



Knowledge grows

Yara International ASA 4Q16 results roadshow

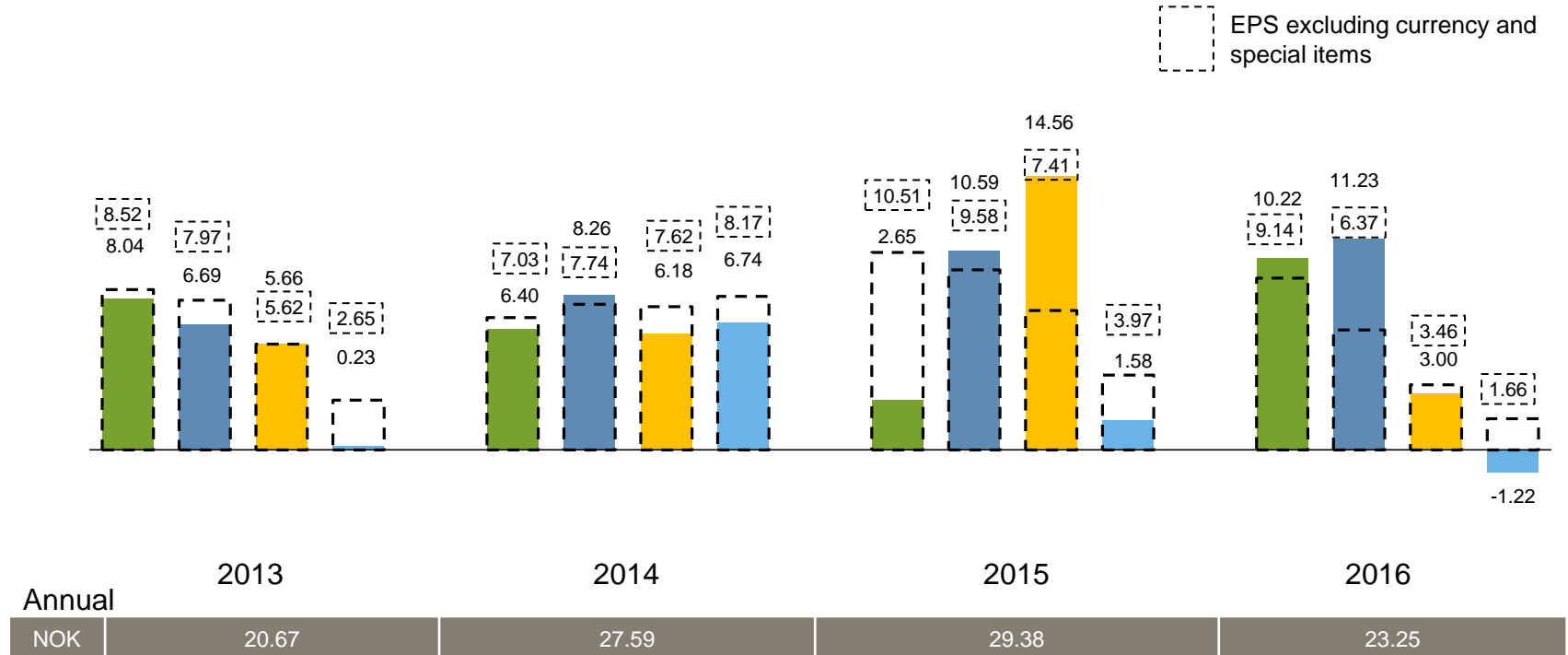
Torgeir Kvidal, CFO
Kjetil Storås, Investor Relations



Summary fourth quarter

- Weaker results reflecting lower prices
- Strong production and deliveries
- Strong Industrial result
- Improvement program established
- Proposed dividend NOK 10 per share, 43% of net income

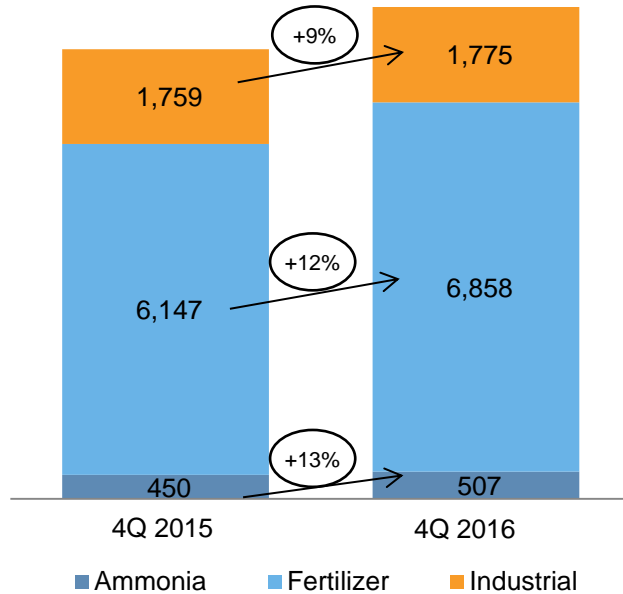
Earnings per share*



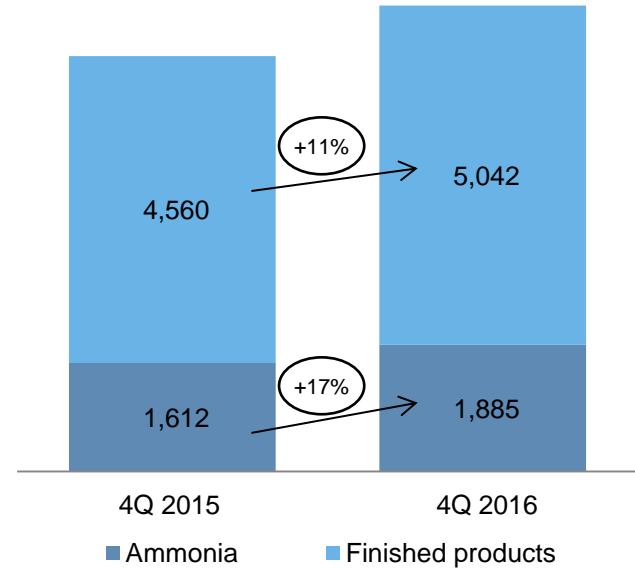
*Average number of shares for 4Q 2016: 273.2 million (4Q 2015: 274.6 million).

Strong production and deliveries

Deliveries (kilotons)



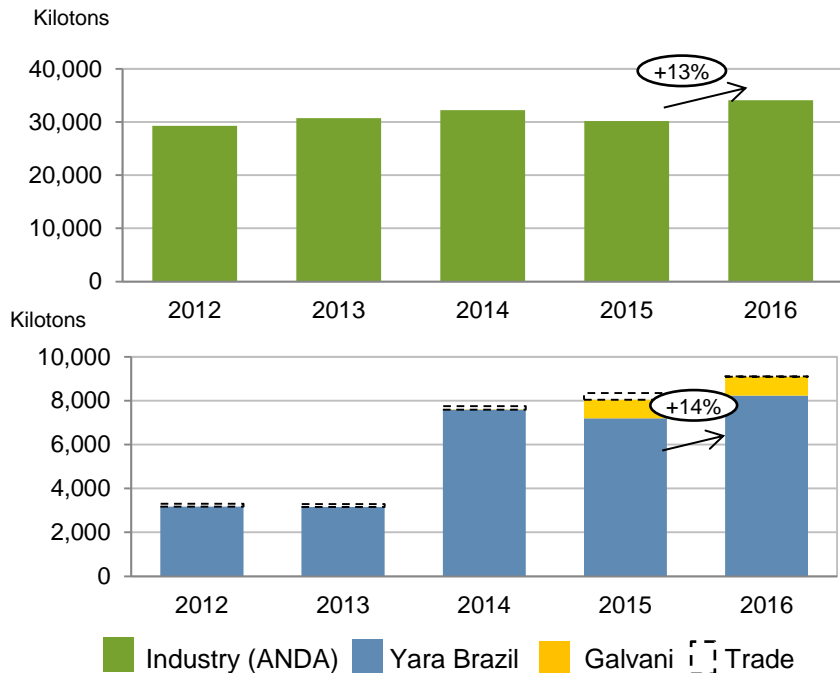
Production (kilotons)¹



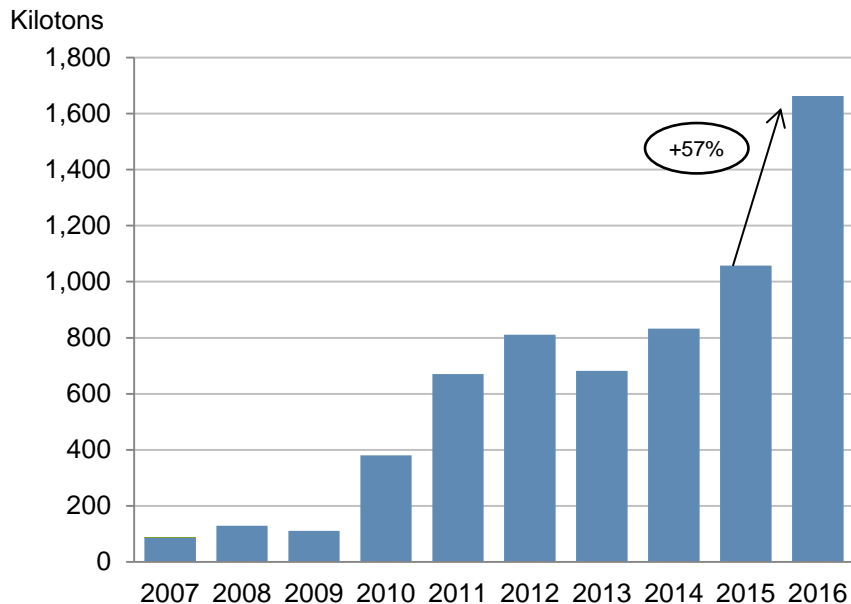
1) Including share of equity-accounted investees

Brazil: focus on premium products and solutions drives growth

Brazil 2016 fertilizer deliveries

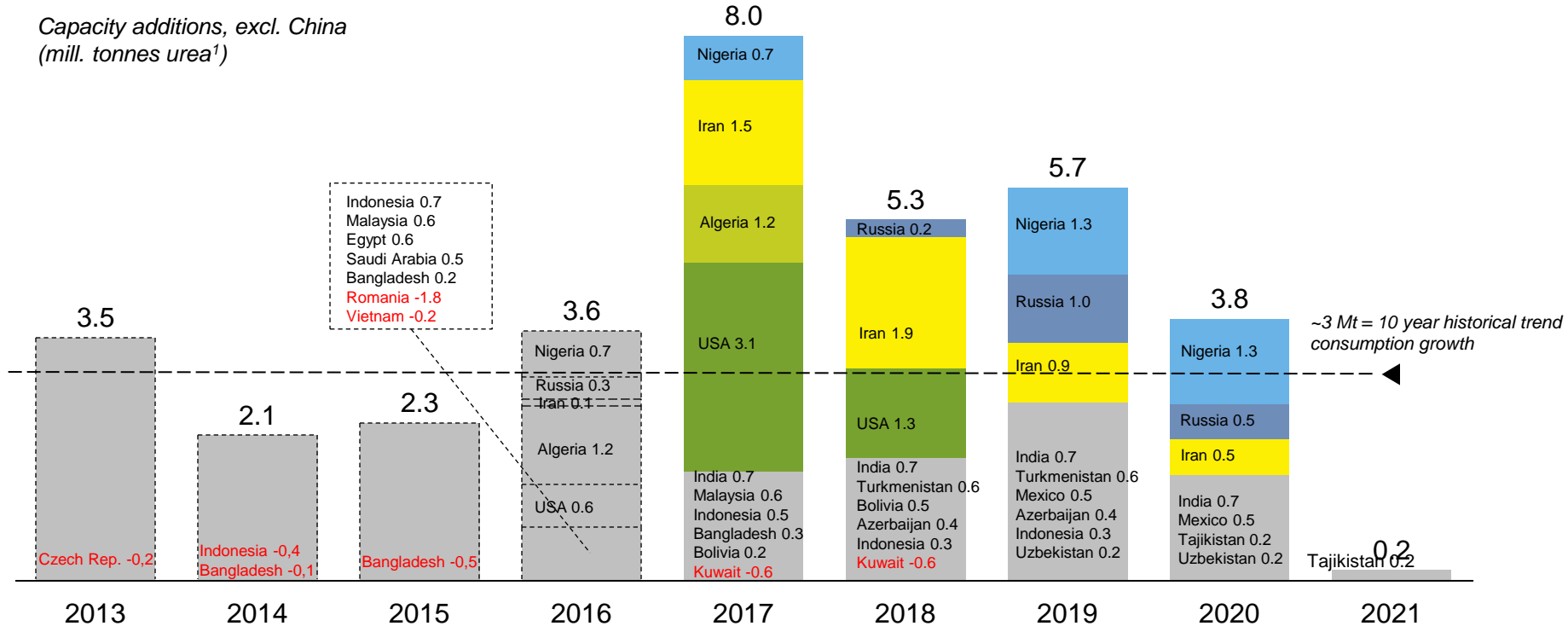


Yara premium product deliveries



Capacity additions outside China exceed consumption growth...

Capacity additions, excl. China
(mill. tonnes urea¹)

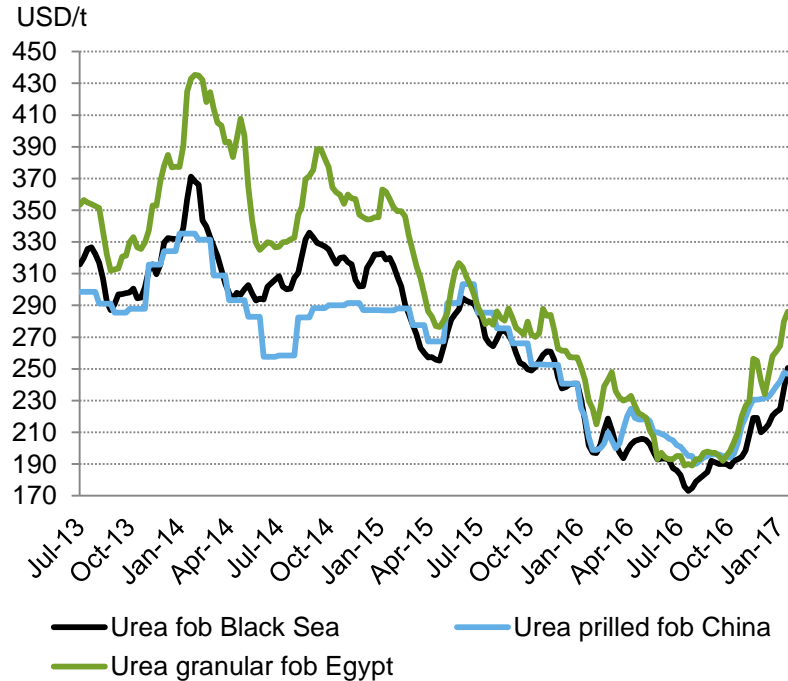


Source: CRU, December 2016. Numbers include both additions and closures of capacity.

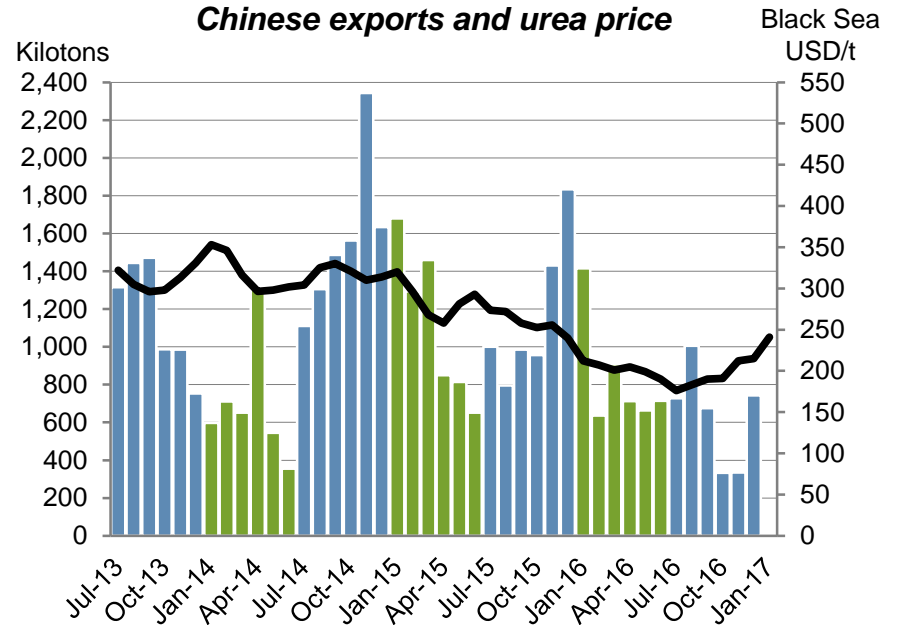
1) Using 50% operating rate in new plants' first year of production.

...but higher production and logistical costs have significantly reduced Chinese urea production and exports

Increasing urea pricing

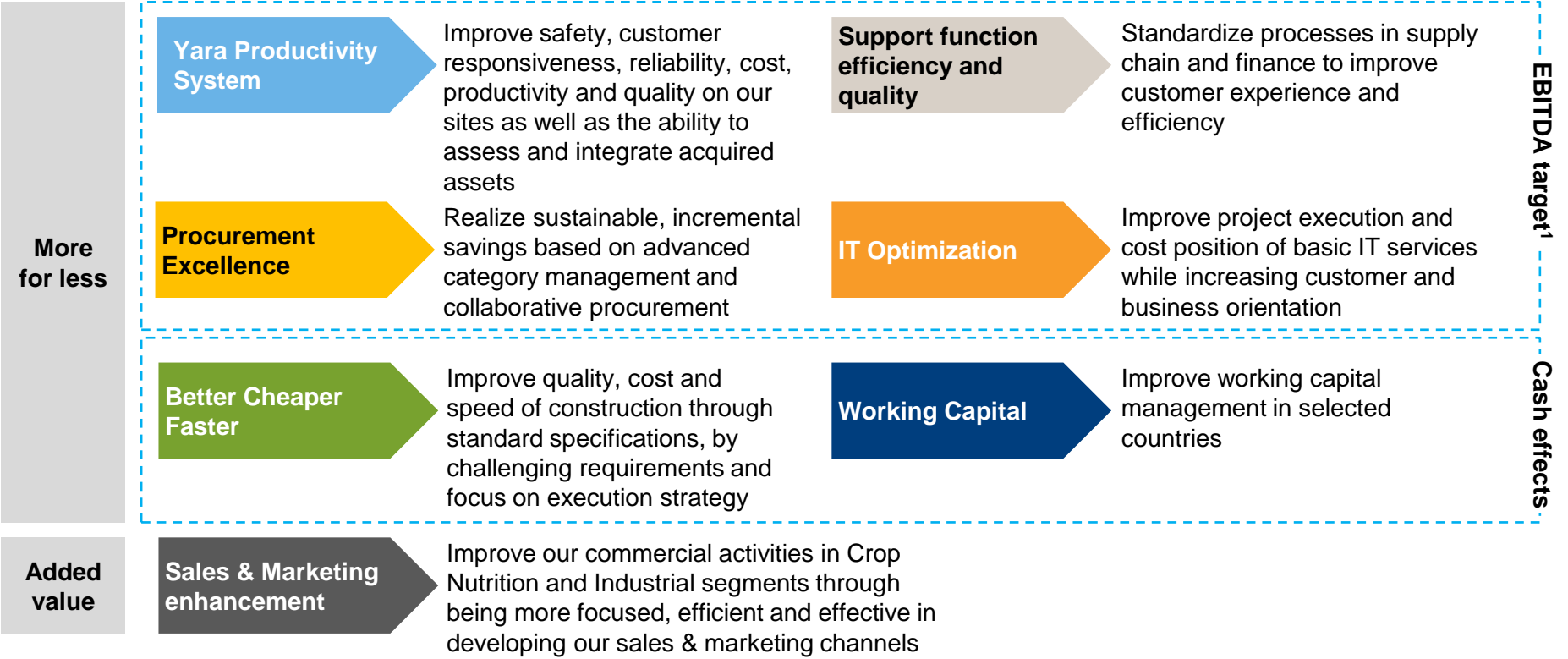


Chinese exports and urea price



Source: BOABC, CFMW

The Yara Improvement Program is organized into concrete projects across the company



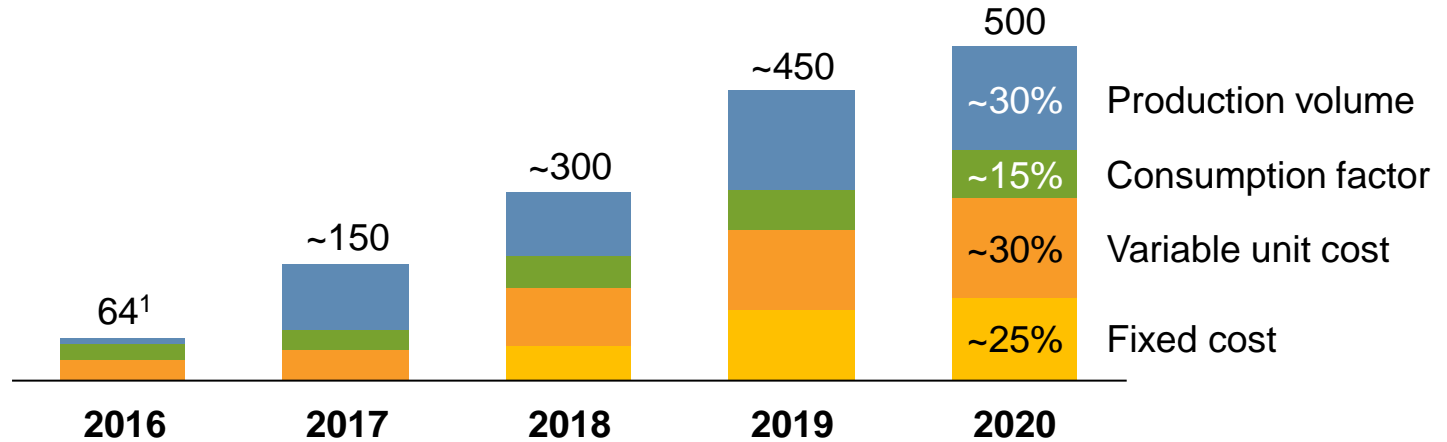
Sustained improvement of \$500MM EBITDA, plus cash benefits

USD\$MM, vs. 2015 baseline and 2015 prices

Sustained EBITDA improvement

Cash benefits

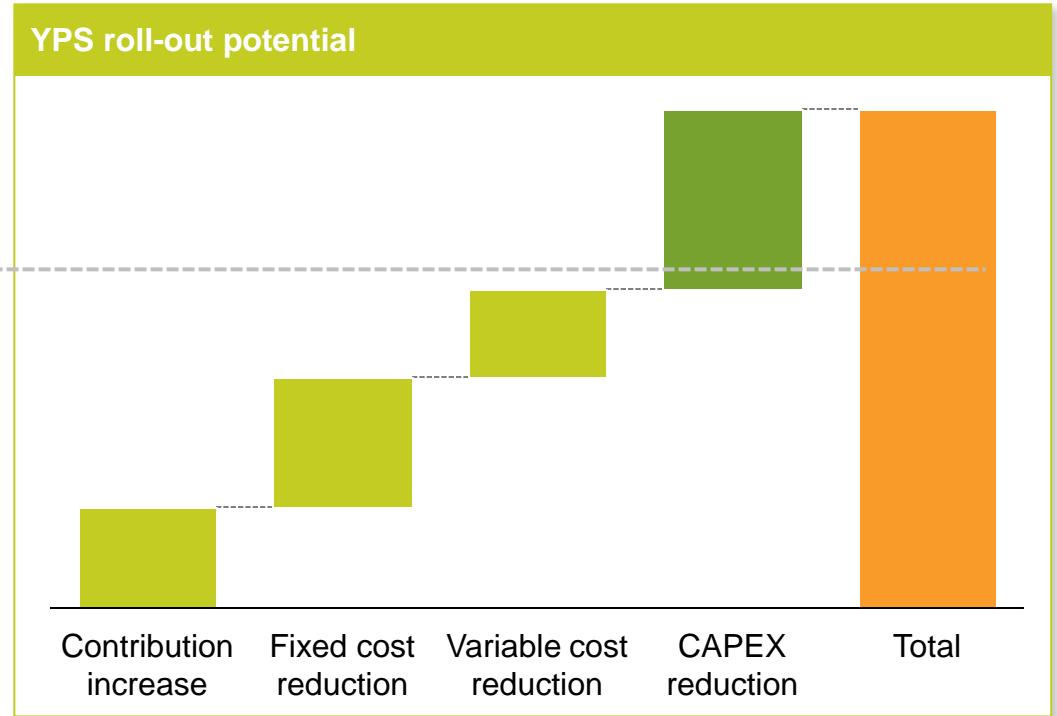
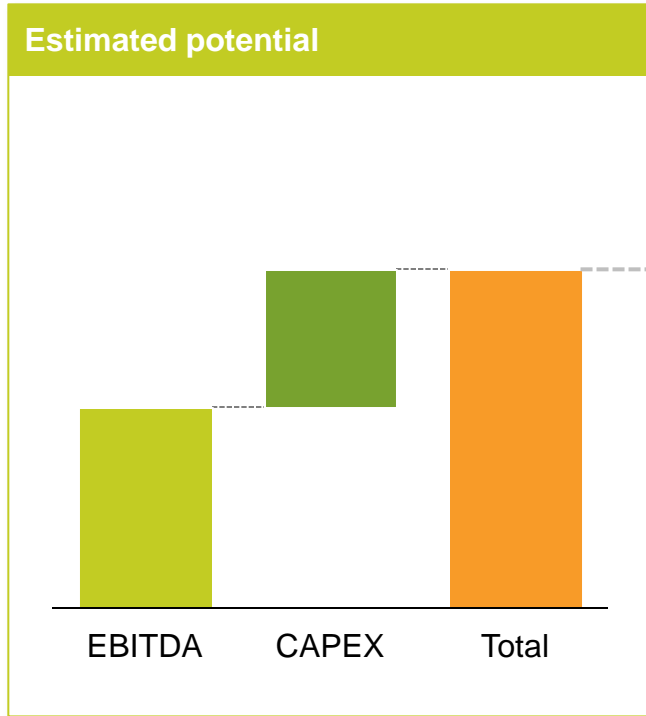
Implementation cost



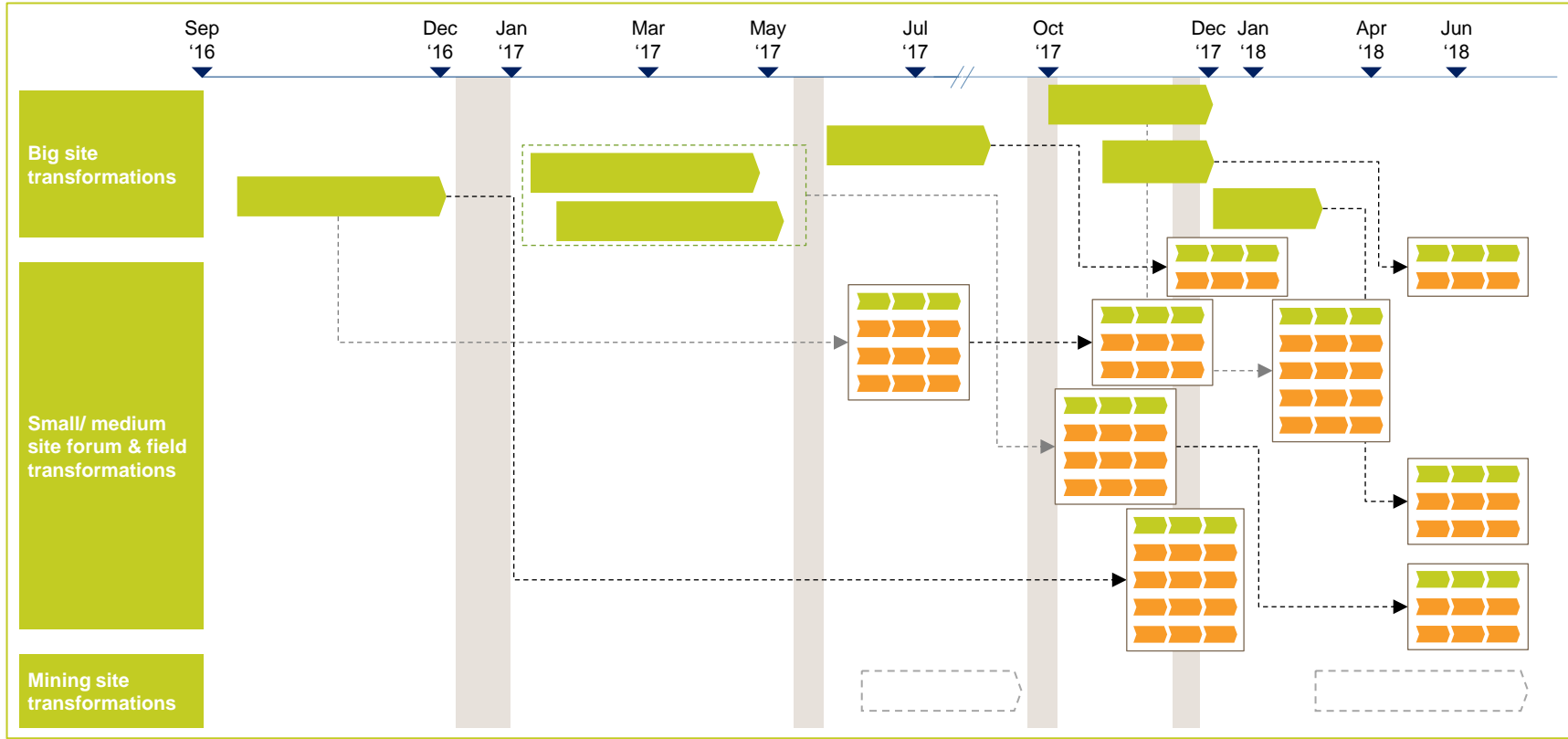
- Sustained capex improvement : Target under development
- One-off working capital release: ~\$125MM

- Total one-off cost ~\$80MM
- Total one-off capex ~\$500MM

Roll-out at Sluiskil uncovered almost 50% more improvement potential, including additional savings from 'new' areas



YPS roll-out plan



Yara growth project pipeline adds ~6 NOK earnings per share by 2020 at current market prices

Profitable growth through expansions and M&A

Expand premium products sales and supply

- CN/NPK expansion Porsgrunn (2H 2017)
- NPK expansion Uusikaupunki (2H 2016)
- Urea 8 Sluiskil (2H 2017)
- Rio Grande expansion (2H 2020)

Expand commodity scale based on attractive full-cost growth opportunities

- Freeport ammonia JV (4Q 2017)
- New ammonia vessels (2016)
- Babrala urea asset (2H 2017)

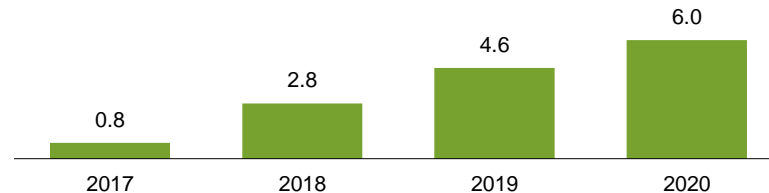
Act on attractive opportunities to grow industrial sales and supply

- Pilbara – TAN (4Q 2016)
- Köping – TAN (1H 2018)

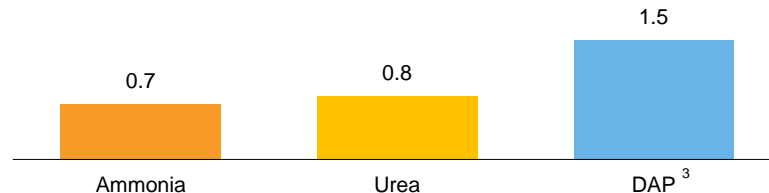
Structurally secure P and K supply

- Galvani, Salitre (mining: 2H17, chemical 1H18)

Incremental earnings at current prices¹ (NOK/share)



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



¹ Ammonia fob Yuzhny 300 USD/t, Urea fob Yuzhny 250 USD/t, DAP fob Morocco 350 USD/t

² At full capacity (2019 for urea and ammonia, 2020 for DAP). New ammonia sensitivity based on net numbers

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

Improvement Program

Fit for the future &
positioned for sustainable growth

Incremental earnings by 2020:
Minimum NOK 10 per share
(500 MUSD EBITDA)

Growth pipeline

Meeting growing market demand at
competitive capital expenditure

Incremental earnings by 2020¹:
~NOK 6 per share
(~600 MUSD EBITDA)

¹ At current market prices (Ammonia fob Yuzhny 300 USD/t, Urea fob Yuzhny 250 USD/t, DAP fob Morocco 350 USD/t)

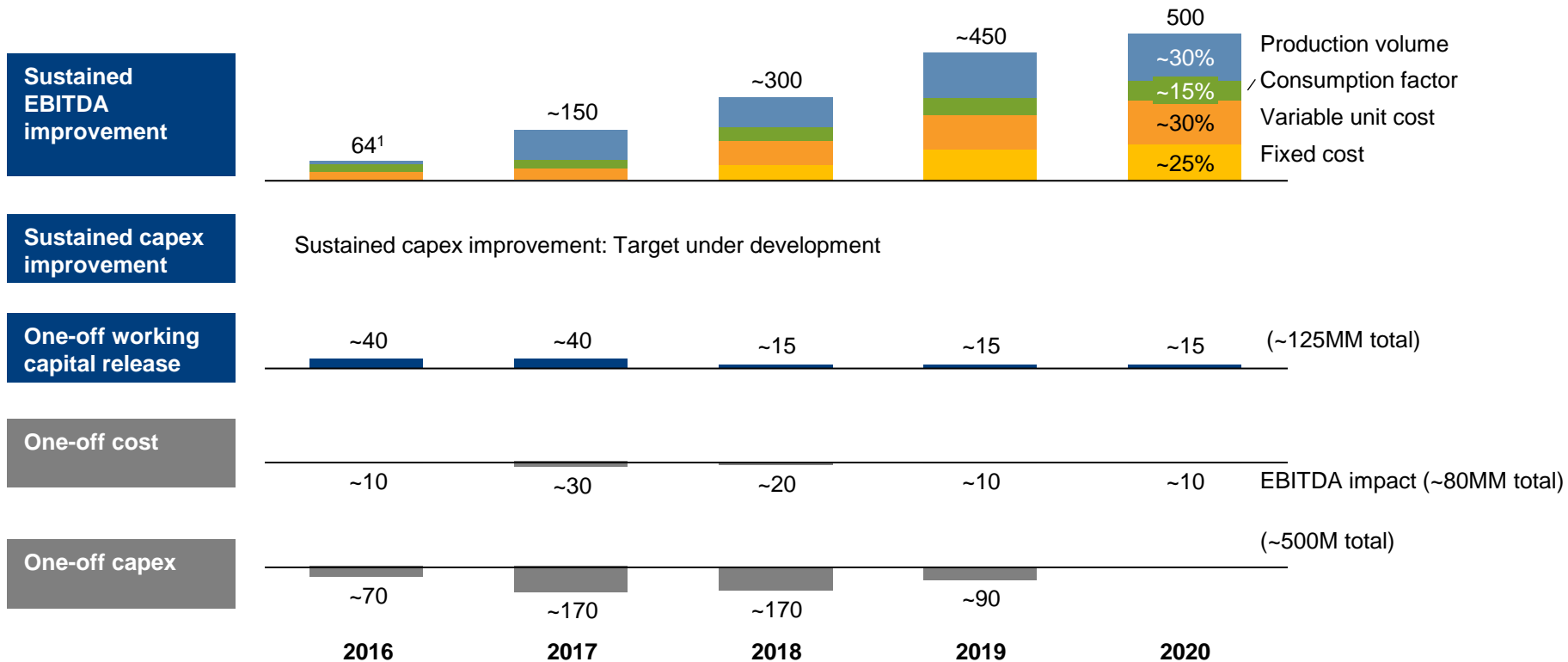


Knowledge grows

Additional information

Sustained improvement of \$500MM EBITDA, plus cash benefits

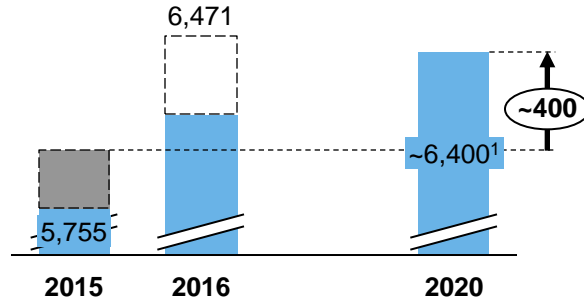
USD\$MM, vs. 2015 baseline and 2015 prices



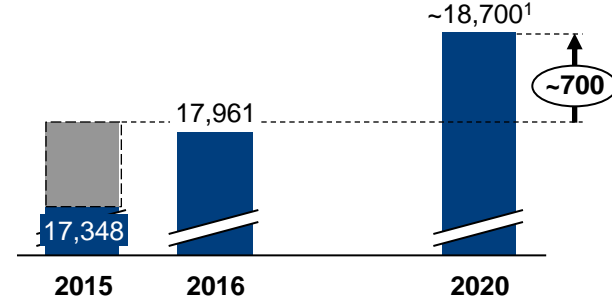
Indicative volume and energy consumption improvement targets

Production volume

Ammonia production, thousand tonnes

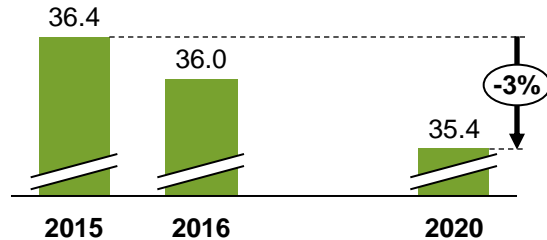


Finished fertilizers production, thousand tonnes



Consumption factor

Energy consumption, Mmbtu (HHV²) per tonne Ammonia (weighted average)



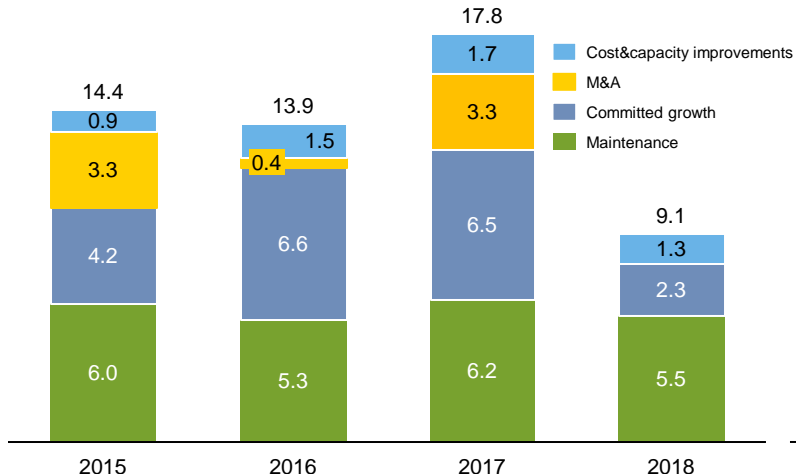
- Ammonia production (excl. pipeline growth)
- Finished fertilizers production
- Net turnaround effect 2016 vs 2015 baseline
- Pilbara acquisition effect (last 49%)
- Improvement program target

Note: Volume and energy targets are not final; they are subject to change as additional plant assessment deep-dives are completed

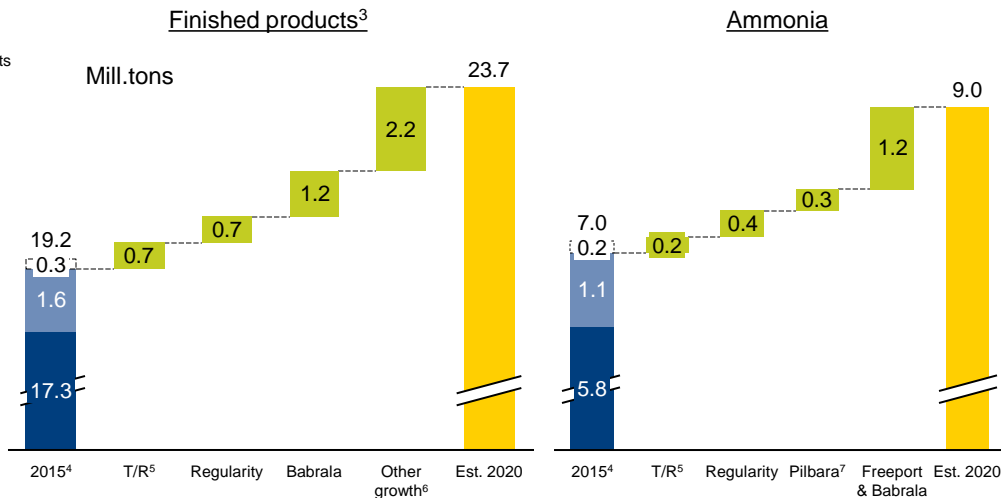
Growth and capex pipeline

Capex plan¹

NOK bn



Production growth 2015 - 2020²



Committed growth (NOK bn):

	2015	2016	2017	2018
BASF JV	1	1.6	1.4	
Pilbara TAN	0.5	0.2		
Porsgrunn	0.5	1.2	0.6	
Köping	0.3	0.4	0.6	0.3
Sluiskil	0.1	0.7	0.8	
Uusikapunki	0.3	0.2		
Galvani (Salitre)	1	0.5	1.5	0.7
Ammonia vessels	0.2	1.5		
Rio Grande		0.1	1.3	1.3
Other projects	0.3	0.2	0.3	
Total	4.2	6.6	6.5	2.3

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

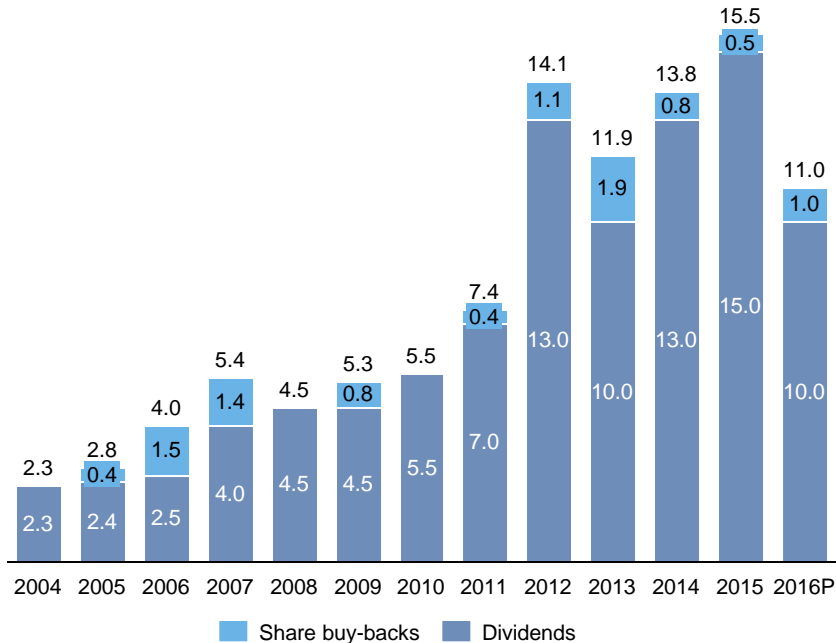
- 2) Rio Grande expansion also adds 1 million tonnes NPK blends by 2020
- 3) Finished fertilizer and industrial products, excl. bulk blends
- 4) Including Yara share of production in non-consolidated investees
- 5) Adjustment to normalized / 2016 turnaround level
- 6) Committed projects only. TAN Pilbara: 160 kt, Porsgrunn: 250kt, Glomfjord: 185kt, Uusikapunki: 250kt, Köping: 90kt, Sluiskil: net 160kt, Galvani (Salitre - 60% of ~ 1 mill.tons), Rio Grande: 500kt
- 7) Including 100% ownership in Pilbara NH₃ plant

1) Yara's share of capex



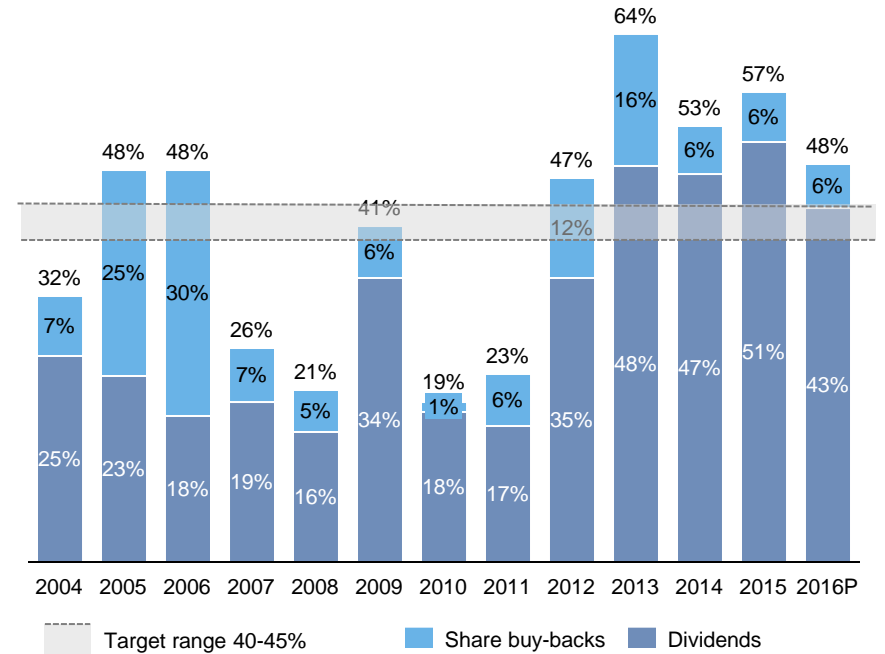
Proposed dividend NOK 10 per share

Dividend and buy-backs¹ per share

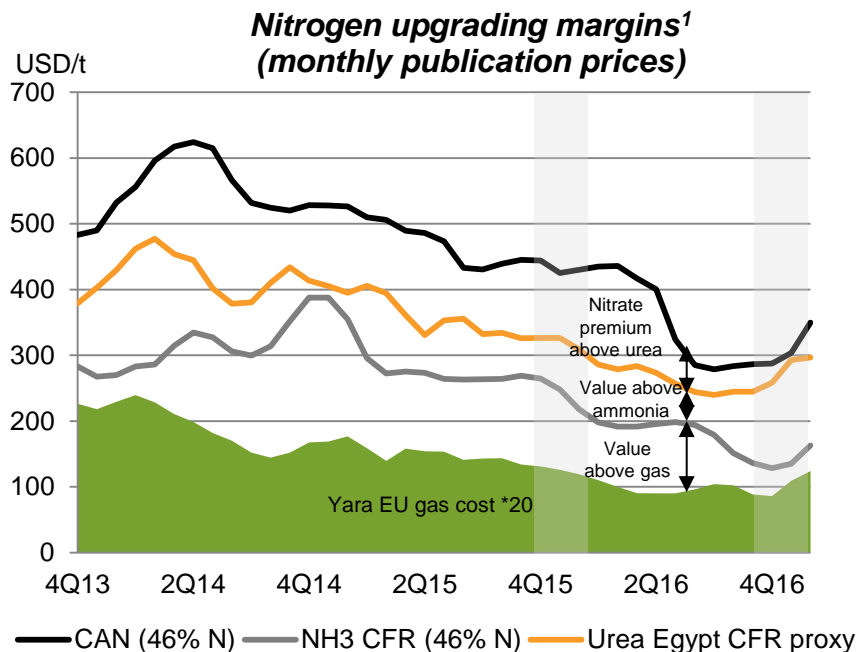


1) Number of shares based on the number of shares receiving dividend

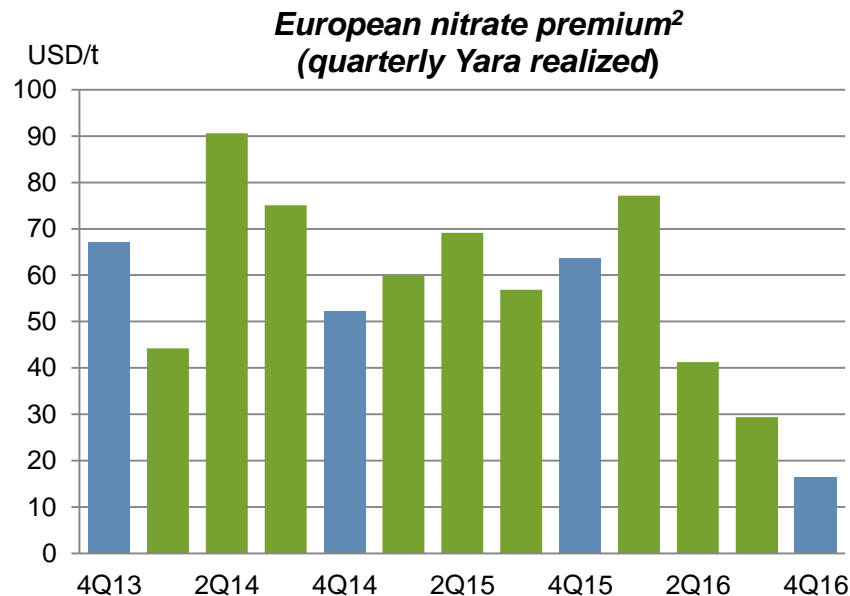
Share of net income



Lower European nitrate premiums in new season

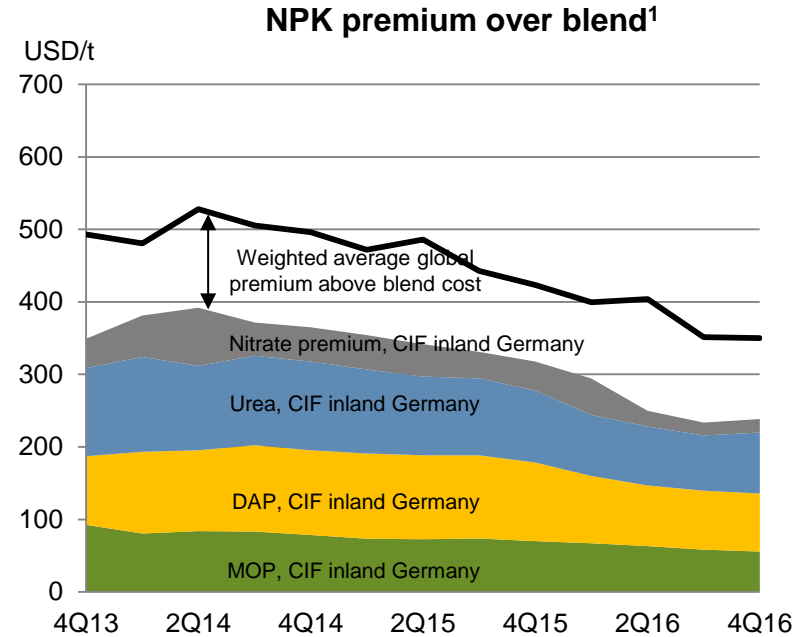
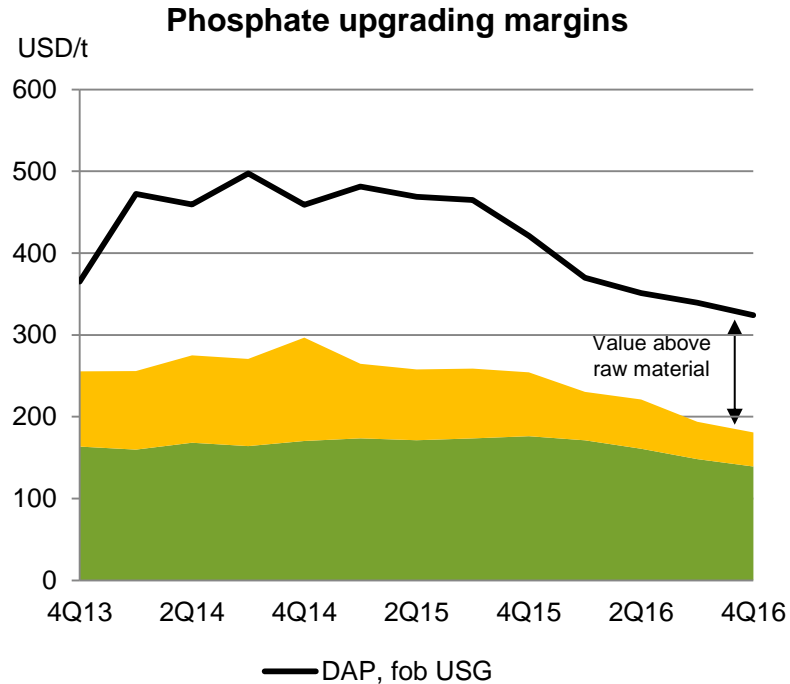


1) All prices in urea equivalents



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.

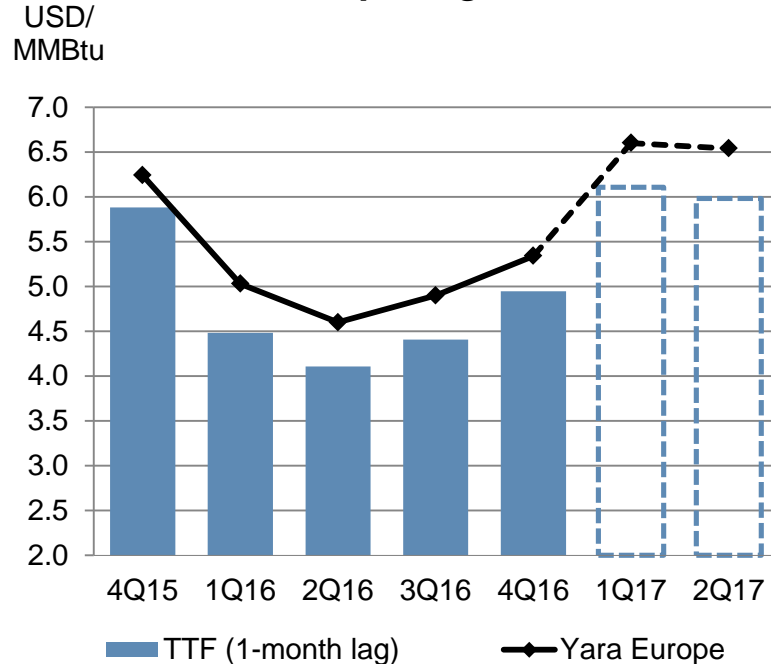
Lower commodity phosphate margins, solid compound NPK premiums



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

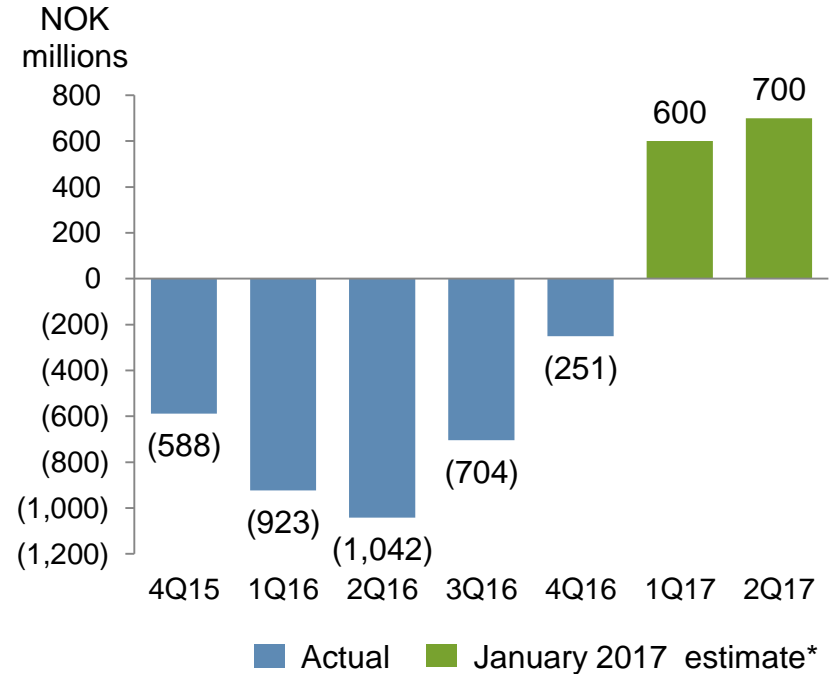
Natural gas cost in Europe

Yara European gas & oil cost



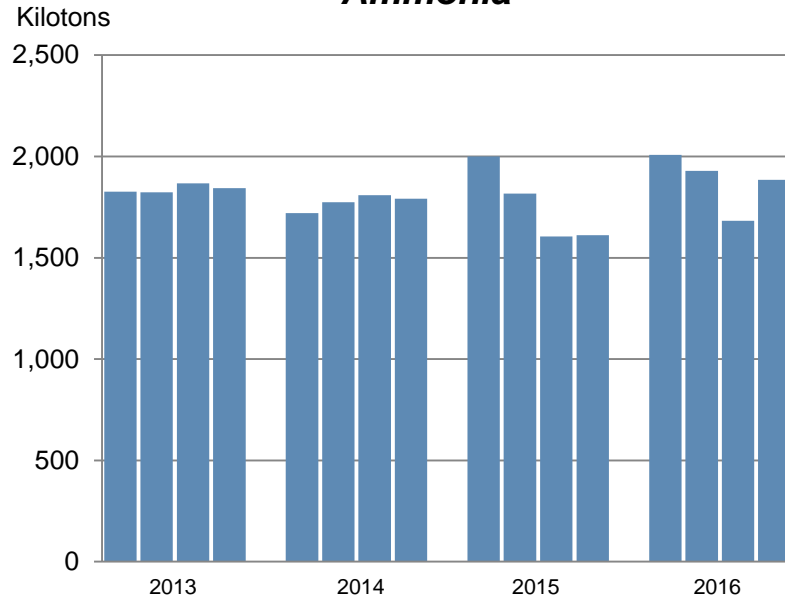
*Dotted lines denote forward prices as of 31 January 2017
Source: Yara, World Bank, Argus/ICIS Heren

Change in spot energy cost

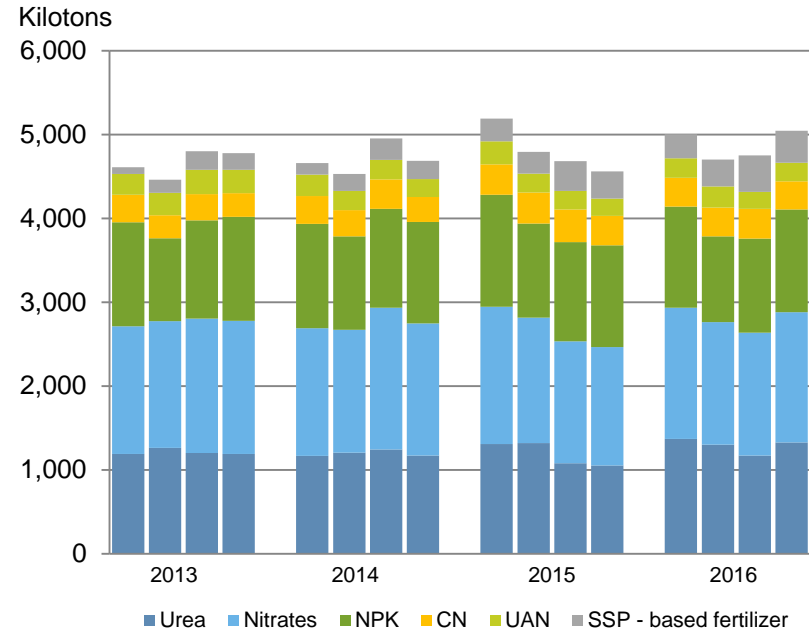


Production

Ammonia¹



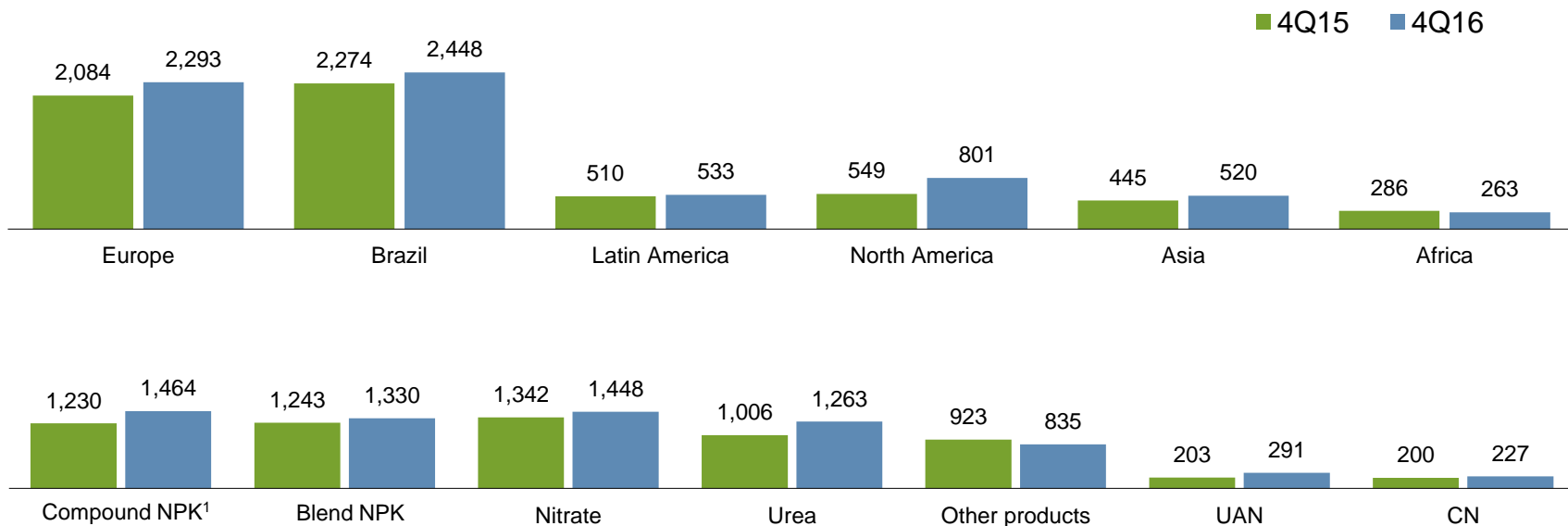
Finished fertilizer & industrial products¹



1) Including share of equity-accounted investees

Yara 4Q fertilizer deliveries by market and product

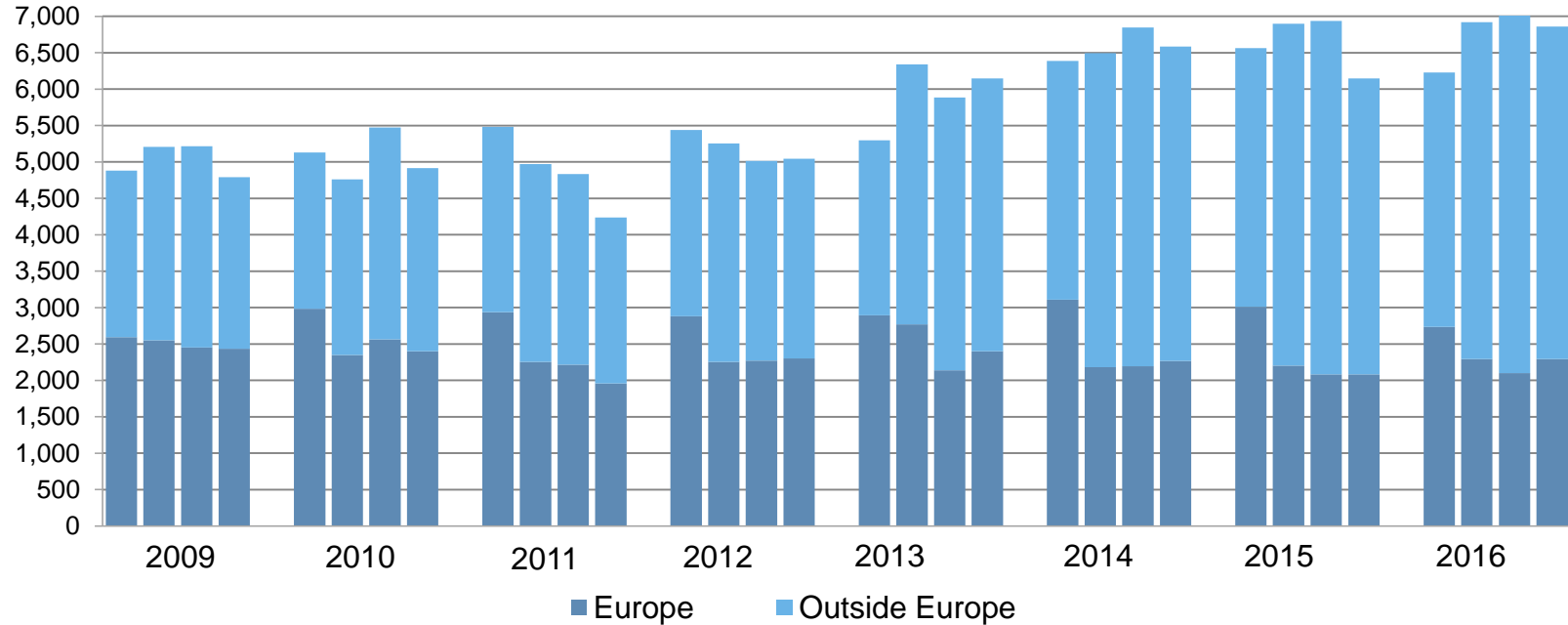
Kilotons



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

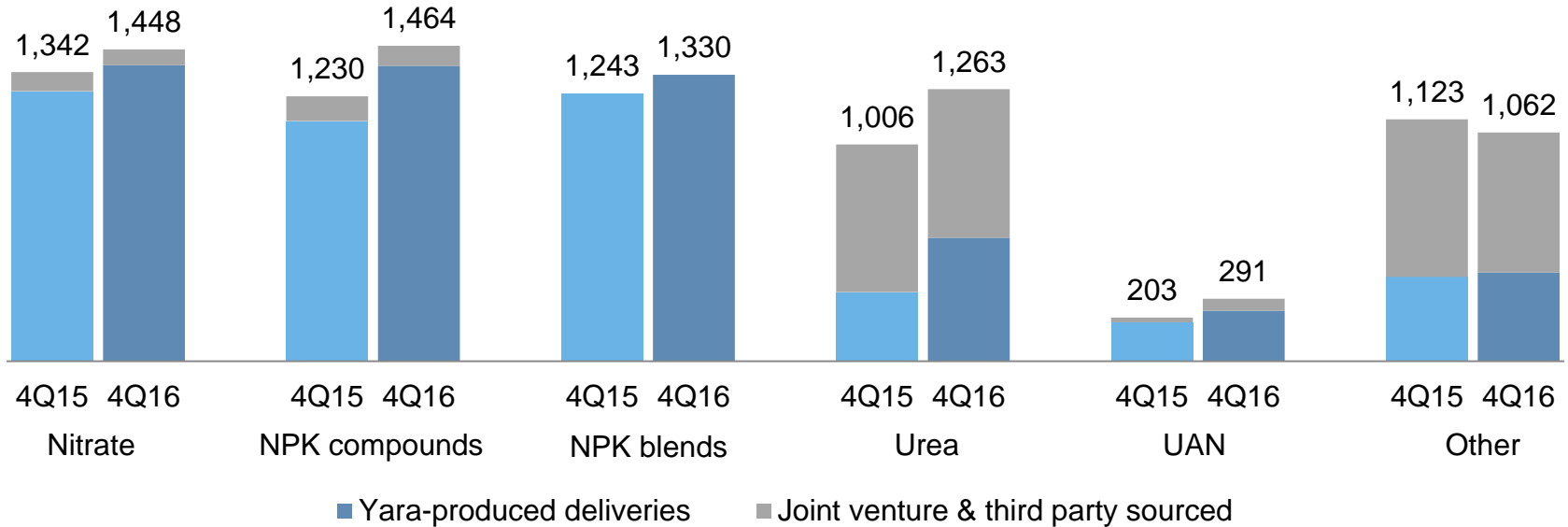
Fertilizer deliveries

Kilotons

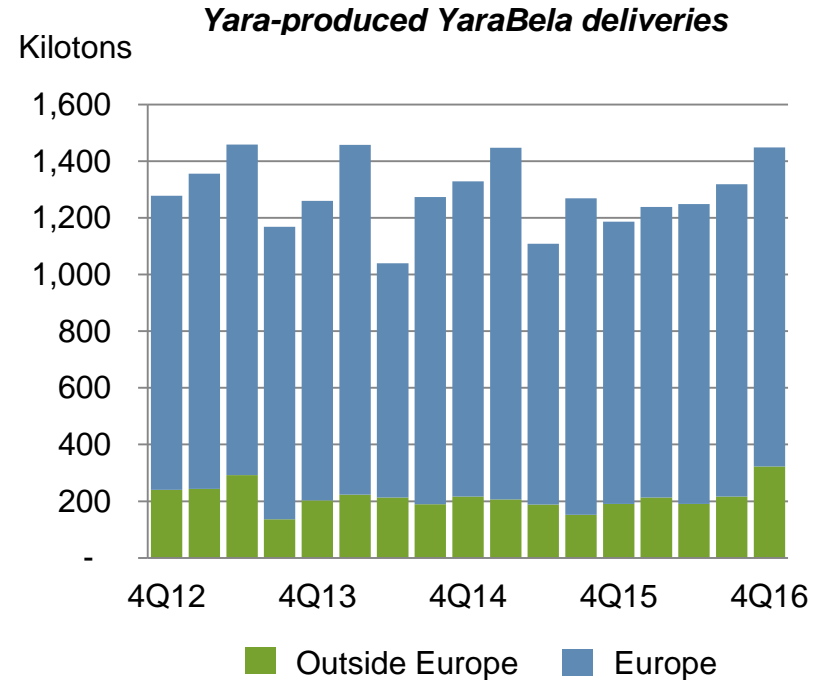
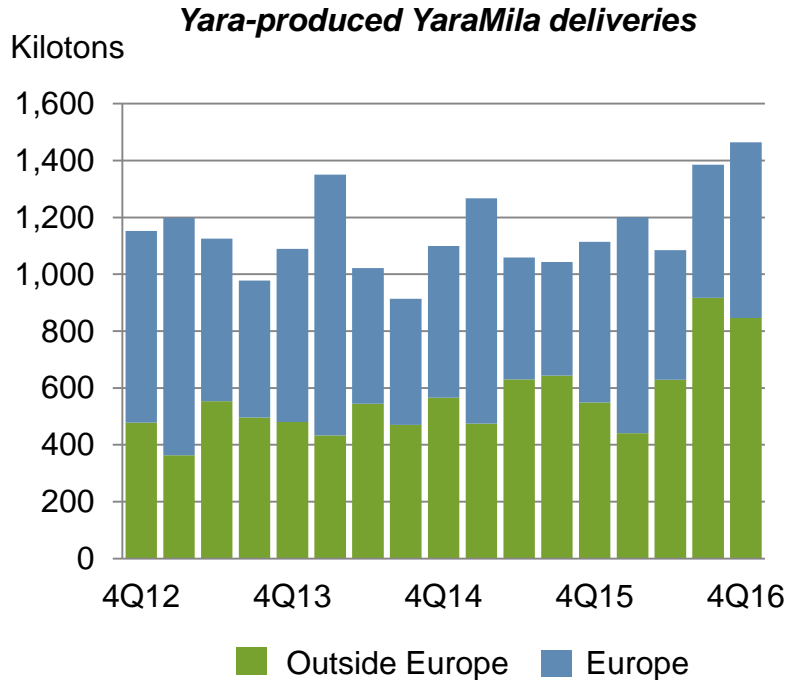


Fertilizer deliveries by product and source

Kilotons

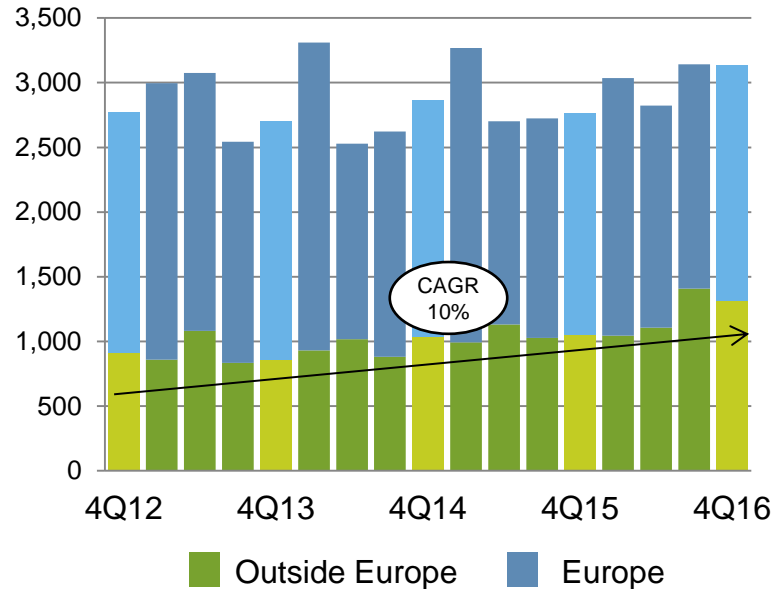


YaraMila (compound NPK) and YaraBela (nitrate) deliveries

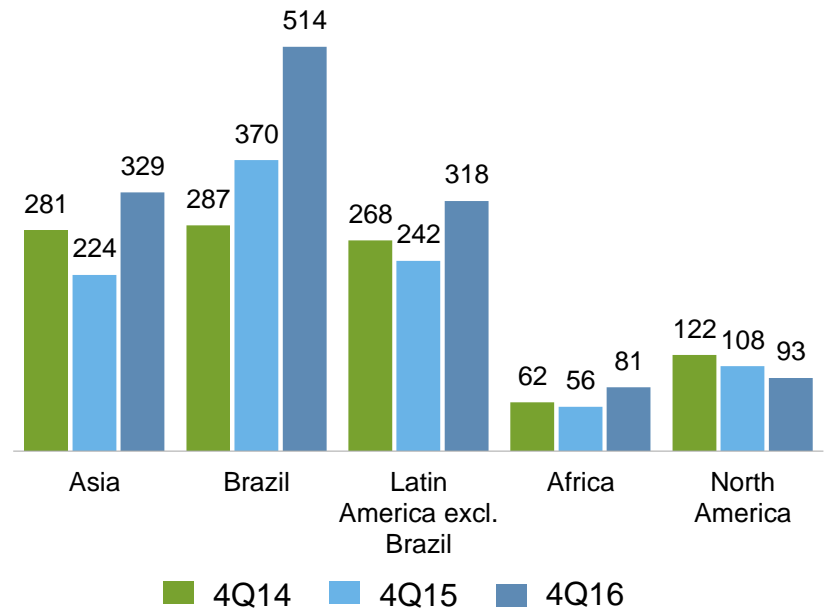


Strong premium product deliveries

Value-added fertilizer deliveries¹



Value-added fertilizer deliveries¹

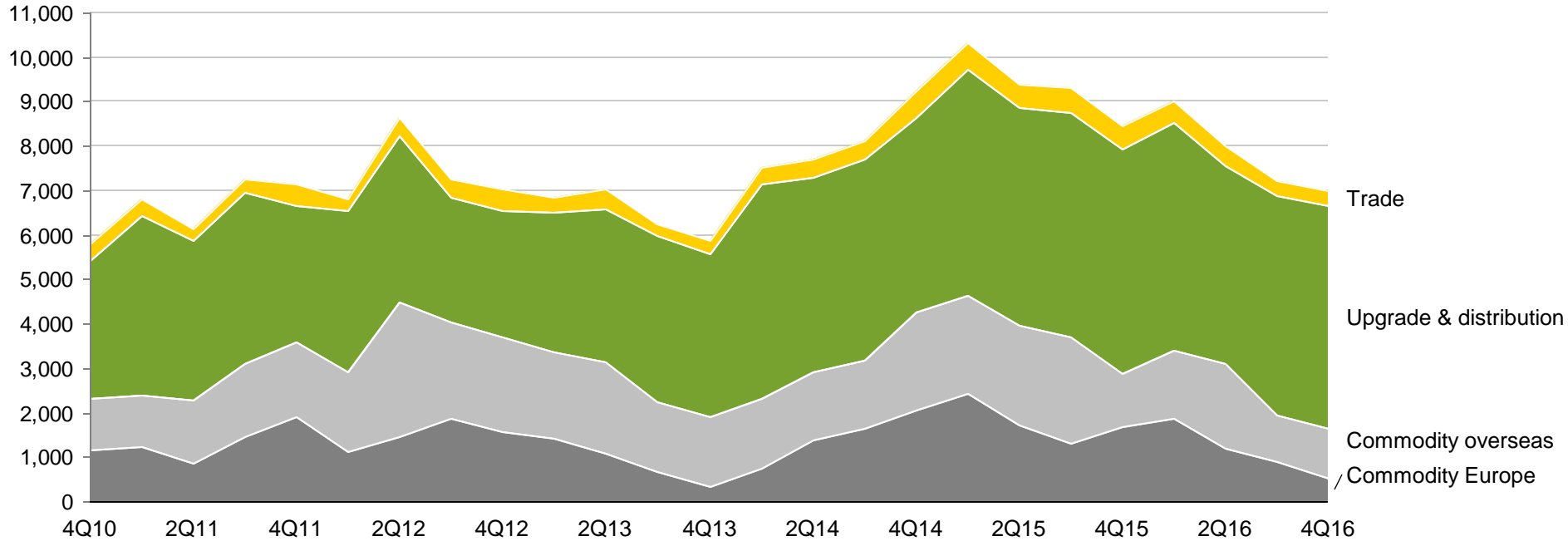


1) YaraBela, YaraMila and YaraLiva deliveries

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

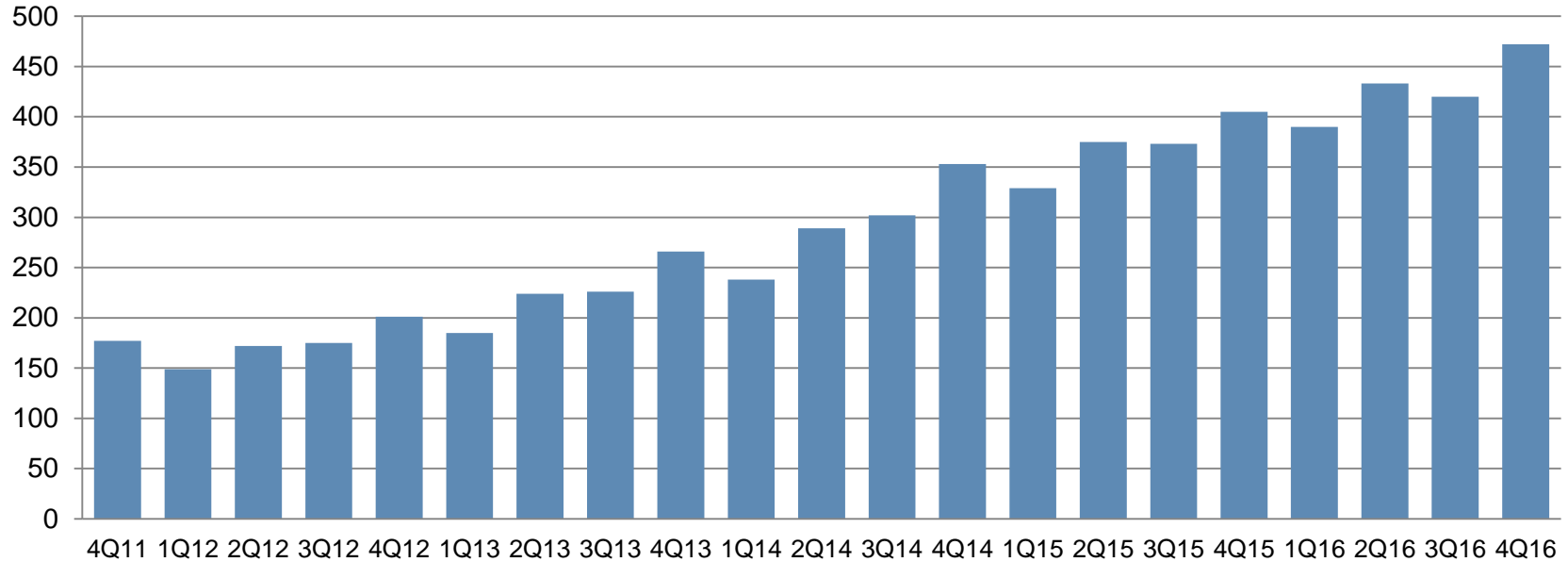
NOK millions

Total Yara contribution

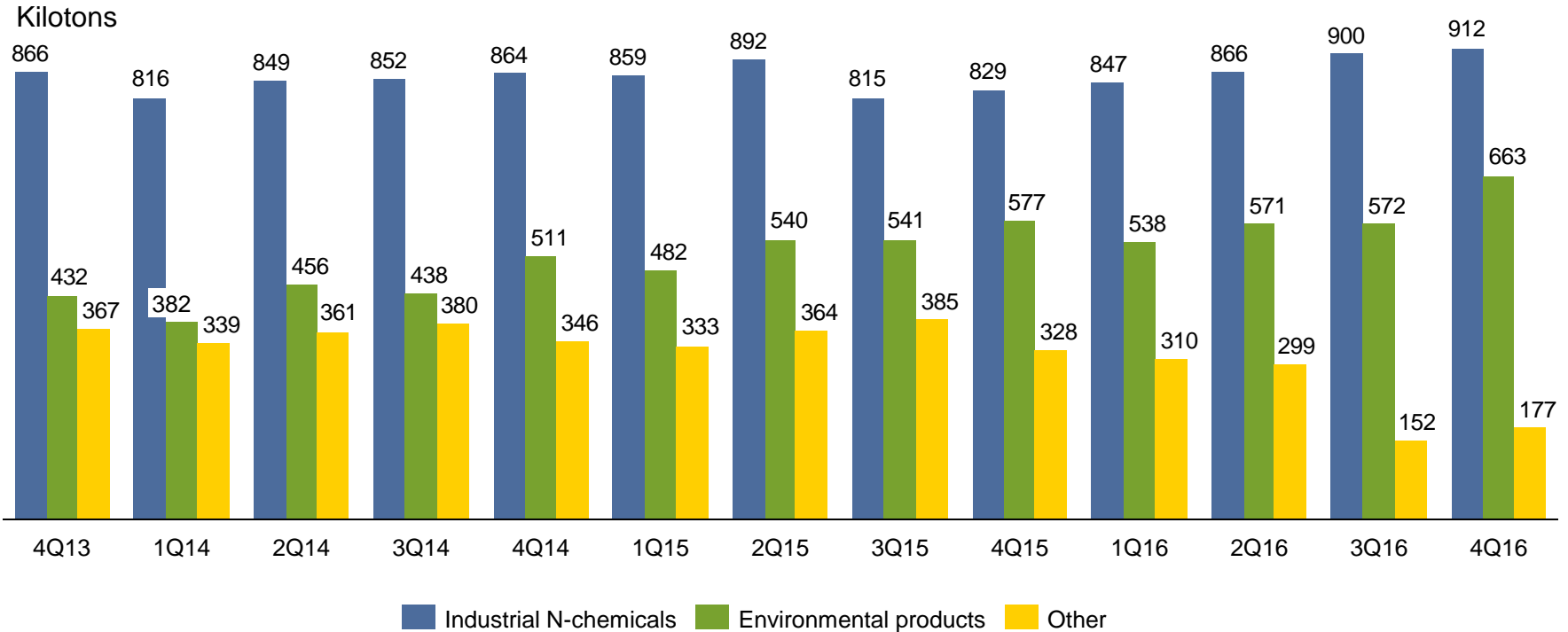


AdBlue deliveries

Kilotons

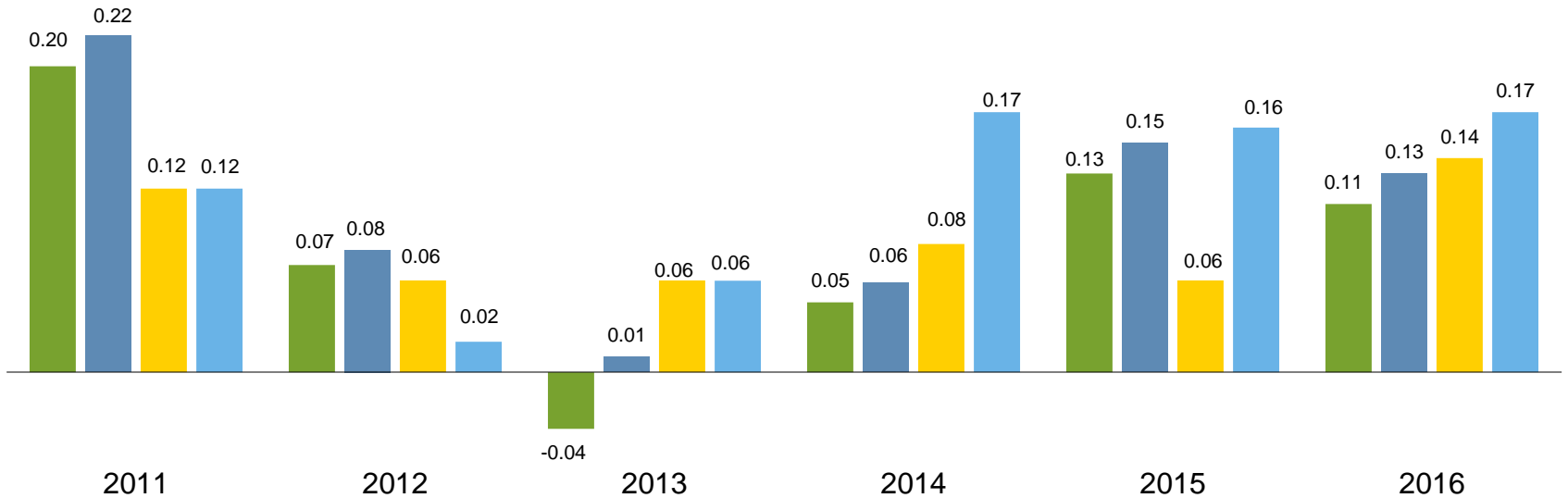


Industrial volume development



Debt/equity ratio

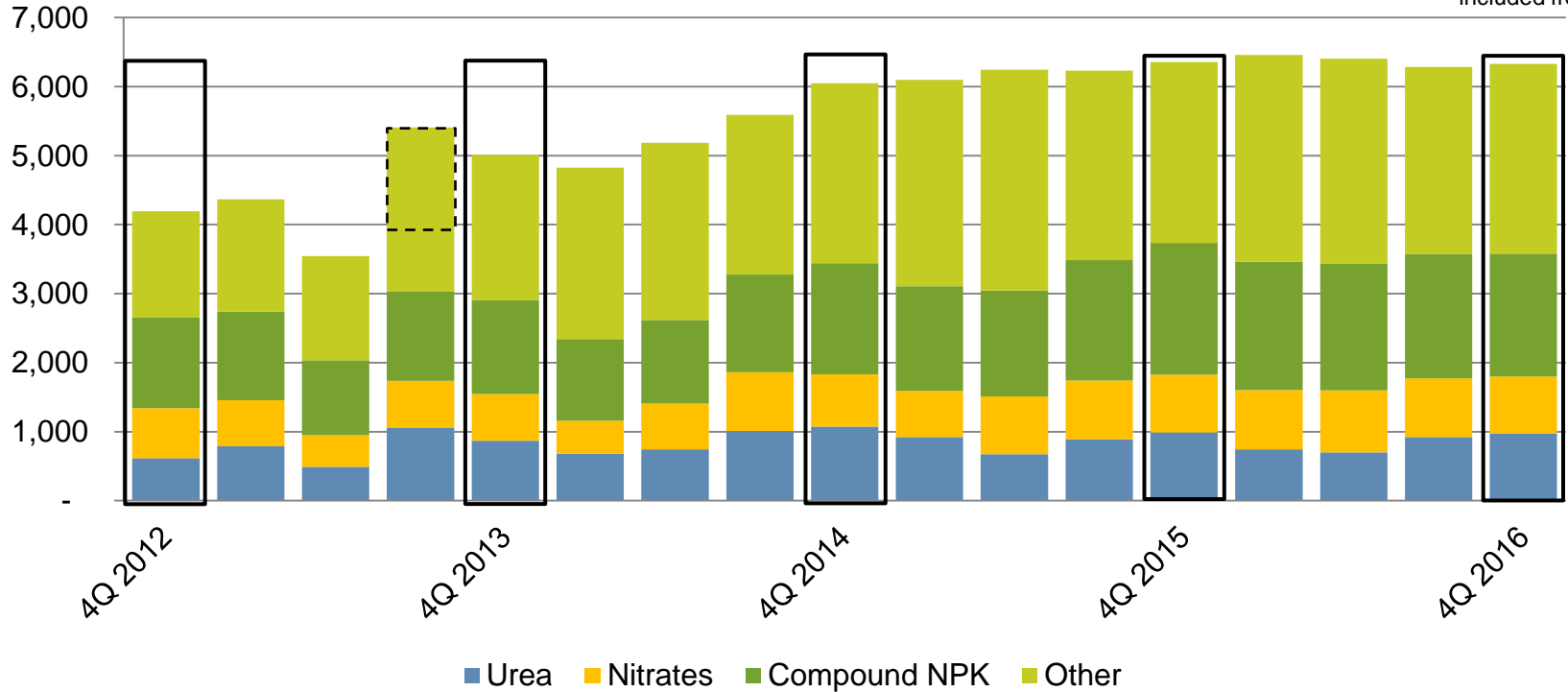
Net interest-bearing debt / equity ratio (end of period)



Yara stocks

Kilotons
Finished fertilizer

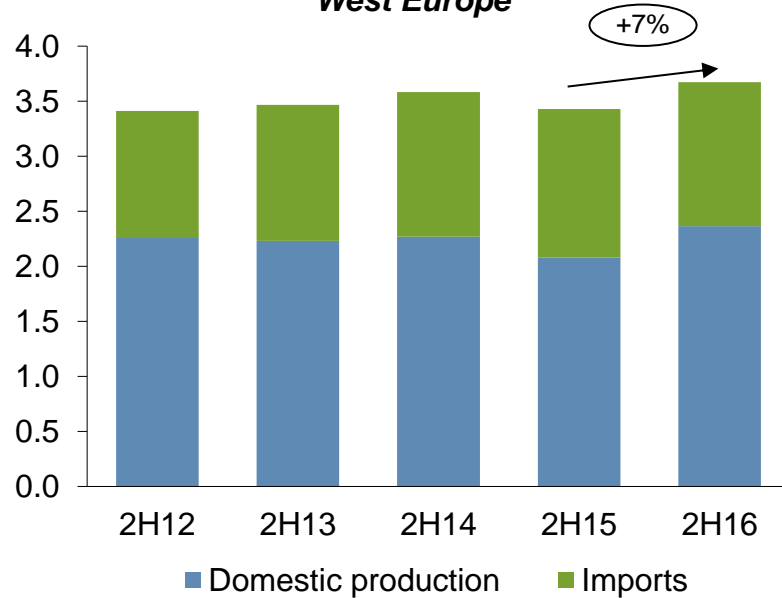
 Bunge Fertilizer included from 3Q 2013



Strong deliveries in Europe, slow in USA

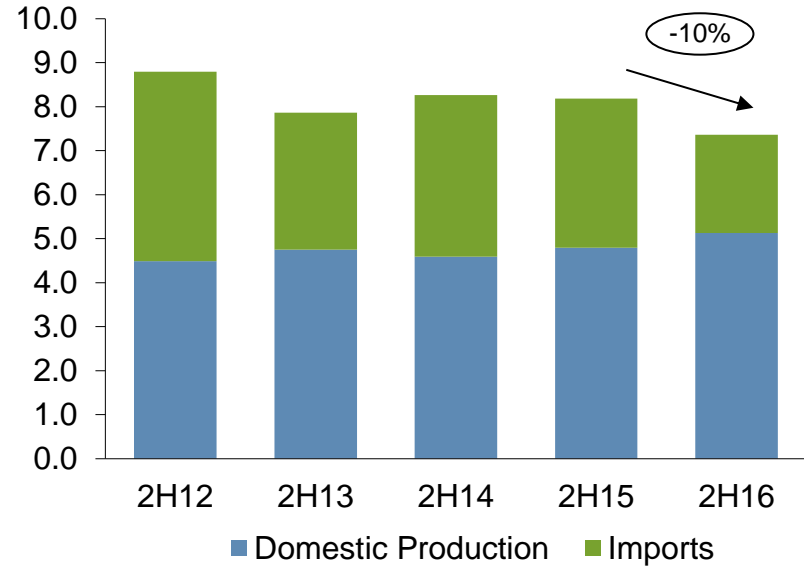
Million tons nitrogen

West Europe



Million tons nitrogen

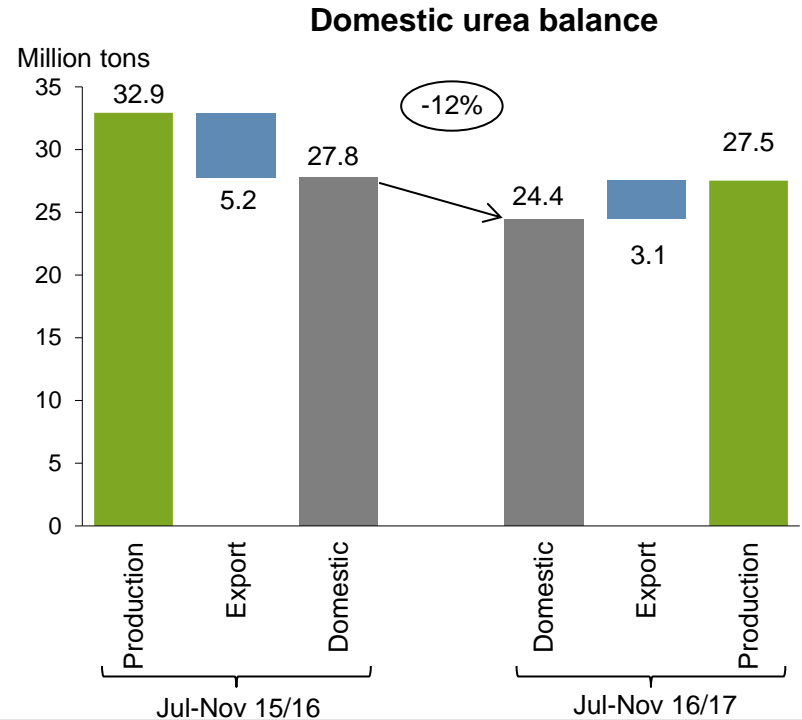
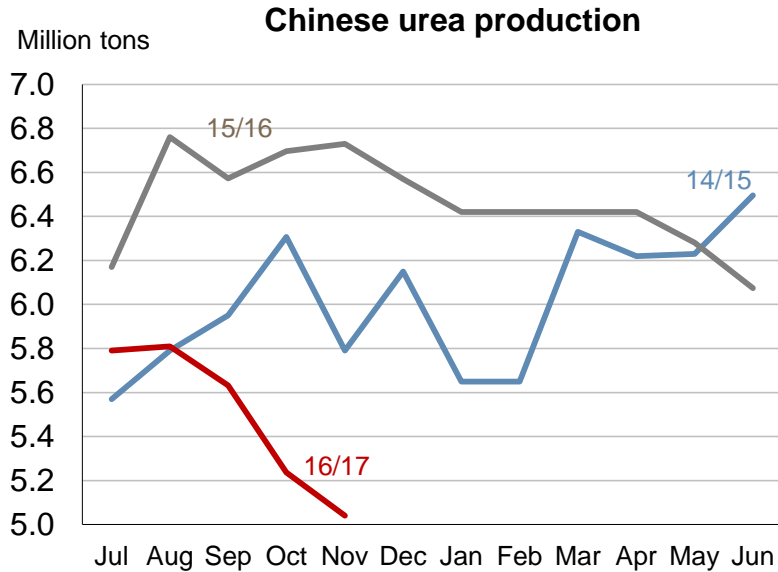
USA



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



Source: CFMW

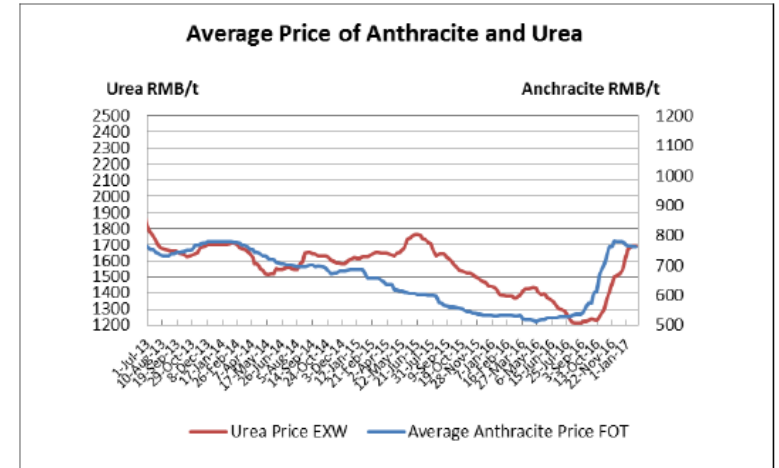
Coal price development

South China coal (March 2017 contract, (\$/mt)

CPH17 - ICE South China Coal - Daily Line Chart



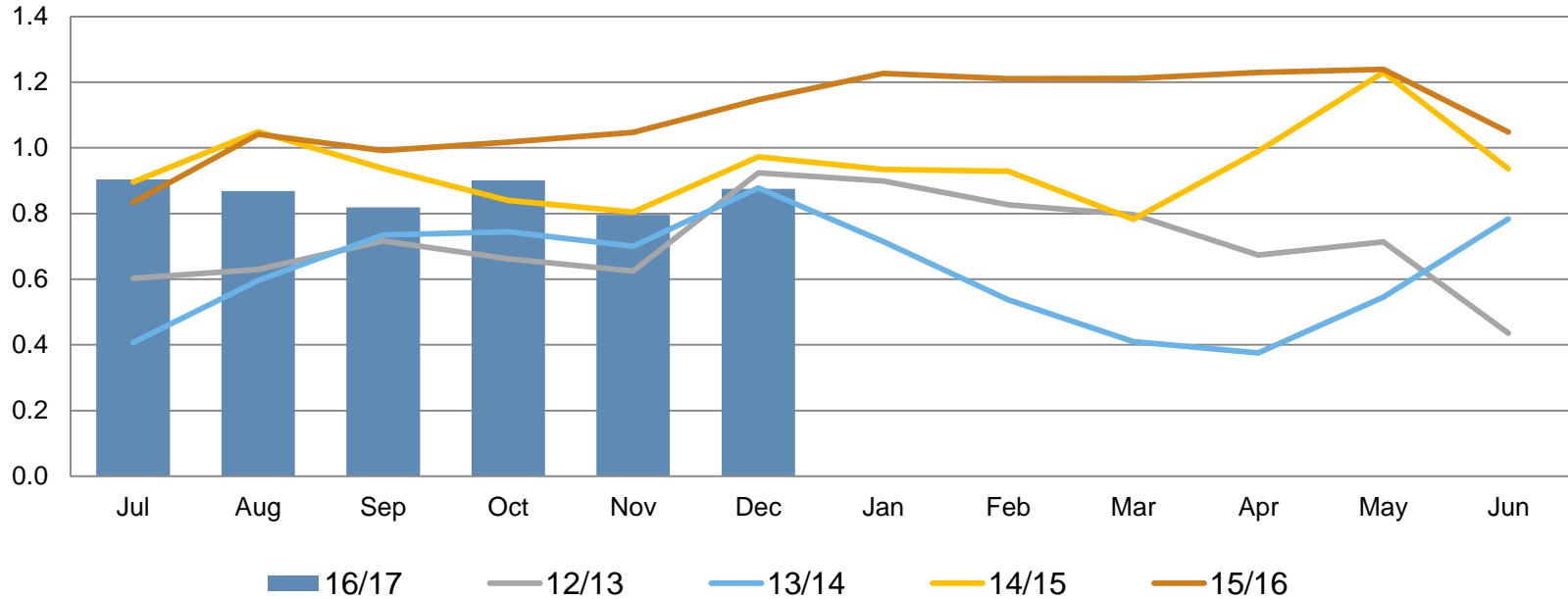
China anthracite and urea prices January 2017 (RMB/mt)



Source: Ice, China Fertilizer Market Weekly

European producers' nitrate stocks

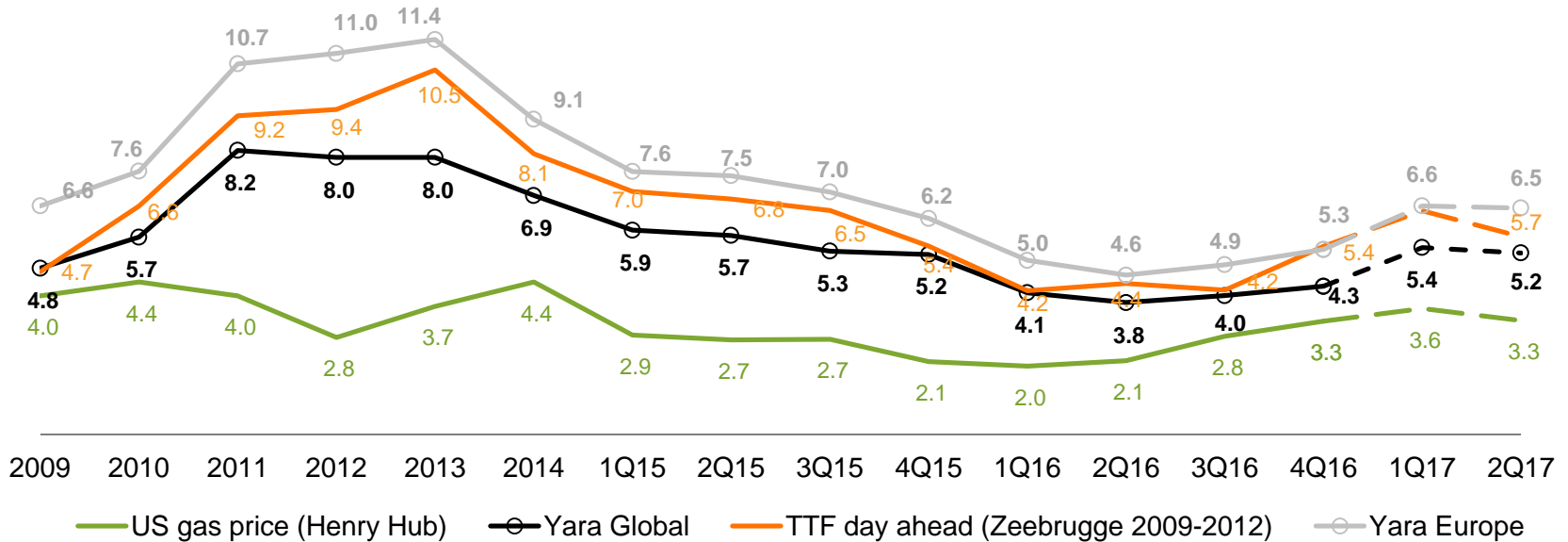
Index
June 2007 = 1



Source: Fertilizers Europe, Yara estimate for December

Energy cost

Yearly averages 2009 – 2014, quarterly averages for 2015-16 with forward prices* for 1Q17 and 2Q17.

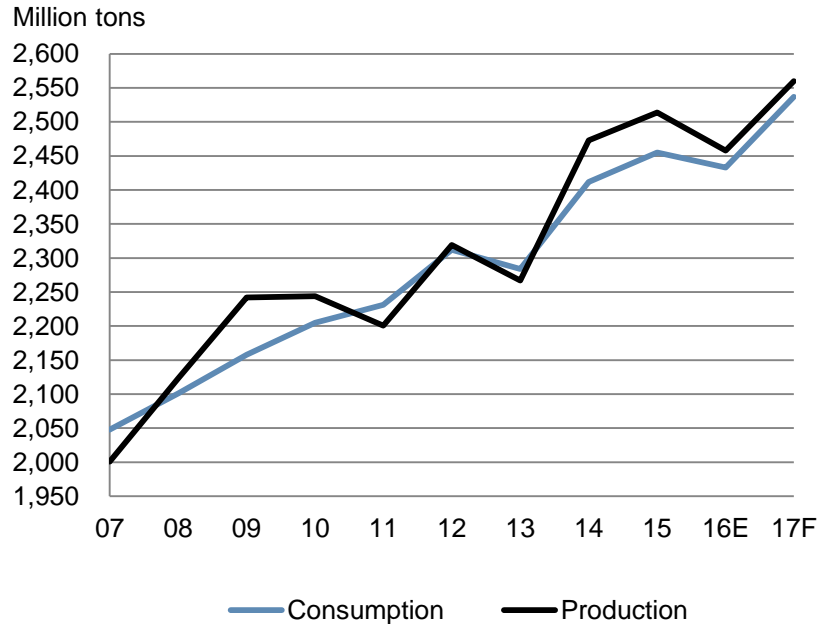


*Dotted lines denote forward prices as of 31 January 2017

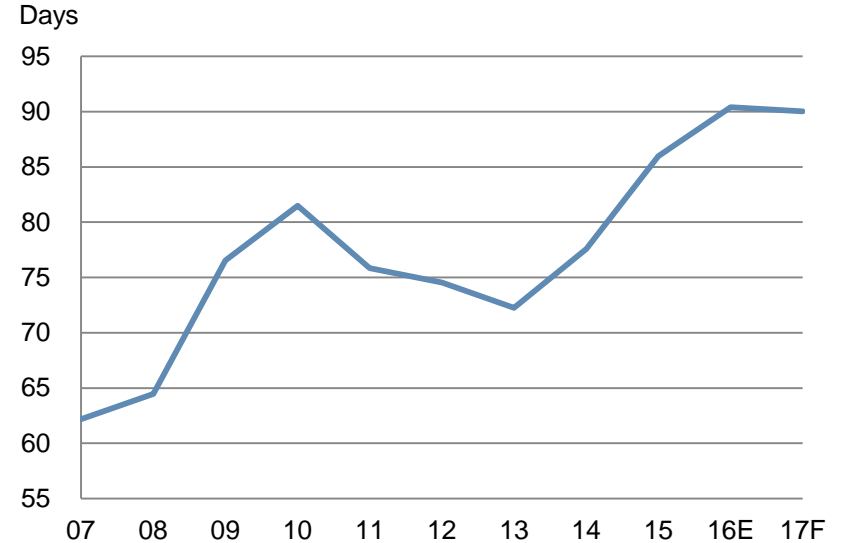
Source: Yara, World Bank, Argus/ICIS Heren

Balanced grain market forecasted for this season, stable stock-to-use ratio, despite a record crop

Grain consumption and production



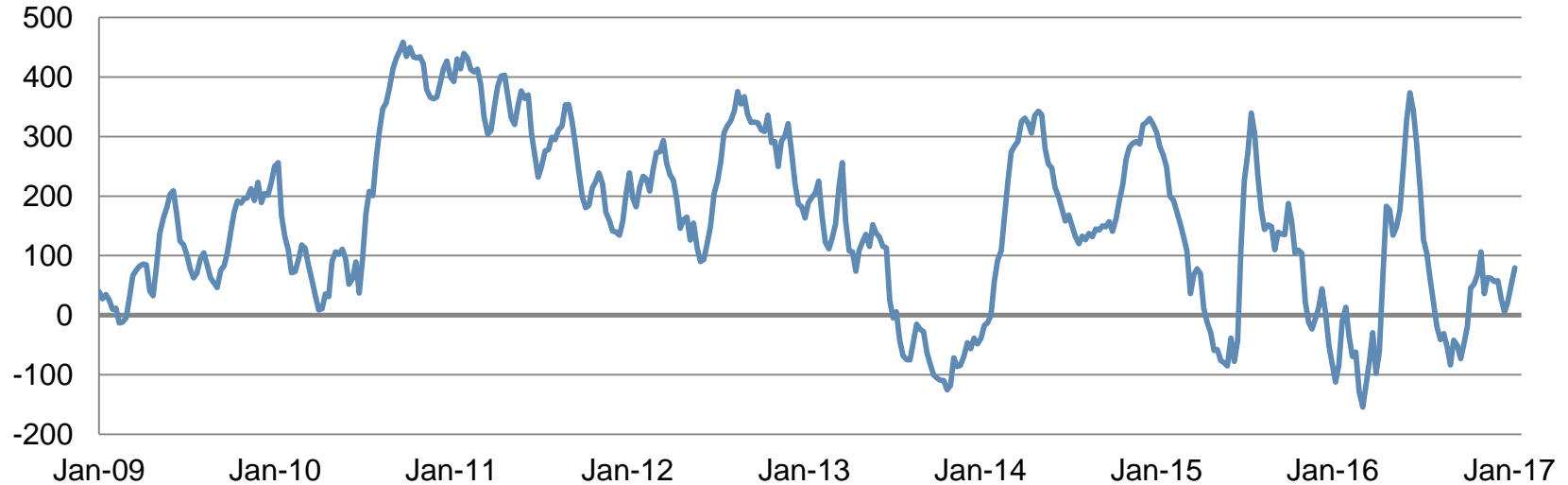
Days of consumption in stocks



Source: USDA January 2017

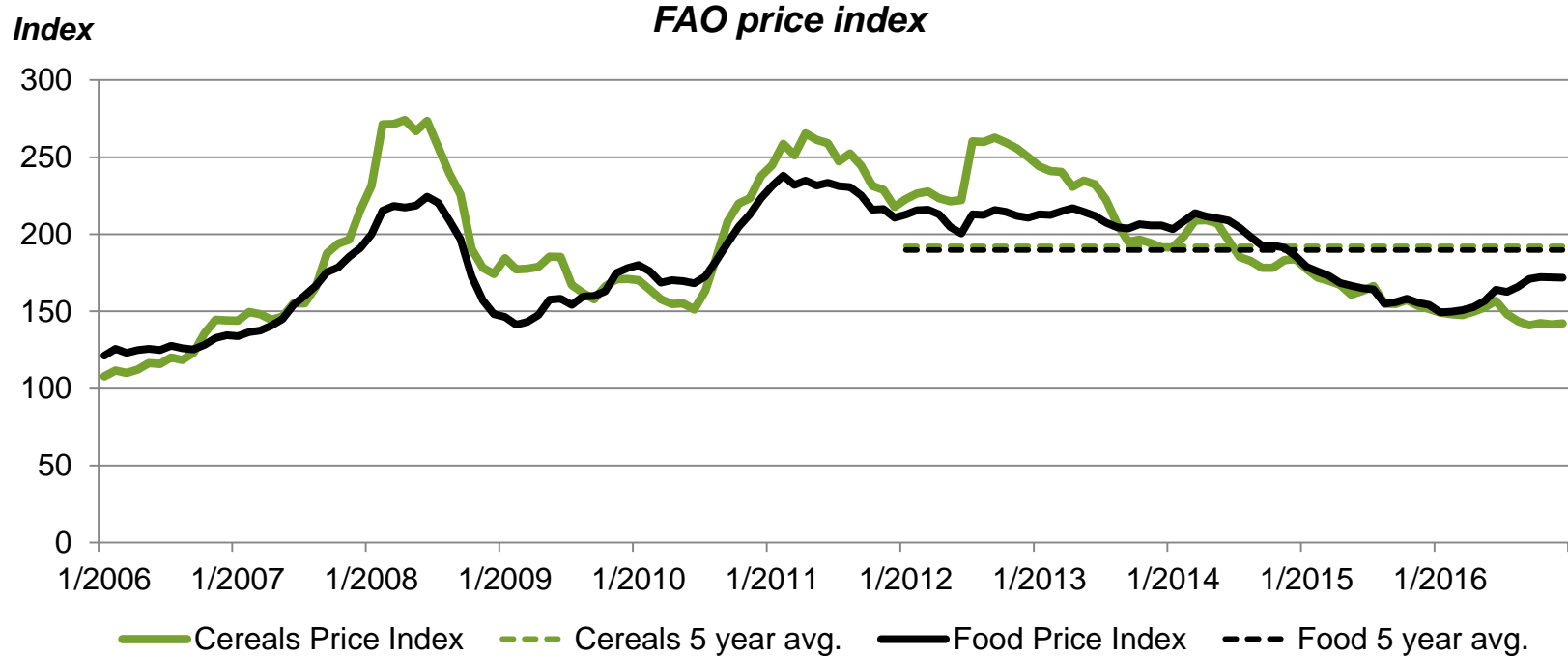
Non-commercials' net long position in corn

Thousand contracts



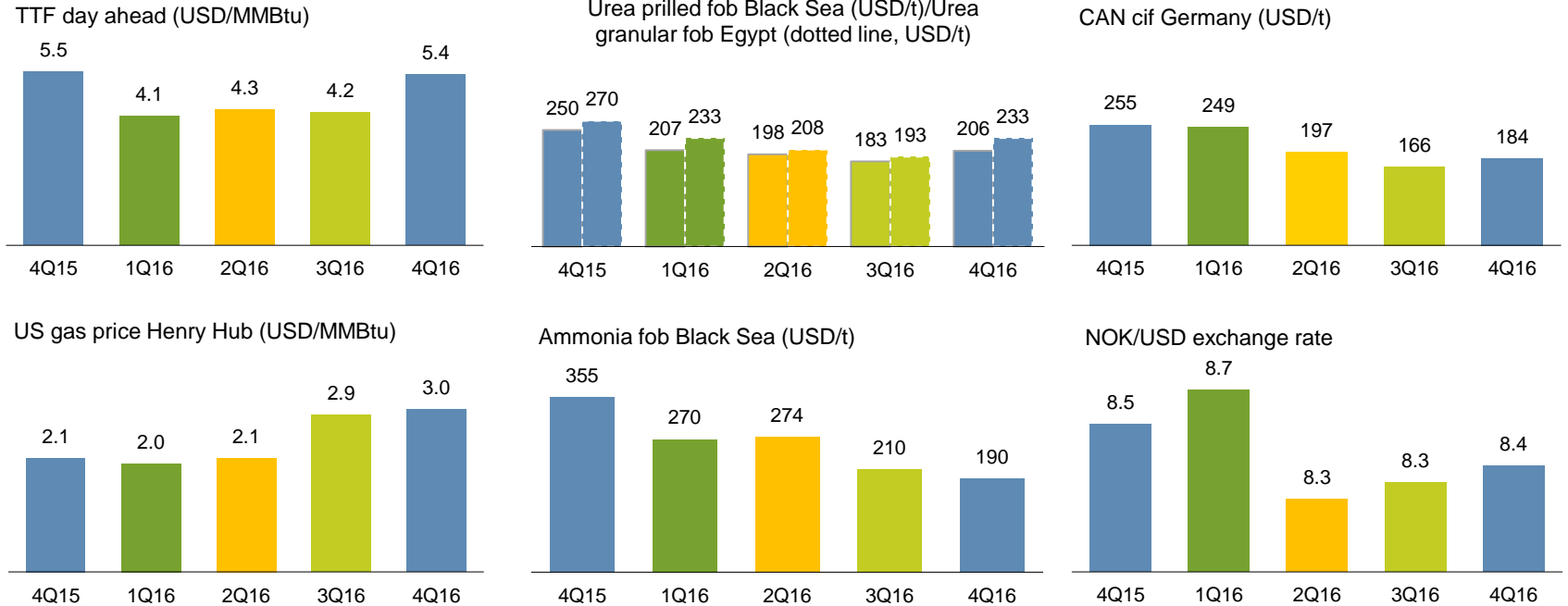
Source: US Commodity Futures Trading Commission

Weak grain production economics, affecting particularly P and K demand



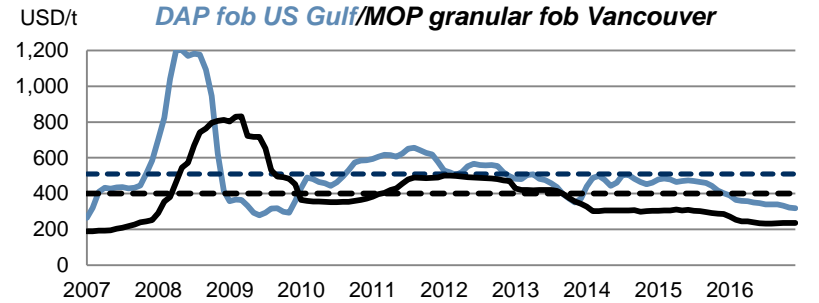
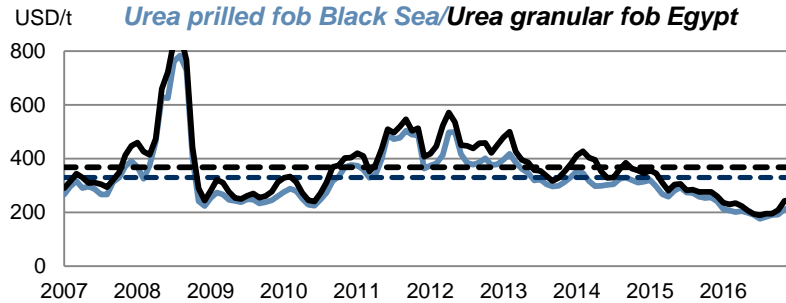
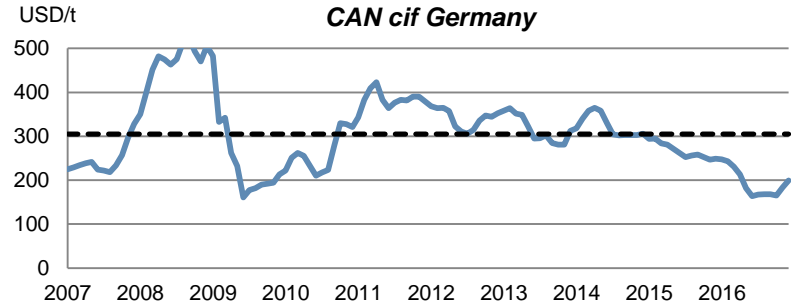
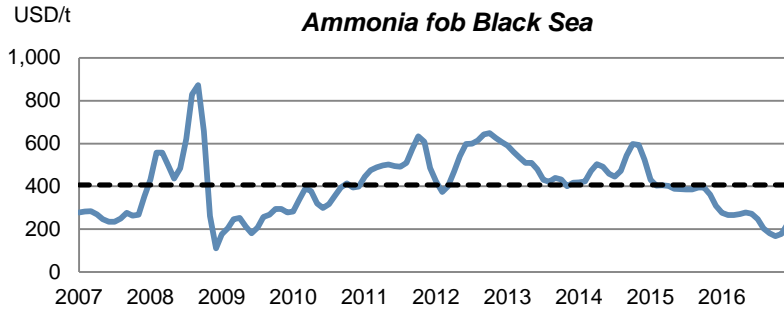
Source: FAO

Key value drivers – quarterly averages



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

10-year fertilizer prices – monthly averages



--- Average prices 2007 - 2016