



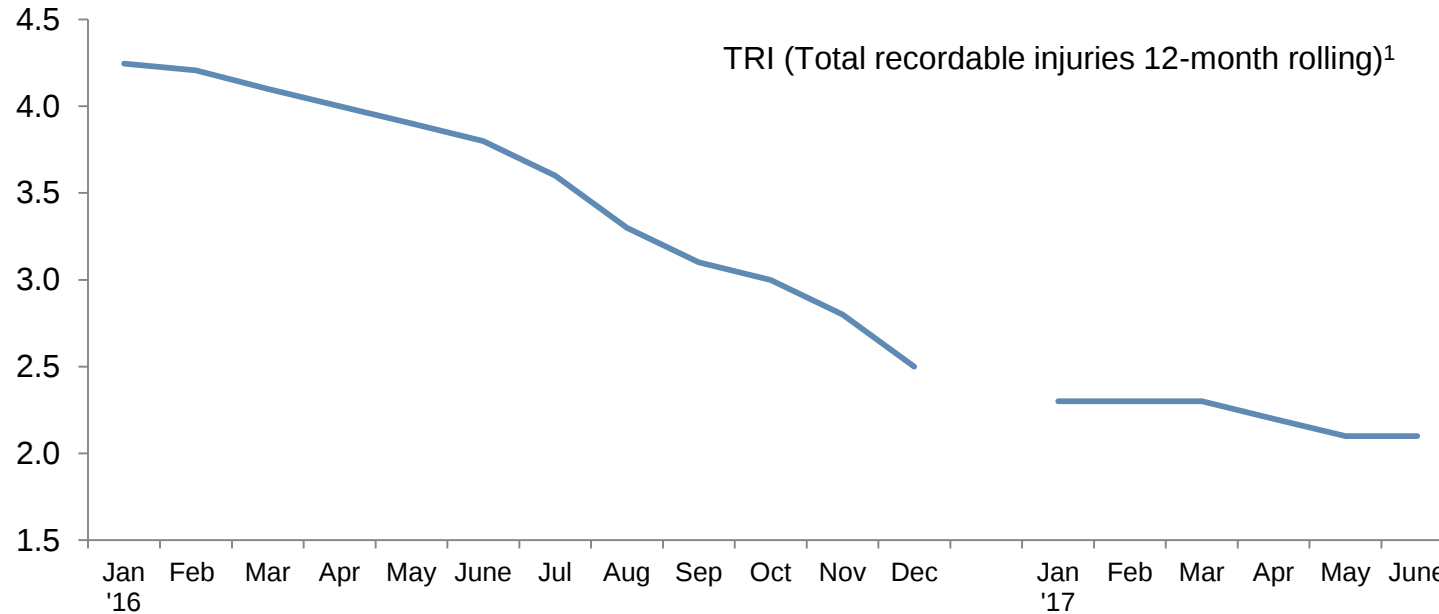
Knowledge grows

Yara International ASA 2017 second quarter results

18 July 2017



Safe operations is our first priority

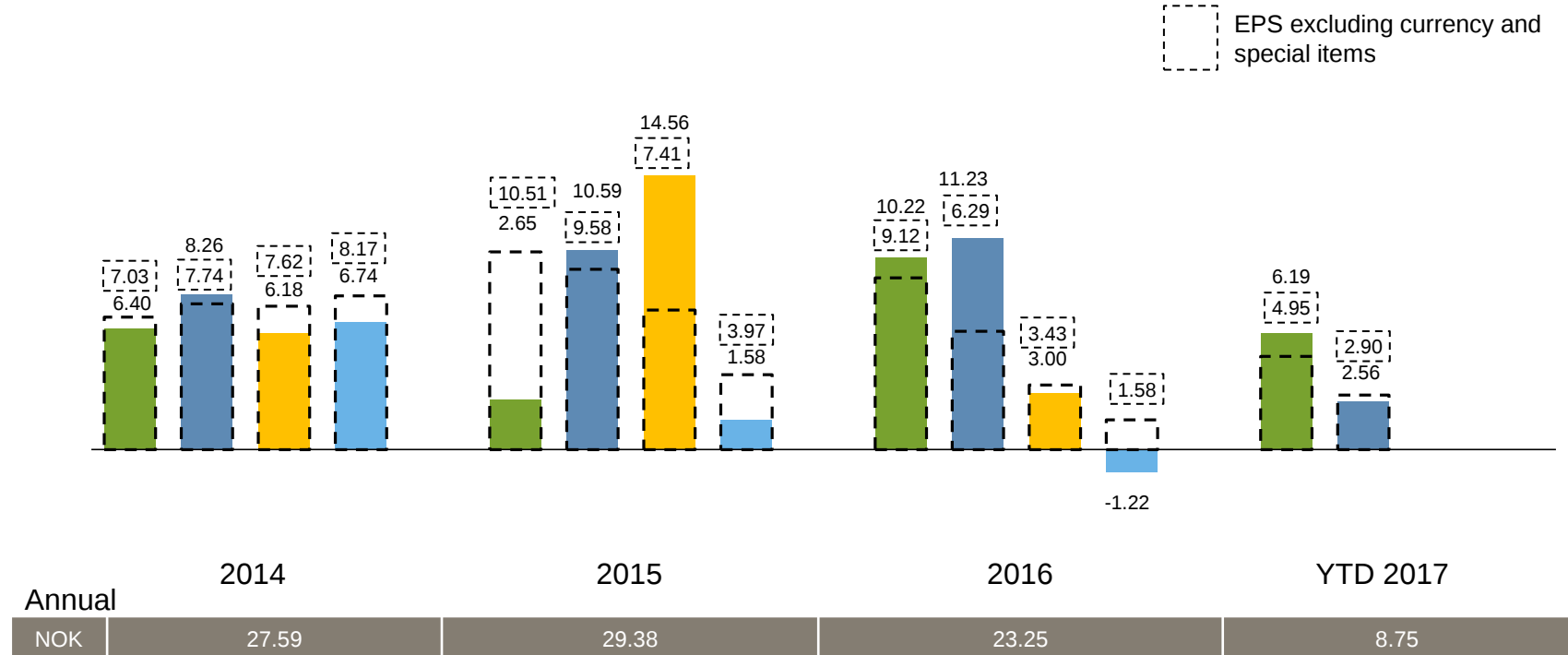


1) TRI: Total recordable injuries, lost time (absence from work), restricted work and medical treatment cases per one million work hours.

Summary second quarter

- Results reflect lower commodity margins
- Strong finished fertilizer production, but lower ammonia production
- Continued growth in Industrial deliveries
- Improvement program on track

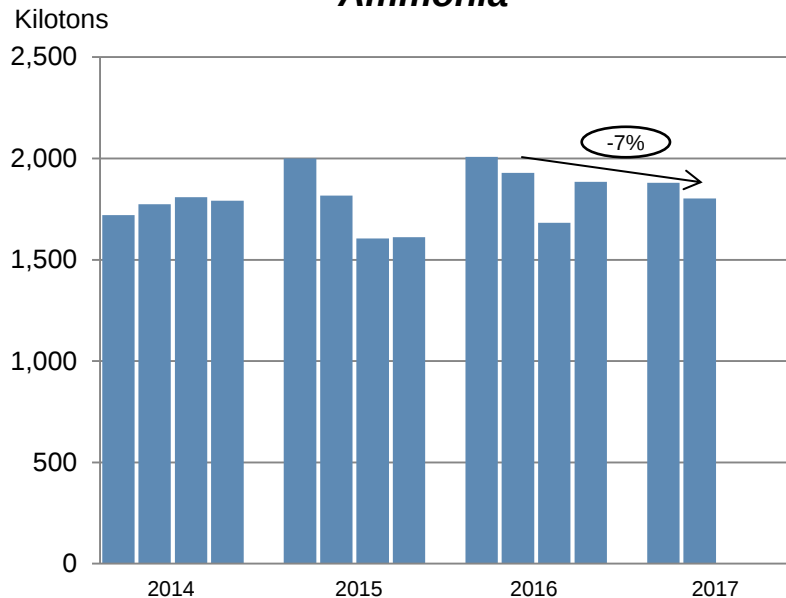
Earnings per share*



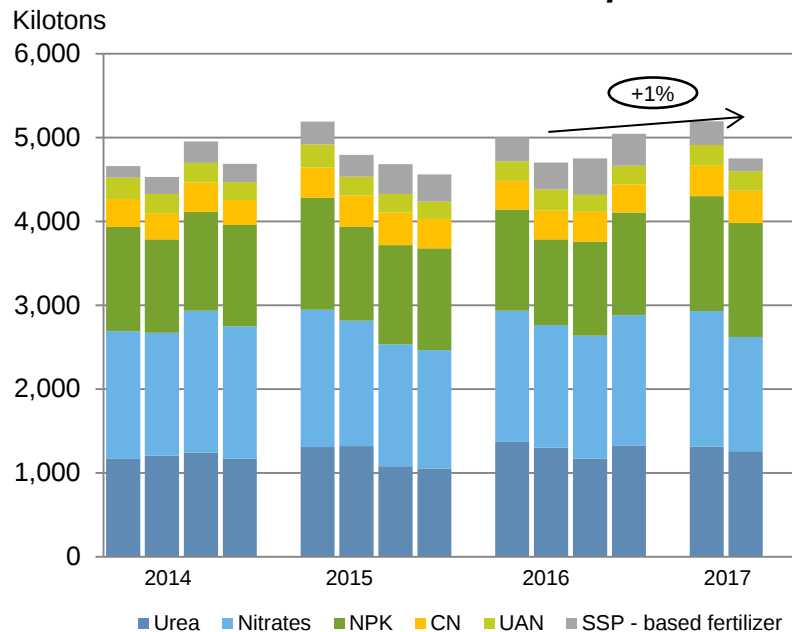
*Average number of shares for 2Q 2017: 273.2 million (2Q 2016: 273.5 million).

Higher finished fertilizer production; lower ammonia production

Ammonia¹



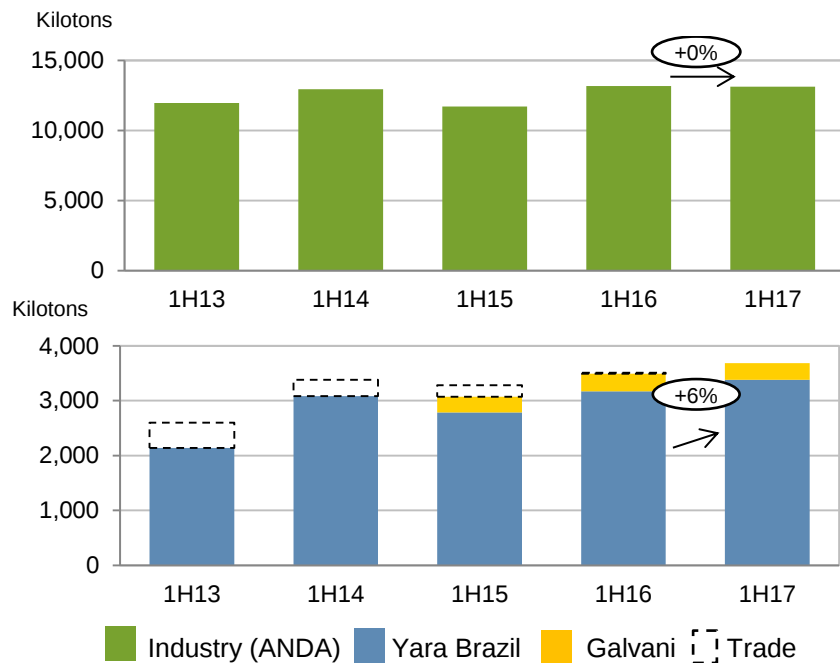
Finished fertilizer & industrial products¹



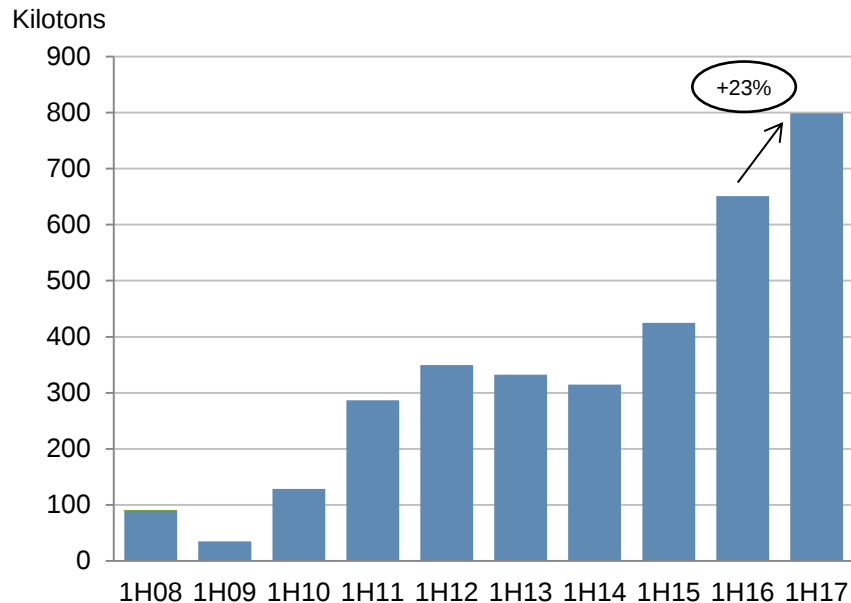
1) Including share of equity-accounted investees

Brazil: focus on premium products and solutions drives growth

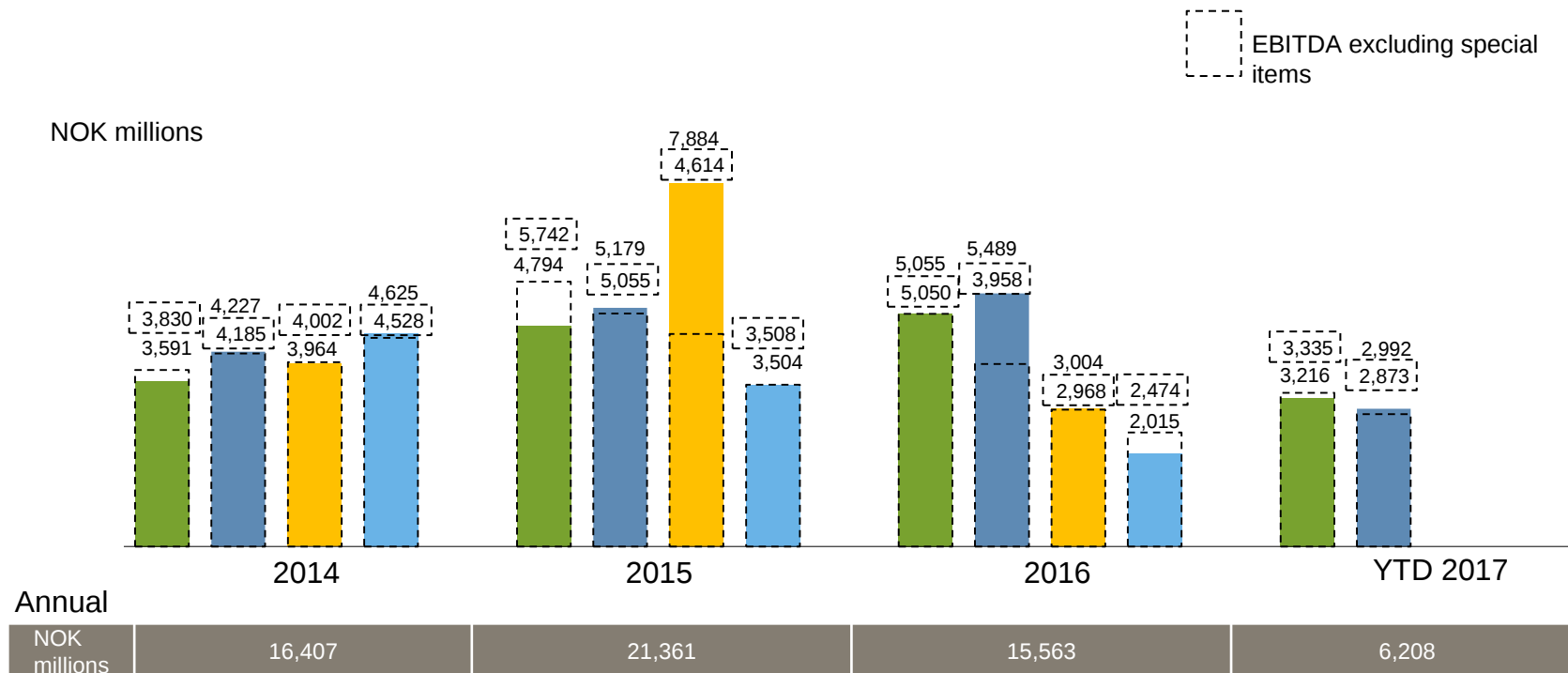
Brazil season-to-date (1H) fertilizer deliveries



Season-to-date premium product deliveries

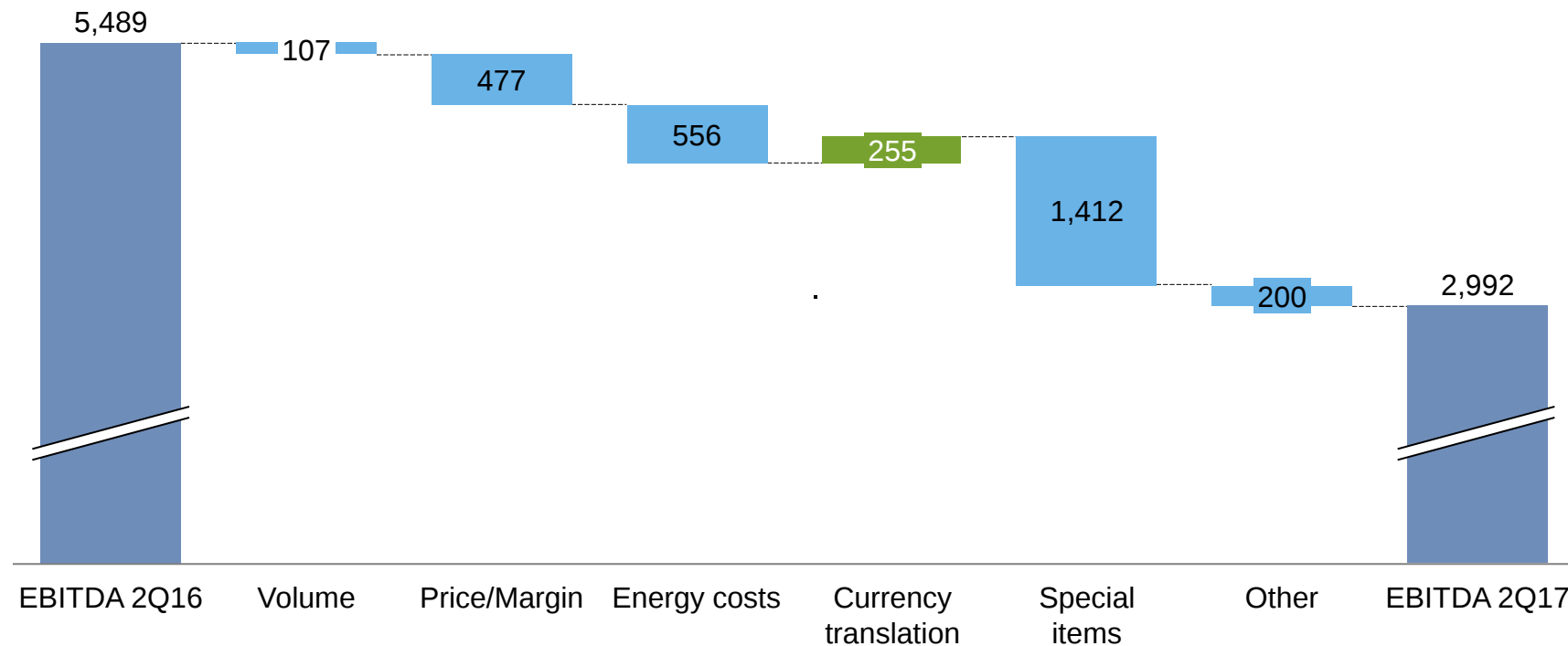


Earnings before interest, tax, depreciation and amortization (EBITDA)

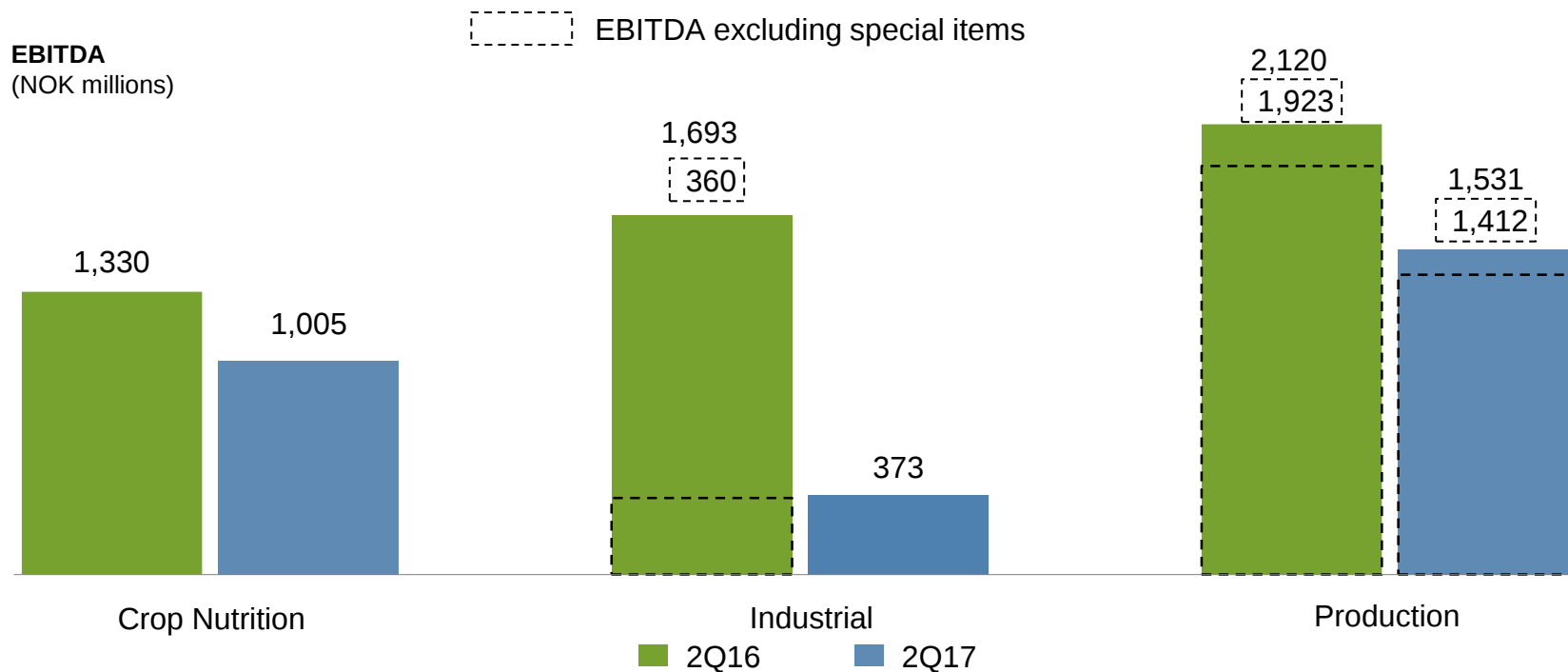


EBITDA development

NOK millions

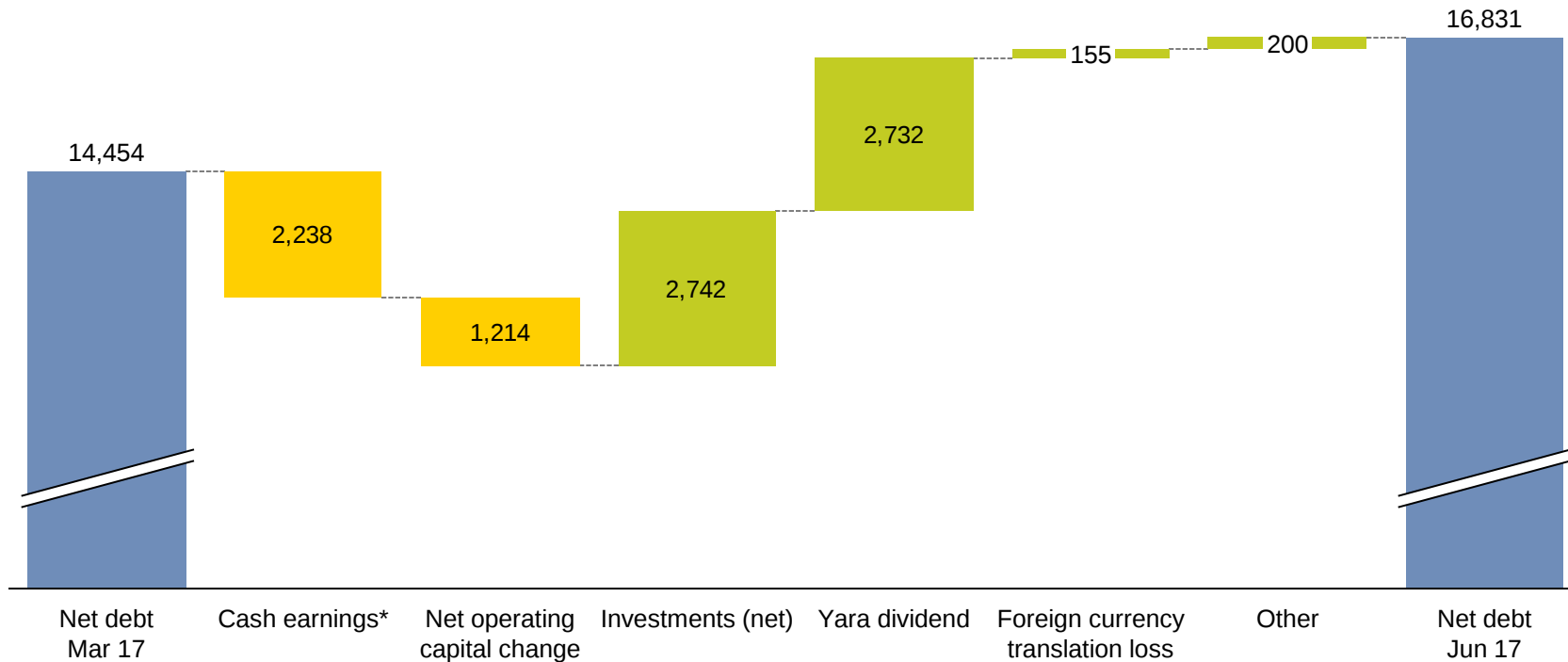


Lower prices mainly impact Production segment



Net interest-bearing debt development

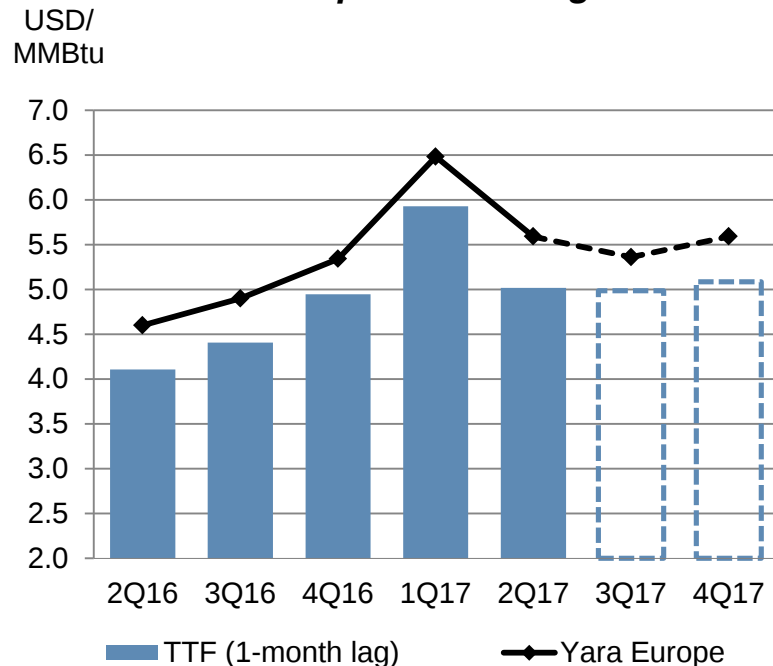
NOK millions



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

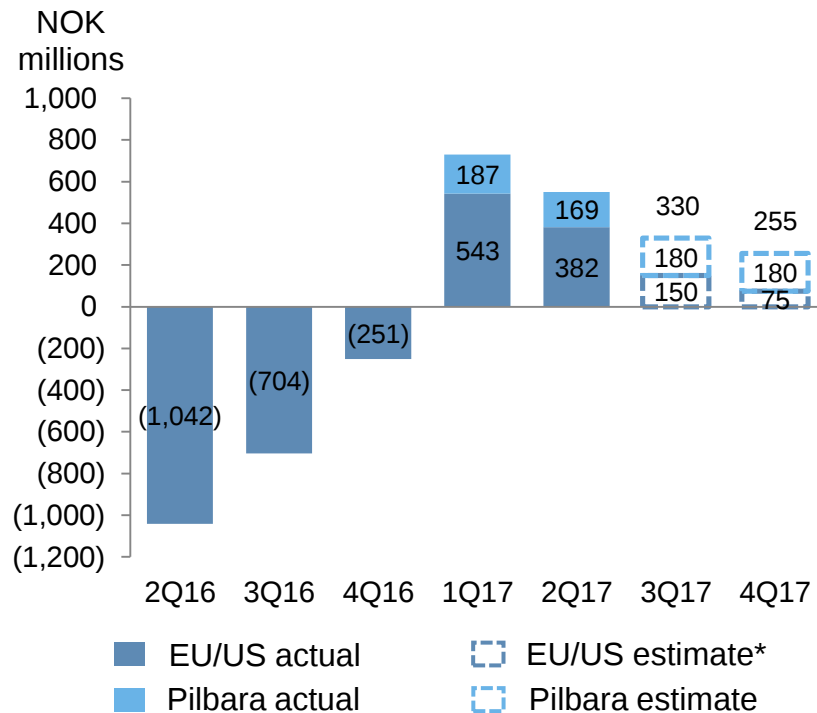
Natural gas cost

Yara European natural gas cost



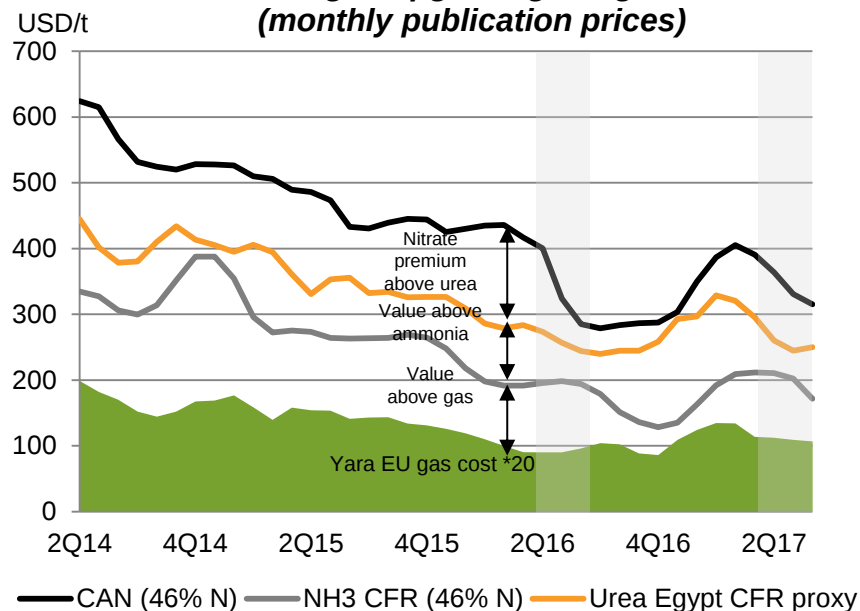
*Dotted lines denote forward prices as of 10 July 2017
Source: Yara, World Bank, Argus/ICIS Heren

Change in global natural gas cost



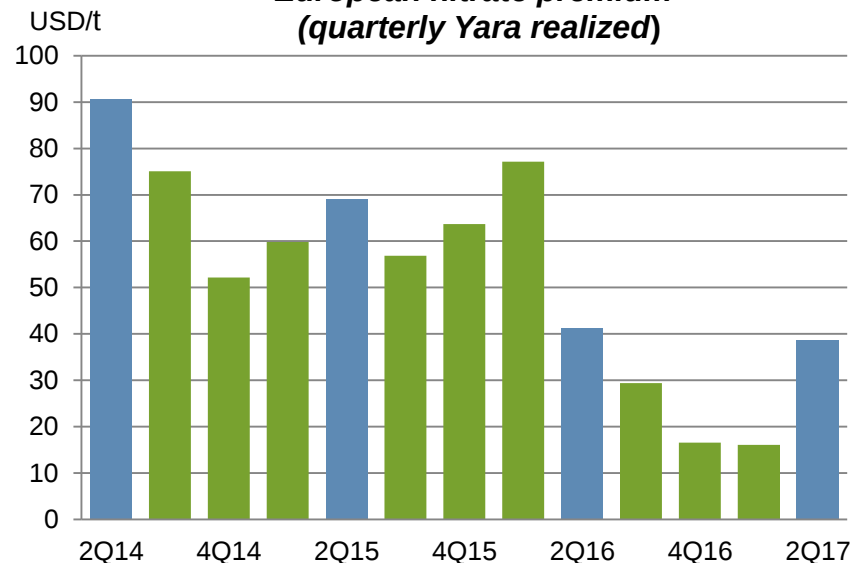
European nitrate premiums in line with a year earlier

**Nitrogen upgrading margins¹
(monthly publication prices)**



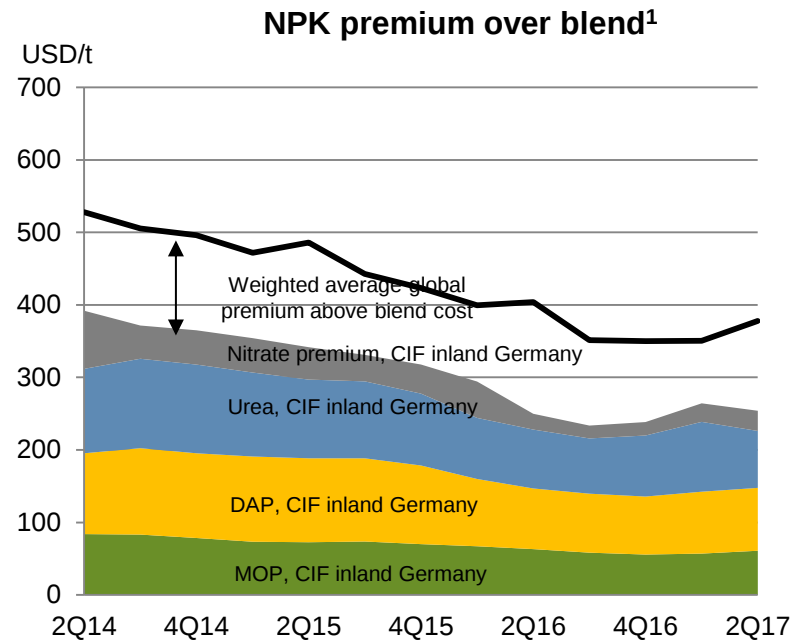
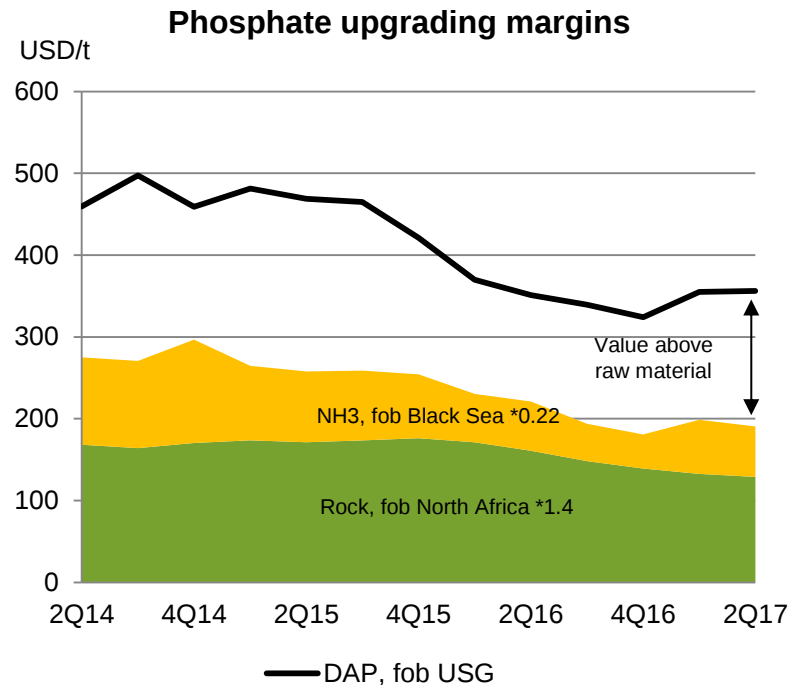
1) All prices in urea equivalents

**European nitrate premium²
(quarterly Yara realized)**



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.

Solid commodity phosphate margins and compound NPK premiums



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

Four strategic responses shape our approach to the market



Strengthened and aligned brand positioning

Develop ***farmer centric solutions*** that commercially integrate knowledge, **digital tools and services** to our product portfolio

Actively develop ***aligned market channels*** that enable knowledge sharing with the farmer

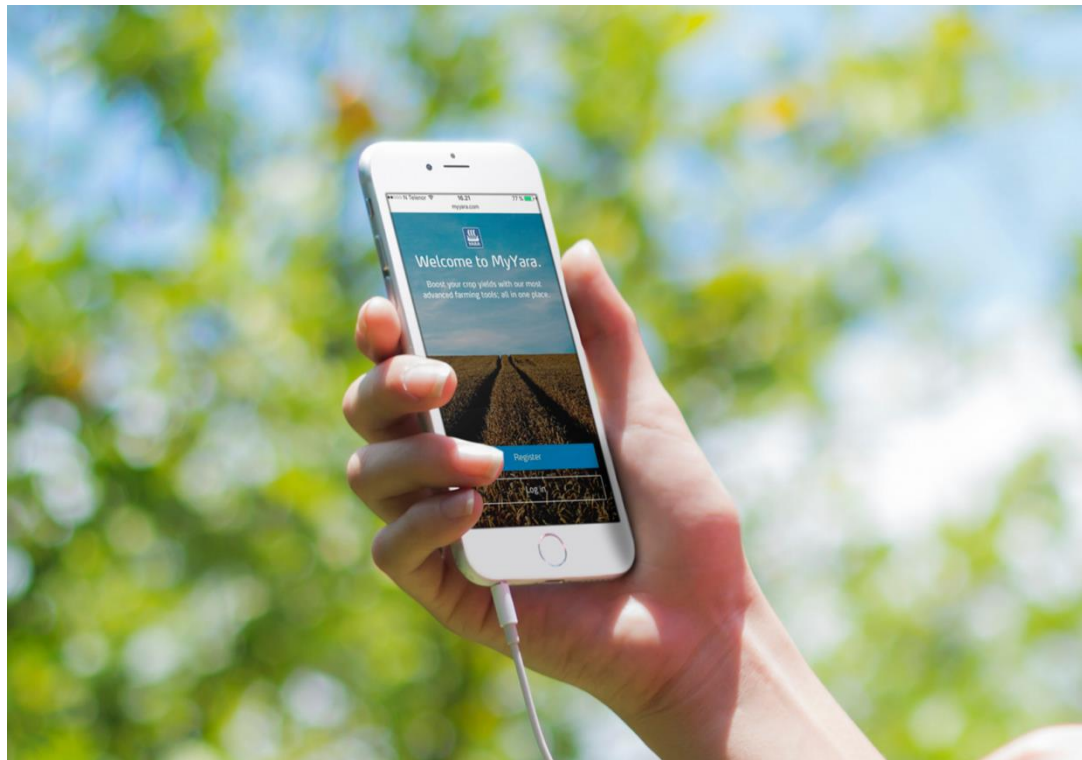
Actively develop profitable local and global ***partnerships*** along the ***value chain***

Be in the ***forefront of innovation and R&D***, and pursue smaller M&A to add new knowledge areas

Safety and compliance – key priority in everything we do

Digital Farming:

Yara to step up its investment in digital farming solutions



Cornerstones of our Crop Nutrition digital strategy

Our offer



- We stand for **world-leading crop nutrition knowledge** – which is also our **core digital offer**
- We offer **best-in-class digital crop nutrition solutions** that make a **real difference for the farmer** – tailored to the needs in each market

Our customers



- We target **all farmers** wanting to step up efficiency and yield through best-in-class crop nutrition advisory
- We **work with our partners in distribution and retail** and selectively collaborate with partners in our value chains

Our plan



- We will **step up our development plans and capabilities** through a dedicated Digital Farming unit
- **We will prioritize speed and agility:** establish a leading position by **fast launch and rapid roll-out** of digital products in key Yara markets

Our key focus will be to advance our digital offering within three areas

Professional Farmers

Reinvent our digital customer experience

- Upgrade MyYara features with more convenience of use
- Intensify two-way interaction with farmers
- Roll out solutions faster globally

Broaden our offer within Precision nutrition solutions

- Re-launch N-sensor with higher connectivity
- Broaden our offer to include precision nutrition planning
- Introduce new sensors (e.g. drones, satellites)

Smallholder markets

Expand into the smallholder markets

- Develop digital solutions for farmers in Africa and Asia
- Meet farmer-specific and crop-specific needs
- Increase productivity and sustainable farming

Illustrative example for Brazil – Farmer and Yara benefits from our advanced digital offerings

Farmer gets

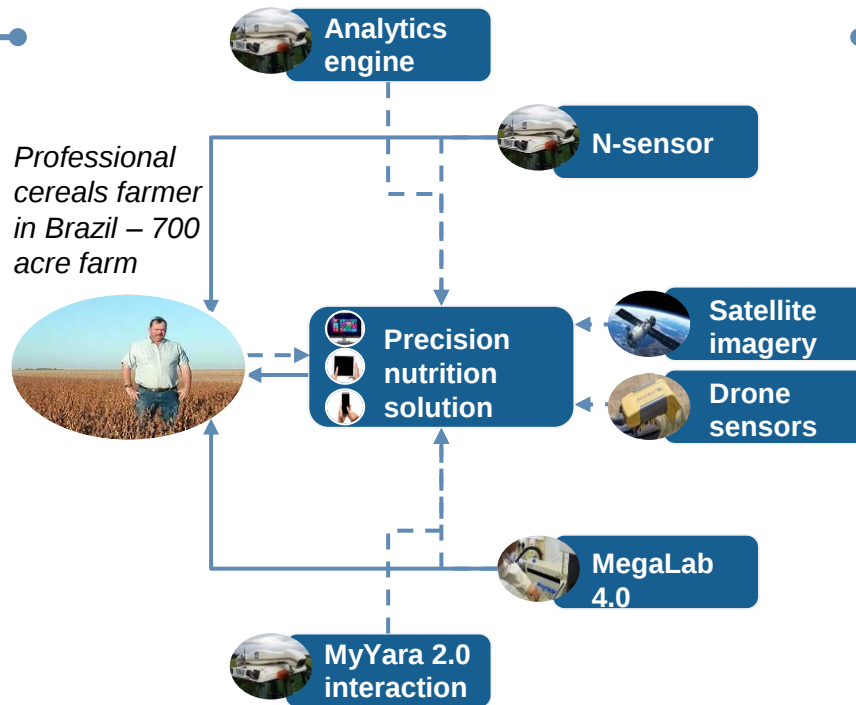
Highest quality crop nutrition services

- Precision nutrition planning
- Digitized soil/tissue analytics
- Variable rate fertilizer application

Better customer service

- Direct interaction with Yara agronomists
- Facilitated order and delivery services

Example



Yara gets

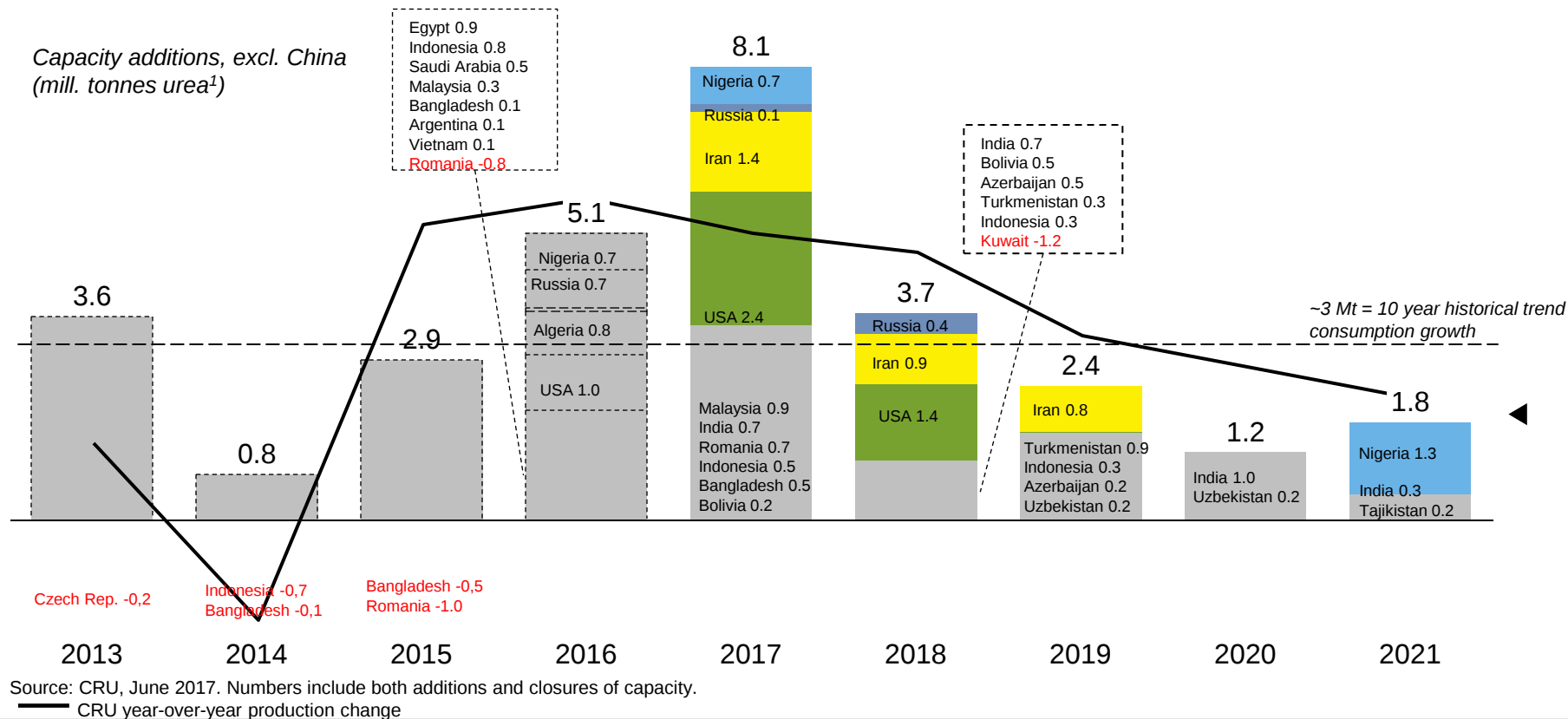
Benefits from "Marketing 2.0"

- Direct learning about farm and farmer preferences
- Ability to position the advantages of our products

New revenue pool

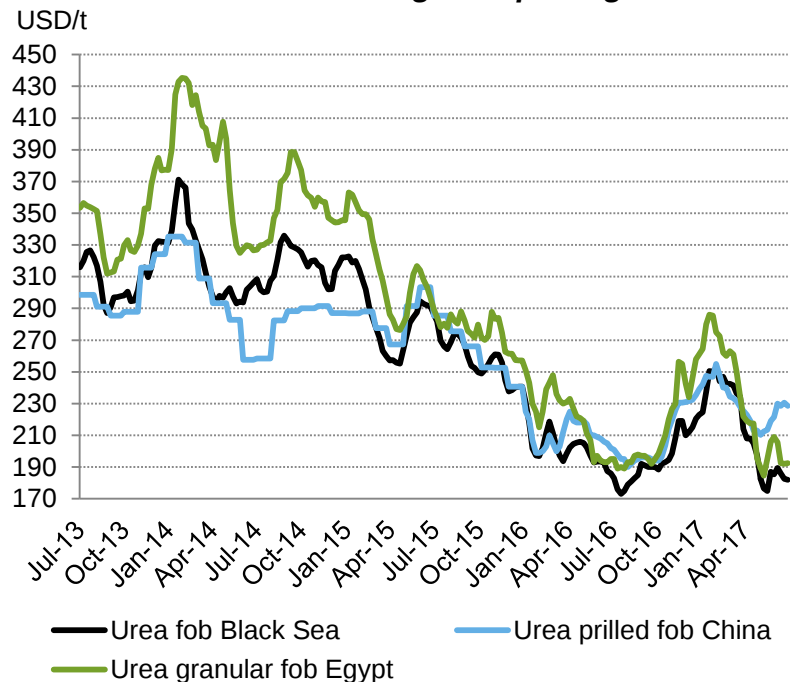
- Service business from premium precision nutrition solutions

Strong urea over-supply outside China

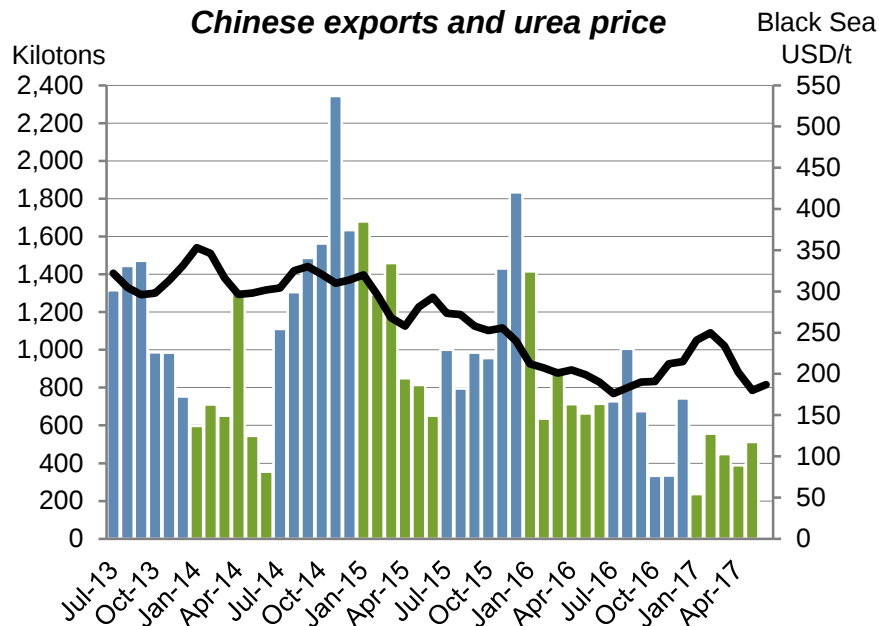


Non-Chinese fob prices reduced to displace Chinese urea exports

Increasing urea pricing



Chinese exports and urea price



Source: BOABC, CFMW

Yara has expected commodity nitrogen over-supply, and has focused its growth pipeline on premium & industrial products

Growth focused on premium & industrial

Expand premium products sales and supply

Uusikaupunki NPK (3Q 2016)
Porsgrunn/Glomfjord CN/NPK (4Q 2017)
Sluiskil urea+S (4Q 2017)
Rio Grande NPK/NPK blends (2H 2020)

Expand commodity scale based on attractive full-cost growth opportunities

Freeport ammonia JV (4Q 2017)
Babralla urea acquisition (3Q 2017)

Act on attractive opportunities to grow industrial sales and supply

Pilbara – TAN (1H 2017)
Köping – TAN (2Q 2018)

Structurally secure P and K supply

Galvani / Salitre
(mining: 1Q18, chemical 4Q18)

Pipeline tonnes by product (kt)¹



Exposure to commodity nitrogen prices:

Low

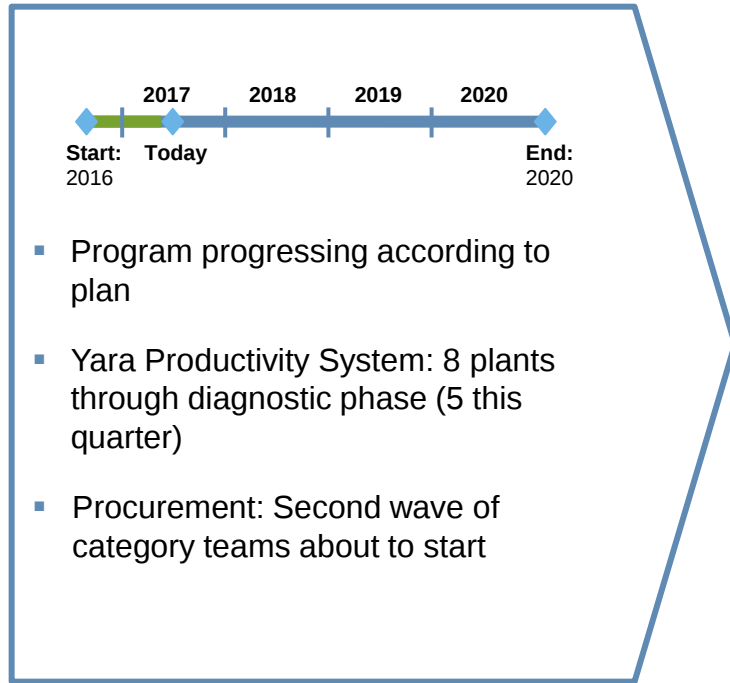
Medium

High

¹ Including Yara's share of volume in non-consolidated investees. Fully consolidated entities presented at 100% basis

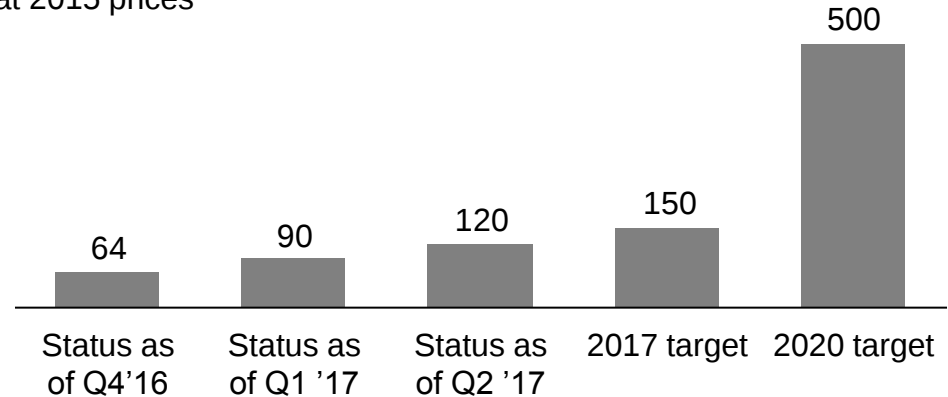
Yara Improvement Program well on track, despite plant outages

Program progress



Financial benefits

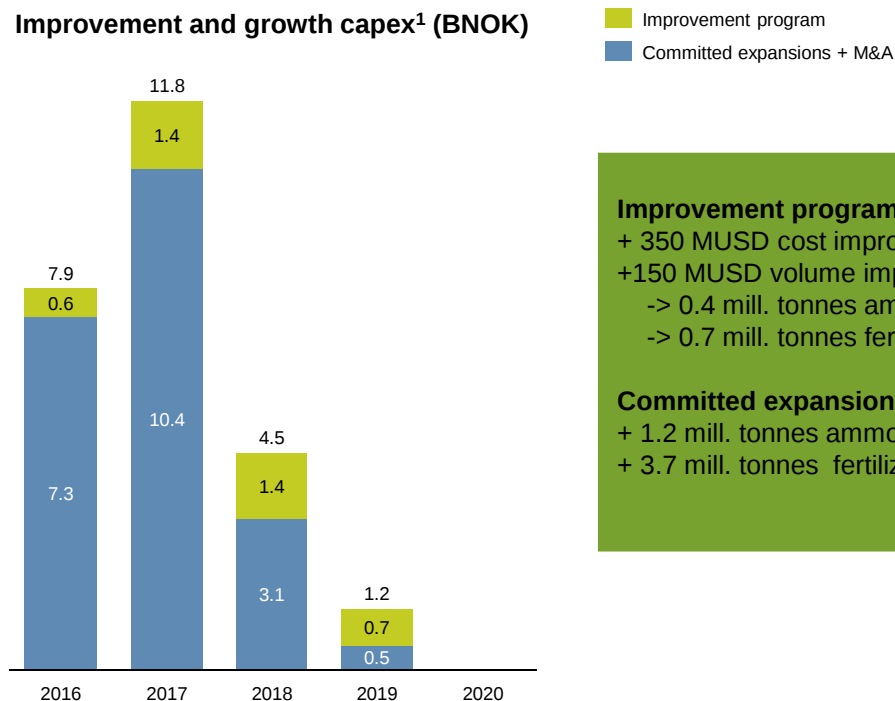
Annualized EBITDA improvement, \$MM, vs. 2015 baseline, at 2015 prices



- Further \$80MM one-off cash improvement realized, primarily working capital release
- Accumulated one-off program costs: opex \$36MM and capex \$116MM

Major improvement and growth investments in 2017; main earnings improvement from 2018 onwards

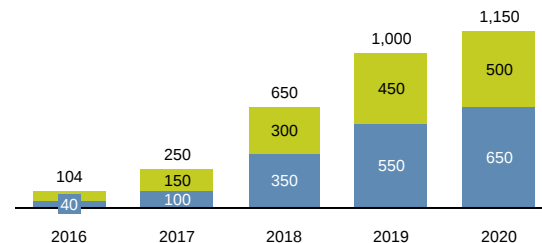
Improvement and growth capex¹ (BNOK)



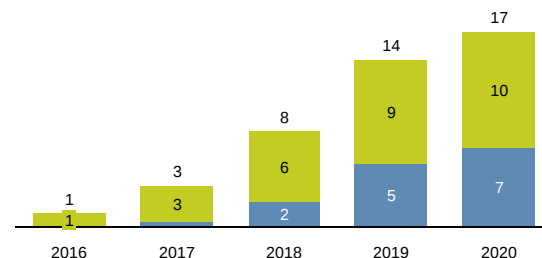
Improvement program:
 + 350 MUSD cost improvement
 +150 MUSD volume improvement:
 -> 0.4 mill. tonnes ammonia
 -> 0.7 mill. tonnes fertilizer

Committed expansions + M&A:
 + 1.2 mill. tonnes ammonia
 + 3.7 mill. tonnes fertilizer

EBITDA improvement² (MUSD)



Earnings improvement² (NOK per share)



¹ Excluding maintenance capex on existing assets – see page 28. Yara's share of capex. Fully consolidated entities presented at 100% basis

² Measured at 2015 conditions. Main average market prices: Ammonia fob Yuzhny 390 USD/t, Urea fob Yuzhny 275 USD/t, DAP fob Morocco 495 USD/t.



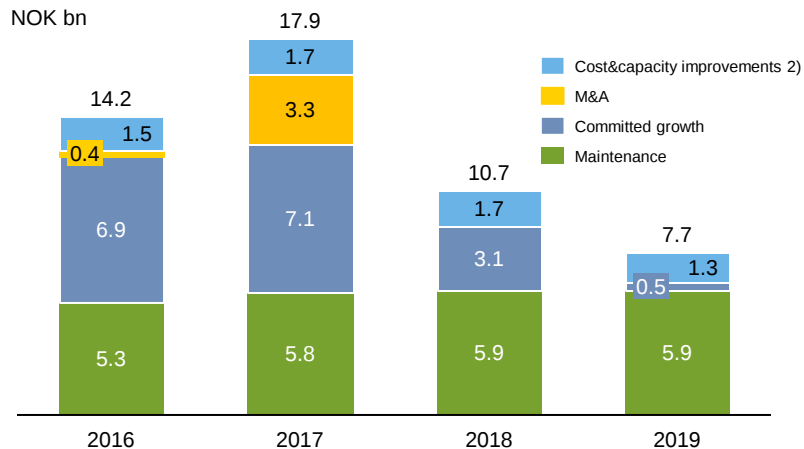
Knowledge grows

Additional information

12 - 15 July 2016

Growth and capex pipeline

Capex plan¹



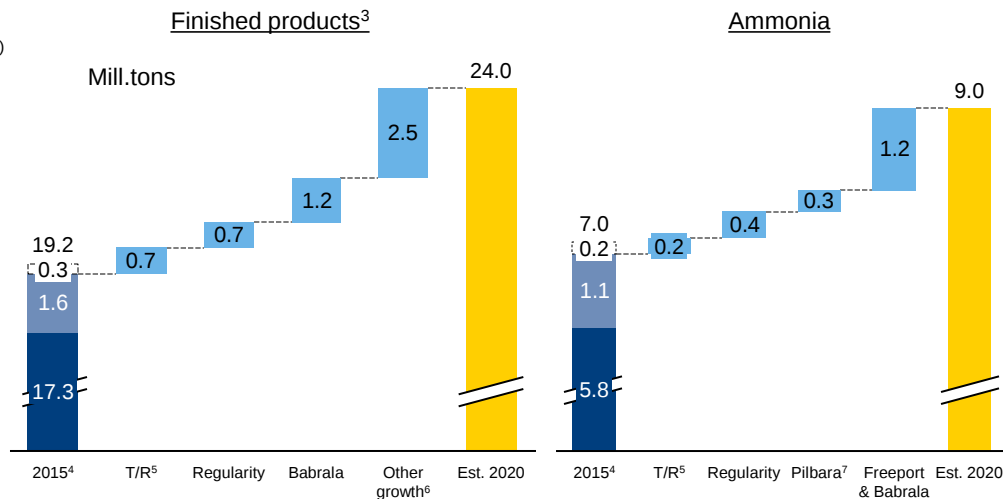
Committed growth (NOK bn):

Porsgrunn	1.2	0.8	-	
Köping	0.4	0.5	0.2	
Sluiskil	0.7	0.8	0.0	
BASF JV	1.6	0.9	0.5	
Rio Grande	0.1	1.6	0.5	0.5
Salitre	0.8	2.1	1.8	
Other projects	2.1	0.3	0.1	
Total	6.9	7.1	3.1	0.5

1) Yara's share of capex. Fully consolidated entities presented at 100% basis.

2) Includes Yara Improvement program Capex and other improvements

Production growth 2015 - 2020²



GrowHow UK (divested mid-2015)
 Yara-operated
 Yara's share of Qafco & Lifeco

2) Rio Grande expansion also adds 1 million tonnes NPK blends by 2020

3) Finished fertilizer and industrial products, excl. bulk blends

4) Including Yara share of production in non-consolidated investees

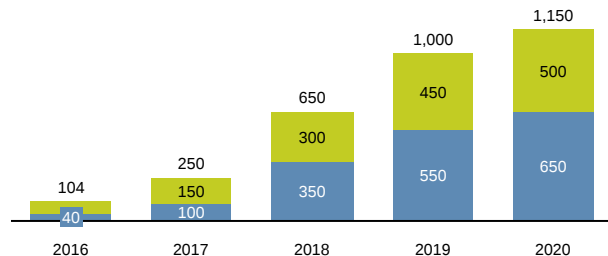
5) Adjustment to normalized / 2016 turnaround level

6) Committed projects only. TAN Pilbara: 160 kt, Porsgrunn: 235kt, Glomfjord: 105kt, Uusikumpi: 250kt, Köping: 90kt, Sluiskil: net 160kt, Galvani (Salitre ~ 1 mill.tons), Rio Grande: 500kt

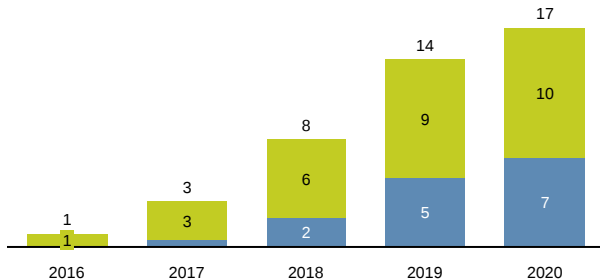
7) Including 100% ownership in Pilbara NH₃ plant

Improvement and growth investments; earnings and sensitivities

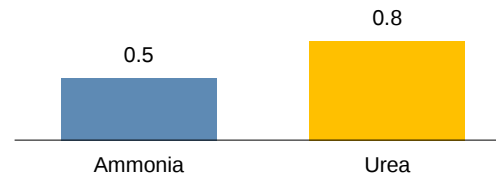
EBITDA improvement¹ (MUSD)



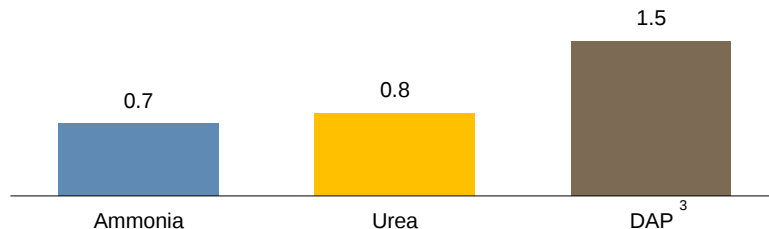
Earnings improvement¹ (NOK per share)



Improvement program: Impact² of +100 USD/t price change (NOK/share)



Growth: Impact² of +100 USD/t price change (NOK/share)



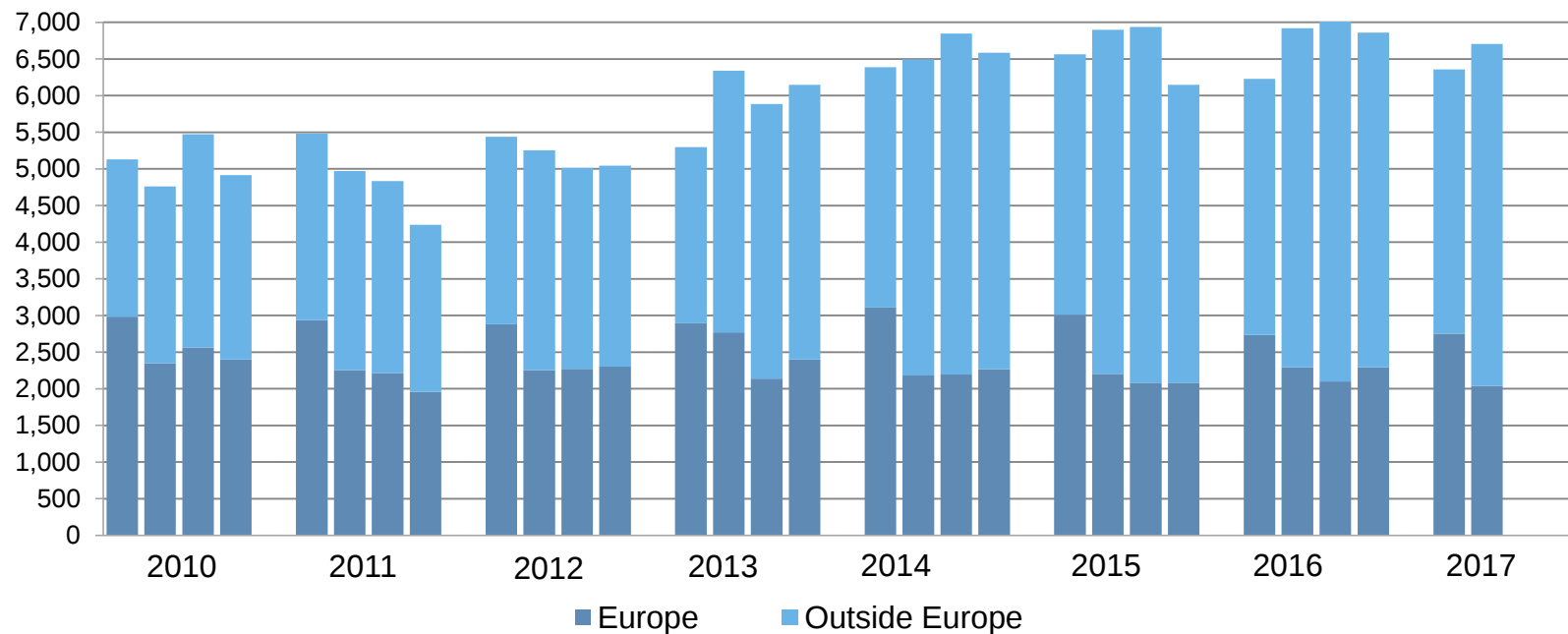
¹ Measured at 2015 conditions. Main average market prices: Ammonia fob Yuzhny 390 USD/t, Urea fob Yuzhny 275 USD/t, DAP fob Morocco 495 USD/t.

² Improvement: 2020 numbers. Growth: At full capacity (2019 for urea and ammonia, 2020 for DAP).

³ Phosphate-driven price change, equivalent to 138 USD/t phosphate rock (72 bpl)

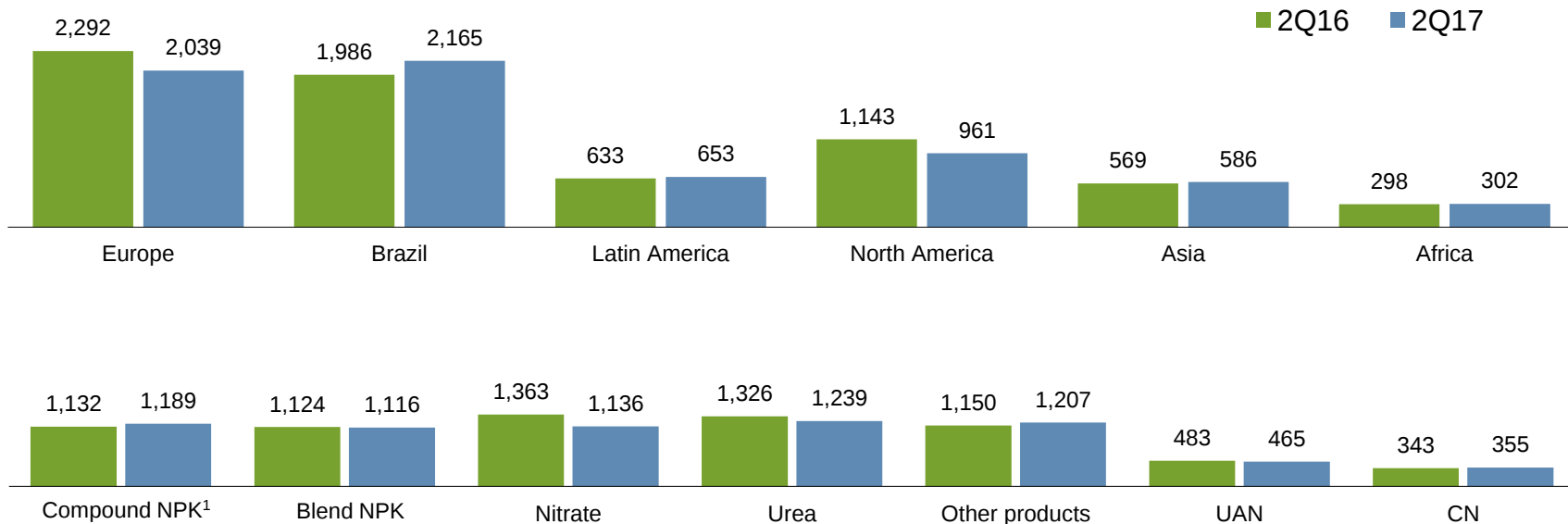
Fertilizer deliveries

Kilotons



Yara 2Q fertilizer deliveries by market and product

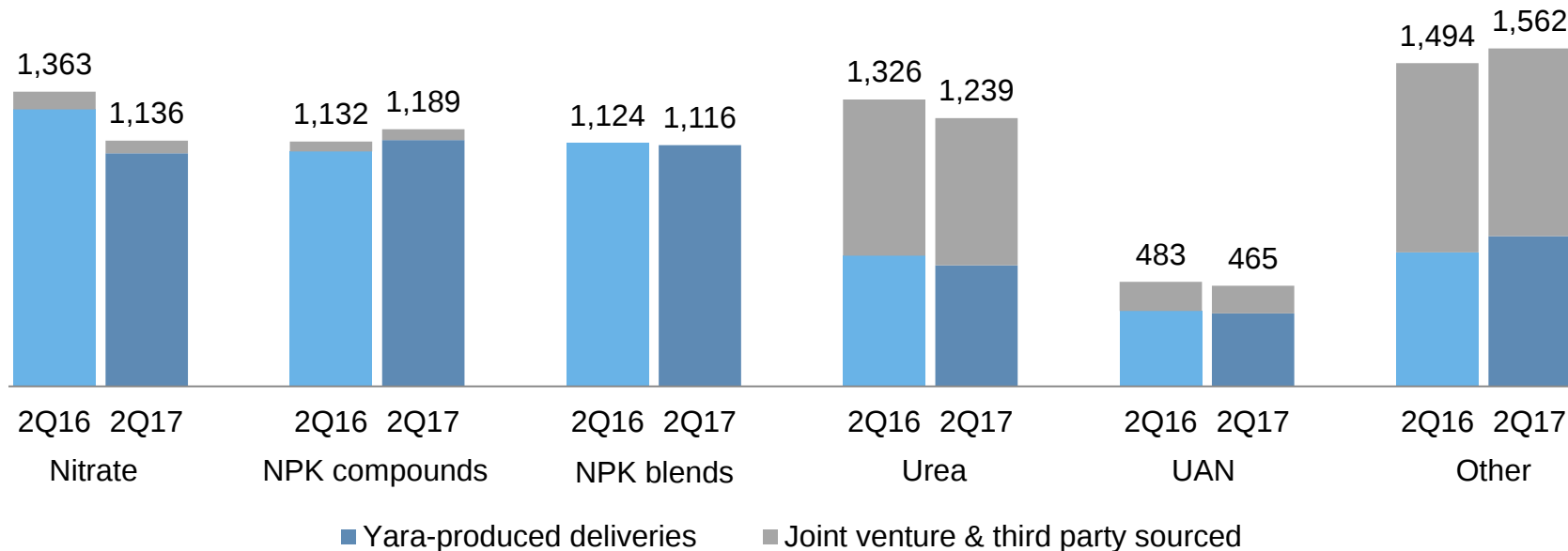
Kilotons



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

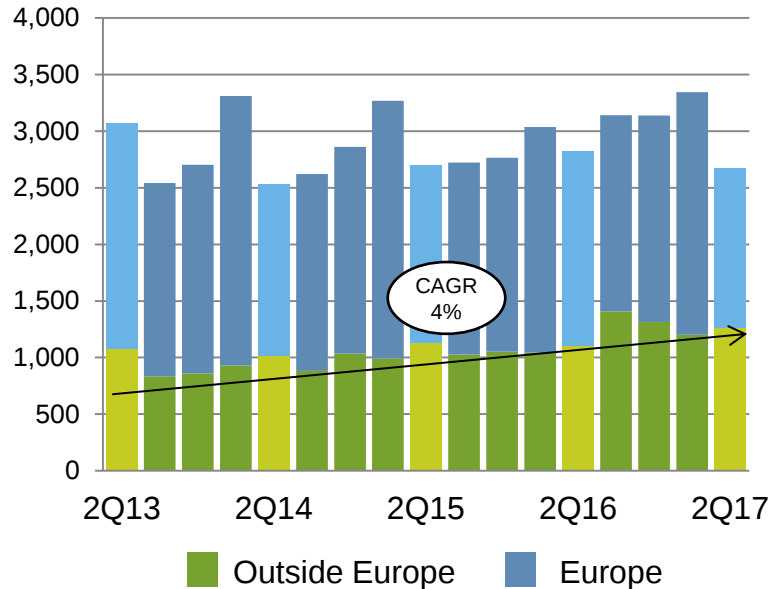
Fertilizer deliveries by product and source

Kilotons



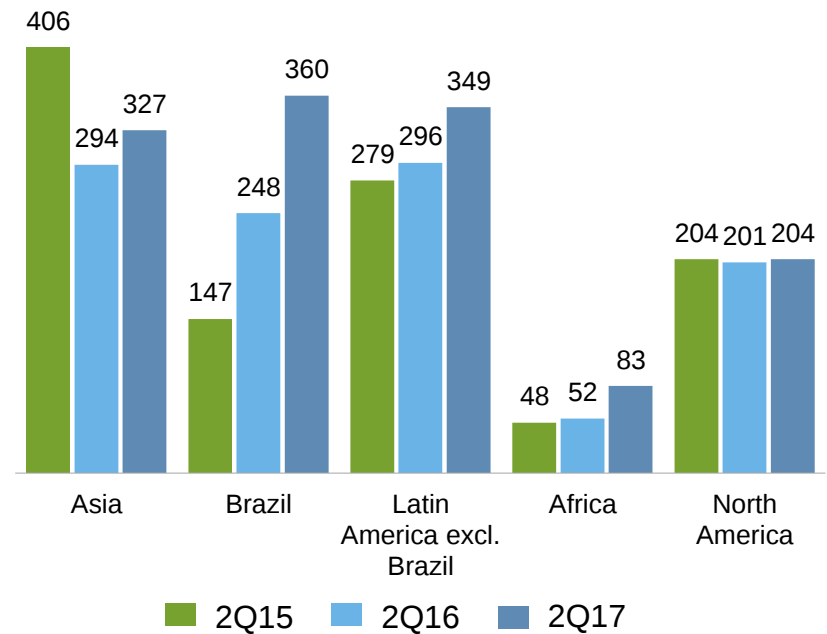
Strong premium product deliveries

Value-added fertilizer deliveries¹

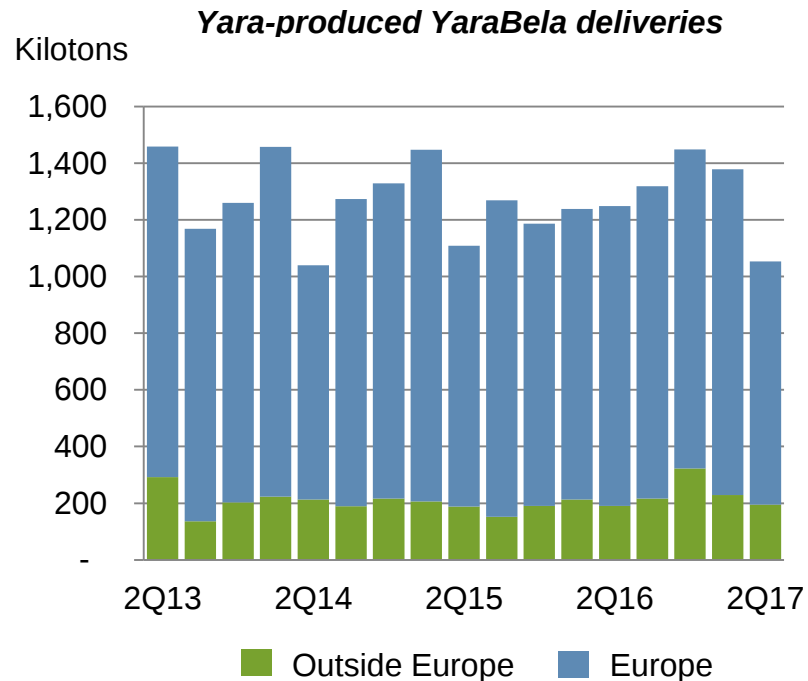
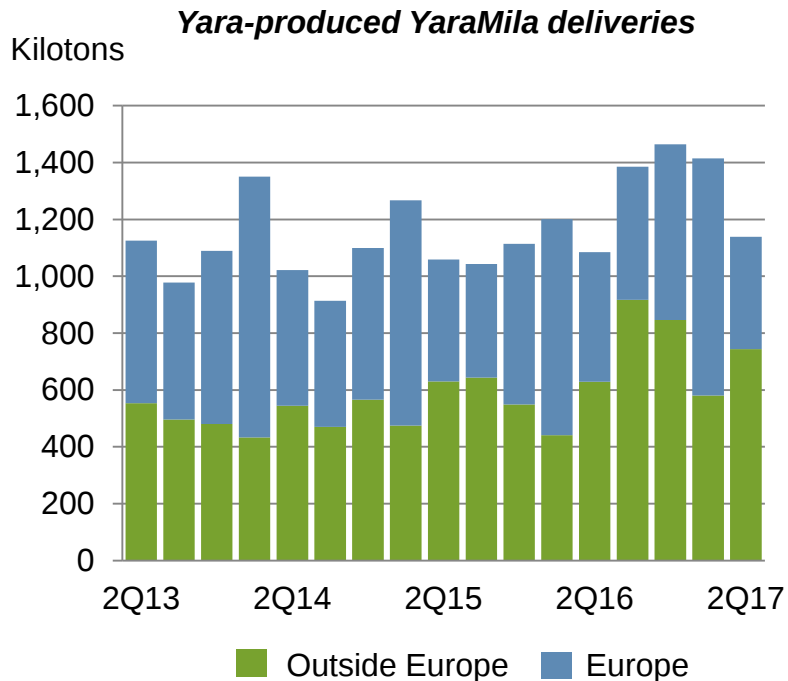


1) YaraBela, YaraMila and YaraLiva deliveries

Value-added fertilizer deliveries¹

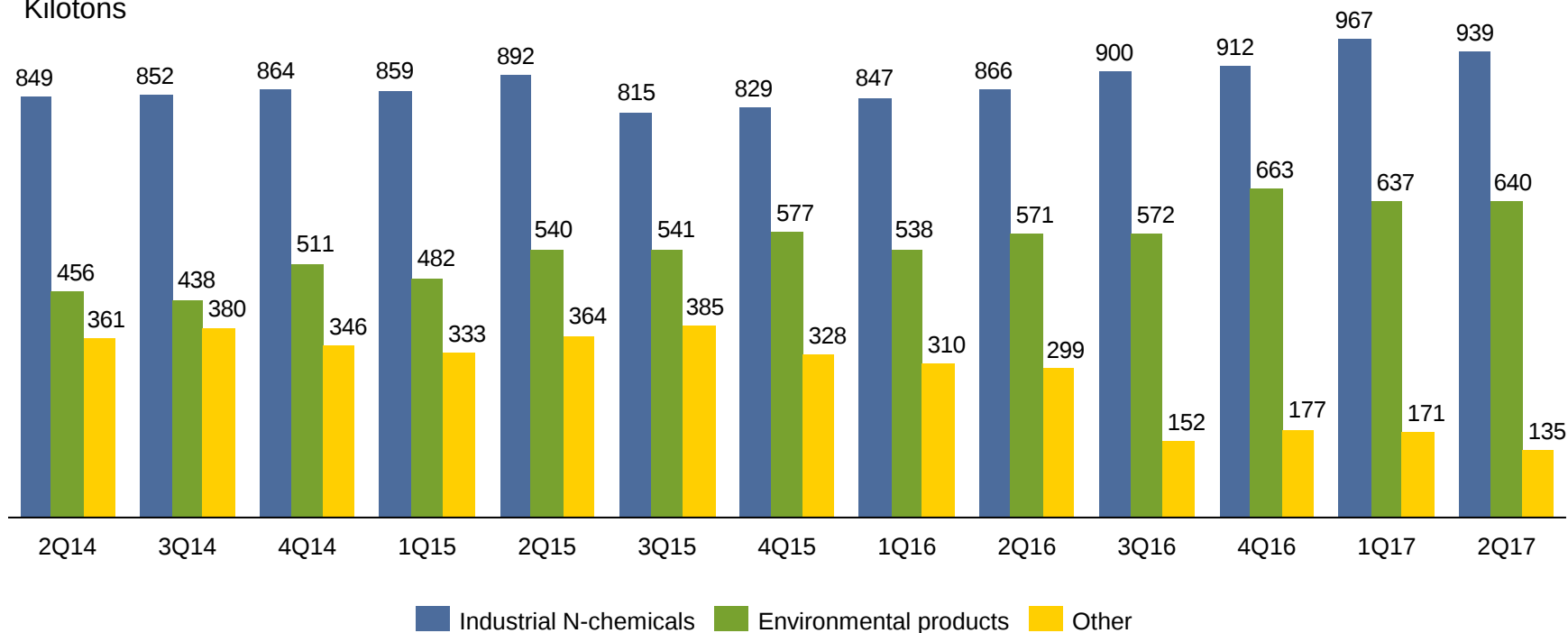


YaraMila (compound NPK) and YaraBela (nitrate) deliveries



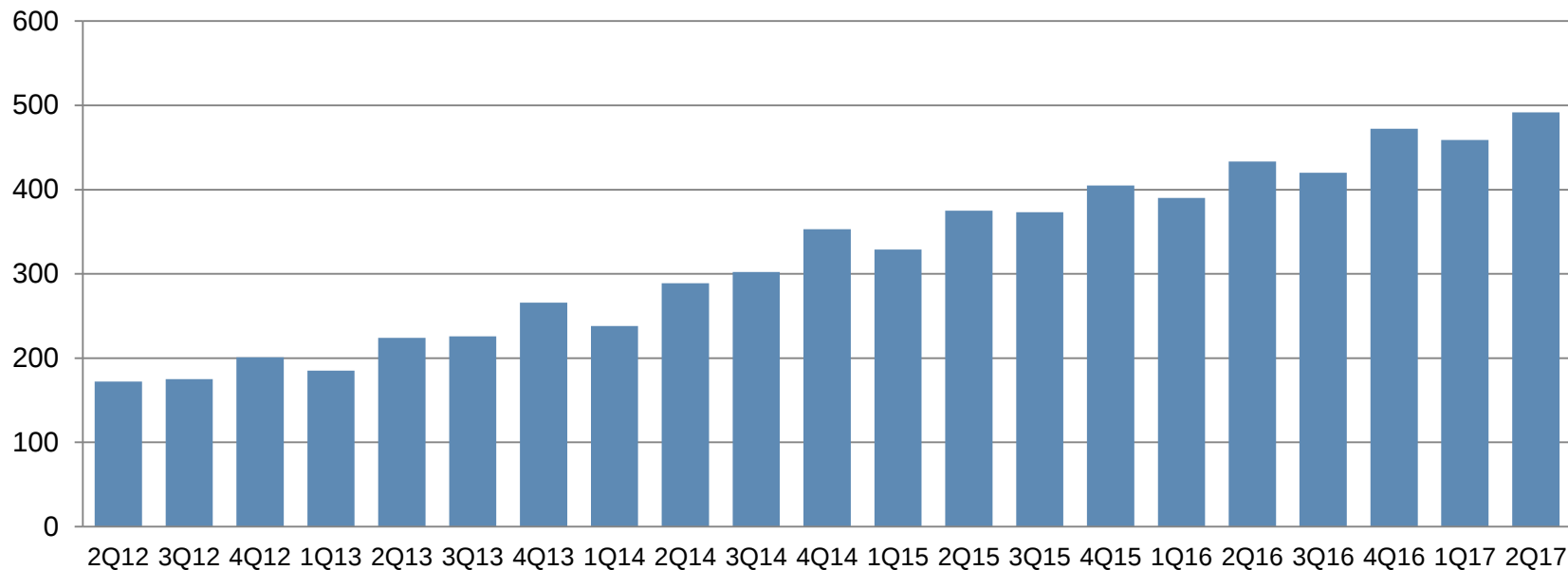
Industrial volume development

Kilotons



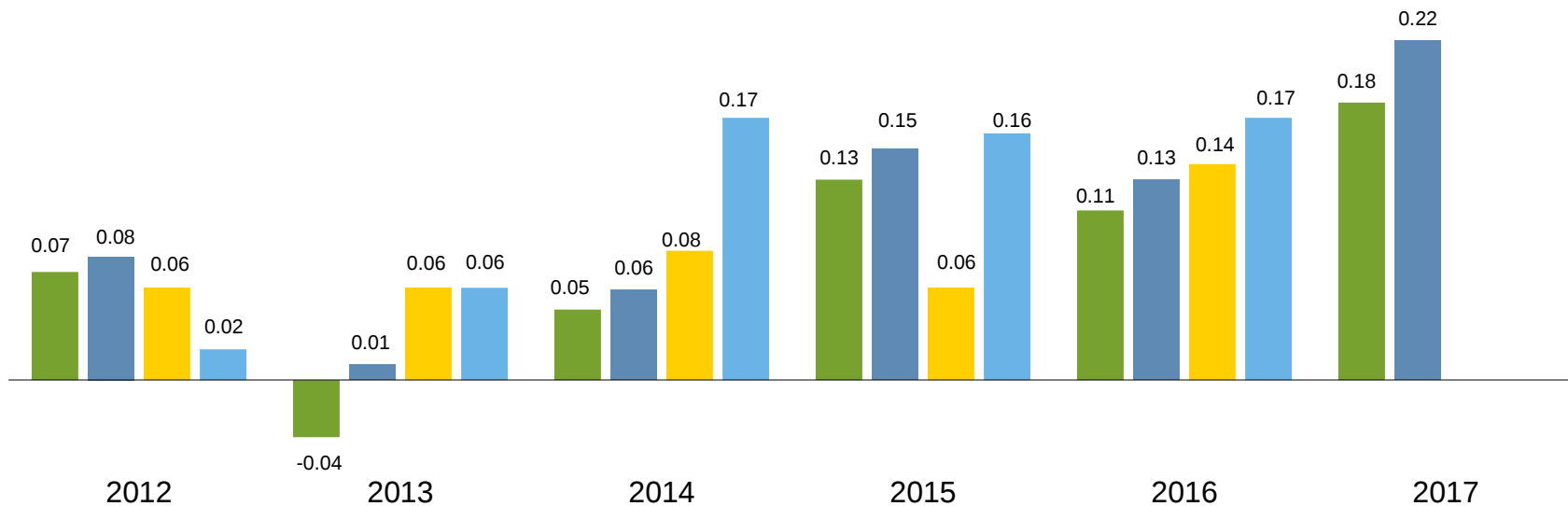
AdBlue deliveries

Kilotons



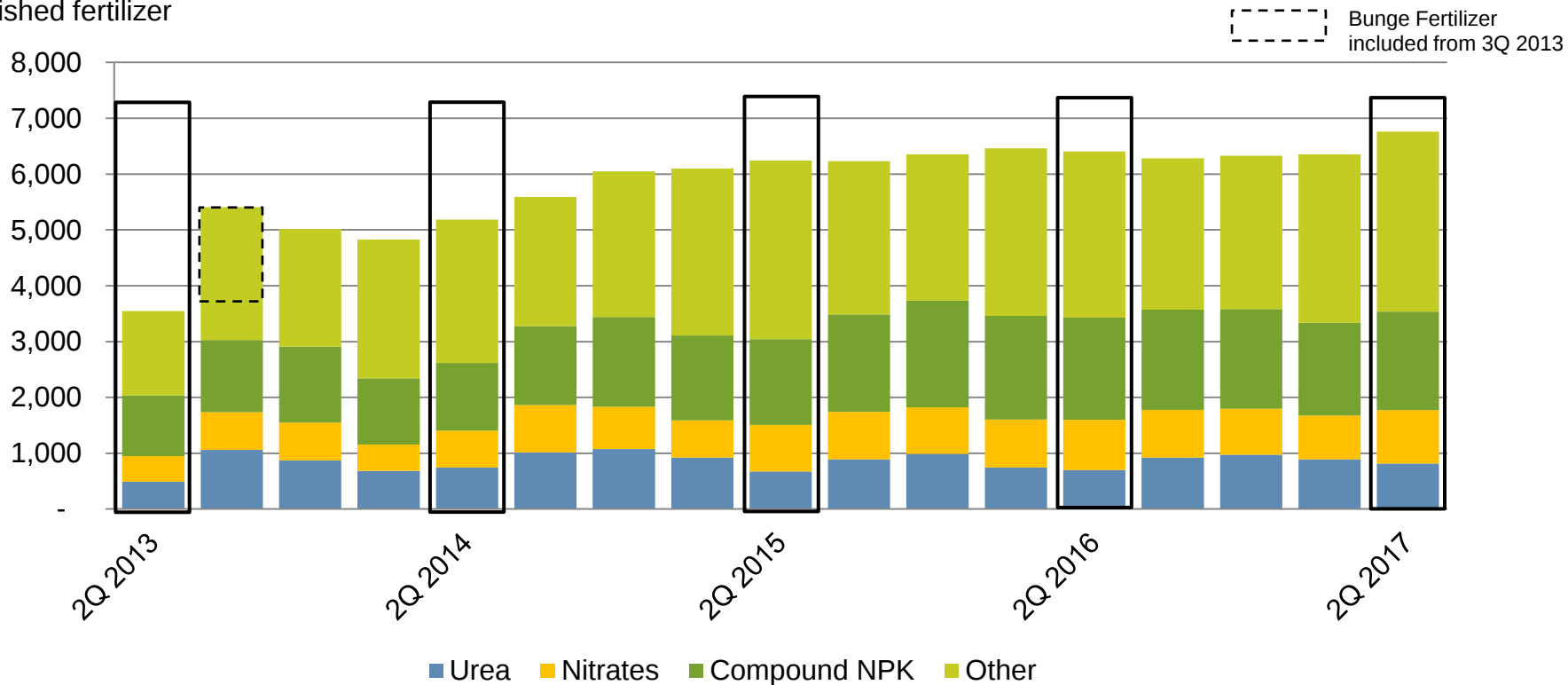
Debt/equity ratio

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



Yara stocks

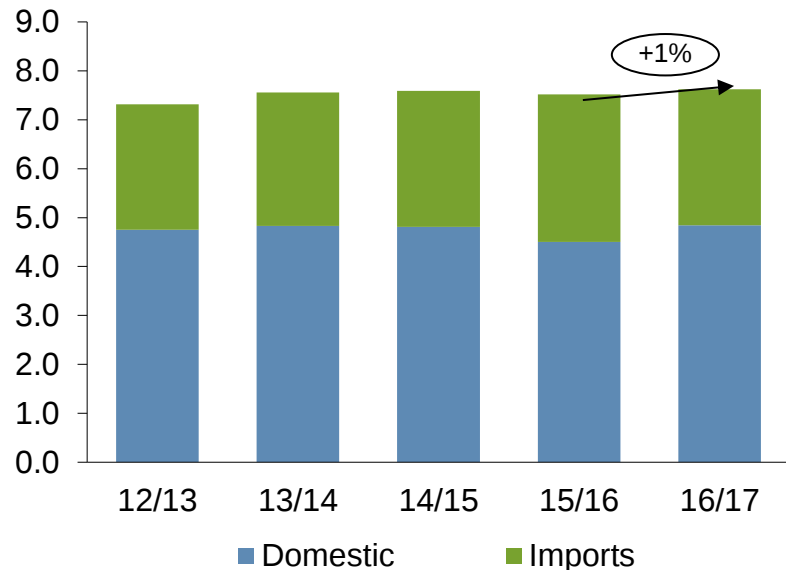
Kilotons
Finished fertilizer



Seasonal deliveries stable in Europe, down in USA

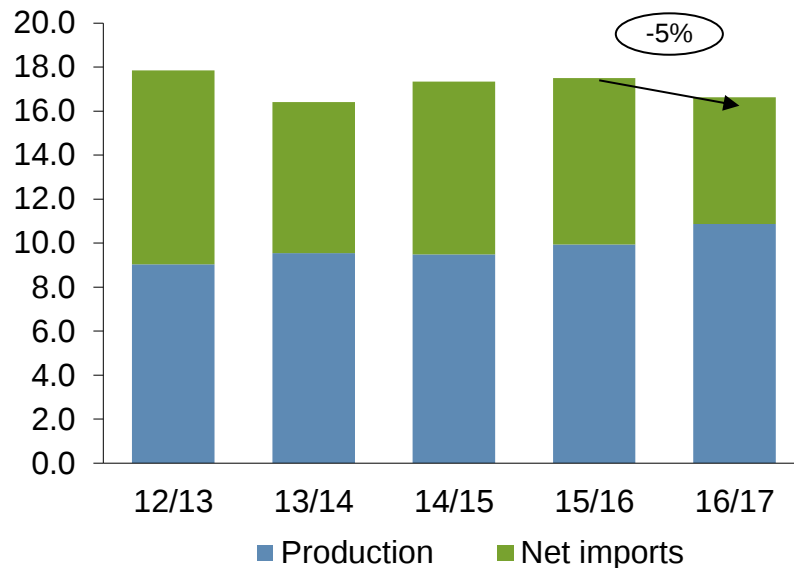
Million tons N

West Europe



Million tons N

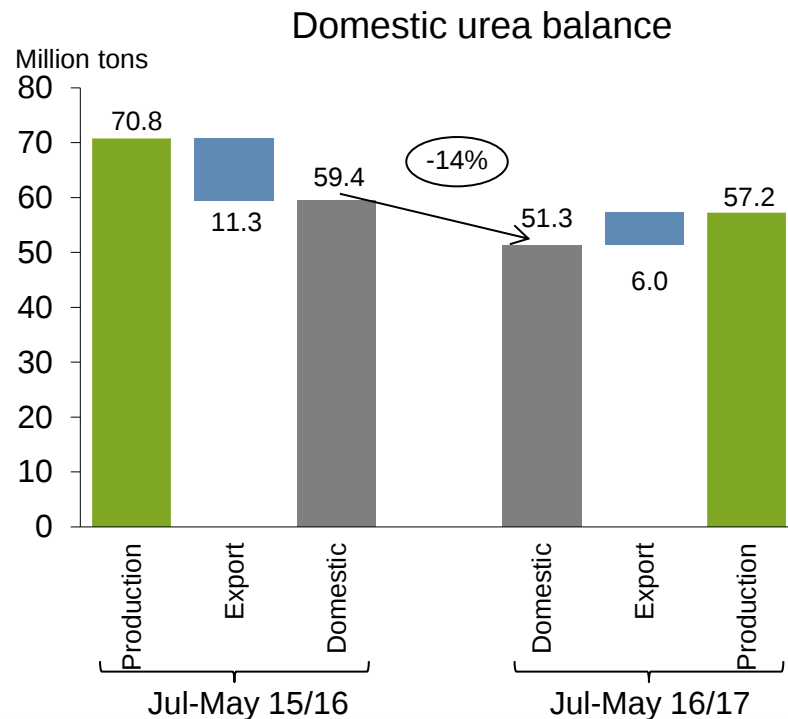
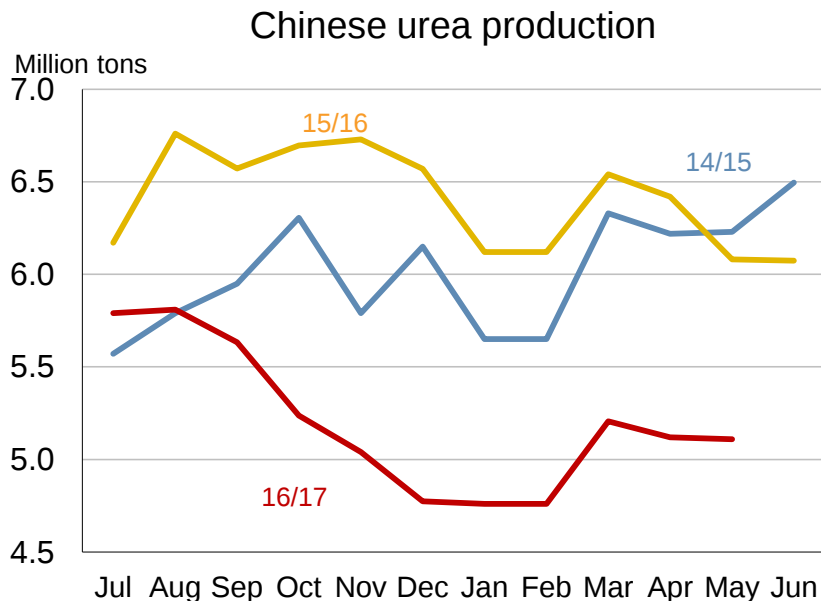
US



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

Chinese urea production suffering from increased production costs, domestic demand lower this season

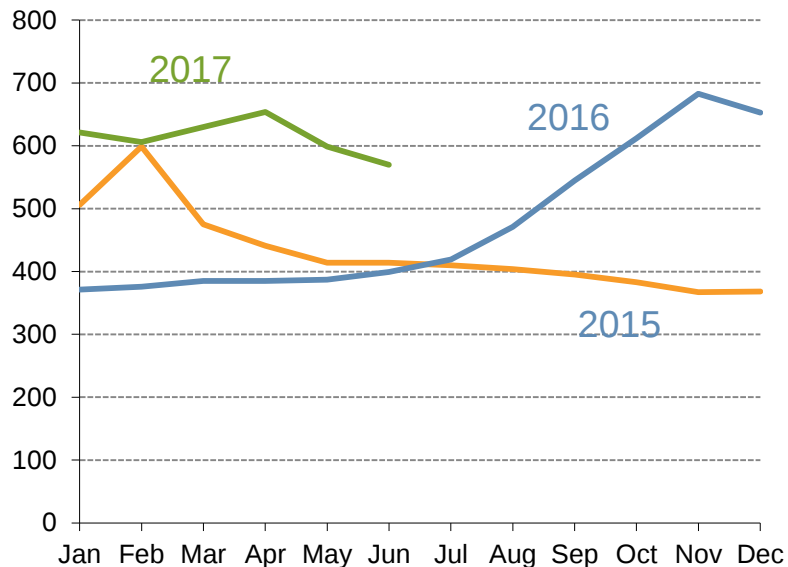


Source: CFMW

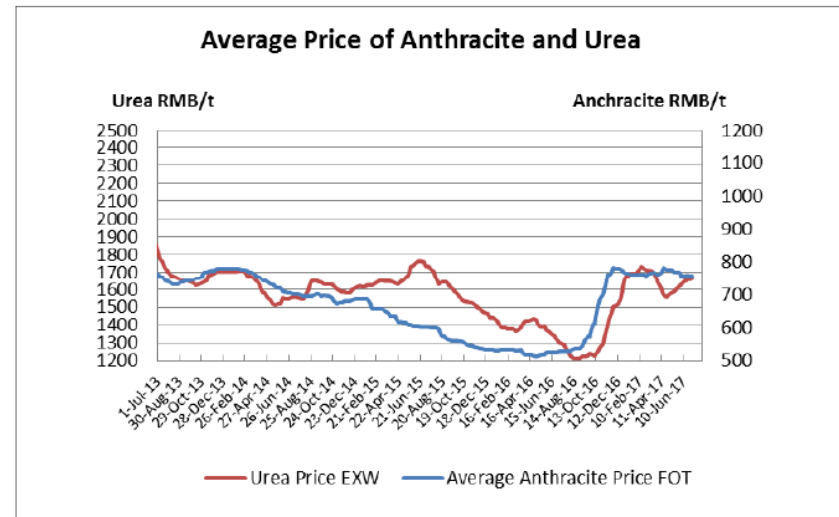
IR – 18 July 2017

Increased coal prices drove nitrogen prices higher

Coal price in China (fob Qinhuangdao 5500, RMB/mt)



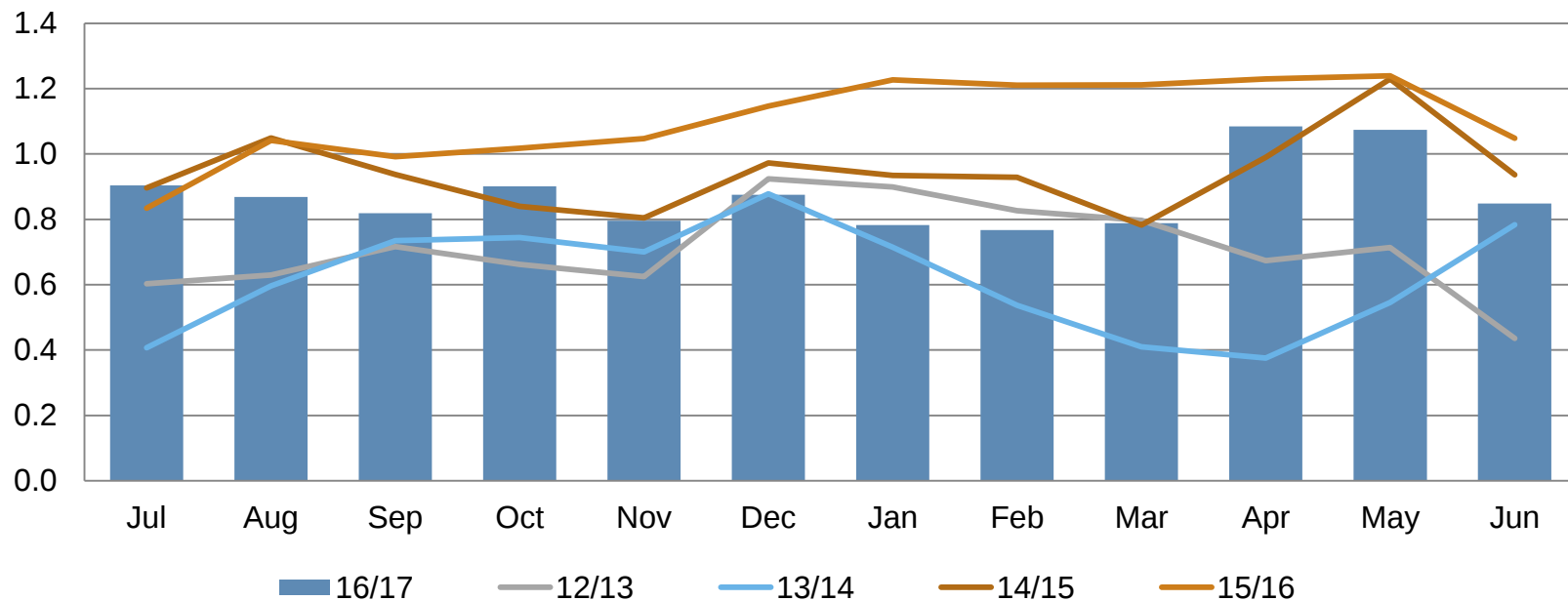
China anthracite and urea prices (RMB/mt)



Source: IHS, CFMW

European producers' nitrate stocks

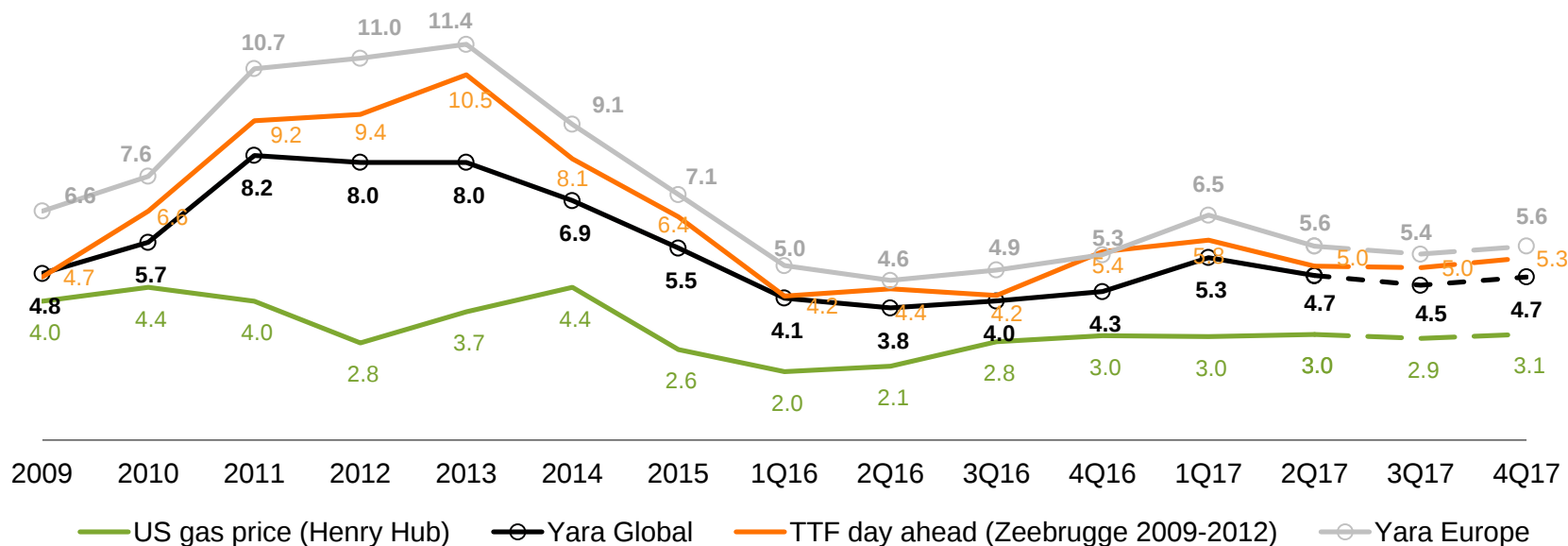
Index
June 2007 = 1



Source: Fertilizers Europe, Yara estimate for June

Energy cost

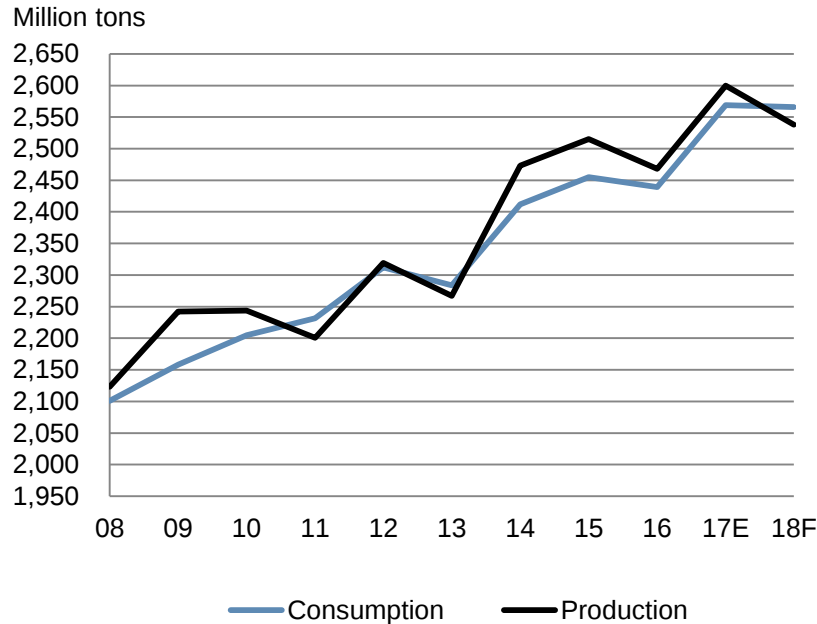
Yearly averages 2009 – 2015, quarterly averages for 2016-17 with forward prices* for 3Q17 and 4Q17.



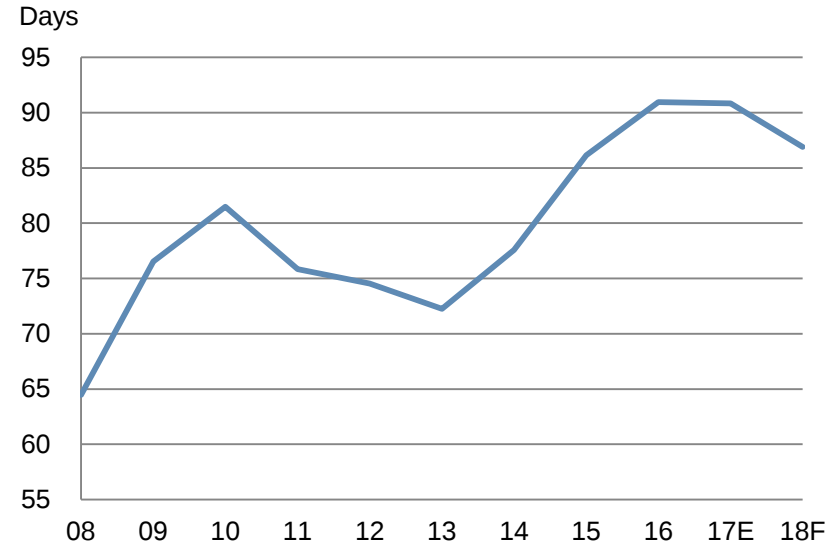
*Dotted lines denote forward prices as of 10 July 2017
Source: Yara, World Bank, Argus/ICIS Heren

Reduction in grain inventories expected for this season

Grain consumption and production



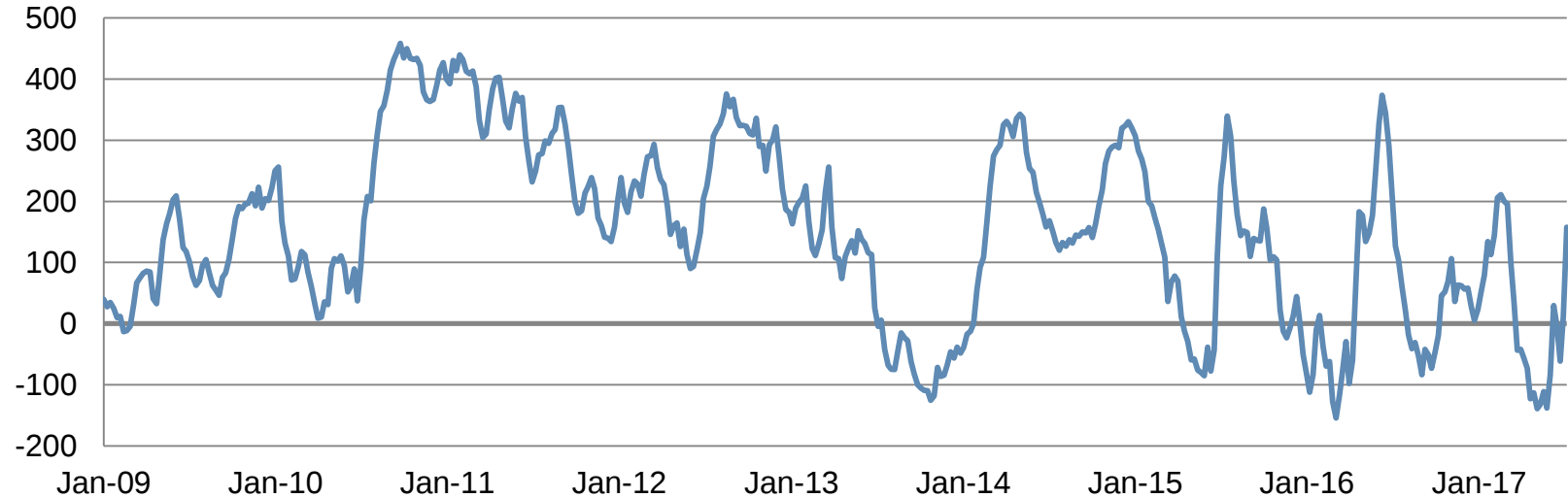
Days of consumption in stocks



Source: USDA July 2017

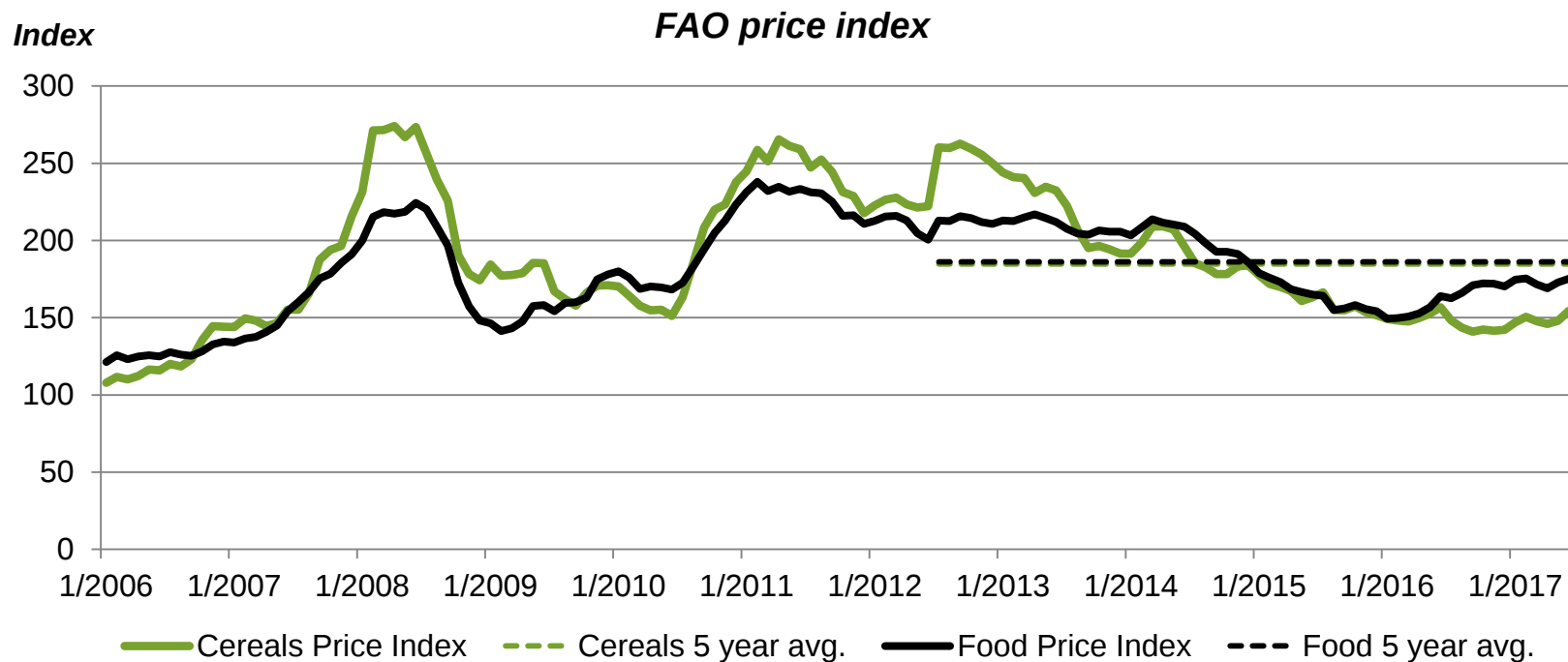
Non-commercials' net long position in corn

Thousand contracts



Source: US Commodity Futures Trading Commission

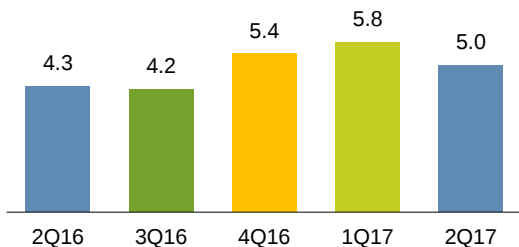
Relatively weak grain and food production economics



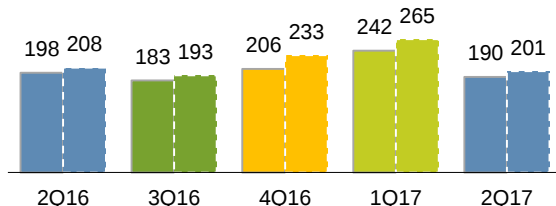
Source: FAO

Key value drivers – quarterly averages

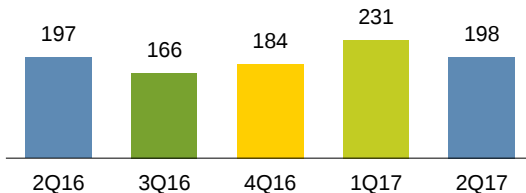
TTF day ahead (USD/MMBtu)



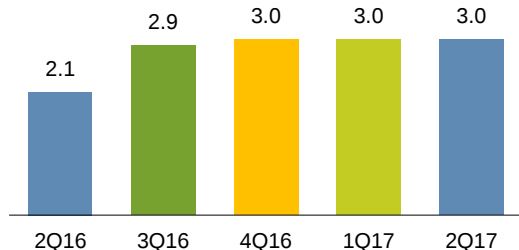
Urea prilled fob Black Sea (USD/t)/Urea granular fob Egypt (dotted line, USD/t)



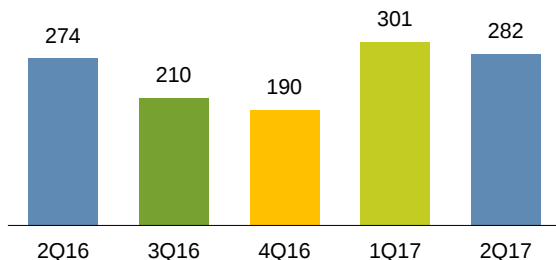
CAN cif Germany (USD/t)



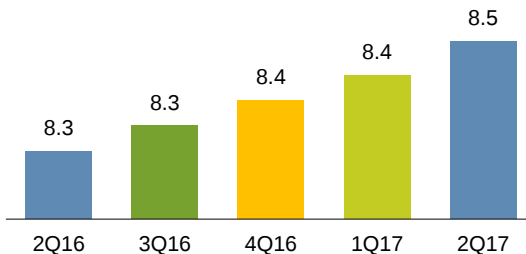
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)

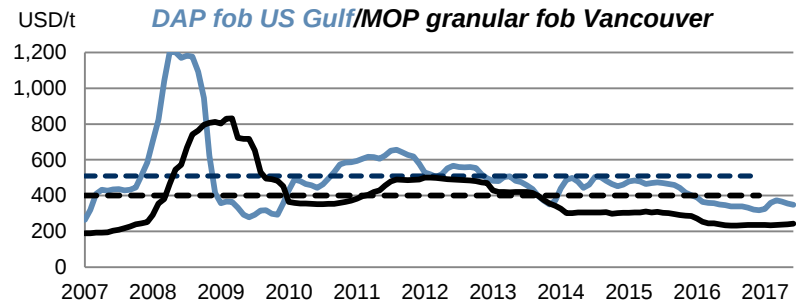
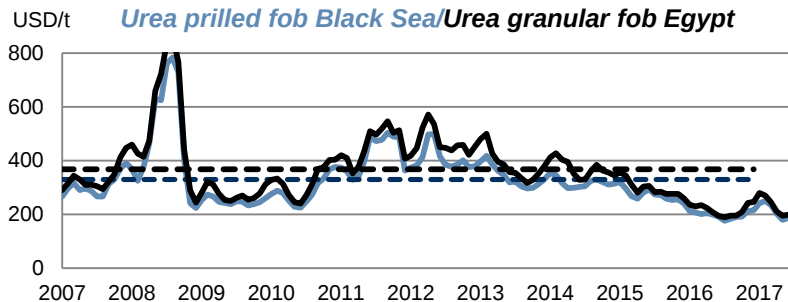
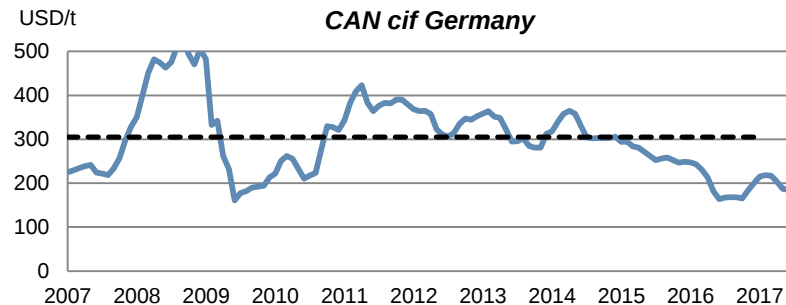
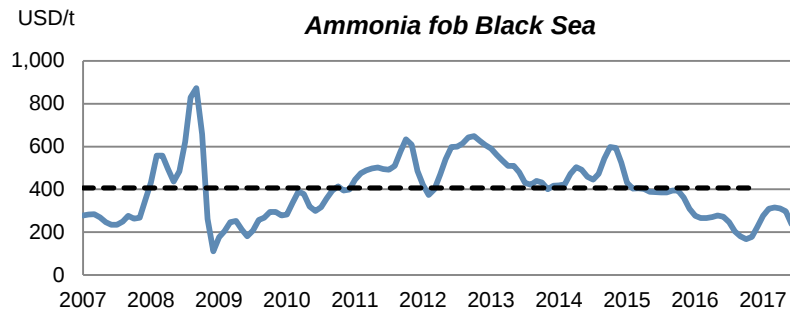


NOK/USD exchange rate



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

10-year fertilizer prices – monthly averages



--- Average prices 2007 - 2016