash flow

		3 month-rolling		12 month-rolling		
NOK millions		1Q 2017	1Q 2016	YTD 2017	YTD 2016	2016
Operating income		1,524	3,403	6,892	13,518	8,771
Share of net income in equity-accounted investees		79	-	(269)	330	(348)
Interest income and other financial income		171	190	706	671	725
Earnings before interest expense and tax (EBIT)		1,773	3,594	7,329	14,518	9,149
Depreciation, amortization and impairment loss		1,443	1,461	6,408	7,075	6,427
Amortization of excess value in equity-accounted investees [1)]		-	1	(12)	29	(12)
Earnings before interest, tax and depreciation/amortization (EBITDA)		3,216	5,055	13,724	21,622	15,563
Income tax after tax on net foreign currency translation gain/(loss)		(355)	(822)	(1,613)	(2,610)	(2,080)
Gross cash flow	A	2,862	4,233	12,111	19,012	13,483

1) Included in share of net income in equity-accounted investees.

Reconciliation of net income after non-controlling interests to gross cash flow

		3 month-rolling		12 month-rolling		
NOK millions		1Q 2017	1Q 2016	YTD 2017	YTD 2016	2016
Net income attributable to shareholders of the parent		1,692	2,800	5,252	10,154	6,360
Non-controlling interests		(31)	(16)	(53)	216	(37)
Interest expense and foreign currency translation		(411)	(70)	444	1,505	786
Depreciation, amortization and impairment loss		1,443	1,461	6,408	7,075	6,427
Amortization of excess value in equity-accounted investees		-	1	(12)	29	(12)
Tax effect on foreign currency translation		169	57	72	33	(40)
Gross Cash Flow	A	2,862	4,233	12,111	19,012	13,483
Annualized gross cash flow	B=Ax4	11,446	16,933			
12-month rolling	B			12,111	19,012	13,483

Reconciliation of total assets to gross investments

		3 month-rolling		12 month-rolling		
NOK millions		1Q 2017	1Q 2016	YTD 2017	YTD 2016	2016
Total assets		121,271	117,947	119,134	115,579	118,556
Cash and cash equivalents		(3,207)	(3,359)	(4,798)	(4,396)	(4,814)
Other liquid assets		(2)	(2)	(2)	(80)	(2)
Deferred tax assets		(2,704)	(2,942)	(2,844)	(2,697)	(2,866)
Other current liabilities		(16,513)	(16,689)	(16,851)	(17,584)	(16,771)
Accumulated depreciation and amortization		47,239	46,154	47,400	43,654	47,156
Gross investment 3-month average	C	146,083	141,108			
Gross investment 12-month average	C			142,039	134,474	141,258
Cash Return on Gross Investment, CROGI	D=B/C	7.8 %	12.0 %	8.5 %	14.1 %	9.5 %

Reconciliation of EBIT to EBIT after tax

NOK millions		3 month-rolling 1Q 2017	3 month-rolling 1Q 2016	12 month-rolling YTD 2017	12 month-rolling YTD 2016	12 month-rolling 2016
Earnings before interest expense and tax (EBIT)		1,773	3,594	7,329	14,518	9,149
Income tax after tax on net foreign currency translation gain/(loss)		(355)	(822)	(1,613)	(2,610)	(2,080)
EBIT after tax	E	1,419	2,772	5,715	11,908	7,069
Annualized quarter EBIT after tax	F=Ex4	5,674	11,087			
12-month rolling EBIT after tax	F			5,715	11,908	7,069

Reconciliation of total assets to capital employed

NOK millions		3 month-rolling 1Q 2017	3 month-rolling 1Q 2016	12 month-rolling YTD 2017	12 month-rolling YTD 2016	12 month-rolling 2016
Total assets		121,271	117,947	119,134	115,580	118,557
Cash and cash equivalents		(3,207)	(3,359)	(4,798)	(4,396)	(4,814)
Other liquid assets		(2)	(2)	(2)	(80)	(2)
Deferred tax assets		(2,704)	(2,942)	(2,844)	(2,697)	(2,866)
Other current liabilities		(16,513)	(16,689)	(16,851)	(17,584)	(16,771)
Capital employed 12-month average	G	98,844	94,954	94,639	90,822	94,104
Return on capital employed, ROCE	H=F/G	5.7 %	11.7 %	6.0 %	13.1 %	7.5 %

Reconciliation of EBITDA to income before tax and non-controlling interests

NOK millions		1Q 2017	1Q 2016	2016
EBITDA		3,216	5,055	15,563
Depreciation, amortization and impairment loss		(1,443)	(1,461)	(6,427)
Amortization of excess value in equity-accounted investees		-	(1)	12
Interest expense and other financial items		(172)	(279)	(901)
Foreign currency translation gain/(loss)		584	349	115
Income before tax and non-controlling interests	I	2,185	3,663	8,363

Reconciliation of operating income to EBITDA

NOK millions	1Q 2017	1Q 2016	2016
Operating income	1,524	3,403	8,771
Share of net income in equity-accounted investees	79	-	(348)
Interest income	171	175	690
Dividends and net gain/(loss) on securities	-	15	36
EBIT	1,773	3,594	9,149
Depreciation, amortization and impairment loss [1)]	1,443	1,461	6,414
EBITDA	3,216	5,055	15,563
Special items included in EBITDA	119	(5)	(1,114)
EBITDA excluding special items	3,335	5,050	14,449

1) Including amortization of excess value in equity-accounted investees

Net operating capital

NOK millions	31 Mar 2017	31 Mar 2016	31 Dec 2016
Net trade receivables	12,145	13,477	10,332
Inventories	18,280	18,609	17,580
Trade payables	(12,663)	(12,988)	(12,206)
Net operating capital	17,762	19,098	15,705

Net interest-bearing debt

NOK millions		31 Mar 2017	31 Mar 2016	31 Dec 2016
Cash and cash equivalents		2,778	4,015	3,751
Other liquid assets [1)]		2	2	2
Bank loans and other short-term interest-bearing debt		(2,613)	(2,377)	(2,323)
Current portion of long-term debt		(288)	(1,030)	(240)
Long-term interest-bearing debt		(14,333)	(9,074)	(13,992)
Net interest-bearing debt	J	(14,454)	(8,465)	(12,802)

1) Other liquid assets is included in "Prepaid expenses and other current assets" in statement of financial position

Debt/equity ratio

NOK millions		31 Mar 2017	31 Mar 2016	31 Dec 2016
Net interest-bearing debt	K	(14,454)	(8,465)	(12,802)
Total equity	L	(78,718)	(75,381)	(76,770)
Debt/equity ratio	M=K/L	0.18	0.11	0.17

Earnings per share

NOK millions, except earnings per share and number of shares		1Q 2017	1Q 2016	2016
Weighted average number of shares outstanding	N	273,217,830	274,053,369	273,499,403
Net income	O	1,692	2,800	6,360
Net foreign currency translation gain/(loss)	P	584	349	115
Tax effect on foreign currency translation gain/(loss)	Q	(169)	(57)	40
Non-controlling interest share of currency gain/(loss), net after tax	R	(9)	(5)	(36)
Special items within EBIT	S	(119)	5	639
Tax effect on special items	T	36	(2)	(70)
Special items within EBIT net of tax	U=S+T	(83)	4	568
Non-controlling interest share of special items, net after tax	V	-	-	12
Earnings per share	W=O/N	6.19	10.22	23.25
Earnings per share excluding currency	X=(O-P-Q-R)/N	4.71	9.17	22.82
Earnings per share excluding currency & special items	Y=(O-P-Q-R-U-V)/N	5.01	9.16	20.70

Notes

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