



Knowledge grows

Yara International ASA Second quarter results 2012

Torgeir Kvidal, CFO

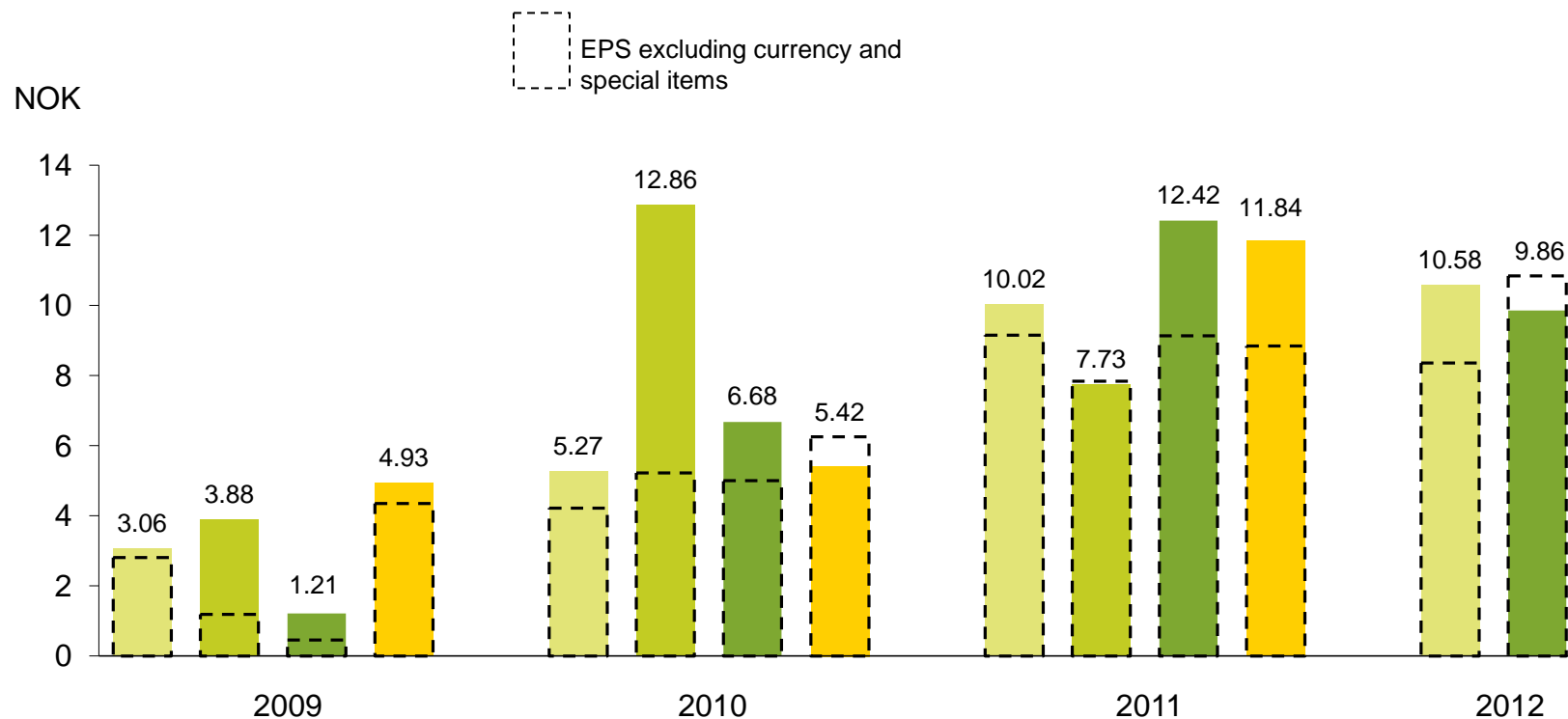
21 August 2012

Summary second quarter

- Strong results with volume and margin increase
- Yara-produced fertilizer deliveries up 14%
- Record Belle Plaine result
- Lower nitrate and NPK premiums in Europe



Earnings per share*



Annual

NOK	2009	2010	2011	2012
	13.08	30.24	41.99	20.44

* Average number of shares for 2Q 2012: 283.9 million (2Q 2011: 287.8 million).

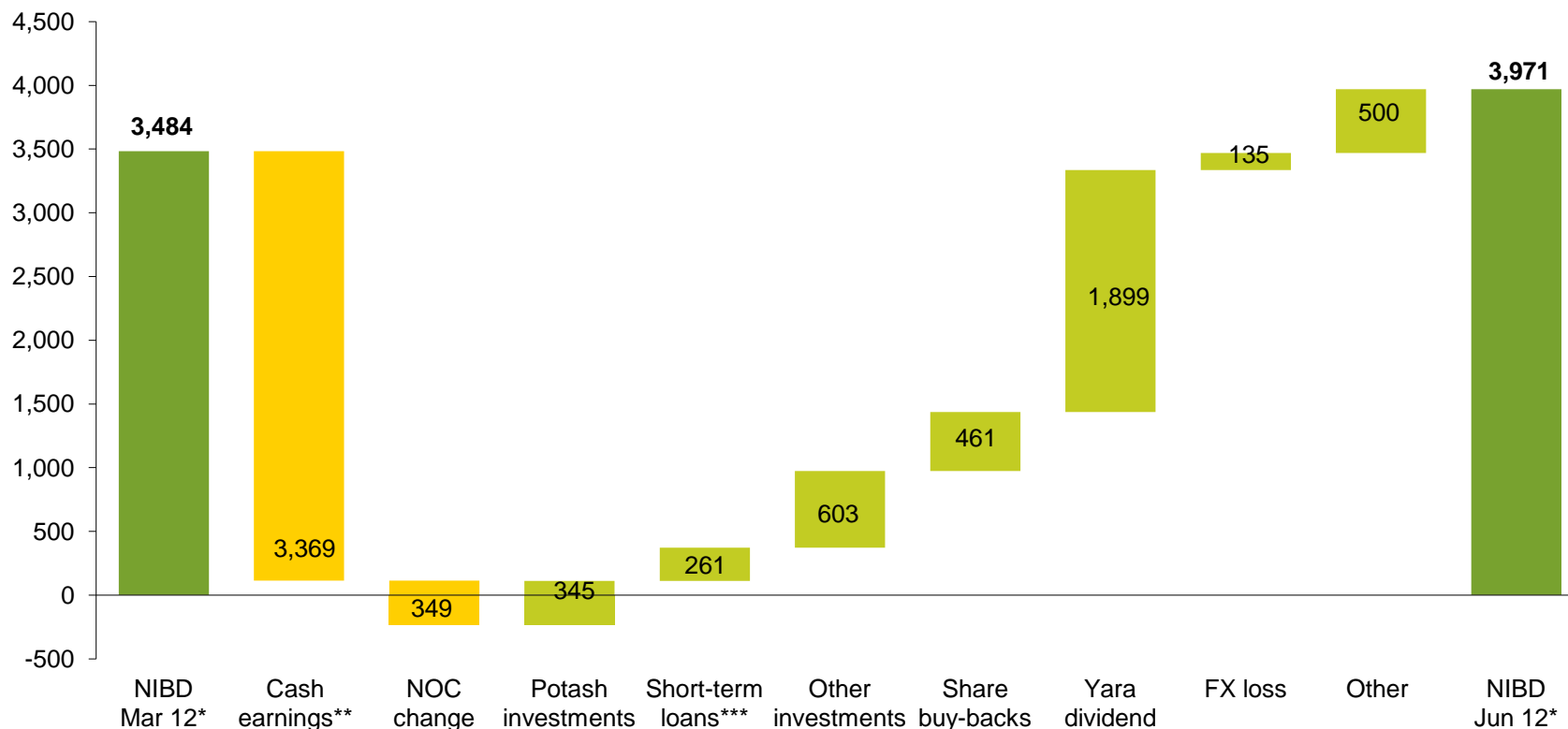


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Net debt development

NOK millions



* Included in net interest-bearing debt are external bank time deposits (4-12 months), this is part of other current assets in balance sheet

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

*** Short term loans given to equity accounted investees

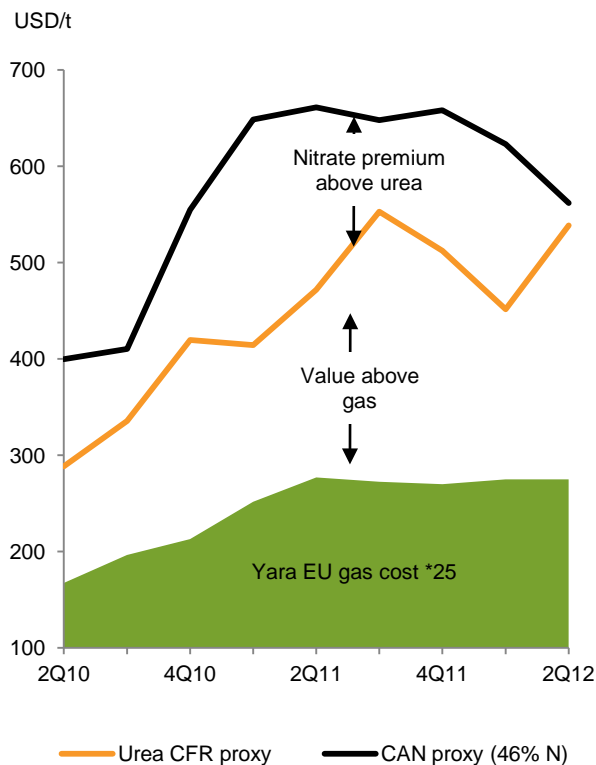


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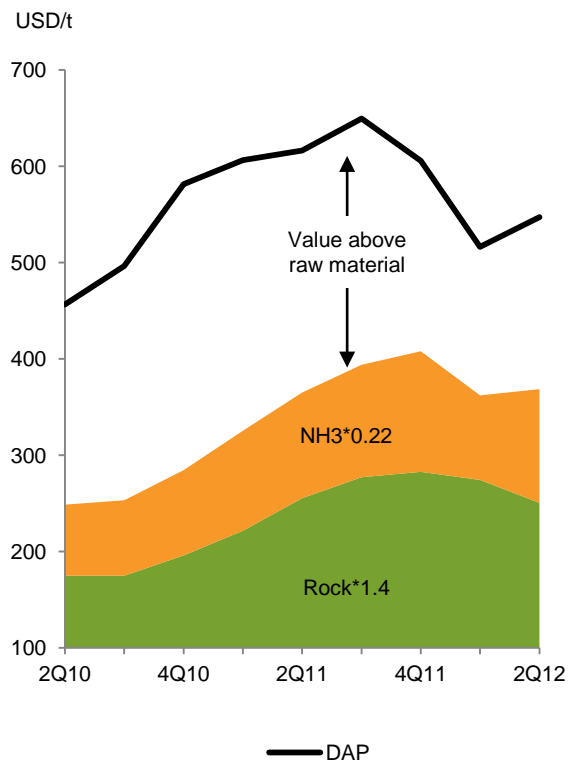


Lower nitrate and NPK premiums in Europe

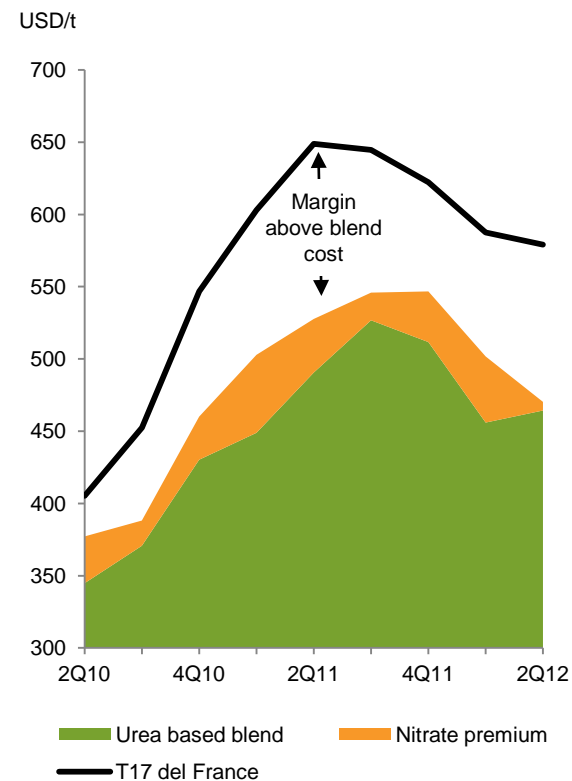
Nitrogen upgrading margins



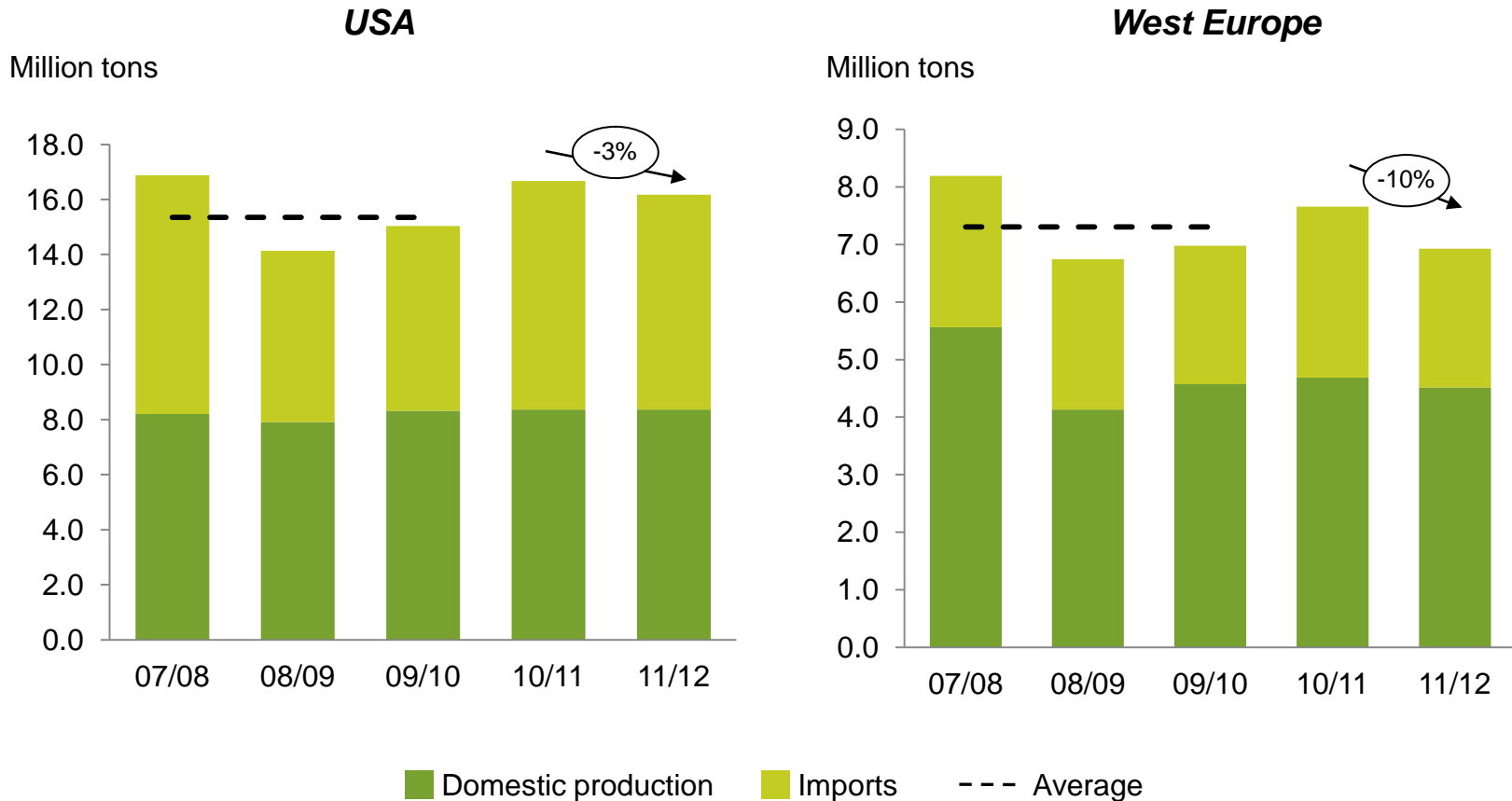
Phosphate upgrading margins



NPK blend premium



Drop in northern hemisphere deliveries



Source: TFI, US Trade Commission, Blue-Johnson and Yara estimates

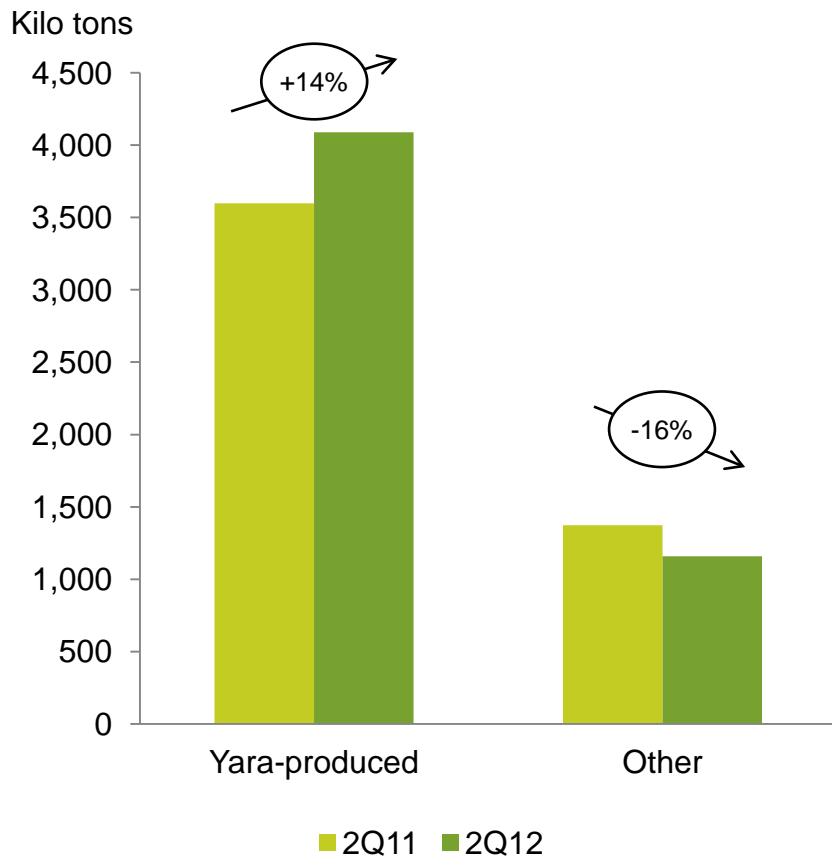


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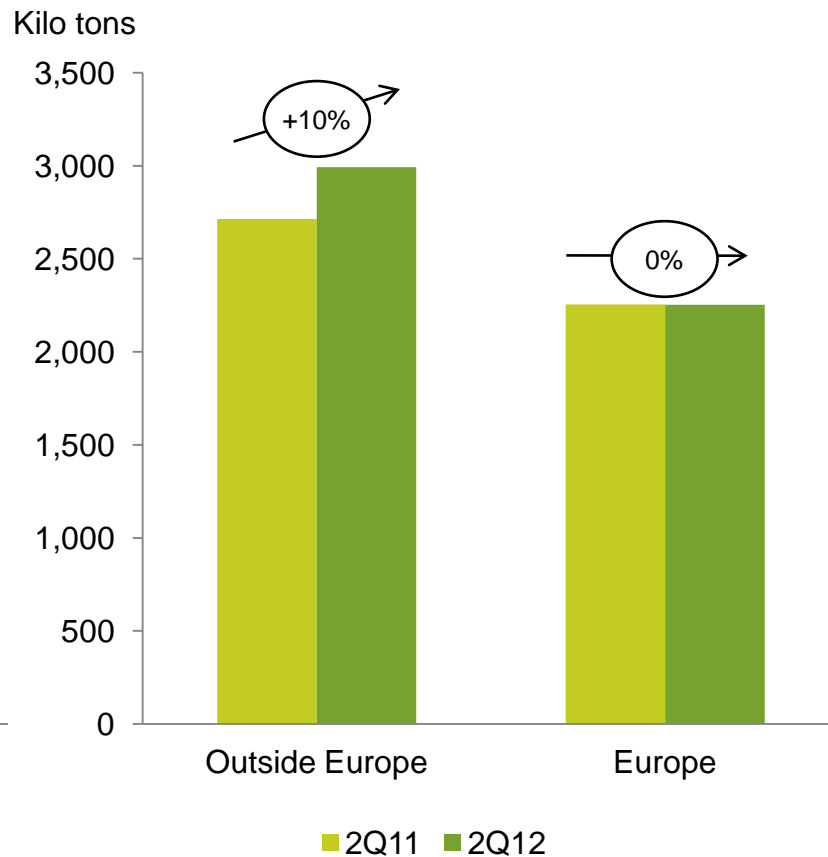


Strong development in Yara-produced fertilizer volumes, especially outside Europe

Sales volumes by source

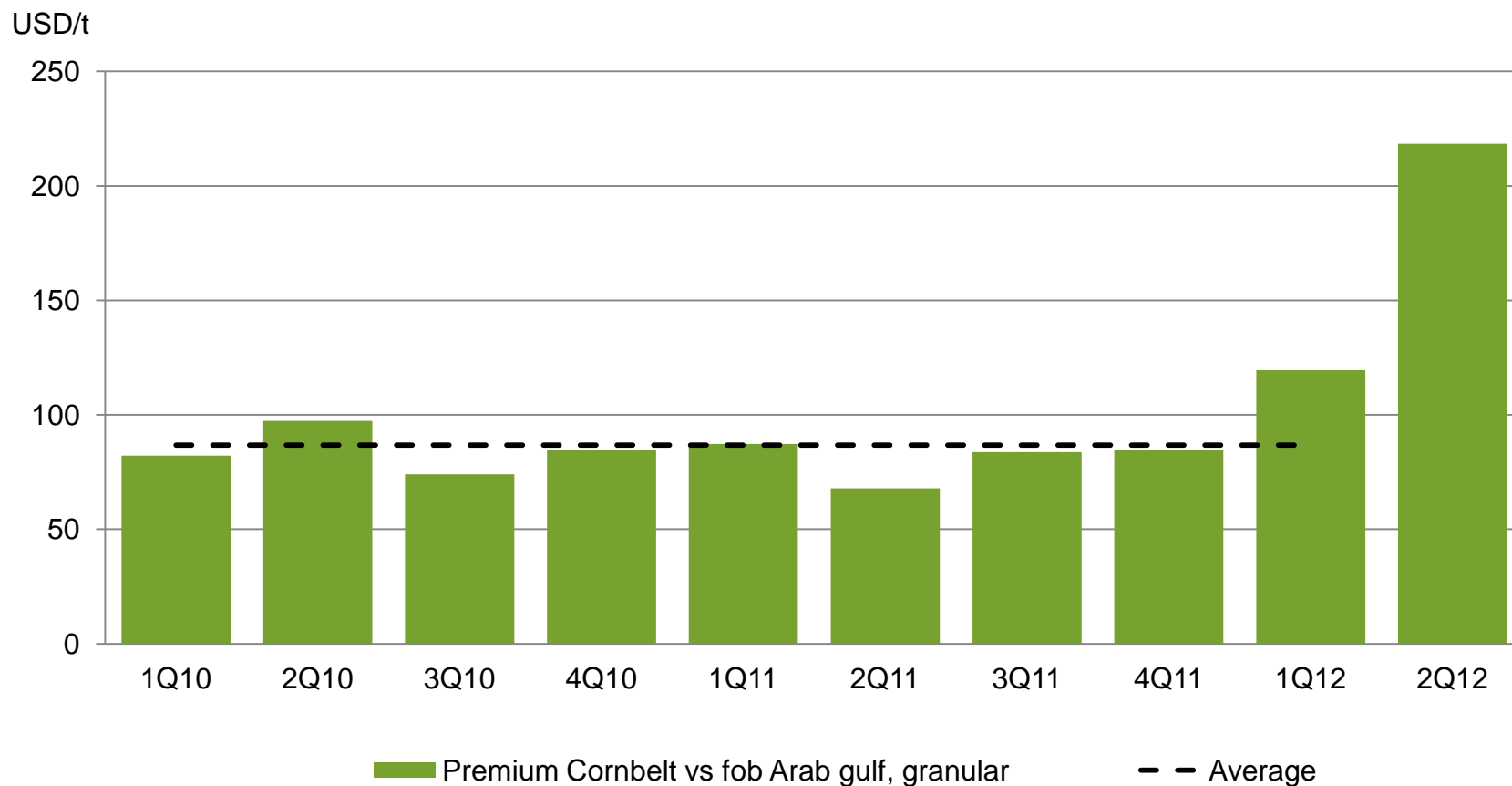


Sales volumes by region



Record result in Belle Plaine

Average granular urea premium, US cornbelt over Arab Gulf



Source: Fertilizer publications



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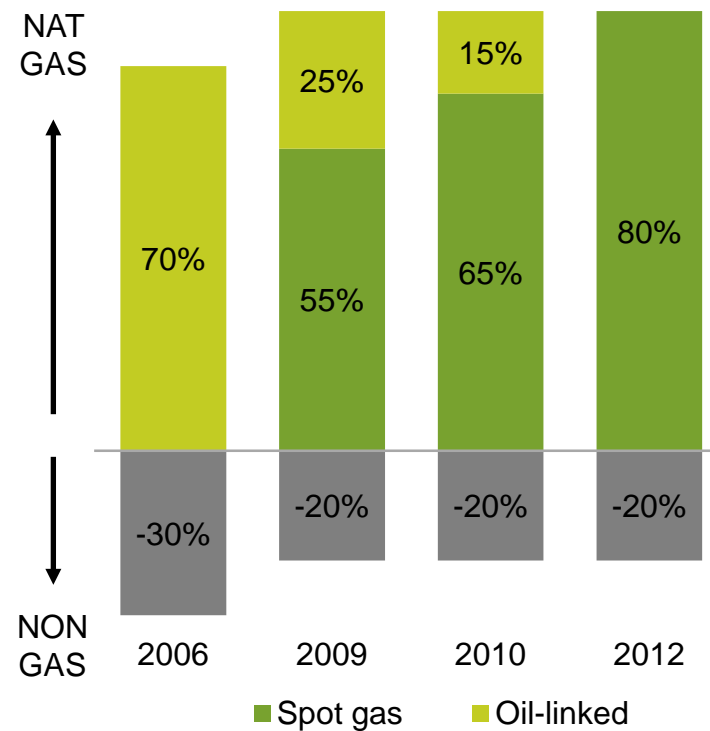


Reduced exposure to oil and European gas

Yara's geographic energy exposure

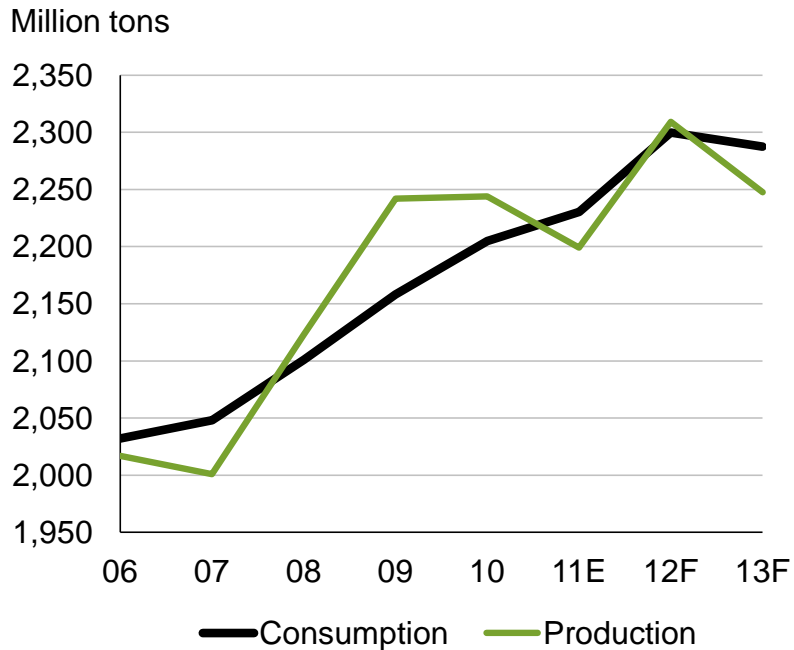


Yara's feed-stock contract structure Europe

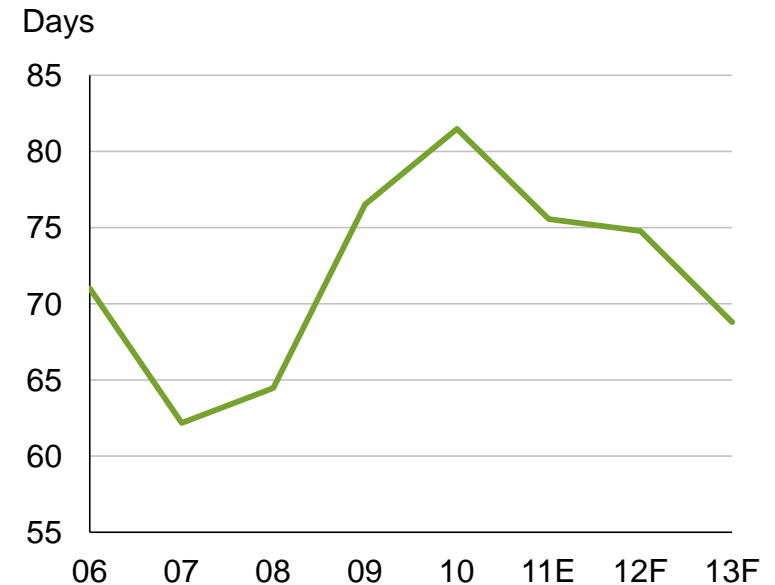


Demand rationing needed as production fails

Grain production and consumption



Days of consumption in stocks



Source: USDA, August 2012

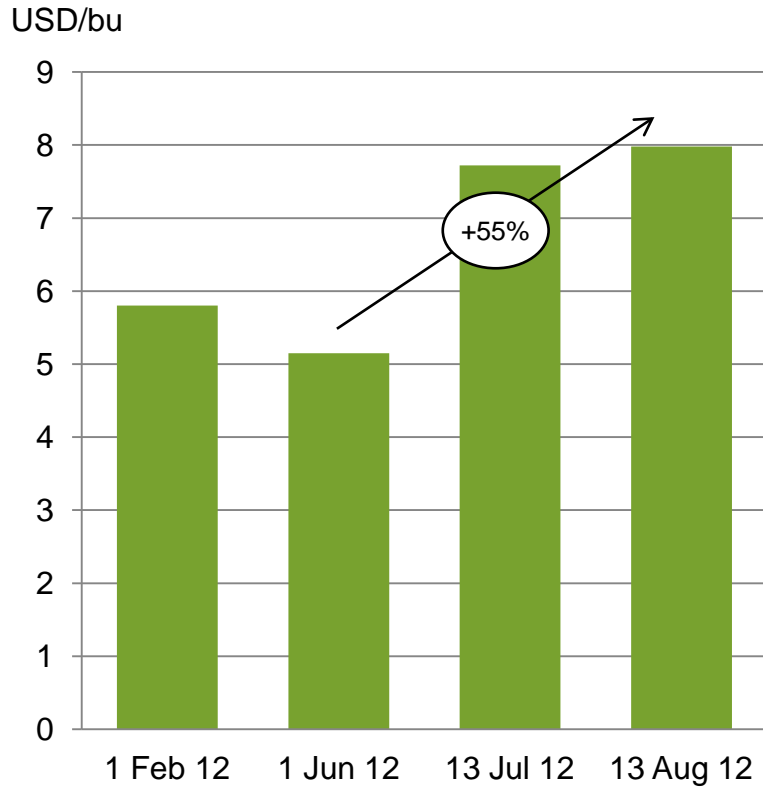


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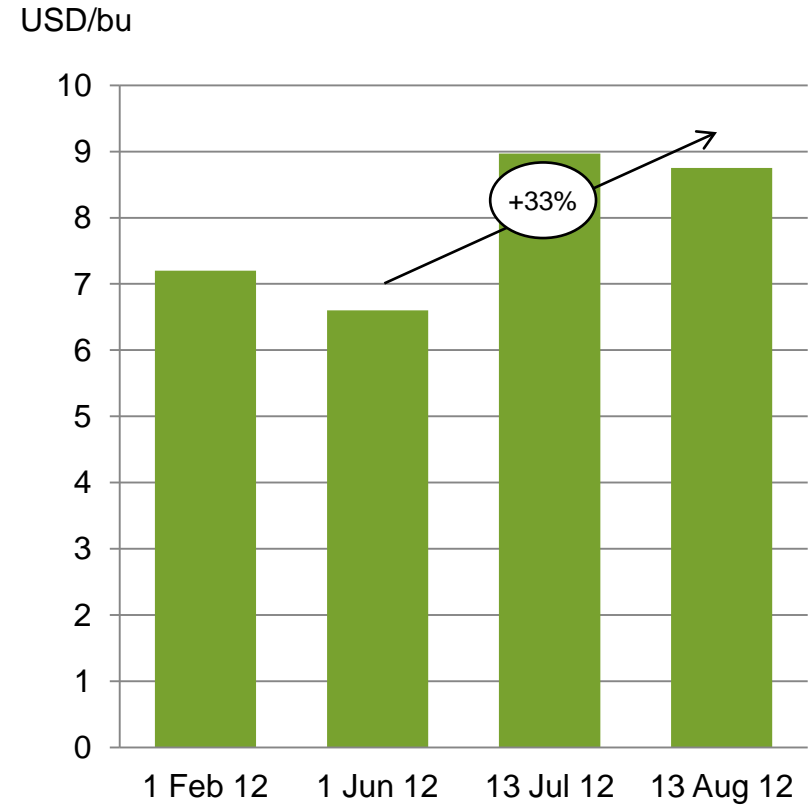


Strong and increasing grain prices

Corn – December 2012 contract



Wheat – December 2012 contract



Source: Chicago Board Of Trade

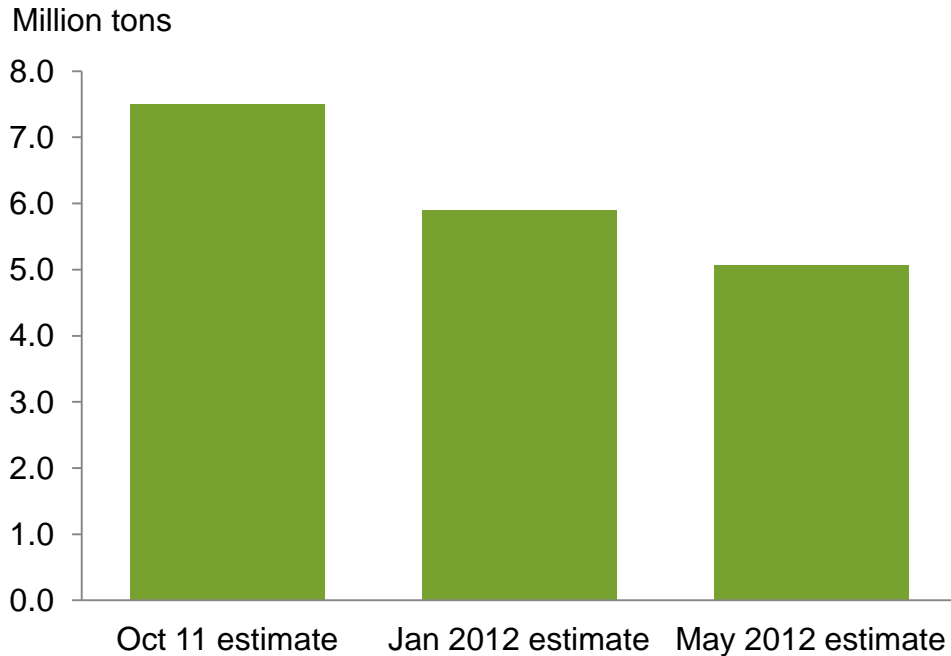


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Continued project delays

New 2012 urea capacity



- Lead time for a new greenfield project 4-5 years
- Significant delays in 2012 compared with earlier forecasts
- Further delays evident even compared with latest forecast

Source: Fertecon urea updates



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Projected nitrogen capacity additions outside China in line with historical consumption growth

Year	Driving regions		Urea capacity growth relative to nitrogen capacity	
	World	Excluding China	World	Excluding China
2011	China 34% Pakistan 22%	Pakistan 34% Iran 17%	1.3% (1.6%)	1.3% (1.4%)
2012	China 68% Qatar 9%	Qatar 29% Vietnam 24%	4.1% (4.2%)	2.1% (2.4%)
2013	China 29% Algeria 25%	Algeria 36% UAE 15%	2.7% (2.3%)	3.1% (2.7%)
2014	China 23% Argentina 22%	Argentina 28% India 21%	1.0% (0.3%)	1.2% (0.5%)
2015	Saudi Arabia 18% Brazil 17%	Saudi Arabia 20% Brazil 18%	1.2% (2.1%)	1.9% (3.2%)
Gross annual addition 2011-2015				~2.0%
Assumed annual closures				~0.5%
Net annual addition 2011-2015				~1.5%
Trend consumption growth from 2001			2.5%	2.0%

Source: Fertecon urea update May 2012. Consumption data source is IFA. Previous update in brackets.



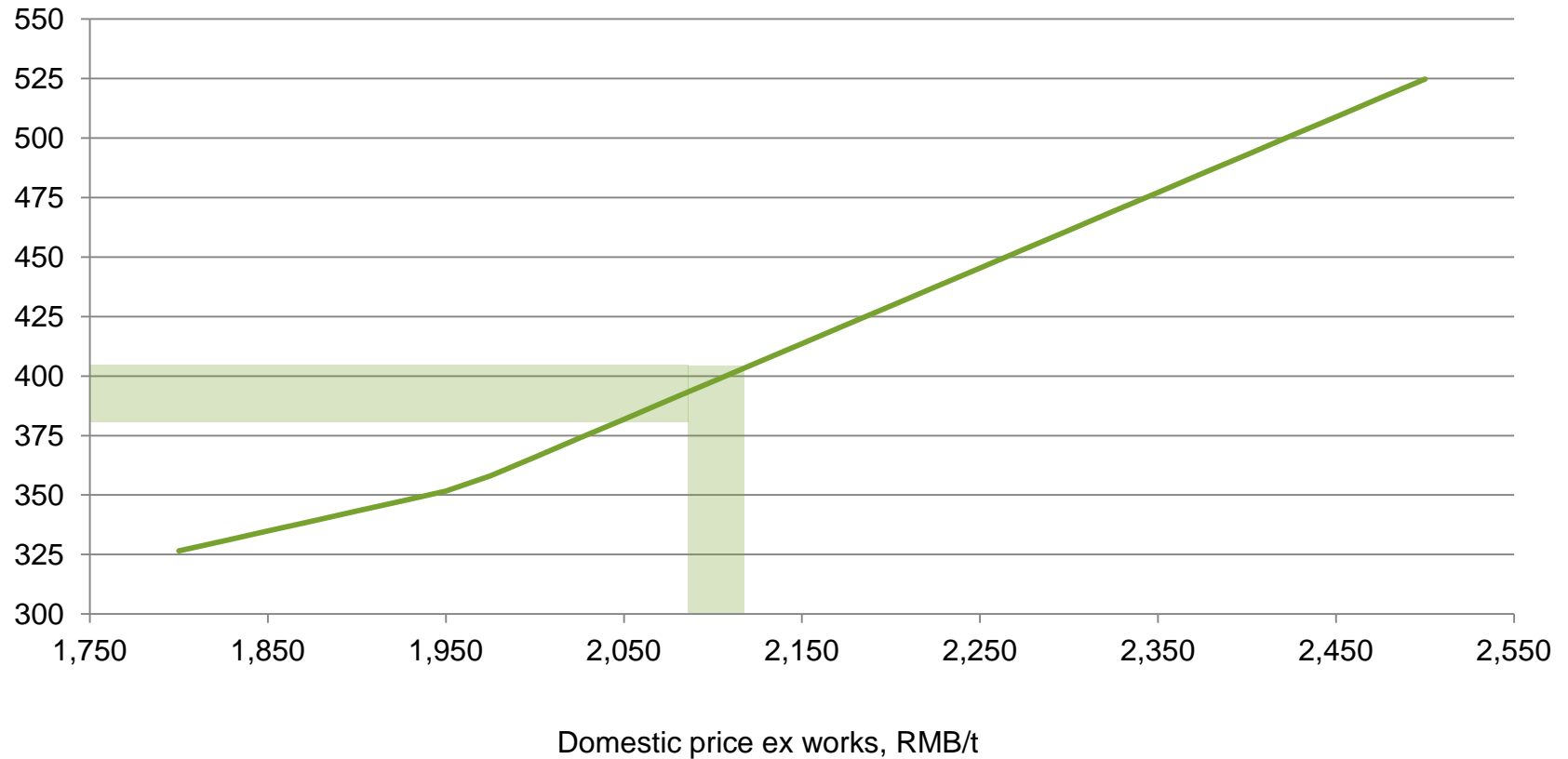
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Current domestic price and 2012 tariff implies swing price around USD 380 fob China

Chinese export price derived from domestic price and tariffs

Fob price, USD/t



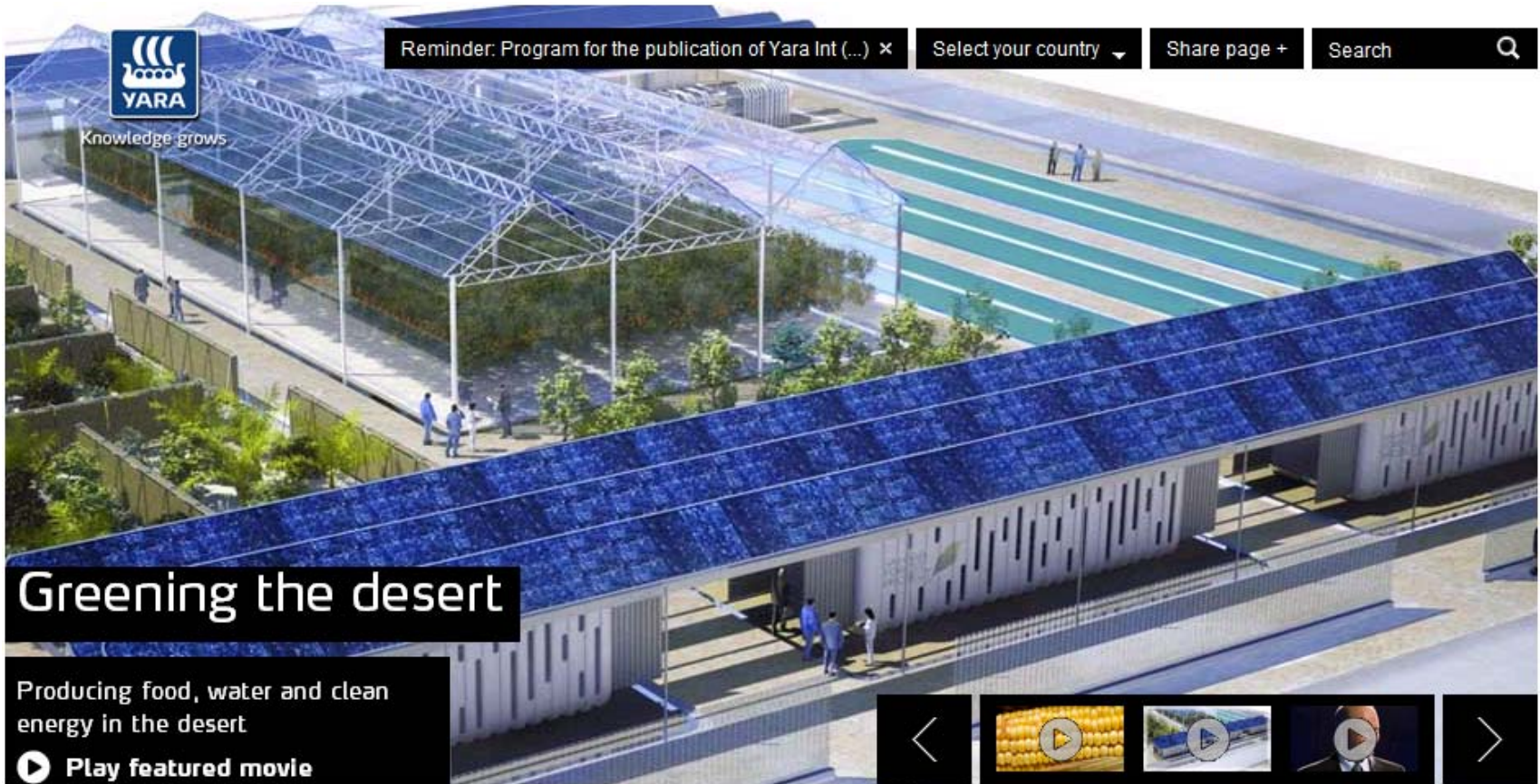
* China Fertilizer Market Week



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More information can be found on www.yara.com



The screenshot shows a website interface with a large background image of a modern agricultural facility. On the left, a large glass and steel greenhouse structure is visible, with the text "Knowledge grows" below it. In the foreground, a long, low building with a blue solar panel roof is shown. The main heading "Greening the desert" is overlaid on the bottom left of the image. Below the heading, the text "Producing food, water and clean energy in the desert" is displayed, followed by a "Play featured movie" button. At the top of the page, there is a navigation bar with a YARA logo, a reminder notification, a "Select your country" dropdown menu, a "Share page +" button, and a search bar. At the bottom of the image, there are navigation arrows and a series of four small video thumbnails.

YARA
Knowledge grows

Reminder: Program for the publication of Yara Int (...) x

Select your country

Share page +

Search

Greening the desert

Producing food, water and clean energy in the desert

Play featured movie



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Yara sensitivities

	Operating Income USD million	EBITDA USD million	EPS* USD
Urea sensitivity +100 USD/t	944	1,095	2.8
...of which pure Urea	304	422	1.2
...of which Nitrates	367	391	1.0
...of which NPK	198	207	0.5
Nitrate premium +50 USD/t	439	467	1.2
...of which pure Nitrates	273	294	0.8
Hub gas Europe + 1 USD/MMBtu	(90)	(110)	(0.3)
Ammonia + 100 USD/t	-	50	0.2
Phos rock + 50 USD/t	50	50	0.1
Hub gas North Am + 1 USD/MMBtu	(27)	(27)	(0.1)
Crude oil + 10 USD/brl	(80)	(80)	(0.2)
Currency + 1 USD/NOK **	90	90	0.2

*Assuming 30% marginal tax rate on underlying business and 287.2 million shares

** Net fixed costs in EUR and NOK

Sensitivities assume stable value-added margins and no inter-correlation between factors



Price and currency assumptions in scenarios

	Last 4 quarters	5-year avg. to 30 Sep 11	Chinese swing*	Demand-driven**
Ammonia fob Black Sea (USD/t)	459	366	450	550
Urea prilled fob Black Sea (USD/t)	386	342	360	510
Nitrate premium , USD/t	94	77	62	68
Phos rock fob North Africa (USD/t)	164	158	200	200
DAP fob Morocco (USD/t)	594	575	600	600
Zeebrugge natural gas (USD/MMBtu)	8.8	7.3	9.3	9.3
Henry hub natural gas (USD/MMBtu)	4.1	5.8	3.9	3.9
Yara's European energy price (USD/MMBtu)	10.1	8.8	10.8	10.8
Brent blend crude oil price (USD/bbl)	98	81	106	106
NOK/USD	5.7	5.9	5.8	5.8

* Ammonia and urea prices equal to marginal producers' cash cost, energy prices are forward prices as of 21 November

** Given example to illustrate effect of urea price USD 150 per ton above marginal cost.



Simplified P&Ls for scenarios

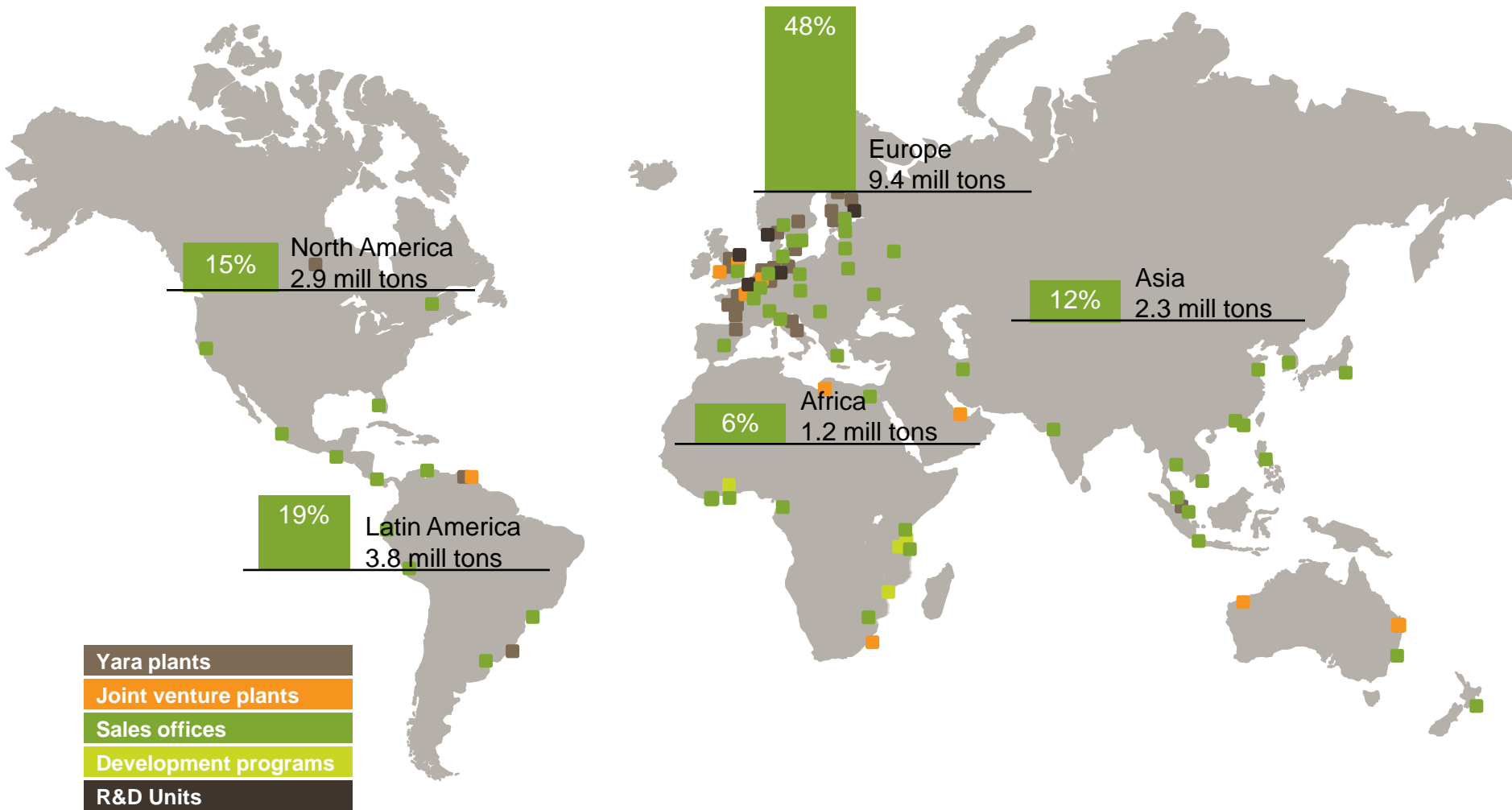
NOK	Last 4 quarters	5-year avg. to 30 Sep 2011 ²⁾	Chinese swing	Demand-driven
EBITDA ¹⁾	14,800	15,200	13,500	23,600
Depreciation	-2,600	-2,600	-2,600	-2,600
Interest expense	-800	-700	-700	-700
Income before tax	11,400	11,900	10,200	20,300
Tax	-2,400	-2,800	-2,100	-4,500
Net income	9,000	9,100	8,100	15,800
Number of shares (millions)	287.9	287.2	287.2	287.2
Earnings per share (NOK)	31	32	28	55
<i>Currency translation +1 USD/NOK</i>	<i>2,600</i>	<i>2,550</i>	<i>2,300</i>	<i>4,100</i>

1) Including interest income, assumed in line with last 4 quarters in all scenarios.

2) Not historical earnings, but estimated earnings for today's Yara business, using 5-year average price conditions.



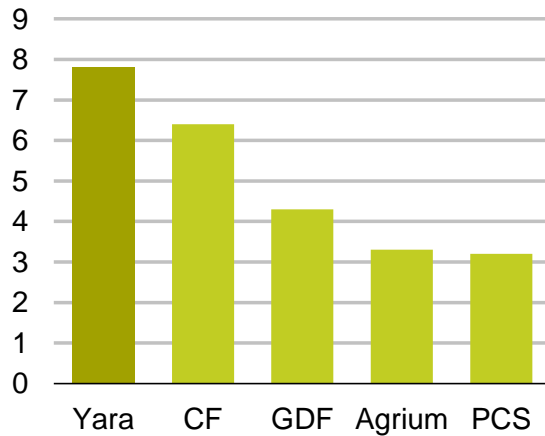
Global downstream player with sales to 150 countries



Yara – the leader in nitrogen fertilizers

Global no 1 in ammonia

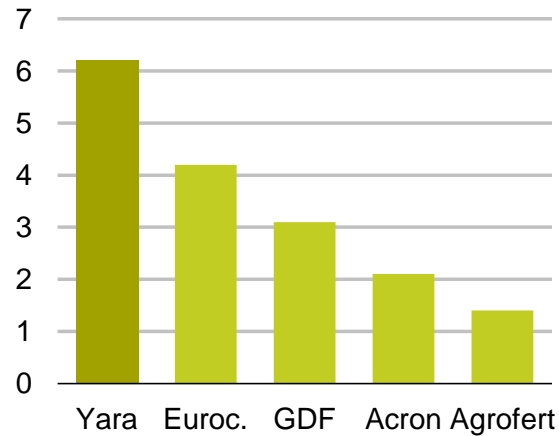
Production capacity* (mill t)



* Incl. companies' shares of JVs
Source: Yara & Fertecon

Global no 1 in nitrates

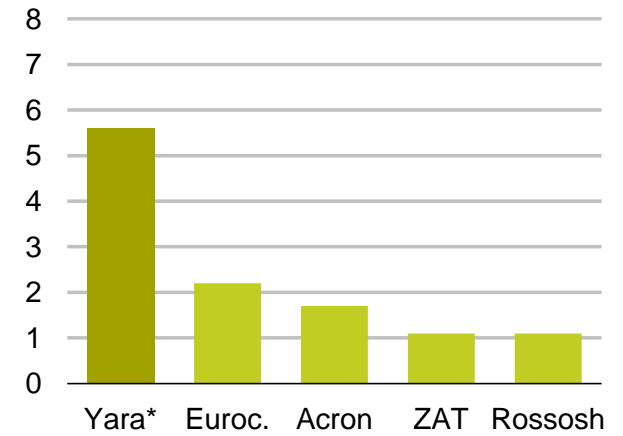
Production capacity* (mill t)



Source: Fertilizer Europe

Global no 1 in NPK complex fertilizer

Production capacity* (mill t)

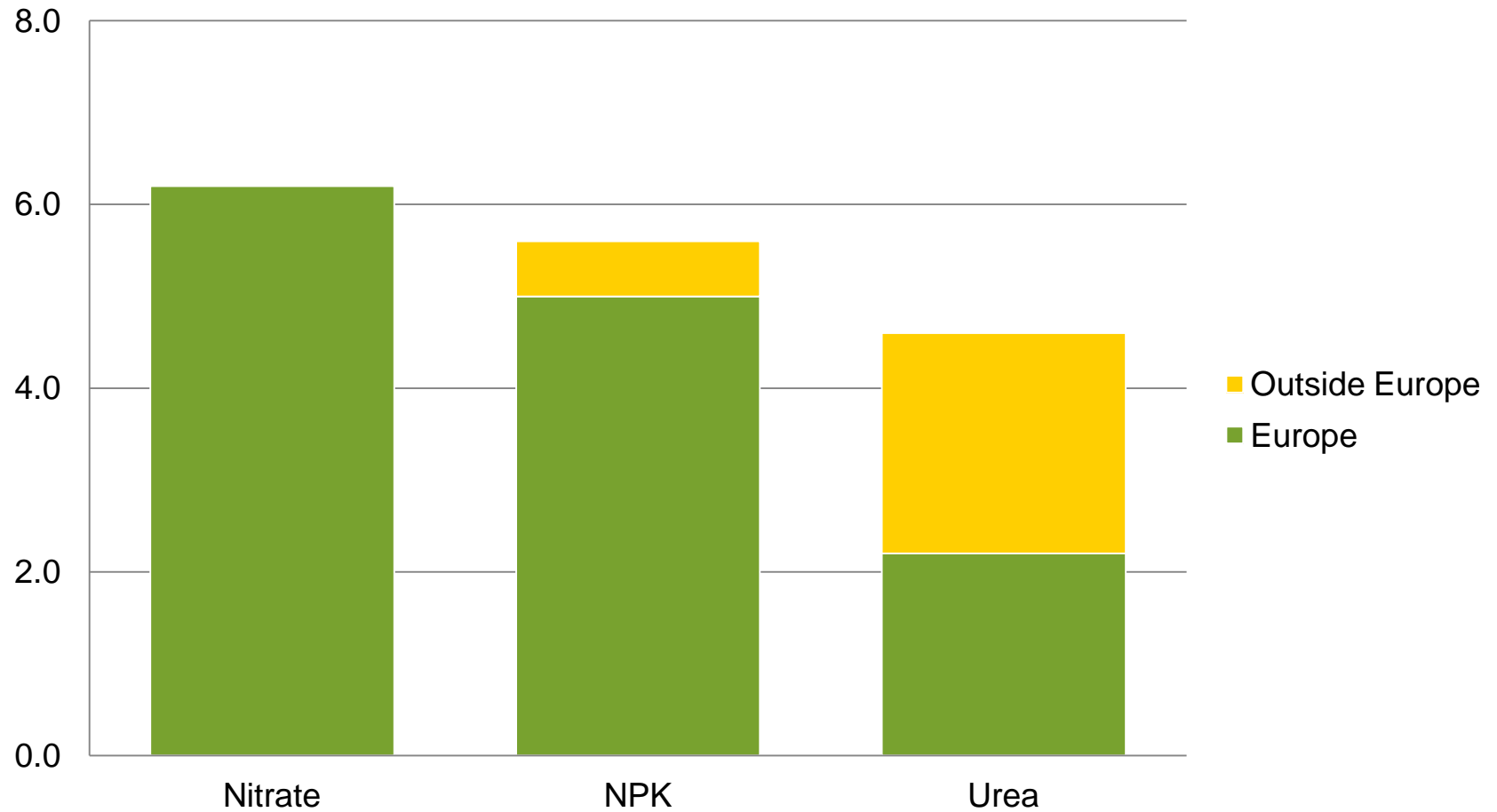


Source: Fertilizer Europe



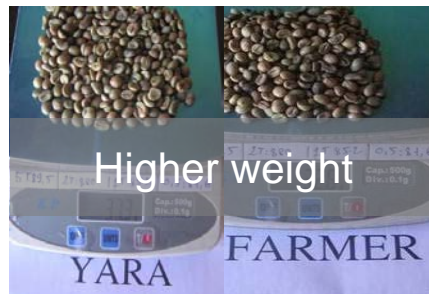
Yara production capacities

Million tons
product

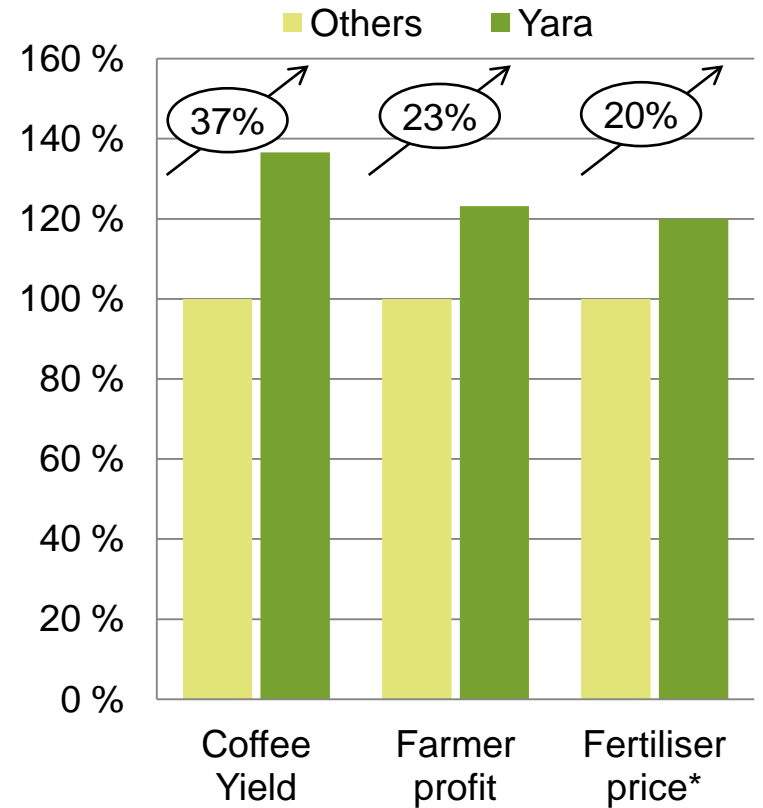


Premiums reflect actual value-add from using Yara Crop nutrition program

Yara crop nutrition program significantly improves results compared with traditional farmer practices...



...for instance providing higher returns for Vietnam coffee growers and Yara (based on field trial)

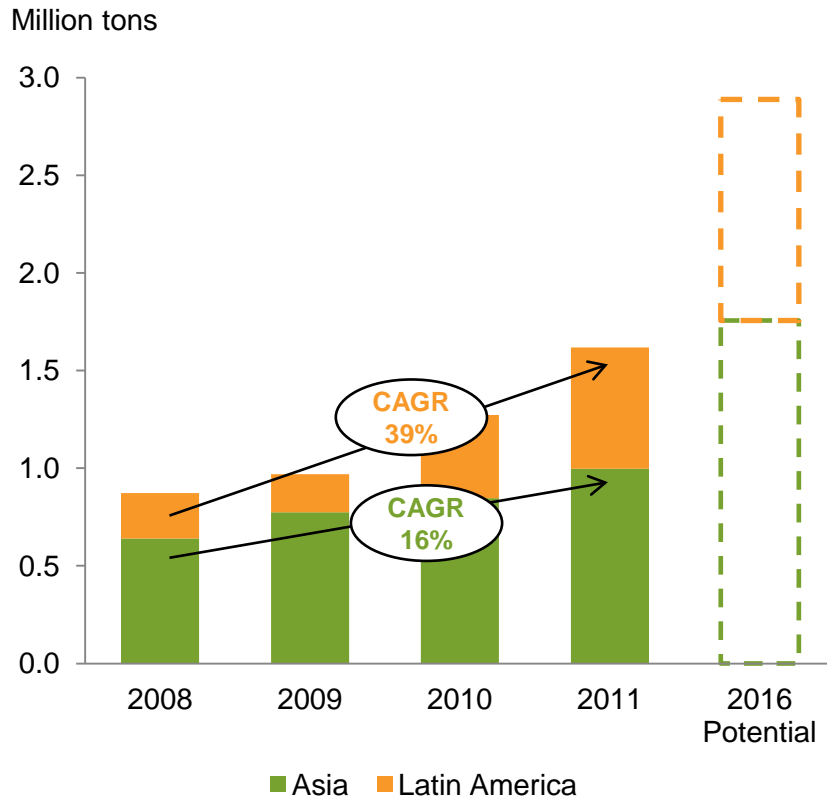


*) YaraMila retail price compared to standard NPK
 Source: Yara, local coffee trials in Vietnam

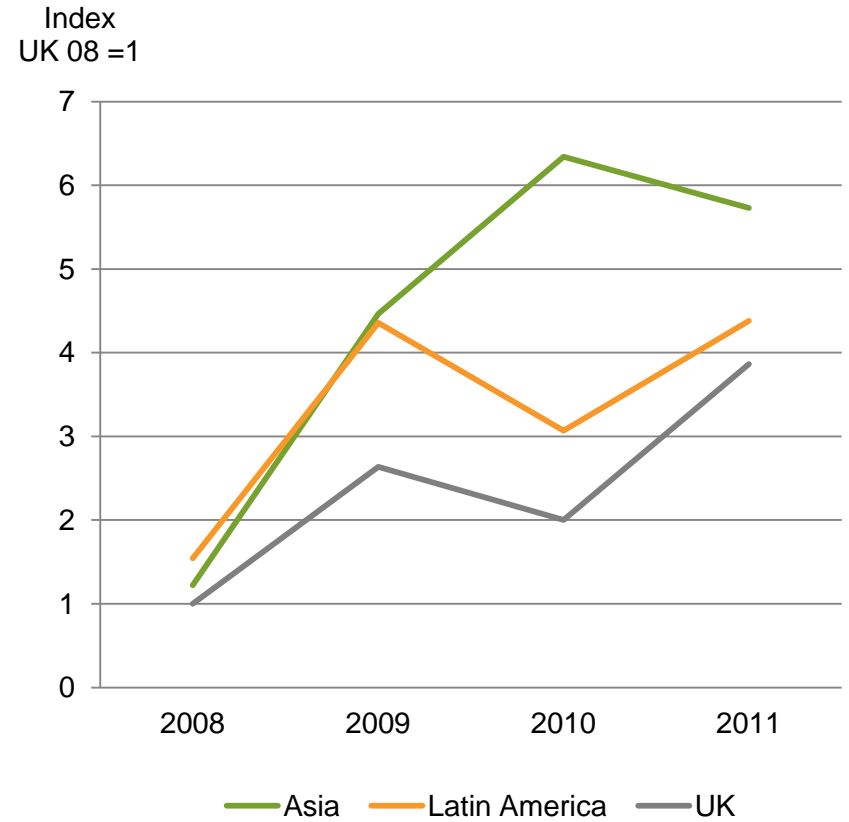


Strong volume growth at higher premium outside Europe

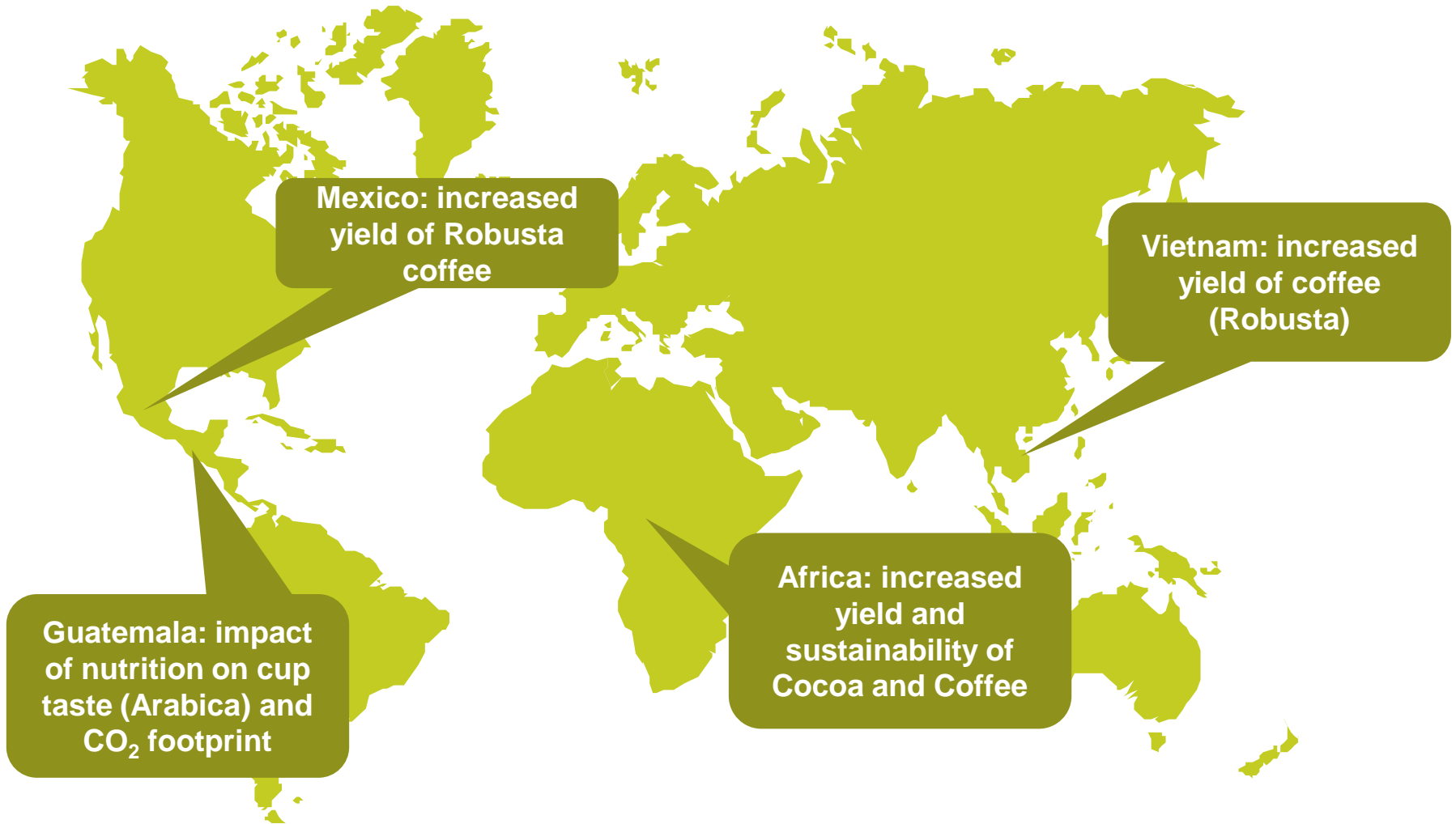
NPK volume development



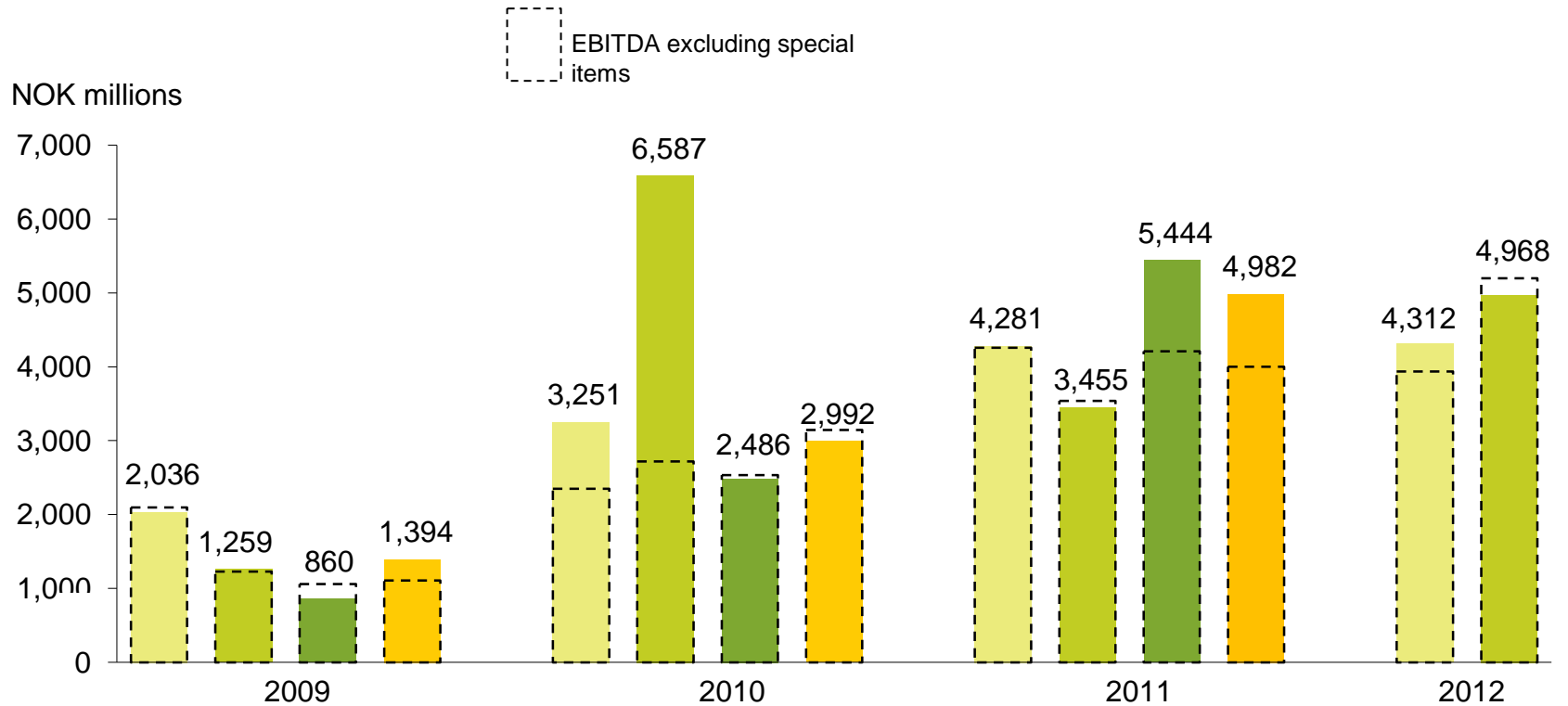
NPK blend premiums



Global collaboration are progressing well e.g. Nestle initiatives on three continents



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



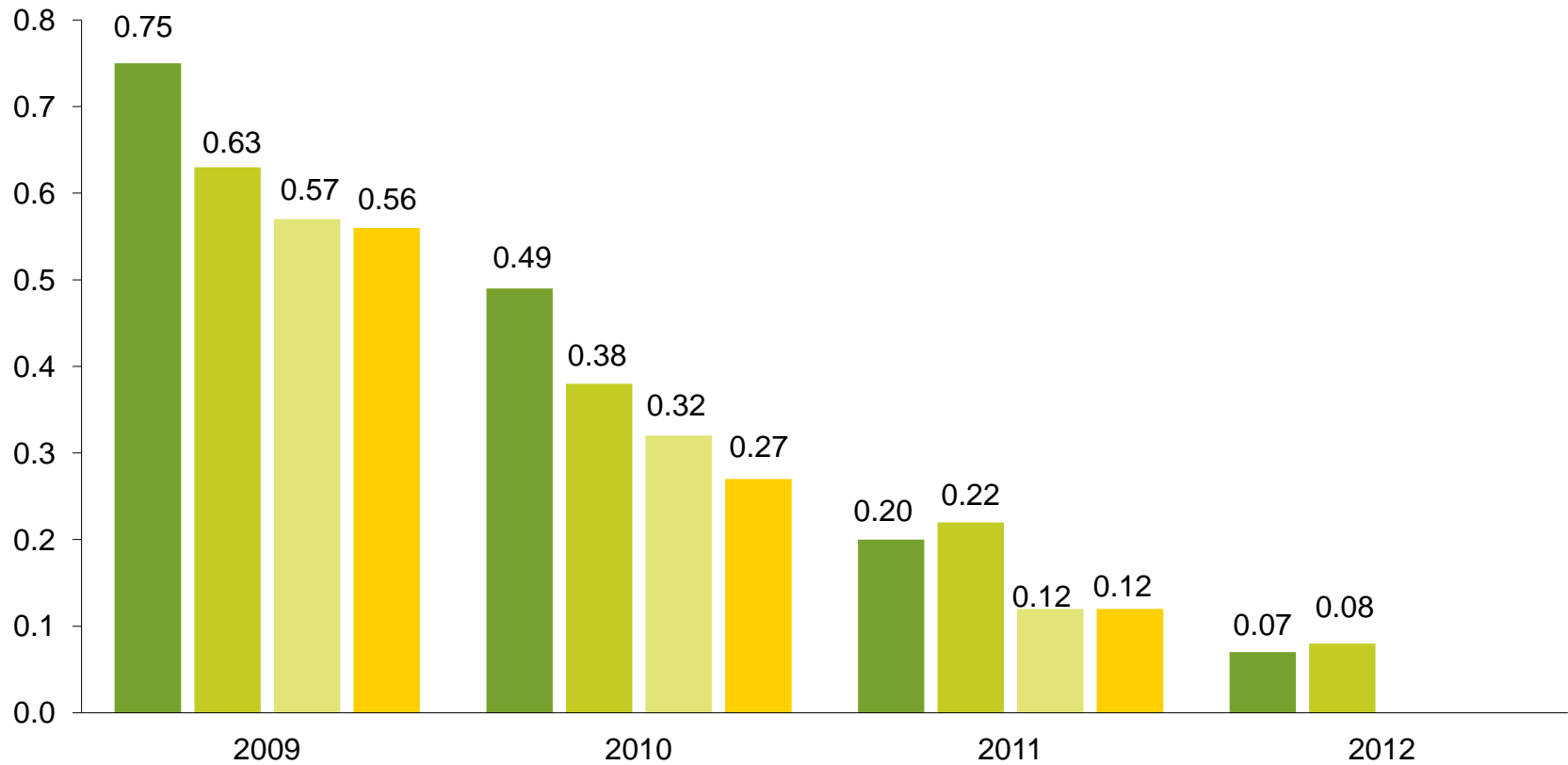
Annual

Annual NOK millions	2009	2010	2011	2012
	5,549	15,315	18,163	9,280

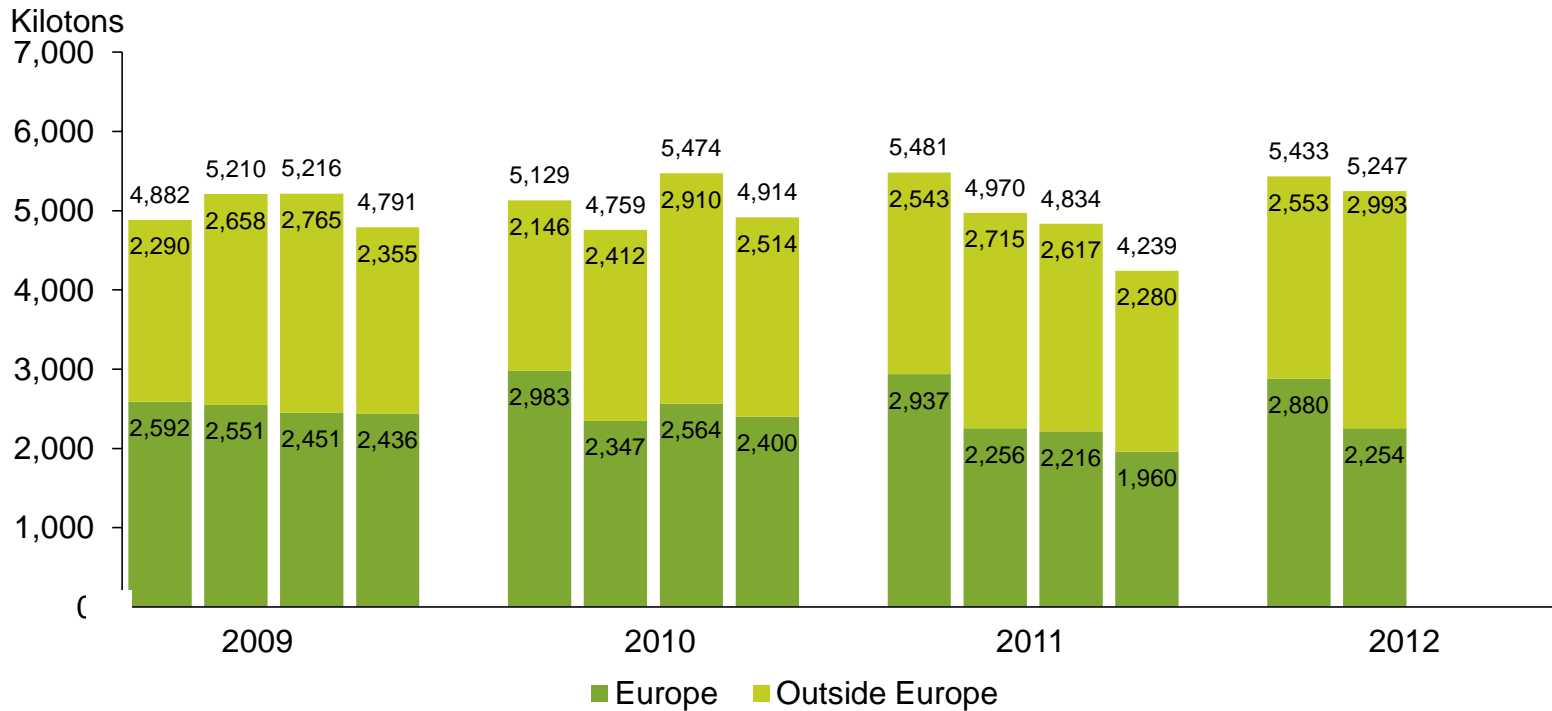


Debt/equity ratio

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



Fertilizer volumes



Accumulated, Kilotons

Year	Europe	Outside Europe	Total
2009	20,099	19,524	39,623
2010	20,276	20,099	40,375
2011	19,524	20,276	39,800
2012	10,680	20,099	30,779

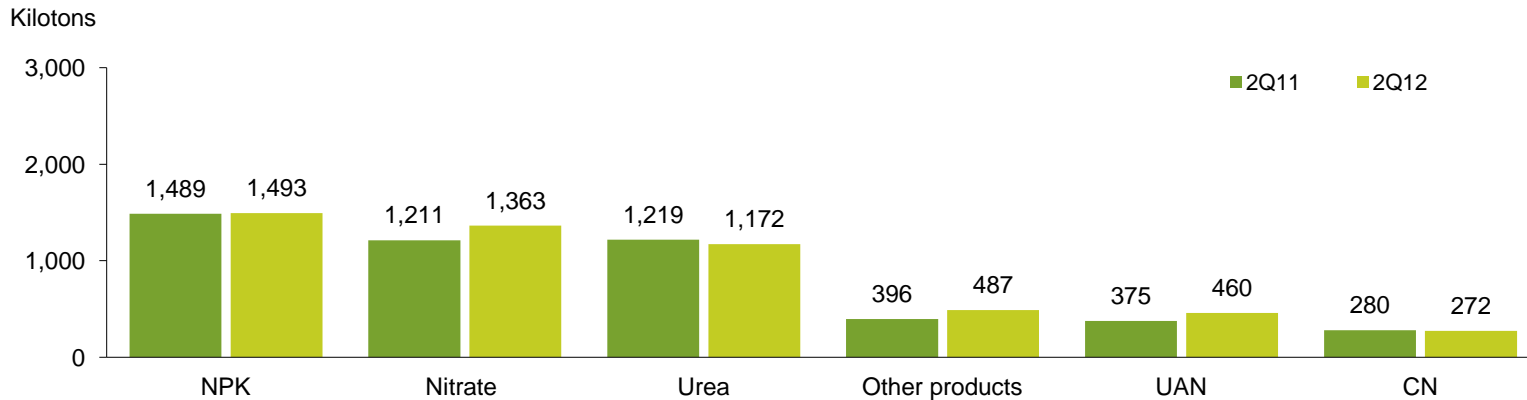
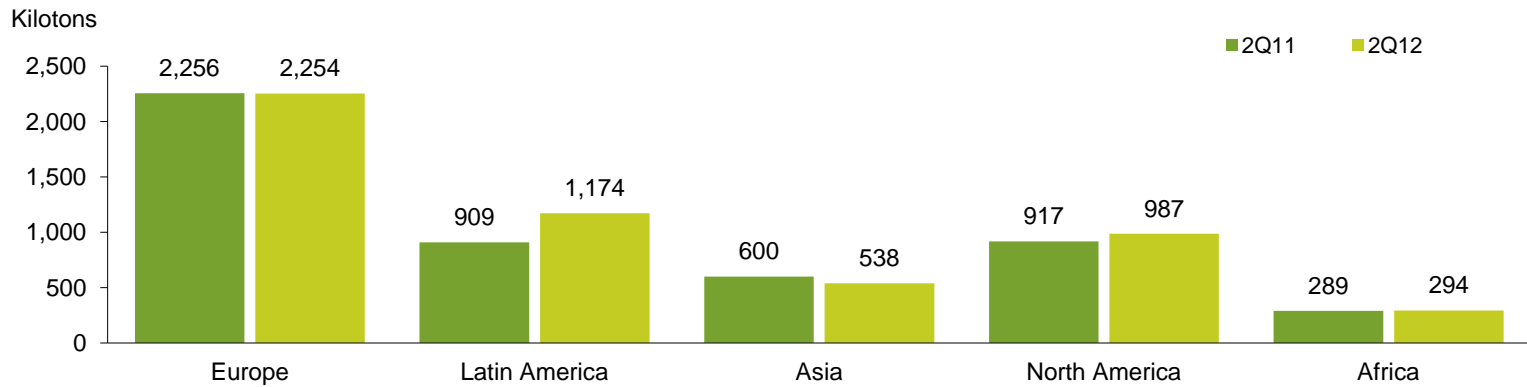


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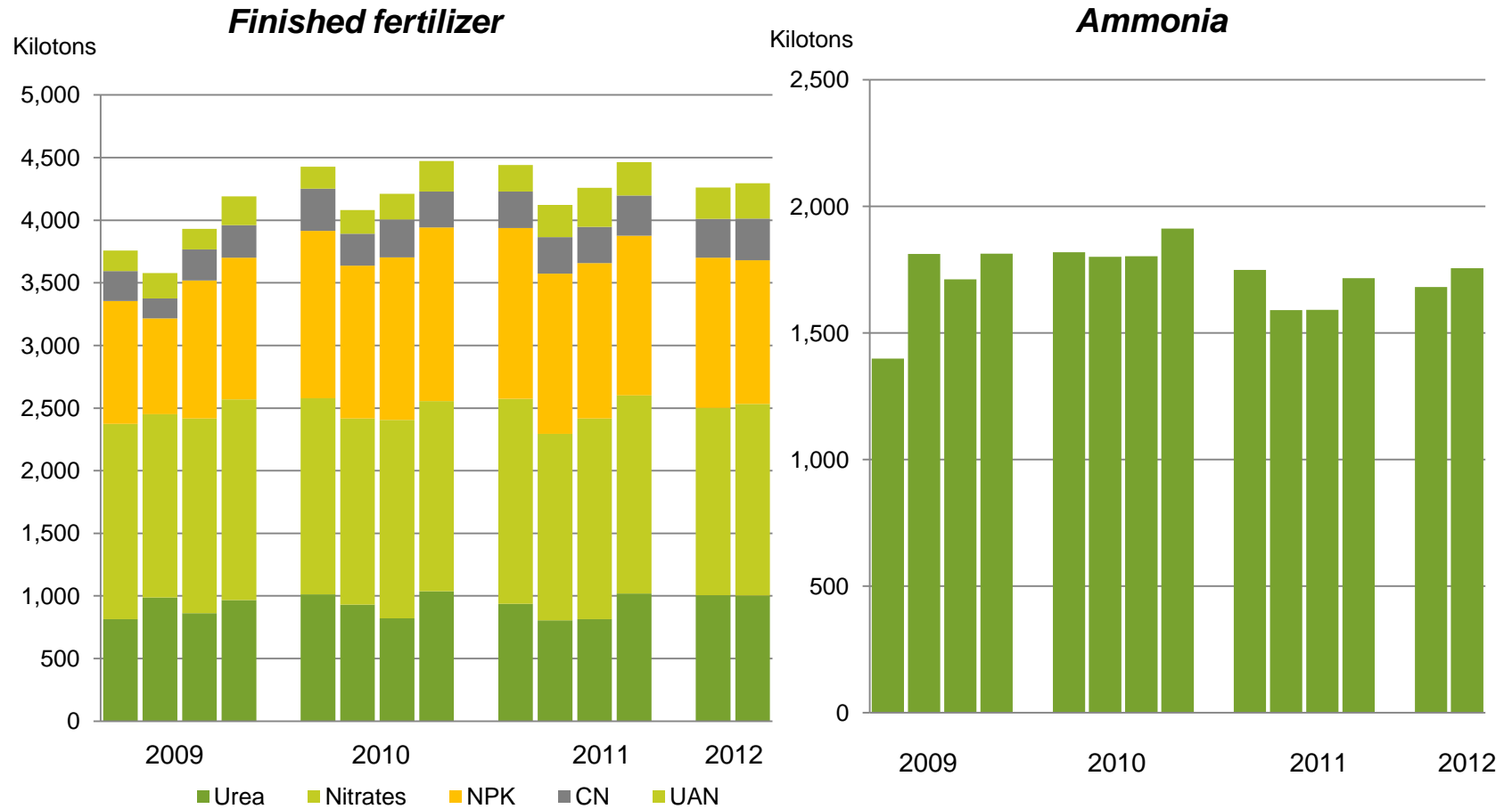


Yara 2Q fertilizer sales by market and product

2012: 5.2 million tons (2011: 5.0 million tons)



Yara - production volume*



* Including share of equity-accounted investees



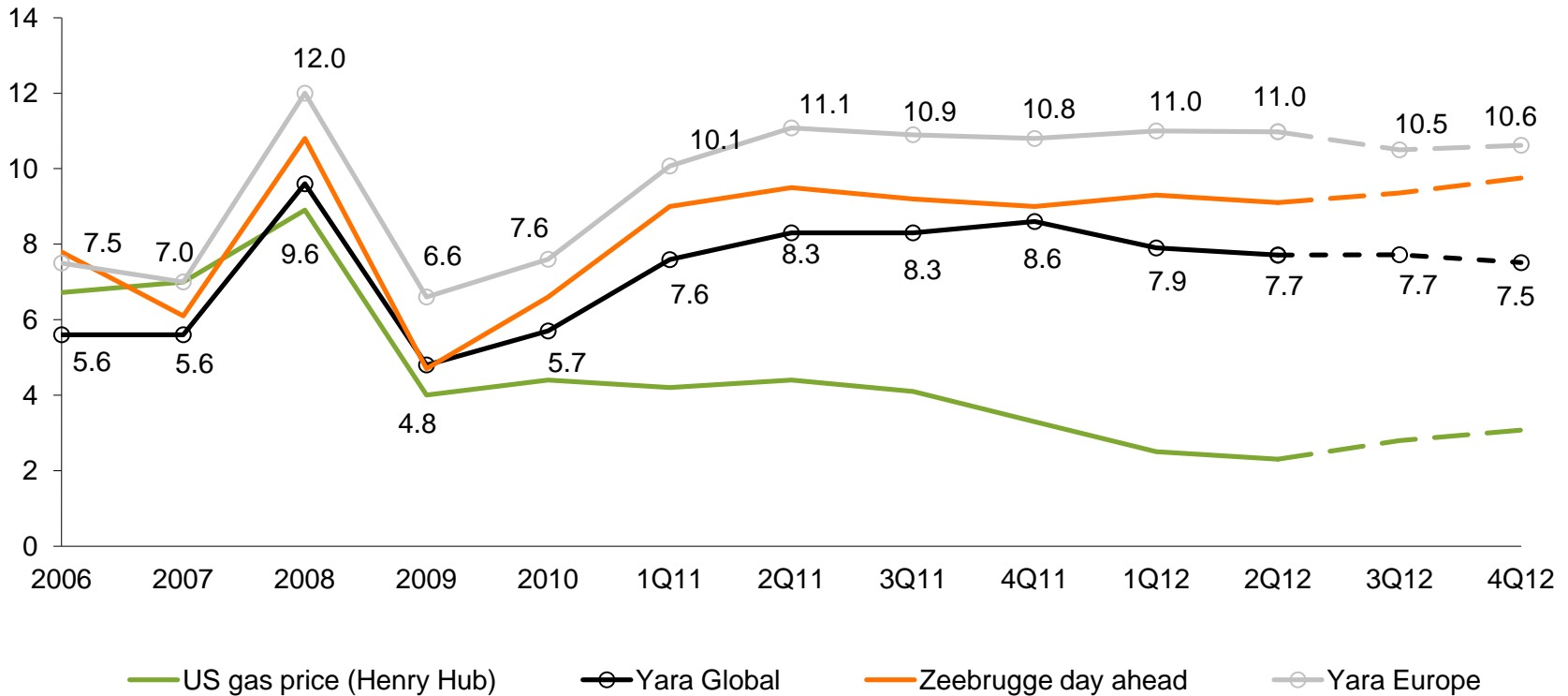
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Yara's average gas costs

Yearly averages 2006 – 2010, quarterly averages for 2011-12 with forward prices* for 3Q12 and 4Q12

USD per MMBtu



*Dotted lines denote forward prices as of 9 July 2012

Source: Yara, World Bank, Platts

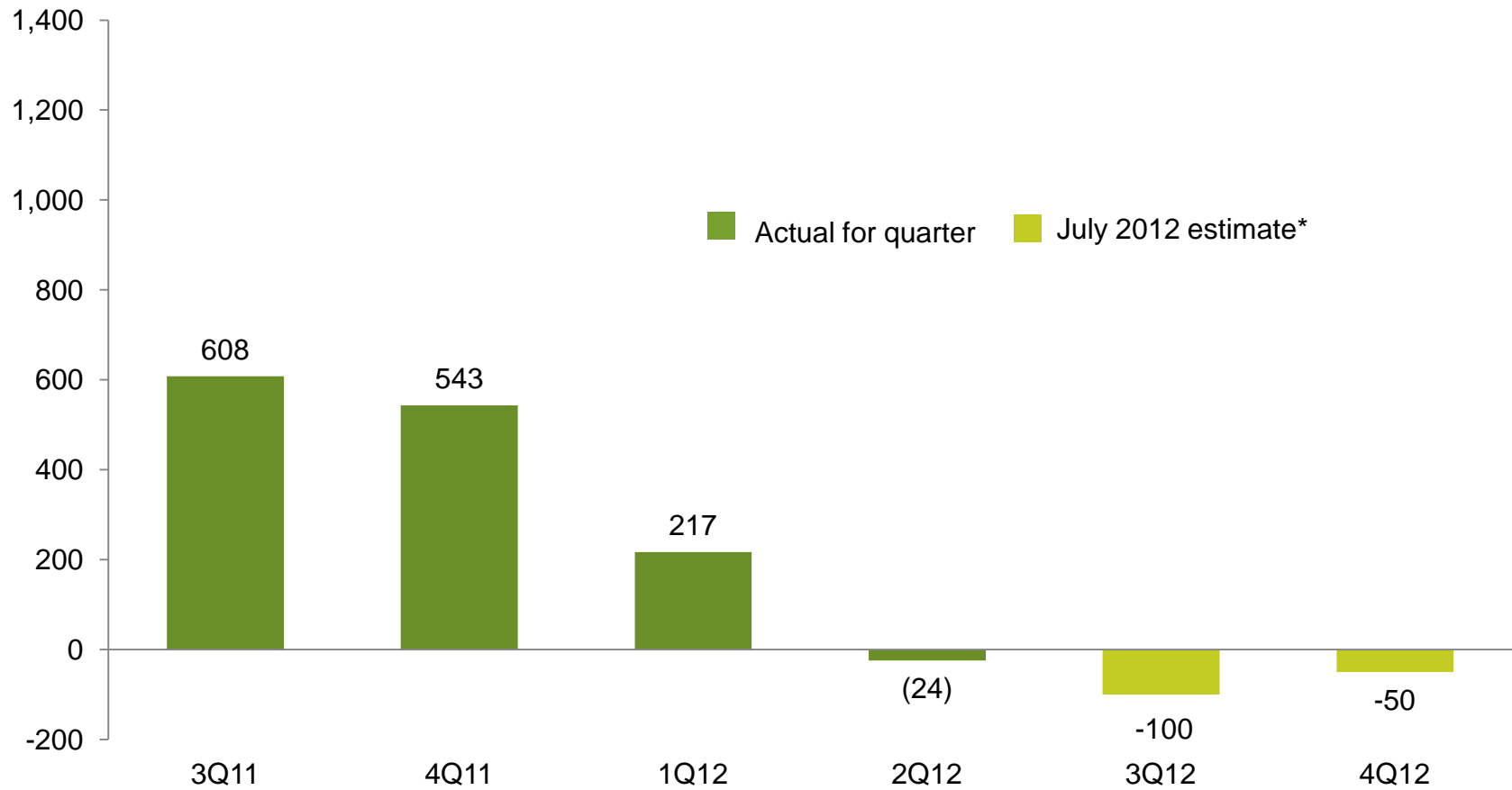


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Change in European energy cost

NOK millions



* Based on forward prices as of 9 July 2012



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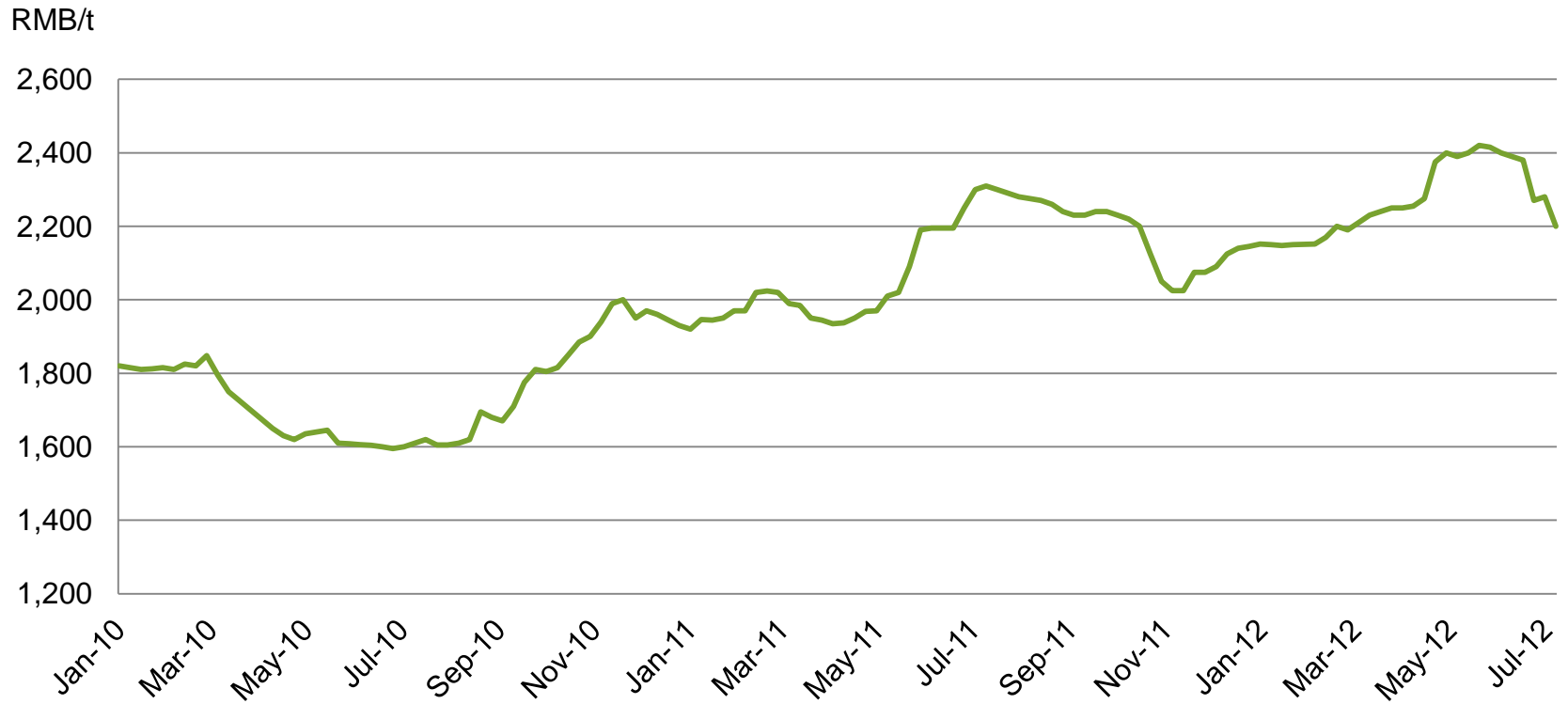
Currency exposure affecting P&L

At the beginning of the third quarter 2012

1. The US dollar debt generating P&L exposure was USD 800 million
 - Kept as hedge of future earnings and to finance inventories in emerging markets
 - Around 90% towards EUR with the rest towards NOK and emerging market currencies
 - The debt level in emerging markets will fluctuate with fertilizer seasons
2. Additional P&L exposure from internal currency positions vs. NOK
 - Payables mainly EUR (610 million) and CAD (260 million)
 - Receivables mainly GBP (90 million)
 - The effects of these positions correspond to offsetting translation effects in equity and the net economic effect for Yara is neutral



Chinese domestic urea price remains strong



Source: China Fertilizer Market Week

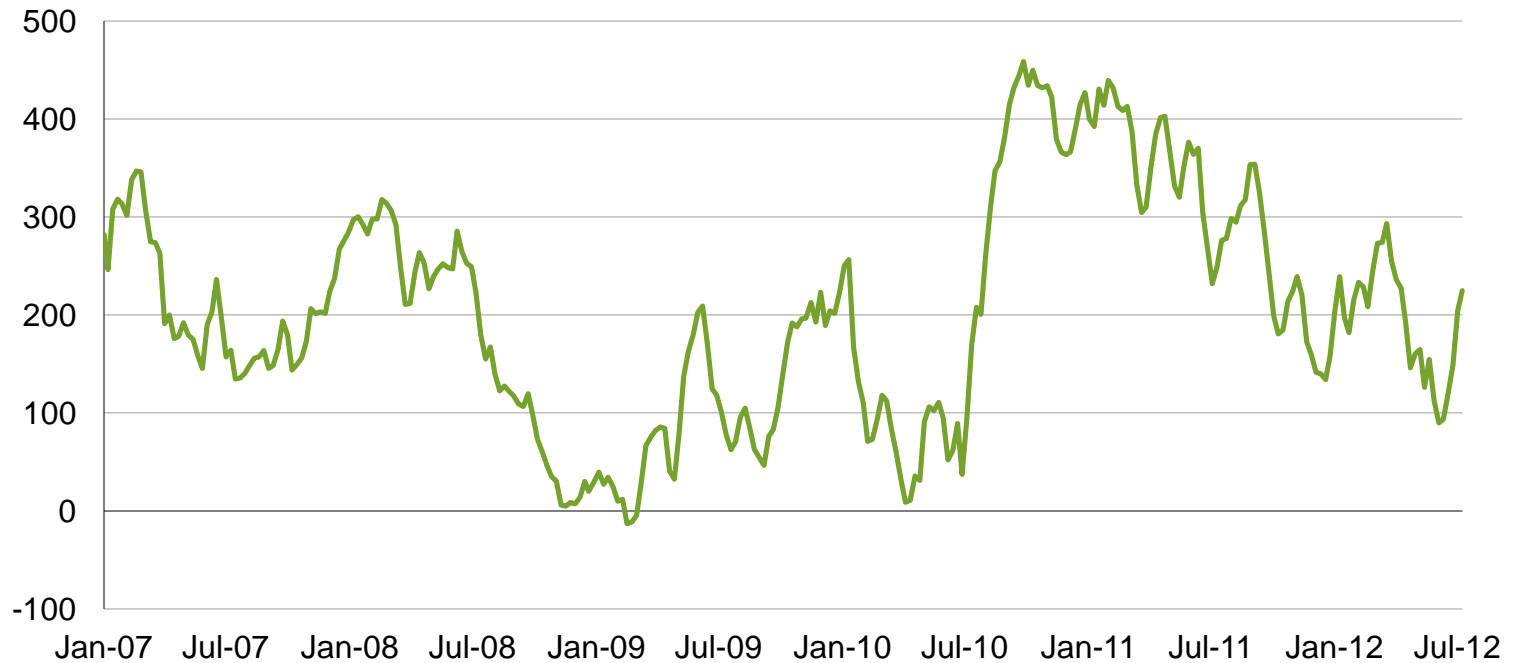


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Non-commercials' net long position in corn

Thousand contracts



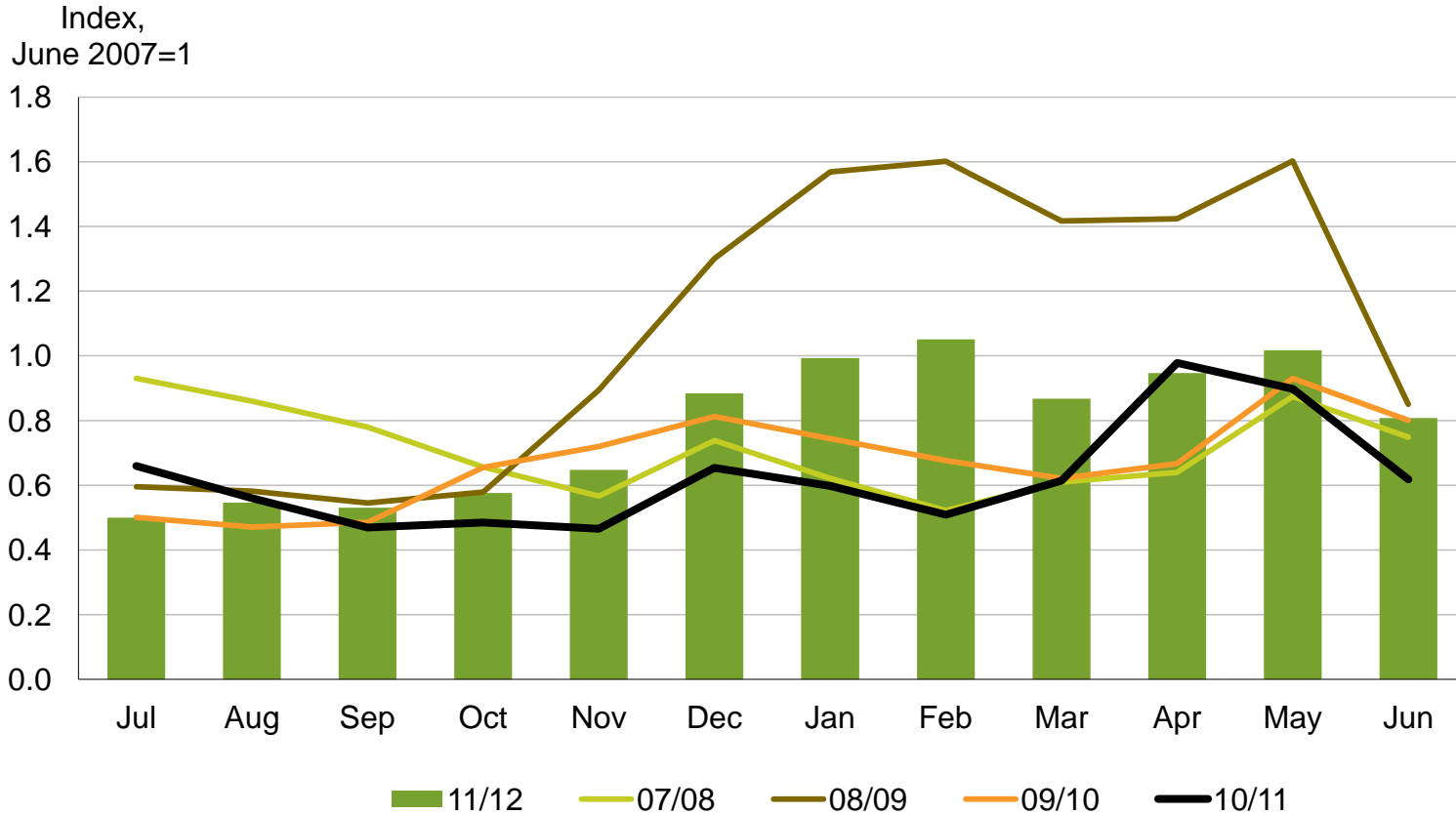
Source: US Commodity Futures Trading Commission



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European producer nitrate stocks



Source: Fertilizers Europe, Yara estimate for June

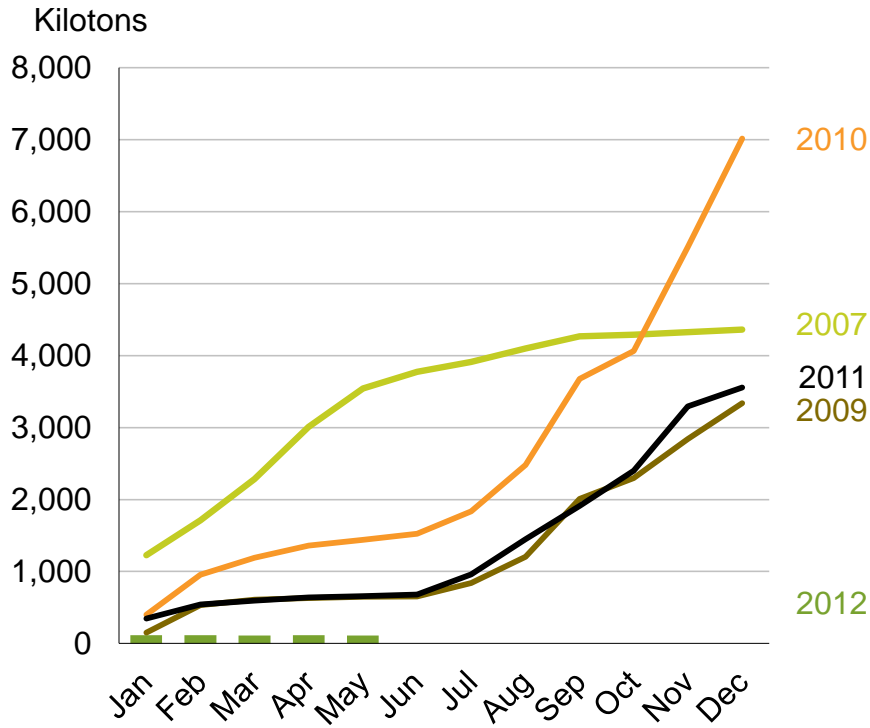


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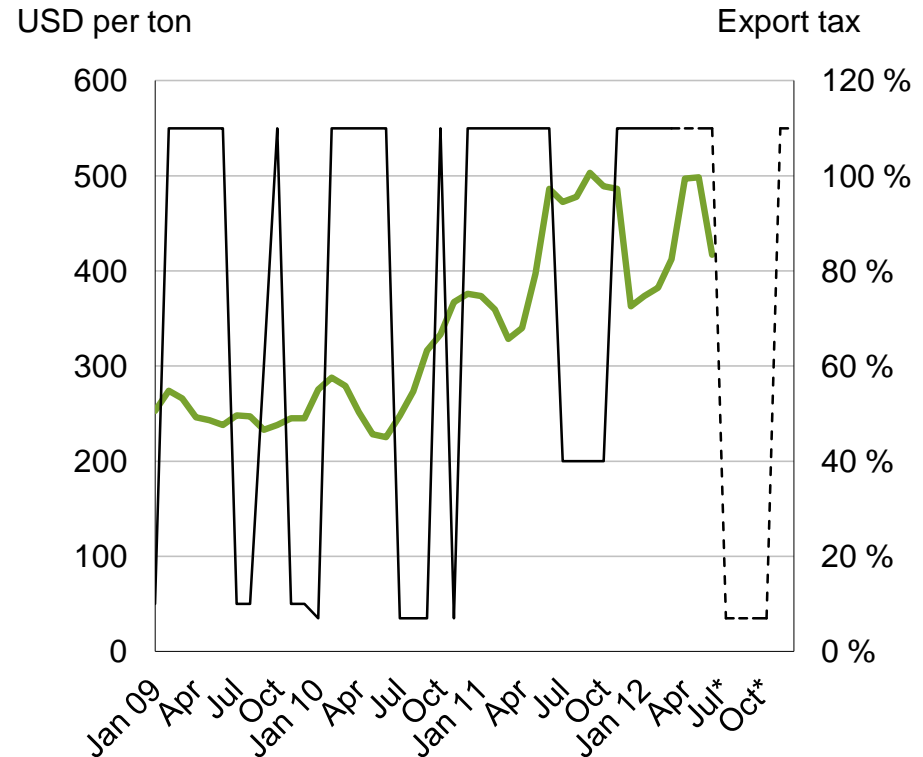


Chinese exports needed to balance the global market

Accumulated urea exports



Urea price and export tax



* Export tax during low tariff period depends on price level with 7% representing the minimum tax level

Source: BOABC

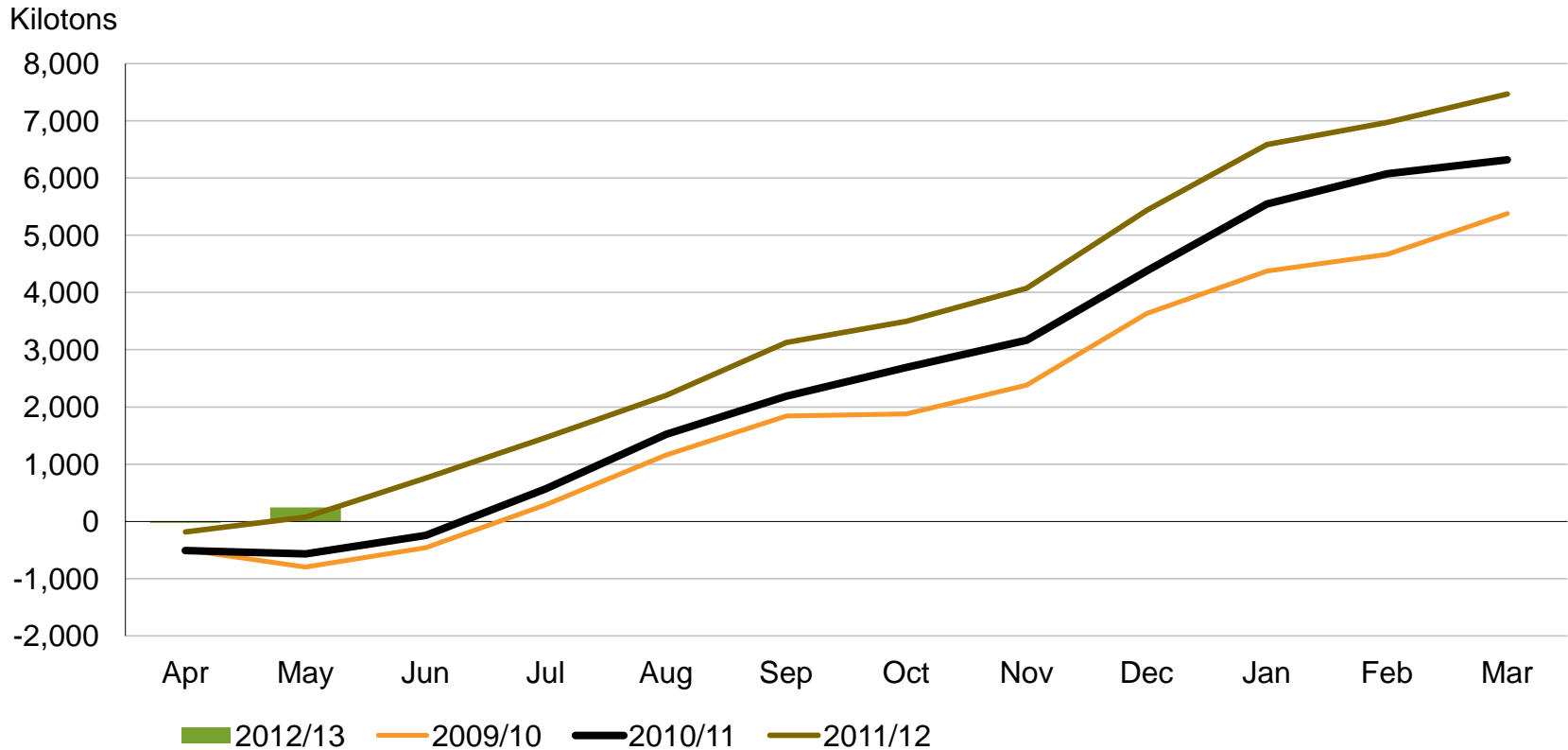


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Indian urea import requirement

Sales minus production



Source: Indian Statistics

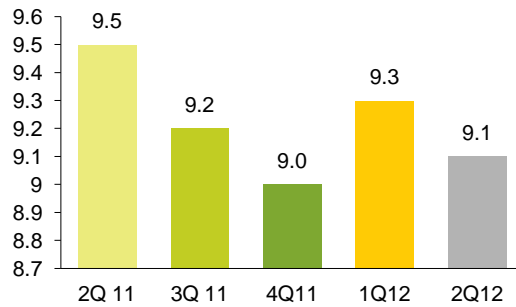


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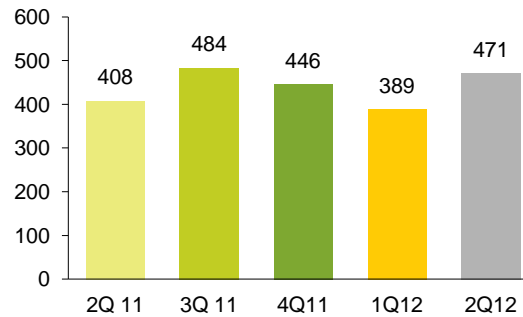


Key value drivers – quarterly averages

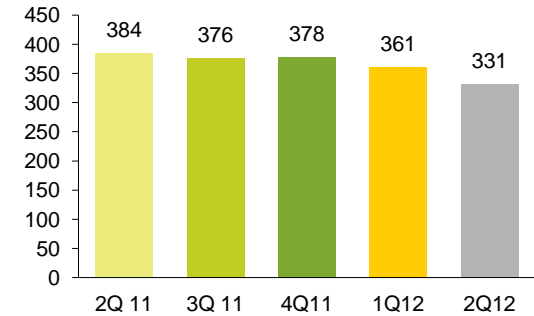
Zeebrugge day ahead(USD/MMBtu)



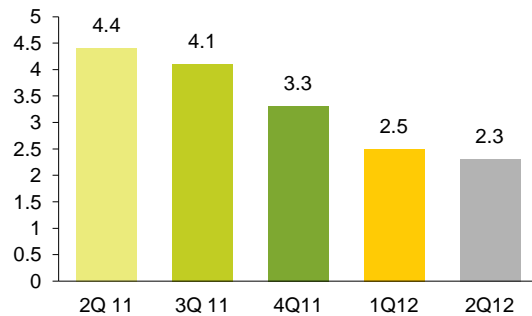
Urea prilled fob Black Sea (USD/t)



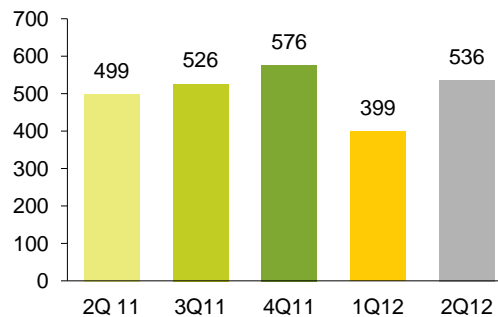
CAN cif Germany (USD/t)



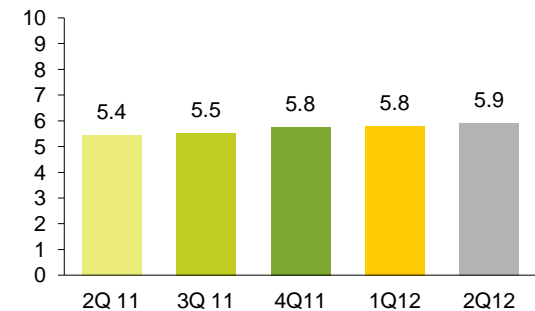
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)



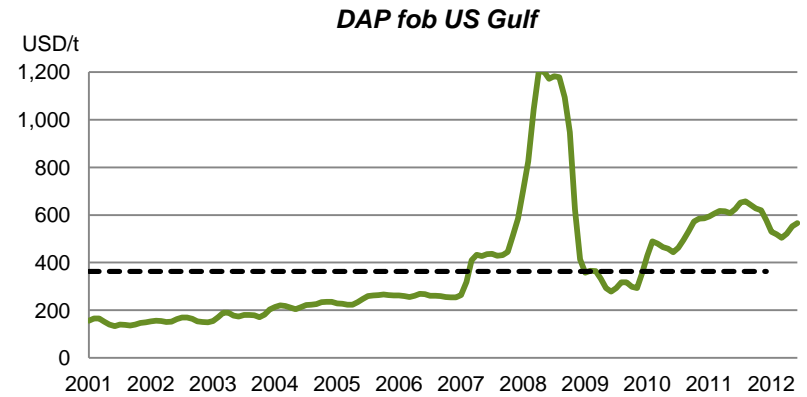
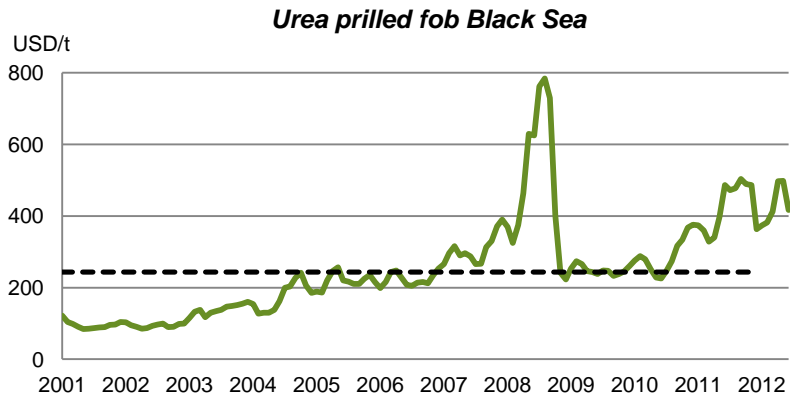
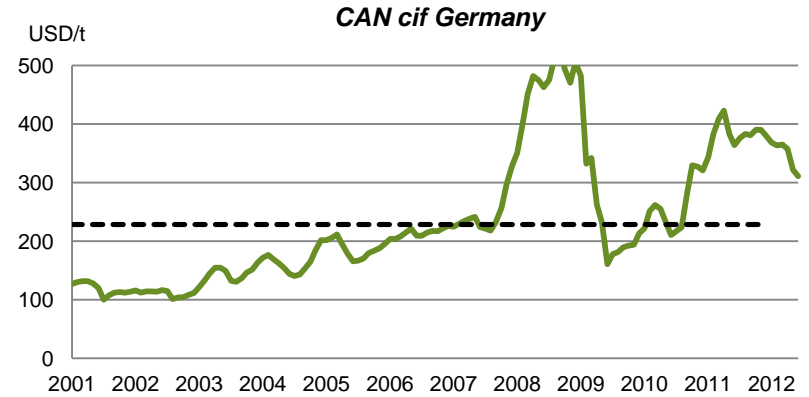
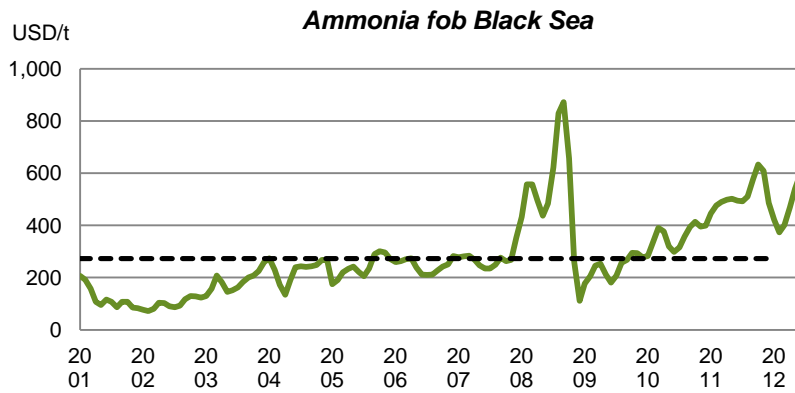
NOK/USD exchange rate



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



10-year fertilizer prices – monthly averages



Source: Average of international publications

--- Average prices 2001 - 2011

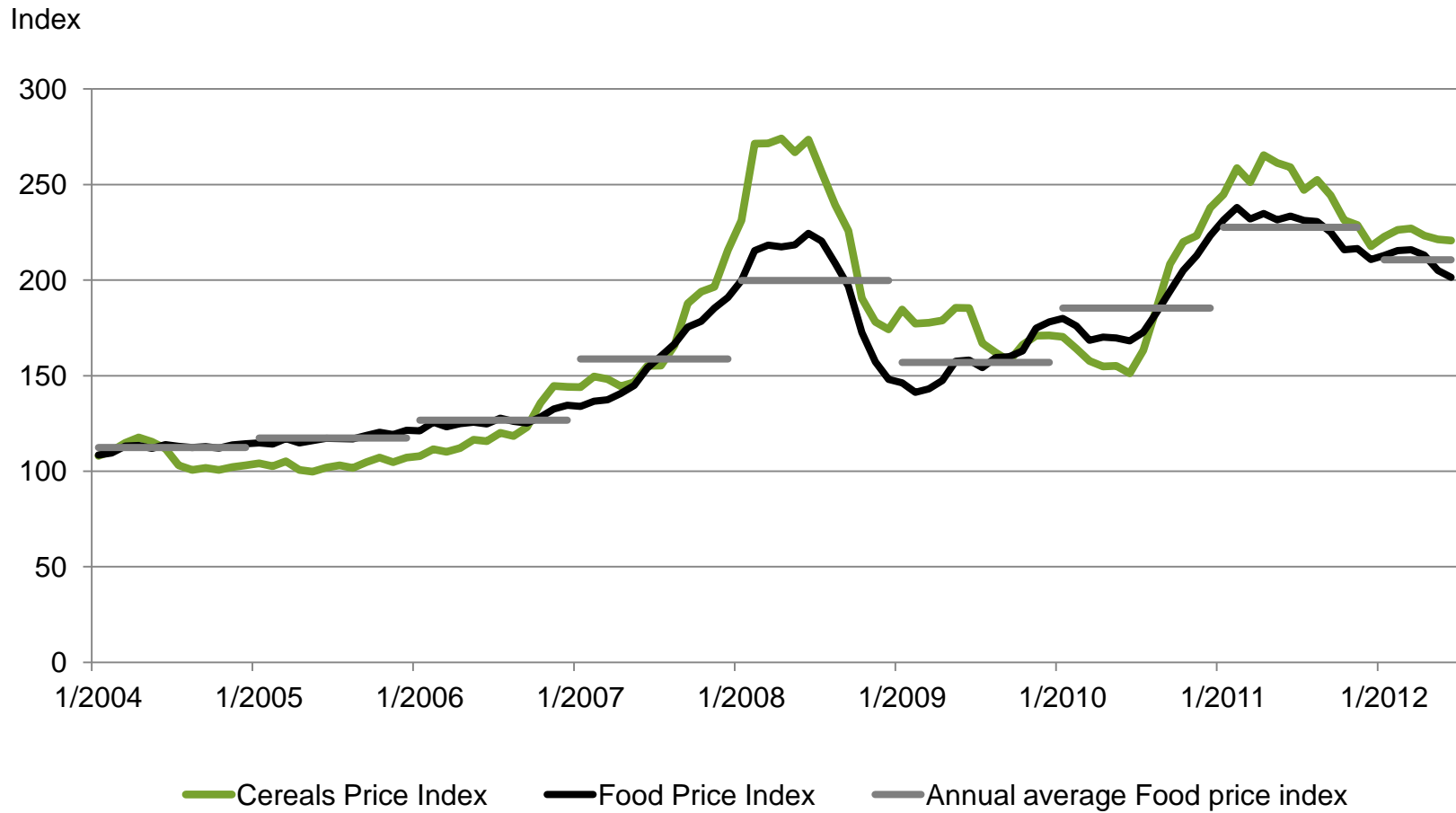


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Incentives remain strong

FAO price index



Source: FAO



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