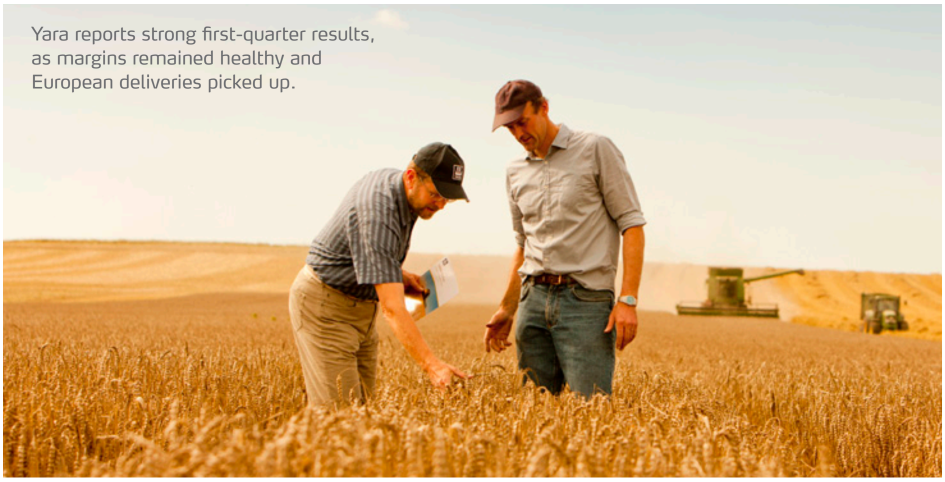
REPORT

First quarter 2012

Yara International ASA – quarterly report

- Strong results as deliveries pick up
- Strong cash flow and debt reduction
- 5% increase in deliveries of own-produced fertilizer products
- Yara Pilbara transaction finalized

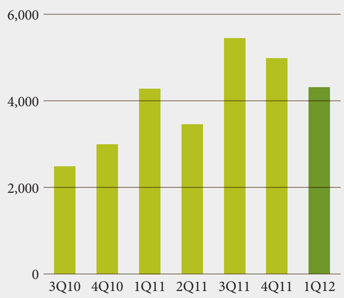


Yara reports strong first-quarter results, as margins remained healthy and European deliveries picked up.

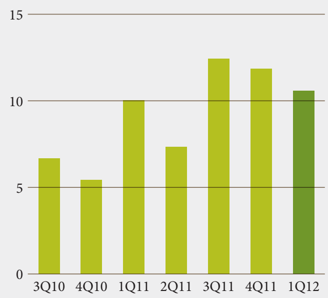
EARNINGS PER SHARE

NOK 10.58

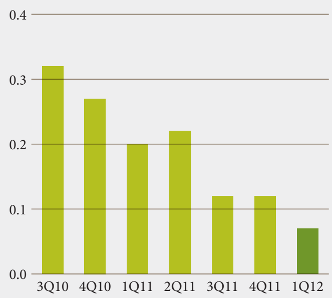
EBITDA (NOK millions)



Earnings per share (NOK)



Debt/equity ratio



YARA

Knowledge grows

First quarter *2012*

FINANCIAL HIGHLIGHTS

NOK millions, except where indicated otherwise	1Q 2012	1Q 2011	2011
Revenue and other income	21,303	19,806	80,352
Operating income	3,088	2,995	13,240
Share net income equity-accounted investees	363	575	1,889
EBITDA	4,312	4,281	18,163
EBITDA excl. special items	3,935	4,258	16,010
Net income after non-controlling interests	3,020	2,889	12,066
Earnings per share [1]	10.58	10.02	41.99
Earnings per share excl.currency and special items [1]	8.36	9.15	34.94
Average number of shares outstanding (millions)	285.5	288.3	287.3
CROGI (12-month rolling average) [2]	20.7 %	18.3 %	20.9 %
ROCE (12-month rolling average)	25.2 %	21.9 %	25.8 %

1) NOK per share. Yara currently has no share-based compensation programs that result in a dilutive effect on EPS.
2) First-quarter 2012 CROGI excl. special items annualized 16.1%.

KEY STATISTICS

Thousand tons	1Q 2012	1Q 2011	2011
Sales			
Fertilizer	5,433	5,481	19,522
Industrial products (excl. industrial gases)	1,220	1,066	4,551
Total	6,653	6,546	24,073
Production [1]			
Ammonia	1,682	1,756	6,655
Finished fertilizer and industrial products, excl. bulk blends	4,263	4,462	17,307
Total	5,945	6,218	23,962

1) Including Yara share of production in equity-accounted investees.

Yara's first-quarter net income after non-controlling interests was NOK 3,020 million, compared with NOK 2,889 million last year. Excluding net foreign exchange gain/loss and special items, the result was NOK 2,387 million, compared with NOK 2,636 million in first quarter 2011. The corresponding earnings per share were NOK 8.36 compared with NOK 9.15 last year.

"Yara reports strong first-quarter results, as margins remained healthy and European deliveries picked up," said Jørgen Ole Haslestad, President and Chief Executive Officer of Yara.

"As expected, Northern hemisphere fertilizer demand is strengthening following a slow first half of the buying season. This recovery is needed to avoid a further decline in global grain stocks," said Jørgen Ole Haslestad.

FERTILIZER MARKET CONDITIONS

Supply and demand fundamentals in most agricultural markets continue to support increased use of fertilizers. According to USDA estimates, global grain production during 2011/12 will only match consumption, implying unchanged grain stocks despite strong incentives throughout 2011 for farmers to expand production. Assuming continued growth in global food consumption, the world needs another record grain crop in 2012 in order to prevent a further inventory decline. The FAO food price index increased slightly during the quarter. While the index averaged 8% below first quarter last year, it was in line with first quarter 2008.

After dropping to a low of around USD 325 per ton fob Black Sea at the end of last year, urea prices have trended upwards throughout the first quarter, ending close to USD 450 per ton. The main driving factor has been strong northern hemisphere demand for spring application, as purchasing activity was low earlier in the season. As the North American market has been exceptionally tight, US Gulf urea prices moved above import parity and to some extent disconnected from pricing elsewhere. Given that North American farmers prefer granular urea to prills, granular premiums increased sharply, to well above normal levels. Anticipated new supply from Algeria, Egypt and Qatar did not materialize during the quarter due to delays, and together with minimal exports from China and other supply reductions elsewhere resulted in a continued

FERTILIZER AND ENERGY MARKET PRICES

Average prices		1Q 2012	1Q 2011	2011
Urea prilled (fob Black Sea)	USD per ton	389	354	423
Ammonia (fob Black Sea)	USD per ton	399	470	518
AN (cif France)	USD per ton	462	475	479
CAN (cif Germany)	USD per ton	361	377	379
Phosphate rock (fob Morocco)	USD per ton	196	158	185
Oil Brent blend spot	USD per bbl	119	105	111
Low-sulphur fuel oil (LSFO)	USD per ton	719	582	642
US gas (Henry Hub)	USD per MMBtu	2.5	4.2	4.0
European gas (Zeebrugge)	USD per MMBtu	9.3	9.0	9.2

Source: The Market, Fertilizer Week, Fertecon, Profercy, World Bank and Platts.

supply-constrained market balance. Global urea prices have continued to increase in April.

The ammonia market was supply-driven throughout the quarter due to reduced demand from the phosphate and industrial sectors. The average price was roughly USD 400 per ton fob Black Sea, a level where FSU regions curtailed production and exports. Prices increased to approximately USD 450 per ton at the end of the quarter, primarily due to the curtailments but also due to some demand improvement.

Global supply of phosphates has been more than sufficient to satisfy demand during the quarter, due to massive Chinese exports during the second half of 2011, and improved utilization rates at the new Maaden plant in Saudi Arabia. DAP prices dropped from around USD 550 per ton fob US Gulf at the start of the quarter to end the quarter at USD 500 per ton, and several key producers curtailed production as a result. However, demand improved during the quarter, paving the way for higher utilization rates going into the second quarter.

Phosphoric acid and phosphate rock prices have been adjusted down as a consequence of lower DAP prices, but decreasing proportionally less than DAP. Average upgrading margins from rock to DAP were almost halved compared with first quarter 2011, and all the remaining value is now in the upgrading from phosphate rock to phosphoric acid. Although phosphate prices have declined since the third quarter of 2011, the average first quarter phosphate rock price fob Morocco exceeded same quarter last year by 25%.

REGIONAL MARKET DEVELOPMENTS

First-quarter nitrogen fertilizer deliveries in Western Europe were down 5% on a year earlier, with imports down 8%. Season to date, deliveries were 12% down on a year earlier, with a 23% drop in imports. Substantial winter crop damage and a late spring with continued dry conditions have negatively affected European demand for fertilizer in the first quarter. Consequently, nitrate prices in Europe were lower relative to global urea prices than a year ago. Available supply is down less than deliveries, due to significant carry-over stocks at the start of the season.

In North America, nitrogen availability has not been sufficient to match the strong demand, and nitrogen prices have moved substantially above prices elsewhere in the world. First-quarter US nitrogen deliveries were down an estimated 10% from a year earlier, due to lower imports. Season to date, deliveries are estimated to be 5% lower than last season. Demand has been strong due to high planted acreage, an early spring with favorable moisture conditions, and minimal pipeline stocks at the start of the season.

In India, urea sales were up 4% for their agricultural year (running April through March), with domestic production increasing 1%. As sales growth has outpaced the increase in production, the need for urea imports have increased by roughly 1 million tons.

China only exported 0.1 million tons of urea in the first quarter, due to prohibitive export taxes in place from November last year. This is down from 0.5 million tons from first quarter 2011. Coal prices have remained stable through the quarter, and urea prices have been roughly 10% higher than first quarter last year.

Brazil imported 0.5 million tons of urea in the quarter, 10% less than first quarter last year. Sales of all nutrients are reported at 5.3 million product tons, up 7% from 5.0 million tons last year.

VARIANCE ANALYSIS FIRST QUARTER

NOK millions	1Q 2012
EBITDA 2012	4,312
EBITDA 2011	4,281
Variance EBITDA	31
Volume & mix	(8)
Price/margin	(2)
Oil & gas costs in Europe	(217)
Special items	354
Other	(133)
Conversion (NOK vs. USD) [1]	37
Total variance explained	31

1) Based on average NOK per USD for the quarter 2012: 5.78 (2011: 5.73)

Yara delivered strong first-quarter results, as sales volumes returned to normal levels and margins remained healthy. EBITDA excluding special items decreased from first quarter last year mainly as a result of somewhat lower nitrate premiums and higher energy and raw material cost.

Global Yara fertilizer deliveries were in line with first quarter 2011, but own-produced product sales increased. NPK and urea sales volumes decreased slightly, but were offset by higher sales in other product groups. Industrial volumes increased 14%, reflecting growth in environmental products and technical ammonium nitrates.

Stock levels remained high during the first part of the quarter, but decreased sharply in March as demand picked up strongly.

Compared with first quarter 2011, average realized urea prices in USD were up 13%, while nitrate and NPK prices increased modestly. NPK margins declined, as price increases did not fully reflect increased nutrient values. Industrial margins were in line with last year.

Yara's average European oil and gas cost was up 9% from first quarter last year, reflecting an increase in prices for both natural gas and oil products. Yara's global average oil and gas cost increased 5% from the same period last year.

Total special items were a positive NOK 377 million, primarily related to the NOK 390 million Yara Pilbara transaction, where Yara's acquisition of an additional 16% equity stake triggered an income statement recognition of the equity increase resulting from the appreciation of Australian dollars versus Norwegian krone. This effect, which was previously recognized in equity in the balance sheet, amounted to NOK 385 million. For more details, please see Note 7 on page 29. First-quarter 2011 special items were a net positive NOK 23 million. For further details on special items see pages 16 and 17.

The major part of the "Other" variance is related to increased fixed costs, primarily the consolidation of Yara Pilbara costs, and an increase in innovation, growth and plant reliability related activities.

The US dollar was approximately 1% stronger versus the Norwegian krone compared with first quarter 2011, generating a small positive conversion effect in Yara's results.

NET INCOME FROM EQUITY-ACCOUNTED INVESTEES

NOK millions	1Q 2012	1Q 2011
Qafco	309	257
Tringen	57	29
Burrup	-	67
GrowHow UK Ltd	53	76
Lifeco	(62)	33
Other	5	113
Total	363	575

First-quarter net income from equity-accounted investees decreased 37% compared with last year, mainly due to the divestment of Rossosh, the Lifeco production outage and Yara's acquisition of a controlling stake in Yara Pilbara, with subsequent consolidation from 1 February 2012.

Lifeco production has been suspended since mid February 2011, generating a negative result of NOK 62 million in first quarter.

The negative "Other" variance mainly reflects the divestment of Rossosh (NOK 83 million last year) and reduced ownership in Yara Praxair.

Qafco and Tringen have improved results compared with first quarter last year, due to higher urea sales volumes and prices in Qafco and higher production in Tringen.

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 non-consolidated investees.

FINANCIAL ITEMS

NOK millions	1Q 2012	1Q 2011
Interest income from customers	35	21
Interest income, other	57	41
Interest income and other financial income	92	62
Interest expense	(181)	(163)
Return on pension plan assets	109	110
Interest expense re. pension liabilities	(109)	(115)
Foreign exchange gain/(loss)	394	323
Other	(16)	(73)
Interest expense and foreign exchange gain/(loss)	197	82
Net financial income/(expense)	288	144

First-quarter net financial income was NOK 288 million compared with NOK 144 million last year.

Interest expense was NOK 181 million compared with NOK 163 million last year. The variance mainly reflects an interest expense this quarter of NOK 29 million related to tax payments in Yara Pilbara. The average gross debt was at the same level as in the first quarter last year.

The foreign exchange gain on Yara's US dollar debt positions totaled NOK 226 million as the US dollar depreciated more than 5% against the Norwegian krone and 3% against the euro during the quarter. Yara's US dollar debt generating currency exposure was approximately USD 800 million at the end of the quarter, with around USD 600 million of the exposure towards the euro. The reported foreign exchange gain this quarter includes NOK 168 million related to internal currency positions. As these gains corresponds to offsetting translation effects in equity, the net economic effect of these positions is neutral for Yara.

TAX

First-quarter current and deferred taxes were NOK 733 million, representing approximately 20% of income before tax.

The effective tax rate was lower than for first quarter 2011 (22%). The main reason for the lower tax rate was the tax exempted currency gain explained earlier in the report, booked as a special item when Yara Pilbara was reclassified from an associated entity to a fully-consolidated unit.

NET INTEREST-BEARING DEBT

NOK millions	1Q 2012
Net interest-bearing debt at beginning of period	(5,539)
Cash earnings [1]	2,360
Dividends received from equity-accounted investees	349
Net operating capital change	1,605
Yara Pilbara transaction	(1,931)
Other Investments (net)	(519)
Foreign exchange gain/(loss)	394
Other	(203)
Net interest-bearing debt at end of period	(3,484)

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

As a supplement to the consolidated statement of cash flows (page 24), this table highlights the key factors behind the development in net interest-bearing debt.

Net interest-bearing debt decreased by NOK 2,055 million during first quarter 2012, ending at NOK 3,484 million. The reduction was achieved despite the acquisition of 16% of the shares in Yara Pilbara and the consolidation of the net interest-bearing debt in the same company. The combined effect of Yara Pilbara on Yara's net interest-bearing debt was an increase of NOK 1,931 million. Net operating capital decreased by NOK 1.6 billion, mainly reflecting lower inventory volumes and higher prepayment from customers.

The investment activity for the quarter primarily reflects planned maintenance programs.

First-quarter dividends from equity-accounted investees were NOK 349 million, of which Qafco contributed NOK 260 million and Tringen NOK 56 million.

The debt/equity ratio at the end of first quarter 2012, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.07 compared with 0.12 at the end of 2011.

Downstream

FINANCIAL HIGHLIGHTS

NOK millions, except where indicated otherwise	1Q 2012	1Q 2011	2011
Revenue and other income	15,740	14,810	55,437
Operating income	1,061	1,557	4,330
EBITDA	1,236	1,724	5,085
EBITDA excl. special items	1,215	1,680	5,090
CROGI (12-month rolling average) 1)	17.6 %	34.0 %	19.7 %
ROCE (12-month rolling average)	19.7 %	41.5 %	22.7 %

1) First-quarter 2012 CROGI excl. special items annualized 17.8%.

KEY STATISTICS 1)

Thousand tons	1Q 2012	1Q 2011	2011
Sales by region			
Fertilizer Europe	2,856	2,925	9,300
Fertilizer outside Europe	2,551	2,542	10,149
Total	5,408	5,466	19,449
Sales by product group			
Nitrate	1,466	1,413	5,122
of which own-produced	*1,395*	*1,307*	*4,688*
NPK	1,605	1,808	6,562
of which own-produced	*1,173*	*1,147*	*3,846*
of which own blends	*275*	*328*	*1,937*
Urea	1,237	1,296	4,236
of which own-produced	*556*	*446*	*1,613*
of which equity accounted investees sourced	*427*	*573*	*1,527*
CN	232	240	915
UAN	391	346	1,158
Other products	477	364	1,456
Total	5,408	5,466	19,449

1) Downstream sales only, excluding external fertilizer sales from Upstream.

- Strong results as deliveries pick up
- 5% increase in deliveries of own-produced fertilizer products
- Stocks reduced during quarter following record March deliveries
- Lower NPK margins due to increased input costs

VARIANCE ANALYSIS FIRST QUARTER

NOK millions	1Q 2012
EBITDA 2012	1,236
EBITDA 2011	1,724
Variance EBITDA	(488)
Volume & Mix	(63)
Price/margin	(314)
Special items	(24)
Other	(103)
Conversion (NOK vs. USD) 1)	16
Total variance explained	(488)

1) Based on average NOK per USD for the quarter 2012: 5.78 (2011: 5.73)

Downstream delivered strong first-quarter results as sales volumes returned to normal levels and margins remained healthy. EBITDA excluding special items decreased from first quarter last year mainly as a result of lower NPK margins.

Total deliveries during first quarter were in line with last year. Sales of Yara-produced products increased by 5%, but were offset by lower sales of Rossosh NPK and Lifeco urea in particular. Stock levels remained high during the first part of the quarter, but decreased sharply in March as demand picked up strongly.

European deliveries were slow until March primarily due to the cold weather period in large parts of Europe, compounded by continued drought in the Southern part of Europe. The arrival of spring increased demand strongly, and sales volumes for the quarter ended just below first quarter last year following record March deliveries. Yara re-gained market share in Europe, despite nitrate and NPK sales lagging last year.

Demand for premium products continued to be strong in markets outside Europe, especially Asia. Lower sales of Yara-produced nitrates and NPKs in Europe were offset by increased nitrate sales in the Americas and NPK sales in Asia. Overall sales volumes outside Europe were in line with last year, as growth of Yara-produced premium product sales were offset by lower Rossosh NPK and third-party sourced urea volumes.

Realized fertilizer prices were higher than last year for all main product groups, reflecting a continued demand-driven market. Realized urea prices increased by 13%, while realized NPK and nitrate prices were up 9% and 7% respectively. The price increase for NPKs did not fully reflect the comparable increase in nutrient values.

The “Other” variance mainly reflects increased fixed cost to drive growth in premium products and to ensure safe and improved operations in the Downstream system.

The closing of the agreement for the planned 50/50 joint venture in Brazil between Yara and OCP is expected to take place towards the end of second quarter, subject to regulatory approval.

Industrial

FINANCIAL HIGHLIGHTS

NOK millions, except where indicated otherwise	1Q 2012	1Q 2011	2011
Revenue and other income	3,163	2,616	12,631
Operating income	222	203	1,667
EBITDA	278	275	2,001
EBITDA excl. special items	274	275	1,034
CROGI (12-month rolling average)	26.8 %	16.6 %	28.1 %
ROCE (12-month rolling average) [1]	35.0 %	20.7 %	37.3 %

1) First-quarter 2012 CROGI excl. special items annualized 13.2%.

KEY STATISTICS

Thousand tons	1Q 2012	1Q 2011	2011
Sales by product group (excl. industrial gases) [1]			
Environmental products	420	314	1,544
Industrial N-chemicals	812	763	3,057
of which TAN	*211*	*169*	*734*
Total	1,232	1,077	4,601

1) Segment view, includes inter-segment sales.

- Strong result, in line with last year
- Continued TAN volume and margin recovery
- Strong volume increase in the environmental segment
- Pick-up in European process chemical business

VARIANCE ANALYSIS FIRST QUARTER

NOK millions	1Q 2012
EBITDA 2012	278
EBITDA 2011	275
Variance EBITDA	2
Volume & mix	69
Price/margin	(30)
Special items	3
Other	(43)
Conversion (NOK vs. USD) [1]	2
Total variance explained	2

1) Based on average NOK per USD for the quarter 2012: 5.78 (2011: 5.73)

First-quarter EBITDA excluding special items was in line with last year. Sales volumes were up 14% compared with last year.

Nitrogen chemicals saw a modest increase in sales volumes as the process industry showed signs of picking up late in the quarter. Due to changes in the customer-portfolio mix, the margin for urea sales to the glue industry was significantly lower than last year. Sales of water treatment products increased by 16% mainly driven by diversification into new overseas markets and applications.

The environmental segment continued to achieve significant volume growth both in Europe and in the US, and margins also improved compared with last year.

Technical ammonium nitrate (TAN) sales volumes were up 25%, reflecting a strong demand recovery in Yara's main markets. First quarter margins were significantly above last year.

CO_2 sales were 3% below last year as the Wilton biofuel plant has not been in operation during this quarter. Margins were down due to higher sourcing costs resulting from multiple sourcing outages in the first two months of this quarter.

The "Other" variance reflects fixed cost increases related mainly to the integration of Yara Miljö, together with an increase in business development activities.

In March, Yara signed a heads of agreement with Orica and Apache to form a joint venture to build a 330,000 metric tons ammonium nitrate plant in the Burrup peninsula. Yara and Orica will under the agreement each have a 45% interest in the joint venture and Apache the remaining 10%. The construction of the plant is planned to commence in mid 2012.

Upstream

FINANCIAL HIGHLIGHTS

NOK millions, except where indicated otherwise		1Q 2012	1Q 2011	2011
Revenue and other income		11,092	10,213	43,510
Operating income		1,731	1,332	7,757
Share net income equity-accounted investees		360	543	1,738
EBITDA		2,669	2,354	11,446
EBITDA excl. special items		2,317	2,375	10,297
CROGI (12-month rolling average) 1)		17.5 %	11.7 %	17.6 %
ROCE (12-month rolling average)		20.8 %	12.2 %	21.1 %
Oil & gas cost (weighted average) 2)	USD per MMBtu	7.9	7.6	8.2
Oil & gas cost Europe (weighted average) 2)	USD per MMBtu	11.0	10.1	10.7

1) First-quarter 2012 CROGI excl. special items annualized 13.5%.
2) Including Yara share in equity-accounted investees.

KEY STATISTICS

Thousand tons	1Q 2012	1Q 2011	2011
Production by category 1)			
Ammonia	1,682	1,756	6,655
Finished fertilizer	3,057	3,199	12,184
Total	4,740	4,955	18,839

1) Including Yara share of production in equity-accounted investees.

- Strong result
- Finished products running close to full capacity
- Yara Pilbara integration into Yara production system underway
- Lifeco commissioning started

VARIANCE ANALYSIS FIRST QUARTER

NOK millions	1Q 2012
EBITDA 2012	2,669
EBITDA 2011	2,354
Variance EBITDA	316
Volume & mix	92
Price/margin	61
Oil & gas costs in Europe	(217)
Special items	374
Other	(14)
Conversion (NOK vs. USD) 1)	20
Total variance explained	316

1) Based on average NOK per USD for the quarter 2012: 5.78 (2011: 5.73)

Upstream delivered a strong first-quarter result, reflecting a combination of high volumes and prices. EBITDA excluding special items is close to the record first quarter 2011.

Ammonia production decreased 4% from first quarter 2011. The Rossosh divestment and outages in Lifeco and Billingham had a negative effect of some 10%, while the remaining plants contributed positively by 6%.

Finished fertilizer production decreased 4% from same quarter last year, reflecting the production stop in Lifeco and the Rossosh divestment.

Nitrate production in wholly owned Yara plants decreased 14% from same period last year, mainly reflecting a shift in product portfolio out of Sluiskil, apart from some minor production problems during the quarter.

In Qafco, the on-going expansion project saw one ammonia / urea line start production during February 2012. The other ammonia line is facing delays.

Start-up preparations in Lifeco began during the quarter, with progress according to schedule.

On 1 February 2012 Yara acquired 16% of Burrup Holdings Limited (BHL), increasing its ownership share in the company to 51%. BHL is renamed Yara Pilbara Holdings Ltd (YPHL). As from the acquisition date, Yara production volumes reflect a 51% share in YPHL, and YPHL financial results are consolidated into Yara results.

Yara's average European oil and gas cost was up 9% from same quarter last year, reflecting an increase in prices for both natural gas and oil products. Yara's global average oil and gas cost increased 5% over same period last year, on a USD per MMBtu basis. First quarter 2012 average energy cost for hub gas linked contracts was USD 9.2 per MMBtu, while the remaining European plants had an average cost of USD 14.2 per MMBtu.

Special items for the quarter were a net positive NOK 352 million, primarily reflecting the Yara Pilbara transaction effect of NOK 390 million explained earlier in the report, and a loss of NOK 62 million related to the suspension of production in Lifeco. Special items in the same period last year were a negative NOK 22 million.

Other *and eliminations*

First-quarter EBITDA was a positive NOK 129 million compared with a negative NOK 72 million last year. Main reason of the difference is NOK 230 million lower elimination of profit in inventory in first quarter this year compared with last year. Yara fertilizer stocks were down 13 percent from year end 2011.

Outlook

Agricultural markets are strong, with healthy farm margins globally. The FAO price index is 8% lower than a year ago, but the average of first quarter 2012 was above the average for the calendar year 2011.

The US Department of Agriculture estimates that global grain stocks-to-use will be stable during the 2011/12 season, despite strong crop prices and higher planted acreage. This situation underlines the continued long-term challenge of increasing agricultural productivity.

Following a slow first half of the Northern hemisphere season, activity levels in global nitrogen markets have increased during first quarter and prices have strengthened significantly. Just-in-time buying patterns have led to shortages in key markets, as Nitrogen consumption typically varies less from season to season compared with other nutrients.

Season-to-date nitrogen fertilizer industry deliveries in Western Europe are 12% behind a year earlier, and full-season deliveries are likely to fall short of the previous season, as cold and dry spring planting conditions are likely to impact overall consumption. However, Yara saw record European deliveries in March and satisfactory deliveries so far in April.

The Chinese urea export tax will according to official information remain at 110% until 1 July 2012. Effective 1 July a progressive tax mechanism has been announced, which at today's increased domestic urea price level would indicate a swing export price above USD 450 per ton fob China.

Fertecon estimates for new nitrogen capacity outside China in 2012 represent approximately 2.4% of nitrogen consumption. Delays and uncertainty for projects due for completion in 2012 is significant.

Yara's ammonia and urea plant in Belle Plaine, Canada, will undergo a mandatory turnaround in June, with production scheduled to be down for approximately one month.

The Lifeco joint venture started preparations during first quarter for start-up of operations in late third quarter.

Based on current forward markets for oil products and natural gas (13 April) Yara's second-quarter energy costs are expected to be approximately NOK 100 million higher than last year. Third-quarter energy costs are expected to be NOK 200 million higher than a year earlier. The estimates may change considerably depending on future energy prices.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 26 April 2012

Øivind Lund
Chairperson

Elisabeth Harstad
Board member

Leiv L. Nergaard
Board member

Hilde Merete Aasheim
Board member

Bernt Reitan
Board member

Kristine Haukalid
Board member

Svein Flatebø
Board member

Geir O. Sundbø
Board member

Jørgen Ole Haslestad
President and CEO

Definitions *and variance analysis*

The fertilizer season in West Europe referred to in this discussion starts 1 July and ends 30 June.

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".

"Other and eliminations" consists mainly of cross-segment eliminations, in addition to Yara's headquarter costs. Profits on sales from Upstream to Downstream 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 Upstream-sourced stock (volumes) held by Downstream and Industrial, but can also be affected by changes in Upstream margins on products sold to Downstream 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 Upstream margins. Over time these effects tend to even out, to the extent that stock levels and margins normalize.

In the discussion of operating results, Yara refers to certain non-GAAP financial measures including 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. These measures are viewed by management as providing a better understanding - both for management and for investors – of the underlying operating results of the business segments for the period under evaluation. Yara manages long-term debt and taxes on a group basis. Therefore, net income is discussed only for the Group as a whole.

Yara's management model, referred to as Value Based Management, reflects management's focus on cash flow-based performance indicators. EBITDA, which Yara defines as income/(loss) before tax, interest expense, foreign exchange gains/losses, depreciation, amortization and write-downs, is an approximation of cash flow from operating activities before tax and net operating capital changes. EBITDA is a measure that in addition to operating income, also includes interest income, other financial income, and results from equity-accounted investees. It excludes depreciation, write-downs and amortization, 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 performance. 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 exchange gains/ losses. "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.

ROCE (Return on capital employed) has been included as an additional performance measure to CROGI to simplify benchmarking with other companies. ROCE is defined as EBIT minus tax divided by average capital employed and is calculated on a 12-month rolling average basis. Capital employed is defined as total assets adjusted for deferred tax assets 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 non-consolidated investees.

Yara defines "special items" as material items in the results which are not regarded as part of underlying business performance for the period. These fall into 2 categories, namely "non-recurring items" and "contract derivatives". "Non-recurring items" comprise restructuring-related items and other gains or losses which are not primarily related to the period in which they are recognized, subject to a minimum value of NOK 20 million per item within a 12-month 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.

Due to it being impractical to obtain financial reports at the same reporting dates as Yara uses, the results for some of Yara's equity-accounted investees are included in Yara results with a one-month time lag.

Special *items*

	EBITDA effect		Operating income effect	
NOK millions	1Q 2012	1Q 2011	1Q 2012	1Q 2011
Settlement of pension plan in France	21	-	21	-
Fair value adjustment Yara Nipro	-	44	-	44
Total Downstream	21	44	21	44
Settlement of pension plan in France	3	-	3	-
Total Industrial	3	-	3	-
Settlement of pension plan in France	1	-	1	-
Yara Pilbara transaction effects	390	-	390	-
Libya costs	(62)	-	-	-
Contract derivatives	23	(22)	12	(11)
Total Upstream	352	(22)	403	(11)
Settlement of pension plan in France	1	-	1	-
Total Other and eliminations	1	-	1	-
Total Yara	377	23	428	33

Production *data*

Thousand tons	1Q 2012	1Q 2011	2011
WHOLLY-OWNED OPERATIONS			
Upstream			
Ammonia	1,317	1,251	4,935
Nitrates	659	764	2,808
NPK	795	820	3,117
CN	263	248	1,027
Urea	781	682	2,715
UAN	209	133	720
Total	4,025	3,898	15,322
Downstream			
Nitrates	663	649	2,622
NPK	343	395	1,604
CN	47	44	166
UAN	42	79	329
Total	1,095	1,166	4,721
Industrial			
Nitrates (TAN)	110	97	402
EQUITY-ACCOUNTED INVESTEES [1)]			
Ammonia	365	505	1,720
Nitrates	63	140	486
NPK	62	158	448
Urea	225	254	862
Total	715	1,057	3,517

1) Yara share of production in equity-accounted investees.

Condensed *consolidated interim statement of income*

NOK millions, except share information	Notes	1Q 2012	1Q 2011	2011
Revenue		20,849	19,790	77,726
Other income	4,7	431	58	2,698
Commodity based derivatives gain/(loss)		23	(43)	(72)
Revenue and other income	3	21,303	19,806	80,352
Raw materials, energy costs and freight expenses	5	(15,565)	(14,611)	(57,829)
Payroll and related costs		(1,224)	(1,136)	(4,698)
Depreciation and amortization		(759)	(638)	(2,677)
Other operating expenses		(666)	(426)	(1,908)
Operating costs and expenses		(18,215)	(16,811)	(67,112)
Operating income	3	3,088	2,995	13,240
Share of net income in equity-accounted investees	3,7,10	363	575	1,889
Interest income and other financial income	3,4	92	62	309
Earnings before interest expense and tax (EBIT)		3,543	3,632	15,438
Foreign exchange gain/(loss)		394	323	(215)
Interest expense and other financial items		(197)	(241)	(818)
Income before tax	3	3,739	3,714	14,404
Income tax expense		(733)	(813)	(2,315)
Net income		3,006	2,901	12,090
Net income attributable to				
Shareholders of the parent		3,020	2,889	12,066
Non-controlling interests		(14)	12	24
Net income		3,006	2,901	12,090
Earnings per share [1]		10.58	10.02	41.99
Weighted average number of shares outstanding [2]		285,456,159	288,259,681	287,321,413

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 first, third and fourth quarter 2011, due to the share buy-back program.

Condensed *consolidated interim statement of comprehensive income*

NOK millions	Notes	1Q 2012	1Q 2011	2011
Net income		3,006	2,901	12,090
Exchange differences on translation of foreign operations		(1,530)	(1,075)	313
Actuarial gain/(loss) on defined benefit pension plans		-	-	(504)
Available-for-sale investments - change in fair value		(10)	-	27
Hedge of net investments		23	100	-
Share of other comprehensive income of equity-accounted investees		(5)	2	(177)
Reclassification adjustments related to:				
- cash flow hedges		3	3	11
- exchange differences on foreign operations disposed of in the year	4,7	(385)	(8)	144
- available-for-sale investments disposed of in the year		-	-	(2)
Total other comprehensive income, net of tax		(1,905)	(978)	(189)
Total comprehensive income		1,101	1,923	11,901
Total comprehensive income attributable to				
Shareholders of the parent		1,158	1,917	11,880
Non-controlling interests		(57)	6	22
Total		1,101	1,923	11,901

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 investments	Total other reserves	Retained earnings	Attributable to the shareholders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2010	490	435	(26)	4	(221)	90	(152)	34,411	35,185	149	35,334
Net income	-	-	-	-	-	-	-	2,889	2,889	12	2,901
Other comprehensive income, net of tax	-	-	(1,076)	-	3	100	(974)	-	(974)	(6)	(980)
Share of other comprehensive income of equity-accounted investees	-	-	(1)	-	2	-	1	-	2	-	2
Total other comprehensive income, net of tax	-	-	(1,077)	-	5	100	(972)	-	(972)	(6)	(978)
Buyout of non-controlling interests	-	-	-	-	-	-	-	-	-	17	17
Treasury shares	(1)	-	-	-	-	-	-	(88)	(89)	-	(89)
Dividends distributed	-	-	-	-	-	-	-	-	-	(1)	(1)
Balance at 31 March 2011	490	435	(1,103)	4	(216)	190	(1,124)	37,211	37,013	171	37,184
Net income	-	-	-	-	-	-	-	9,177	9,177	12	9,189
Other comprehensive income, net of tax	-	-	1,534	25	8	(100)	1,467	(504)	963	4	967
Share of other comprehensive income of equity-accounted investees	-	-	(1)	-	(59)	-	(60)	(118)	(178)	-	(178)
Total other comprehensive income, net of tax	-	-	1,533	25	(51)	(100)	1,406	(622)	784	4	789
Long term incentive plan	-	-	-	-	-	-	-	(12)	(12)	-	(12)
Buyout of non-controlling interests	-	-	-	-	-	-	-	(81)	(81)	(10)	(91)
Treasury shares	(4)	-	-	-	-	-	-	(555)	(559)	-	(559)
Redeemed treasury shares	-	(203)	-	-	-	-	-	203	-	-	-
Redeemed shares, Norwegian State	(1)	(115)	-	-	-	-	-	-	(116)	-	(116)
Dividends distributed	-	-	-	-	-	-	-	(1,584)	(1,584)	(21)	(1,605)
Balance at 31 December 2011	485	117	430	29	(267)	90	282	43,737	44,623	157	44,779
Net income	-	-	-	-	-	-	-	3,020	3,020	(14)	3,006
Other comprehensive income, net of tax	-	-	(1,872)	(10)	3	23	(1,857)	-	(1,857)	(43)	(1,900)
Share of other comprehensive income of equity-accounted investees	-	-	(1)	-	(4)	-	(5)	-	(5)	-	(5)
Total other comprehensive income, net of tax	-	-	(1,873)	(10)	(1)	23	(1,862)	-	(1,862)	(43)	(1,905)
Long term incentive plan	-	-	-	-	-	-	-	1	1	-	1
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	1,889	1,889
Balance at 31 March 2012	485	117	(1,443)	19	(268)	113	(1,580)	46,758	45,782	1,988	47,770

Condensed *consolidated interim statement of financial position*

NOK millions	Notes	31 Mar 2012	31 Mar 2011	31 Dec 2011
Assets				
Non-current assets				
Deferred tax assets	1	1,383	1,658	1,474
Intangible assets	1,7	7,233	4,969	5,164
Property, plant and equipment	1,7,9	27,290	23,413	24,118
Equity-accounted investees	4,7,10	9,293	9,832	11,092
Other non-current assets	7	1,806	2,181	1,875
Total non-current assets		47,006	42,053	43,723
Current assets				
Inventories	1,5,7	10,677	9,628	12,683
Trade receivables	7	10,062	8,612	8,680
Prepaid expenses and other current assets	7	3,112	3,177	2,936
Cash and cash equivalents	7	8,808	3,281	5,868
Non-current assets classified as held-for-sale	9	443	12	11
Total current assets		33,102	24,710	30,177
Total assets	3	80,108	66,763	73,900

Condensed *consolidated interim statement of financial position*

NOK millions, except for number of shares	Notes	31 Mar 2012	31 Mar 2011	31 Dec 2011
Equity and liabilities				
Equity				
Share capital reduced for treasury stock		485	490	485
Premium paid-in capital		117	435	117
Total paid-in capital		603	925	603
Other reserves		(1,580)	(1,124)	282
Retained earnings		46,758	37,211	43,737
Total equity attributable to shareholders of the parent	8	45,782	37,013	44,623
Non-controlling interests	7	1,988	171	157
Total equity		47,770	37,184	44,779
Non-current liabilities				
Employee benefits	1	2,546	2,208	2,673
Deferred tax liabilities	1,7	4,697	3,663	3,489
Other long-term liabilities	7	224	293	234
Long-term provisions	1,7	421	454	252
Long-term interest-bearing debt	6,7	11,248	10,626	10,280
Total non-current liabilities		19,135	17,245	16,927
Current liabilities				
Trade and other payables	7	9,986	9,207	8,523
Current tax liabilities	7	1,176	1,317	1,324
Short-term provisions		295	311	318
Other short-term liabilities	7	702	762	901
Bank loans and other interest-bearing short-term debt	7	729	557	707
Current portion of long-term debt		315	181	420
Total current liabilities		13,203	12,334	12,193
Total equity and liabilities		80,108	66,763	73,900
Number of shares outstanding [1]	2	285,456,159	288,081,903	285,456,159

1) Number of shares outstanding was reduced in first, third and fourth quarter 2011, due to share buy-back program.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 26 April 2012

Øivind Lund *Chairperson*	Elisabeth Harstad *Board member*	Leiv L. Nergaard *Board member*	Hilde Merete Aasheim *Board member*
Bernt Reitan *Board member*	Kristine Haukalid *Board member*	Svein Flatebø *Board member*	Geir O. Sundbø *Board member*

Jørgen Ole Haslestad
President and CEO

Condensed *consolidated interim statement of cash flows*

NOK millions	Notes	Q1 2012	Q1 2011	2011
Operating activities				
Operating income	3	3,088	2,995	13,240
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization		759	638	2,677
Write-down and reversals, net		(134)	30	139
Tax paid		(1,018)	(281)	(1,827)
Dividend from equity-accounted investees		349	602	1,480
Change in net operating capital [1]		1,740	(1,270)	(4,990)
Other		(724)	(110)	(3,354)
Net cash from operating activities		4,059	2,603	7,363
Investing activities				
Purchases of property, plant and equipment	3	(521)	(682)	(2,899)
Purchases of other long-term investments	3,7	(9)	(156)	(302)
Net sales/(purchases) of short-term investments		-	201	801
Proceeds from sales of property, plant and equipment		6	5	34
Proceeds from sales of other long-term investments		-	3	2,797
Net cash from/(used in) investing activities		(523)	(630)	431
Financing activities				
Loan proceeds/(repayments), net		(543)	(1,507)	(2,371)
Purchase of treasury shares		-	(89)	(647)
Redeemed shares Norwegian State		-	-	(116)
Dividend		-	-	(1,584)
Net cash transfers (to)/from non-controlling interests		-	(1)	(113)
Net cash from/(used in) financing activities		(543)	(1,598)	(4,833)
Foreign currency effects on cash flows		(53)	(40)	(40)
Net increase (decrease) in cash and cash equivalents		2,940	335	2,922
Cash and cash equivalents at beginning of period		5,868	2,946	2,946
Cash and cash equivalents at end of period		8,808	3,281	5,868
Bank deposits not available for the use of other group companies		332	254	311

1) Operating capital consists of trade receivable, inventories and trade payable.

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 2011 are available upon request from the Company's registered office at Bygdøy Allé 2, 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 2011. These condensed consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011.

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 2011. See note 10 for more information about ongoing investigations.

Note 2

Shares

	Ordinary shares	Own shares [1]
Balance at 31 December 2010	288,831,918	(450,015)
Treasury shares - share buy-back program [2]	-	(300,000)
Redeemed shares Norwegian State [3]	(425,759)	-
Shares cancelled [3]	(750,000)	750,000
Treasury shares - employee trust	-	15
Treasury shares - share buy-back program [3]	-	(2,200,000)
Balance at 31 December 2011	287,656,159	(2,200,000)
Balance at 31 March 2012	287,656,159	(2,200,000)

1) Including employee trust.
2) As approved by General Meeting 11 May 2010.
3) As approved by General Meeting 10 May 2011.

Note 3

Operating *segment information*

NOK millions	1Q 2012	1Q 2011	2011
External revenue and other income			
Downstream	15,484	14,599	54,381
Industrial	3,138	2,593	12,539
Upstream	2,663	2,592	13,335
Other and eliminations	17	21	96
Total	21,303	19,806	80,352
Internal revenue and other income			
Downstream	256	210	1,056
Industrial	24	23	92
Upstream	8,428	7,620	30,176
Other and eliminations	(8,708)	(7,853)	(31,323)
Total	-	-	-
Revenue and other income			
Downstream	15,740	14,810	55,437
Industrial	3,163	2,616	12,631
Upstream	11,092	10,213	43,510
Other and eliminations	(8,691)	(7,832)	(31,227)
Total	21,303	19,806	80,352
Operating income			
Downstream	1,061	1,557	4,330
Industrial	222	203	1,667
Upstream	1,731	1,332	7,757
Other and eliminations	73	(97)	(515)
Total	3,088	2,995	13,240
EBITDA			
Downstream	1,236	1,724	5,085
Industrial	278	275	2,001
Upstream	2,669	2,354	11,446
Other and eliminations	129	(72)	(370)
Total	4,312	4,281	18,163
Investments			
Downstream	137	347	892
Industrial [2]	404	22	320
Upstream [3]	5,504	541	2,322
Other and eliminations	4	6	109
Total	6,050	916	3,643
Total Assets [1]			
Downstream	22,501	21,511	22,356
Industrial	5,712	4,000	5,126
Upstream	43,837	37,341	40,091
Other and eliminations	8,059	3,911	6,327
Total	80,108	66,763	73,900

1) Assets exclude internal cash accounts and accounts receivables related to group relief.
2) Yara Pilbara acquisition (TAN) in 1Q 2012, see note 7.
3) Yara Pilbara acquisition in 1Q 2012, see note 7.

NOK millions, except percentages	1Q 2012	1Q 2011	2011
CROGI (12-month rolling average)			
Yara	20.7%	18.3%	20.9%
Downstream	17.6%	34.0%	19.7%
Industrial	26.8%	16.6%	28.1%
Upstream	17.5%	11.7%	17.6%
ROCE (12-month rolling average)			
Yara	25.2%	21.9%	25.8%
Downstream	19.7%	41.5%	22.7%
Industrial	35.0%	20.7%	37.3%
Upstream	20.8%	12.2%	21.1%
Reconciliation of EBITDA to Income before tax			
EBITDA	4,312	4,281	18,163
Depreciation and amortization [1]	(769)	(649)	(2,725)
Foreign exchange gain/(loss)	394	323	(215)
Interest expense and other financial items	(197)	(241)	(818)
Income before tax	3,739	3,714	14,404

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

RECONCILIATION OF OPERATING INCOME TO EBITDA

NOK millions	Operating income	Equity-accounted investees	Interest income [1]	EBIT	Depreciation and amortization [2]	EBITDA
1Q 2012						
Downstream	1,061	(2)	47	1,107	129	1,236
Industrial	222	5	1	228	49	278
Upstream	1,731	360	2	2,093	576	2,669
Other and eliminations	73	-	42	115	14	129
Total	3,088	363	92	3,543	769	4,312
1Q 2011						
Downstream	1,557	11	45	1,614	110	1,724
Industrial	203	21	-	224	51	275
Upstream	1,332	543	-	1,875	479	2,354
Other and eliminations	(97)	-	16	(81)	9	(72)
Total	2,995	575	62	3,632	649	4,281
2011						
Downstream	4,330	83	194	4,607	477	5,085
Industrial	1,667	68	2	1,737	265	2,001
Upstream	7,757	1,738	3	9,498	1,949	11,446
Other and eliminations	(515)	-	110	(404)	34	(370)
Total	13,240	1,889	309	15,438	2,725	18,163

1) Including selected financial items.
2) Including amortization of excess value in equity-accounted investees.

Note 4

Business *initiatives*

ACQUISITIONS AND OTHER RELATED INITIATIVES

In February, Yara acquired additional 16% interest and gained control over Burrup Holdings Limited (now Yara Pilbara Holdings Limited). See note 7 for more information. Subsequent to the acquisition, Yara signed a heads of agreement with Orica and Apache via jointly controlled entity to build a 330,000 metric tons ammonium nitrate plant on the Burrup peninsula and to distribute ammonium nitrate and other explosives products to mining customers in the Pilbara region. Yara will be the operator of the ammonium nitrate plant and Orica will manage the sales and distribution. Final agreement is subject to concluding negotiations on the contract for the engineering, procurement and construction of the ammonium nitrate plant and Board approvals. The parties are targeting commencement of construction by mid 2012. Yara and Orica will each have a 45% interest in the jointly controlled entity and Apache the remaining 10%.

DISPOSALS AND OTHER RELATED INITIATIVES

Yara International ASA and OCP S.A. have agreed key terms for the establishment of a 50/50 jointly controlled entity in Brazil and the entry into corresponding phosphate rock supply and other commercial arrangements. The proposed jointly controlled entity will as a first step involve OCP gaining a 50% interest in Yara's existing terminal and production plant in Rio Grande. Through the jointly controlled entity, OCP and Yara will have access to the existing port, terminal and storage facilities, which they plan to develop through investments in the short to medium term. The arrangements will include the new jointly controlled entity importing phosphate rock supplied by OCP and producing Single Super Phosphate (SSP) for blending by Yara into fertilizers and other phosphate products. In parallel, the two companies will enter into a long-term sourcing agreement for phosphate rock to Yara's European NPK plants. Yara's Rio Grande SSP plant has an annual capacity of approximately 650 kilotons, consuming approximately 350 kilotons of phosphate rock. OCP and Yara expect that completion of the investment and the agreements will take place in second quarter 2012, subject to regulatory approval. The Rio Grande assets are classified as held-for-sale at the end of first quarter 2012, see note 9.

Note 5

Inventory

NOK millions	31 Mar 2012	31 Mar 2011	31 Dec 2011
Finished goods	6,299	5,743	7,952
Work in progress	377	420	536
Raw materials	4,001	3,465	4,195
Total	10,677	9,628	12,683
Write-down			
Balance at 1 January	(265)	(98)	(98)
Reversal/(write-down), net	132	(37)	(164)
Foreign currency translation	7	1	(3)
Closing balance	(126)	(135)	(265)

Note 6

Long-term *debt*

An updated overview of the contractual payments on long-term debt is provided in the table below:

NOK millions	Debentures	Bank Loans	Capital lease and other long term loans	Total
2013	-	1,113	25	1,138
2014	3,536	290	34	3,861
2015	-	287	17	304
2016	1,036	1,233	22	2,291
2017	-	87	21	108
Thereafter	2,811	515	221	3,546
Total	7,382	3,525	340	11,248

A USD 320 million term loan from ANZ Bank to Yara Pilbara has been consolidated into Yara's books following the acquisition of a controlling stake in Yara Pilbara in February.

Yara International ASA repaid NOK 300 million of its bond debt upon maturity in March.

Note 7

Business *combinations*

On 1 February 2012, Yara acquired additional 16% of Burrup Holdings Limited increasing its ownership from 35% to 51% voting equity interest. The company was immediately renamed Yara Pilbara Holdings Limited. The wholly-owned subsidiary, Yara Pilbara Fertilizer Pty Ltd operates an ammonia plant completed in 2006 and is located at the Burrup Peninsula in Western Australia. The plant has an annual production capability of approximately 850,000 metric tons.

The acquisition represents another important step in Yara's strategic growth ambitions and makes it possible to integrate the world-class asset fully into Yara's global production system. The work on the planned technical ammonium nitrate (TAN) project at the Burrup peninsula will be intensified. The TAN project was a 50/50 joint project between Yara and Burrup Holdings Limited, see note 4 for more information.

CONSIDERATION TRANSFERRED

NOK millions	1 Feb 2012
Cash	832

Acquisition-related costs amounting to NOK 14 million have been excluded from the consideration transferred, and have been recognized as an expense in the current year, within 'Other operating expenses' in the condensed consolidated interim statement of income.

REVALUATION OF PREVIOUSLY OWNED 35% INTEREST

NOK millions	1 Feb 2012
Carrying value of equity-accounted investee at date of acquisition	1,926
Less: Direct ownership i TAN project	(261)
Carrying value of 35% in Yara Pilbara Holding at the date of acquisition	1,665
Fair value of 35% interest in Yara Pilbara Holding at the date of acquisition	1,670
Gain/(loss) on previously held 35% interest	5
Currency translation gain on foreign operation, previously recognized in equity	385
Total gain recognized at the date of acquisition, presented as part of "other income" in the condensed consolidated interim statement of income	390

The fair value of the previously held 35% interest has been derived from the purchase price of the 16% with a discount for lack of control. The currency translation gain on the foreign operation of NOK 385 million has previously been recognized directly in Yara's equity, through the statement of comprehensive income, during the period Burrup was an equity accounted investee. This gain is recognized in the interim condensed consolidated statement of income at the time Yara achieved control, without effect on the consolidated equity.

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES RECOGNIZED AT THE DATE OF ACQUISITION (FAIR VALUE)

NOK millions	1 Feb 2012
Assets	
Licenses, part of intangible assets	40
Supplier contract, part of intangible assets [1]	1,547
Property rent contracts, part of intangible assets	37
Property, plant and equipment	4,458
Equity-accounted investee	364
Other non-current assets	53
Inventories	287
Trade receivables	18
Prepaid expenses and other current assets	60
Cash and cash equivalents	828
Total assets	7,691
Liabilities	
Deferred tax liabilities	1,417
Long-term provisions	177
Other long-term liabilities	25
Long term interest bearing debt	1,865
Trade and other payables	142
Current tax liabilities	312
Bank loans and other interest-bearing short term debt	62
Other short-term liabilities	39
Total liabilities	4,039
Total identifiable net assets at fair value	3,652

1) Depreciated over five years.

The TAN project was previously recognized as part of the carrying value of former Burrup Holdings Limited. A carrying value of NOK 261 million for Yara's direct ownership was separated before remeasuring the 35% ownership in Yara Pilbara at fair value. Yara's indirect share in the TAN project is reflected in the table above with NOK 364 million. Total carrying value of direct and indirect share in the TAN project is therefore NOK 625 million, and is presented as an equity-accounted investee with the Industrial segment in line with the plans for execution. See note 4 for more information about the TAN project.

Remaining identifiable assets and liabilities are allocated to the Upstream segment.

The receivables acquired have a gross contractual amount equal to the fair value.

The initial accounting for the acquisition has only been provisionally determined at the end of the reporting period. The tax values of Yara Pilbara are not impacted by the transaction.

NON-CONTROLLING INTEREST

NOK millions	1 Feb 2012
Non-controlling interest, 49% share of identifiable assets and liabilities	1,889

Yara has used the option to recognize the non-controlling interest based on its proportionate share of the recognized amounts of identifiable net assets.

GOODWILL ARISING ON ACQUISITION

NOK millions	1 Feb 2012
Consideration transferred	832
Plus: Fair value of previously owned 35%	1,670
Plus: Non-controlling interest	1,889
Less: Fair value of identifiable assets acquired	(3,652)
Goodwill arising on acquisition	740

Included in goodwill is deferred tax on fair value adjustments of NOK 568 million. The remaining goodwill of NOK 167 million arose in the acquisition because the consideration included a control premium and future economic benefits from the assembled workforce. It also reflects a willingness to pay for strategic benefits from the integration of Yara Pilbara into Yara's global production system.

None of the goodwill arising on acquisition is deductible for tax purposes.

NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARY

NOK millions	1 Feb 2012
Consideration paid in cash	832
Less: Cash and cash equivalent balances acquired	(828)
Net cash outflow on acquisition of subsidiaries	4

Net cash outflow is presented as a part of "purchases of other long-term investments" in the condensed consolidated interim statements of cash flows.

IMPACT OF ACQUISITION ON THE TOTAL ASSETS OF THE GROUP

NOK millions	1 Feb 2012
Consolidated net identifiable assets of Yara Pilbara	7,691
Plus: Goodwill arising on the acquisition	740
Less: Carrying value of previously held 35% interest	(1,665)
Less: Fair value adjustment (gain) of previously held 35% interest	(5)
Less: Consideration paid for additional 16%	(832)
Impact on the total assets of the group	5,929

IMPACT OF ACQUISITION ON THE RESULTS OF THE GROUP

Included in the net income before tax in first quarter is a loss from Yara Pilbara of NOK 35 million, covering the period 1 February to 31 March 2012. The result is negatively impacted by the fact that the opening balance as of 1 February 2012 reflected market price of ammonia inventory and that these sales were made at close to zero margins. For the same period, Yara Pilbara has reported internal revenues of NOK 331 million.

If the combination had taken place at the beginning of the year, Yara's pro-forma consolidated revenue would have been unchanged because Yara already had full marketing of Yara Pilbara's ammonia prior to the acquisition. The consolidated pro-forma income before tax would have been NOK 3,771 million instead of reported NOK 3,739 million. In determining the "pro-forma" income before tax, the following adjustments have been made:

- calculated depreciation of tangible and intangible assets acquired on the basis of the fair values arising in the initial accounting for the business combination, rather than the carrying amounts recognized in the pre-acquisition financial statements
- calculated reduced interest income on funds used for acquiring the 16% interest
- used normalized financial statement for Burrup Holdings Limited (now Yara Pilbara), excluding certain accounting effects related to prior periods.

Note 8

Dividend *and share buy-back program*

The Board of Directors proposed a dividend for 2011 of NOK 7 per share. If approved by the Annual General Meeting in May 2012, the total dividend payment will be NOK 1,998 million based on current outstanding shares.

In May 2011 the Annual General Meeting authorized the Board of Directors to acquire up to 14,382,807 own shares with a nominal value of up to NOK 24,450,772 in the equity market and from the Norwegian State. Within this frame, the Company has acquired 2,200,000 shares with a total nominal value of NOK 3,740,000. The Board has proposed to the Annual General Meeting in May 2012, that these shares shall be cancelled by reduction of the Company's share capital. The Norwegian State has committed itself to participate on a pro-rata basis in the capital reduction. This means that the Norwegian State's ownership interest of 36.21% remains unchanged. Total remuneration for the buy-back and redemption of the Norwegian State's shares amounts to NOK 876 million.

Yara has not purchased own shares during first quarter 2012.

The Board has proposed to the Annual General Meeting in May 2012 that the existing buy-back program is replaced by a new program, authorizing the Board to acquire up to 5% of Yara's shares before the next Annual General Meeting. Shares may be purchased within a price range of NOK 10 to NOK 1,000. The shares may either be used for cancellation or as payment in business transactions. 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 the shares bought back.

Note 9

Asset classified *as held-for-sale*

NOK millions	31 Mar 2012
Property, plant and equipment, plant and terminal in Rio Grande	432
Other property, plant and equipment	11
Total asset classified as held-for-sale	443

Yara has classified the assets in Rio Grande, Brazil, as held-for-sale at the end of first quarter on a 100% basis. The reclassification is related to the global cooperation agreement with OCP S.A, where OCP is acquiring a 50% share in Yara's existing terminal and production plant. See note 4 for more information.

Note 10

Investigation

In April 2011 Yara decided to initiate an external investigation related to the establishment and follow-up of Yara's interest in Libyan Norwegian Fertilizer Company (Lifeco), and in parallel notified The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) of the possibility that criminal offenses may have occurred before October 2008 in connection with the negotiations preceding the company's investment in Libya. Yara subsequently widened its investigation to comprise other issues including an earlier unrealized project aimed at establishing a joint venture in India, and an initial investigation uncovered a payment of USD 1 million to a third party. Økokrim launched an investigation following these notifications from Yara, and subsequently charged the company with violation of the Norwegian penal code paragraph 276a, cf paragraph 276b. At this stage, it is not possible to estimate the outcome of these investigations and potential financial effects for Yara.

Note 11

Post *balance sheet events*

In April, Yara purchased 30,129,870 common shares in IC Potash Corp (ICP) at a price of $1.32 per share from ICP in a private placement transaction. Total consideration was approximately CAD 40 million. The issue price represents a 41% premium over the 20 day volume weighted average price of ICP's common shares traded on the Toronto Stock Exchange as of the close of business on 30 March 2012. Yara's shares represent 19.9% of the issued and outstanding common shares of ICP on a non-diluted basis. Yara also entered into an off-take arrangement for 30% of all products produced by ICP's Ochoa project in New Mexico for a period of 15 years. ICP and Yara have agreed to discuss the possibility of establishing a jointly held entity for the purpose of marketing products produced by the Ochoa project. ICP's objective is to start commercial production in fourth quarter 2015, with an estimated annual production of 700,000 metric tons of SOP and SOPM (Potash Magnesium Sulphate).

Quarterly *historical information*

EBITDA

NOK millions	1Q 2012	4Q 2011	3Q 2011	2Q 2011	1Q 2011
Downstream	1,236	704	1,302	1,354	1,724
Industrial	278	1,129	323	275	275
Upstream	2,669	3,221	4,071	1,801	2,354
Other and eliminations	129	(72)	(252)	25	(72)
Total	4,312	4,982	5,444	3,455	4,281

RESULTS

NOK millions, except per share information	1Q 2012	4Q 2011	3Q 2011	2Q 2011	1Q 2011
Revenue and other income	21,303	20,730	21,181	18,634	19,806
Operating income	3,088	3,628	4,398	2,219	2,995
EBITDA	4,312	4,982	5,444	3,455	4,281
Net income after non-controlling interests	3,020	3,386	3,566	2,225	2,889
Earnings per share (NOK)	10.58	11.84	12.42	7.73	10.02

USD [1] millions, except per share information	1Q 2012	4Q 2011	3Q 2011	2Q 2011	1Q 2011
Revenue and other income	3,689	3,607	3,861	3,427	3,464
Operating income	536	635	804	408	524
EBITDA	748	870	994	635	749
Net income after non-controlling interests	524	573	653	410	506
Earnings per share (USD)	1.83	2.00	2.28	1.42	1.75

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

Notes

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Yara's strategy and business model

Yara has developed a strong industry platform and a unique business model. These constitute the backbone of its operation and the core of its strategy, with a position for global optimization through scale, flexibility and presence – including an extensive and flexible logistics systems.

Yara has developed a unique business model built on the complementary strengths and risk profiles of the three operating segments. These are *Upstream* (global manufacturing), *Downstream* (fertilizer applications), and *Industrial* (industrial applications).

PILLARS OF STRENGTH

Global #1
in ammonia

LEADERSHIP position in the ammonia value chain, producing ammonia/urea at scale from base in low-cost natural gas regions.

Global #1
in nitrates

LEADERSHIP position in nitrate markets, benefiting from a favorable cost position in the European market.

Global #1
in NPK

LEADING position in production and application of NPK, adding value to farmers through balanced fertilization.

Global #1
in specialty fertilizers

LEADING position in specialty fertilizers, targeting high-margin cash crop segments in fast growing markets.

European #1
in nitrogen applications

LEADING position in nitrogen applications, developing higher margin industrial applications from existing production base.

Global #1
in marketing and distribution

LEADING position in global marketing and distribution, delivering expertise on all continents through network offering economies of scale.