



Knowledge grows

Yara International ASA

Third Quarter results 2012

Jørgen Ole Haslestad, CEO

Thor Giæver, IR

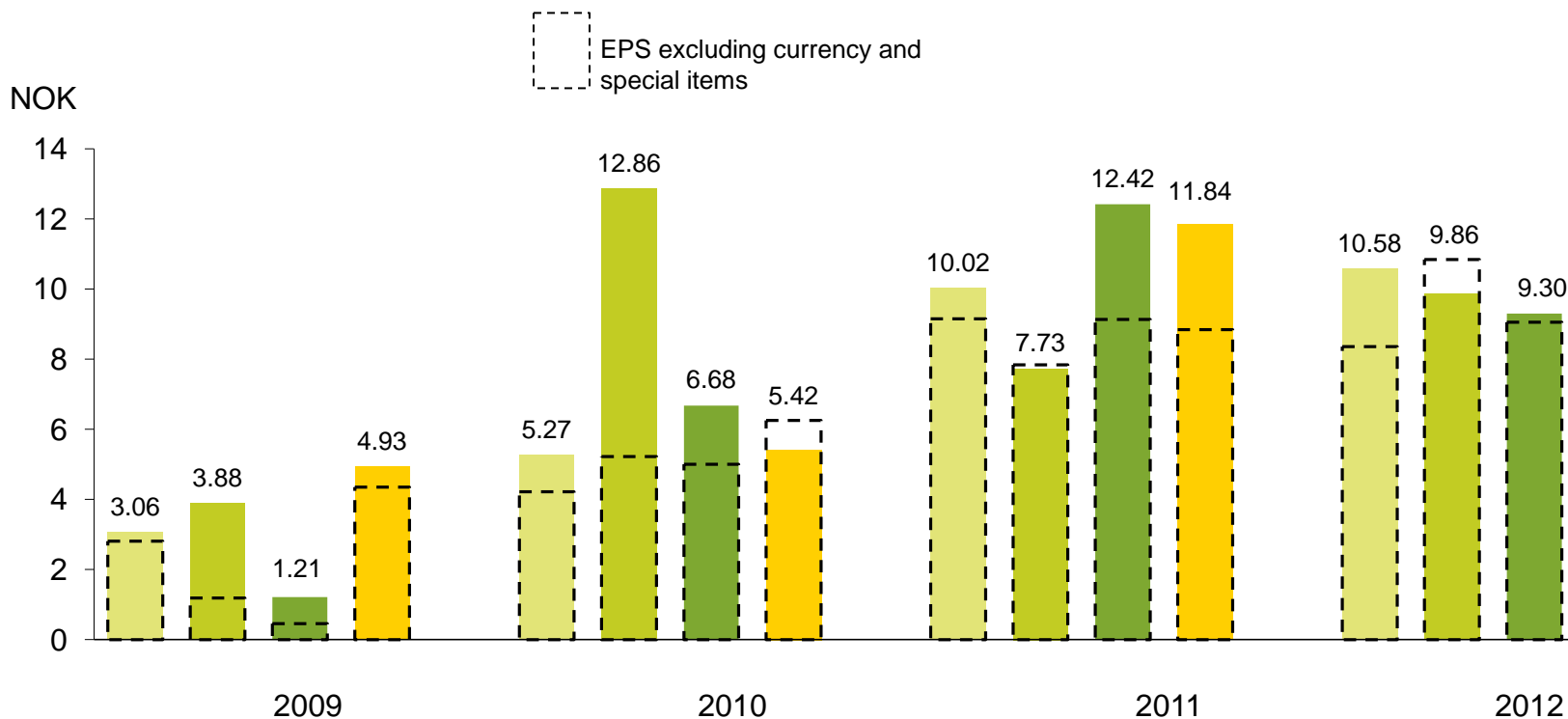
24-25 October

Summary third quarter

- Strong results and cash flow
- Yara-produced NPK deliveries up 10%
- Strong production increase
- Cautious start to European nitrate season



Earnings per share*



Annual

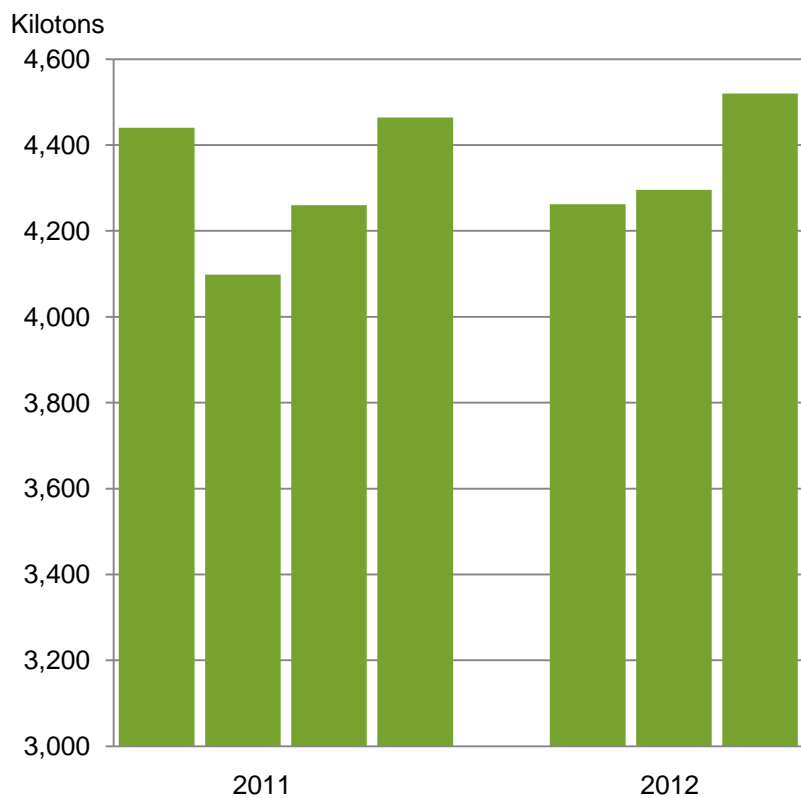
NOK	2009	2010	2011	2012
	13.08	30.24	41.99	29.75

* Average number of shares for 3Q 2012: 281.4 million (3Q 2011: 287.2 million).

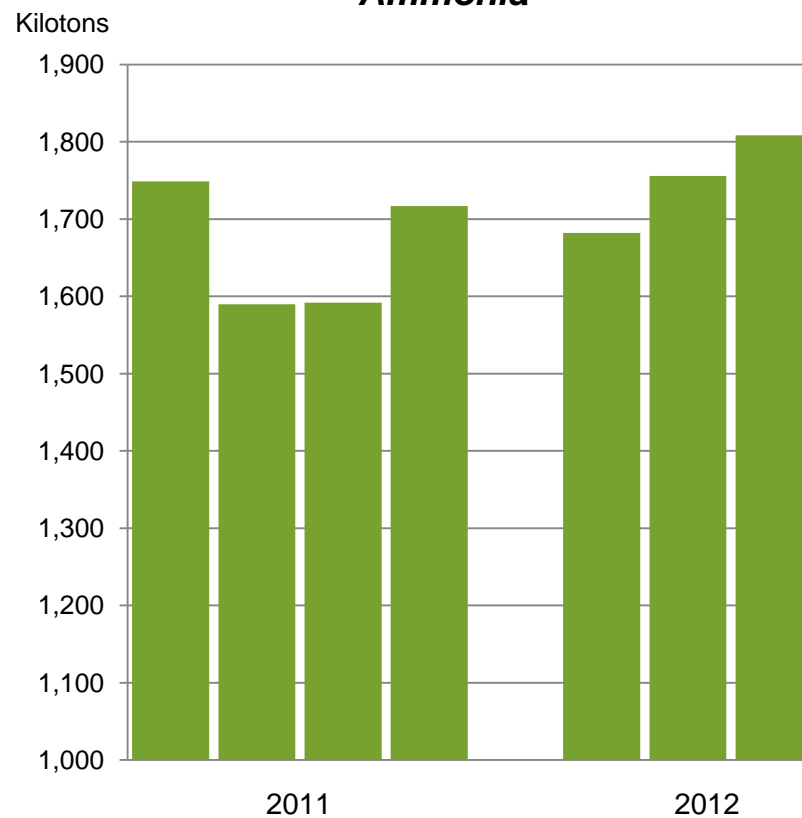


Strong production increase

Finished fertilizer



Ammonia

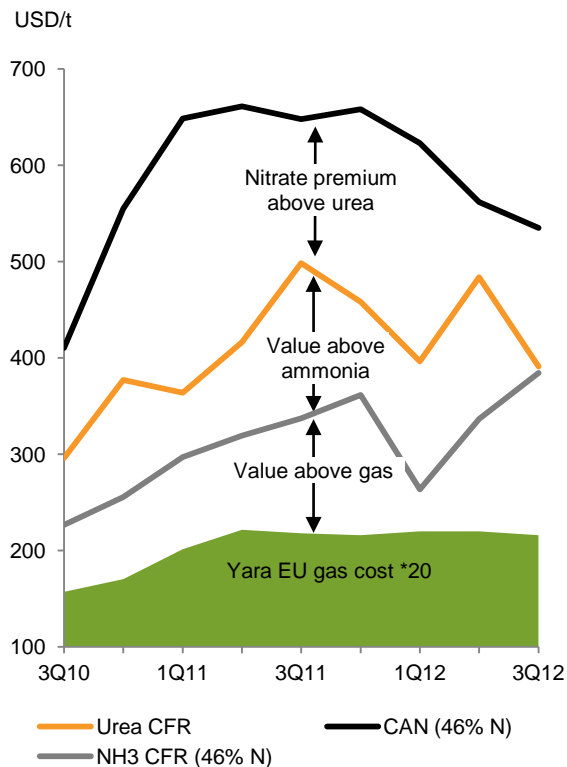


* Including share of equity-accounted investees

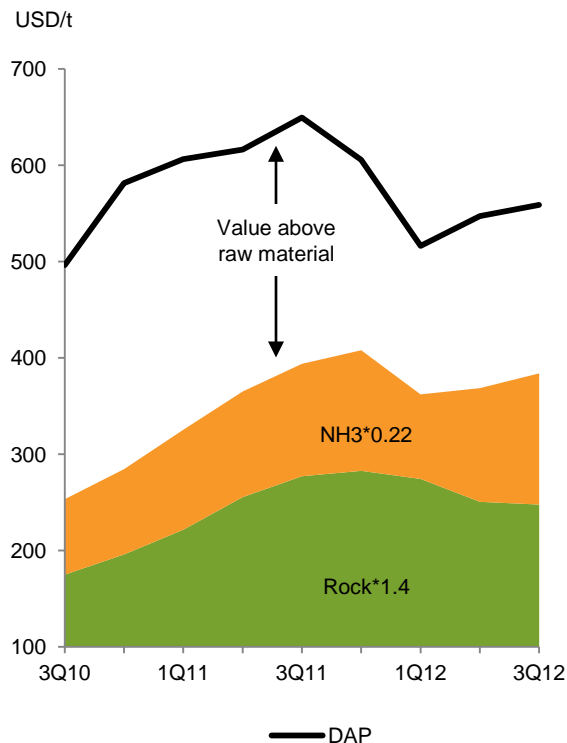


Yara generates value both within commodity and value-added products

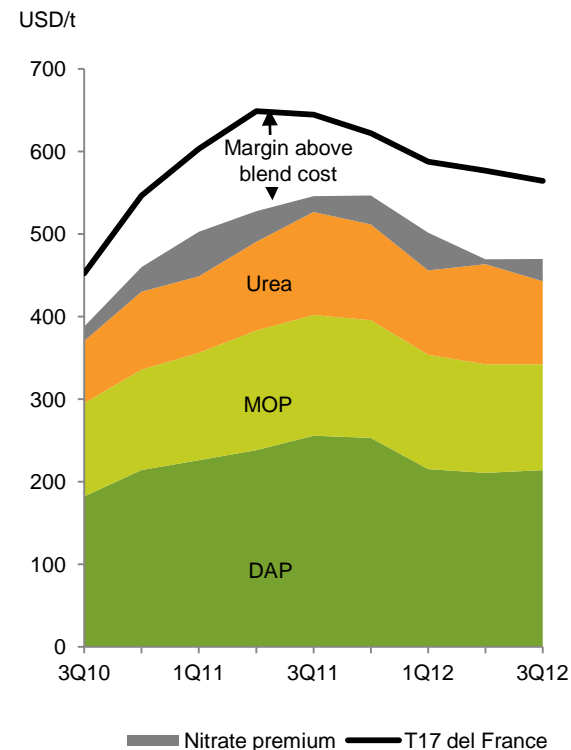
Nitrogen upgrading margins



Phosphate upgrading margins

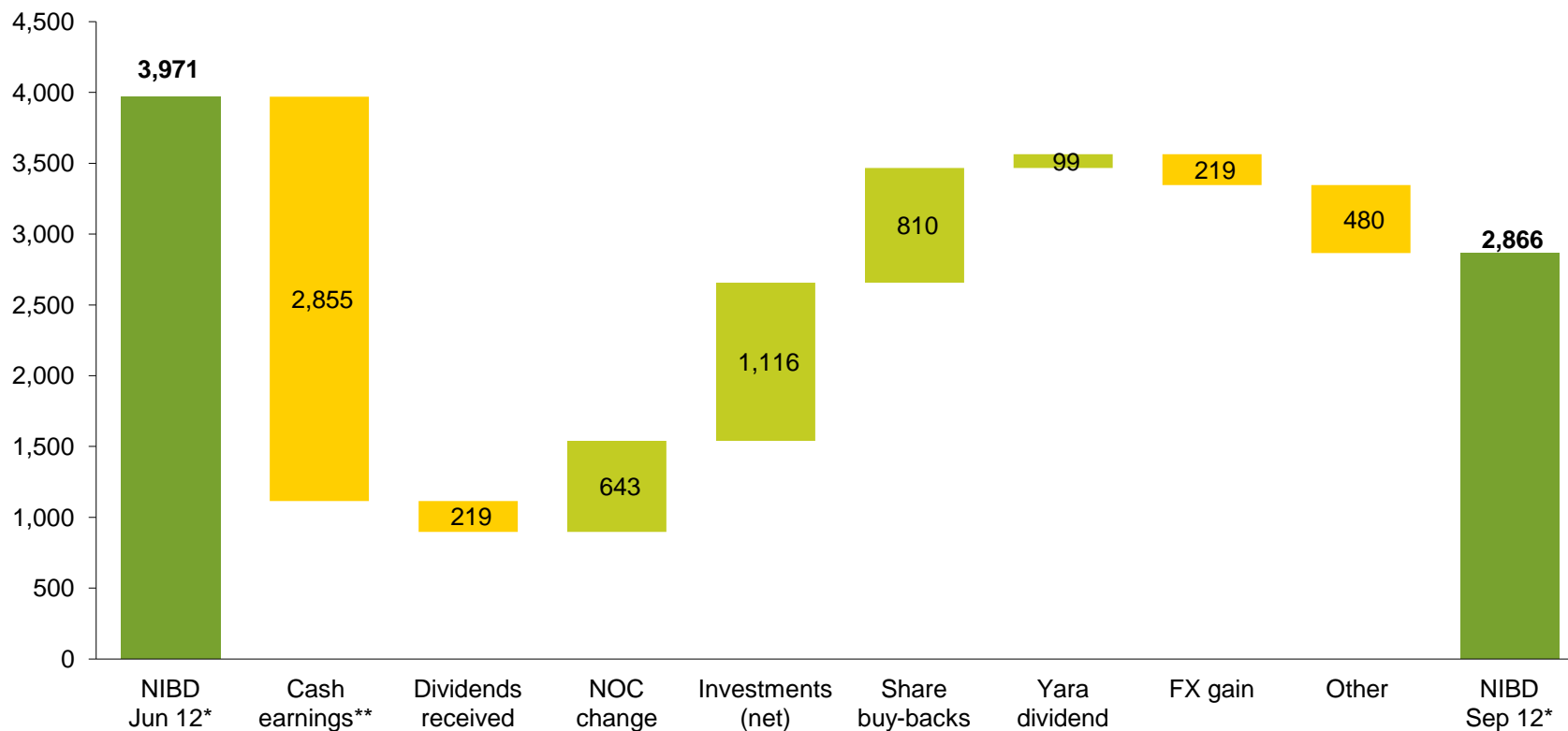


NPK blend premium



Net debt development

NOK millions



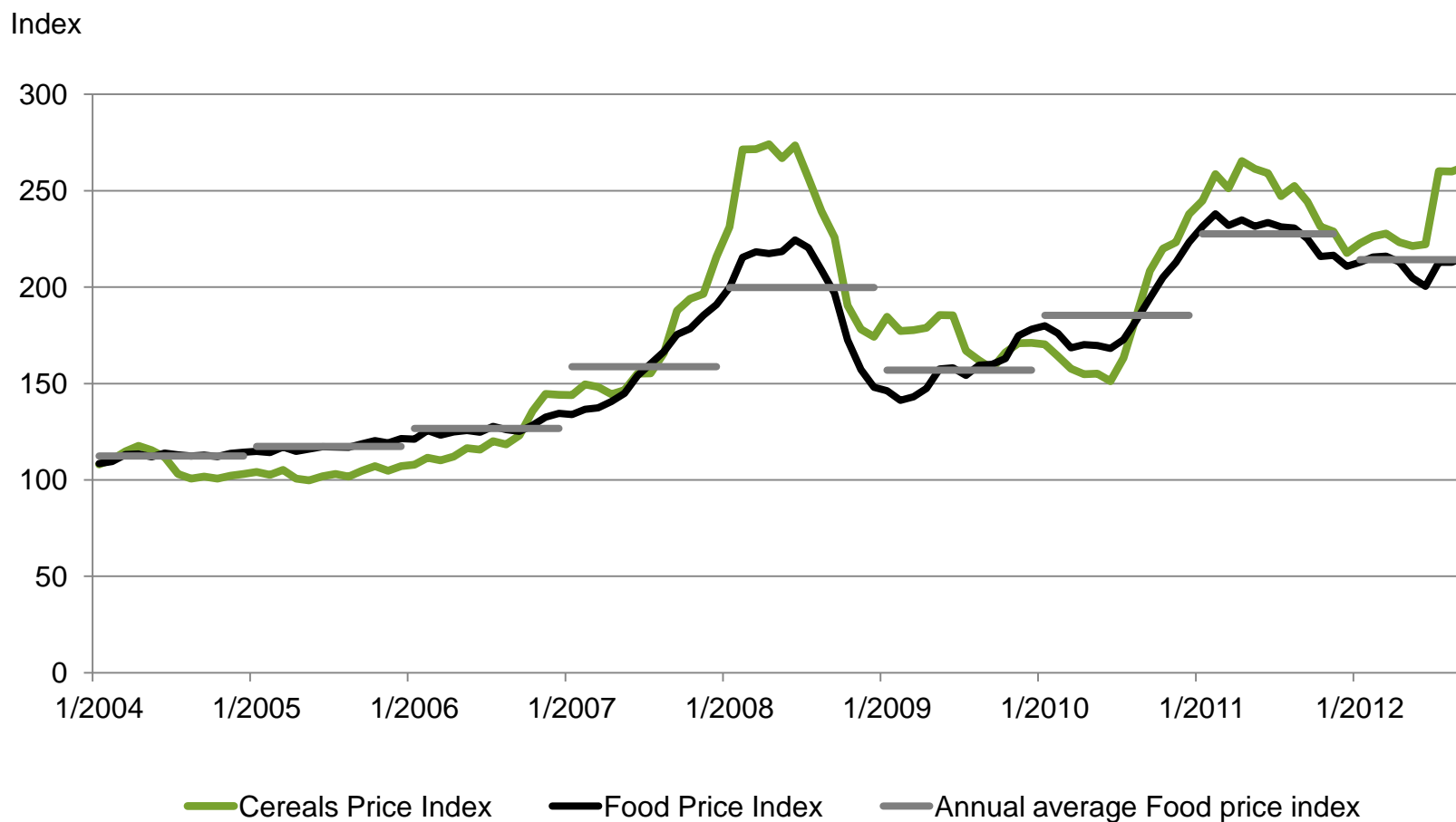
* Included in net interest-bearing debt are external bank time deposits (4-12 months), this is part of other current assets in balance sheet

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



Fertilizer incentives remain strong

FAO price index



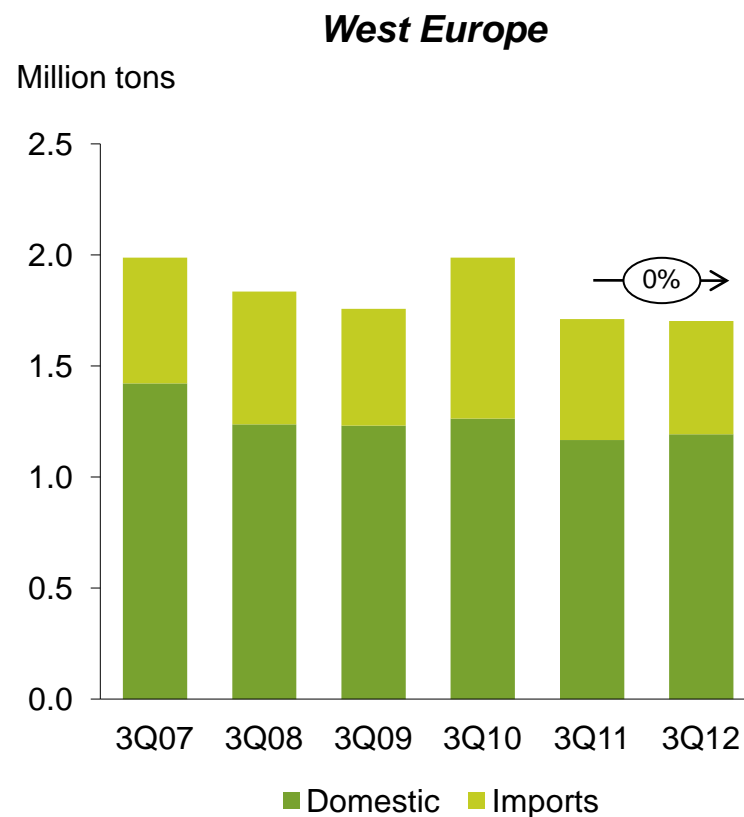
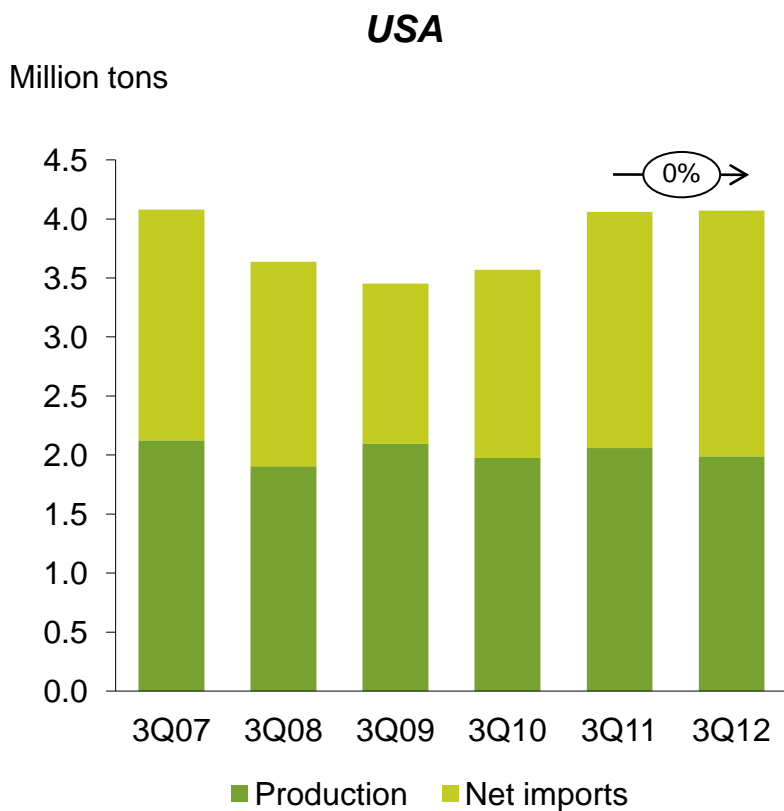
Source: FAO



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Cautious buying in Europe, stronger in US

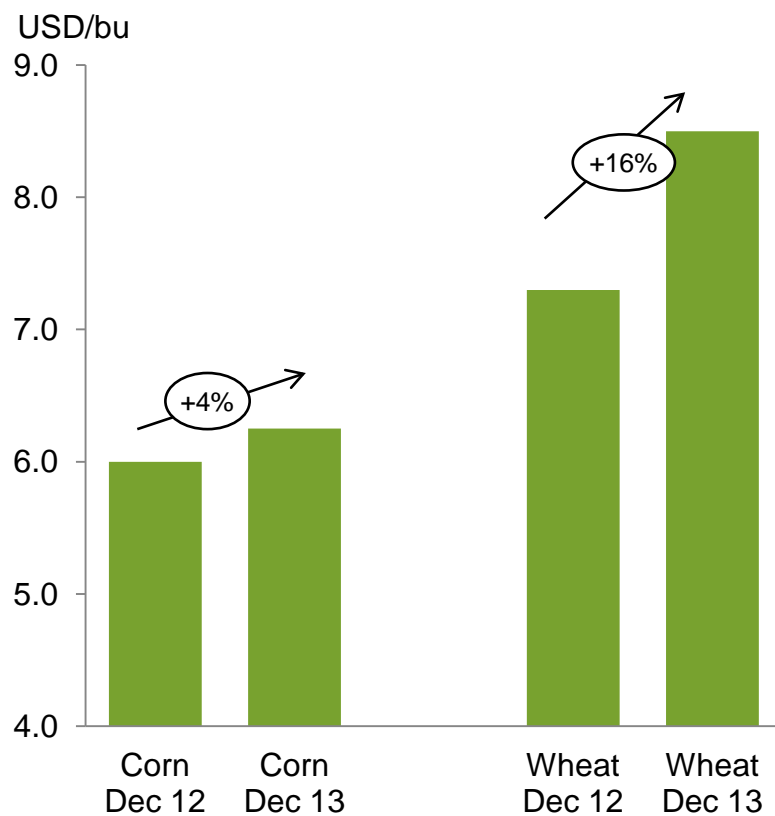


Source: Yara estimate for fertilizer deliveries to selected West European countries.
Total nitrogen deliveries based on TFI, US Trade Commission, Blue-Johnson and Yara estimates

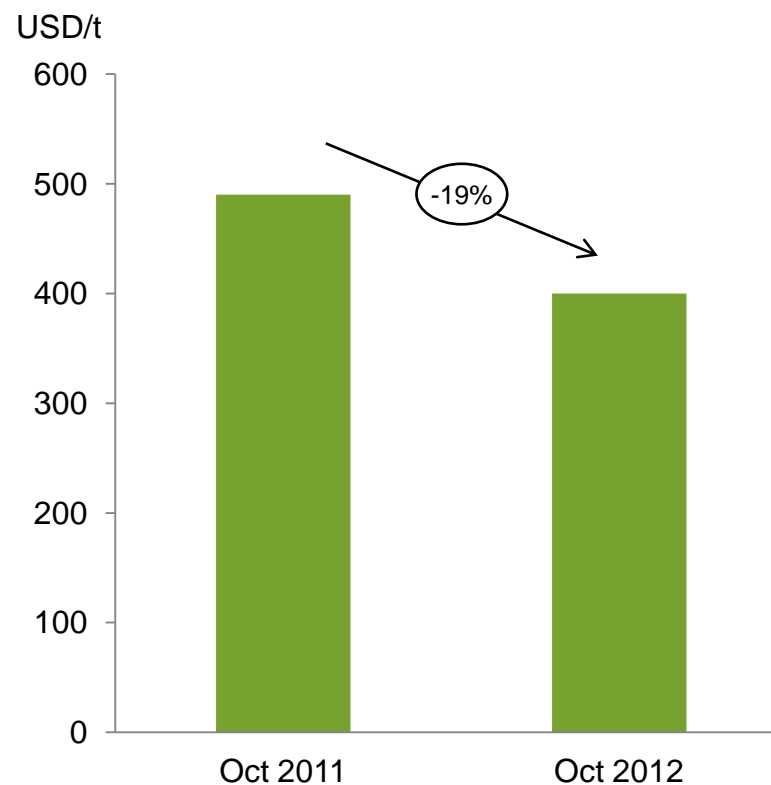


Stronger pre-buying incentives

Crop futures higher than a year ago

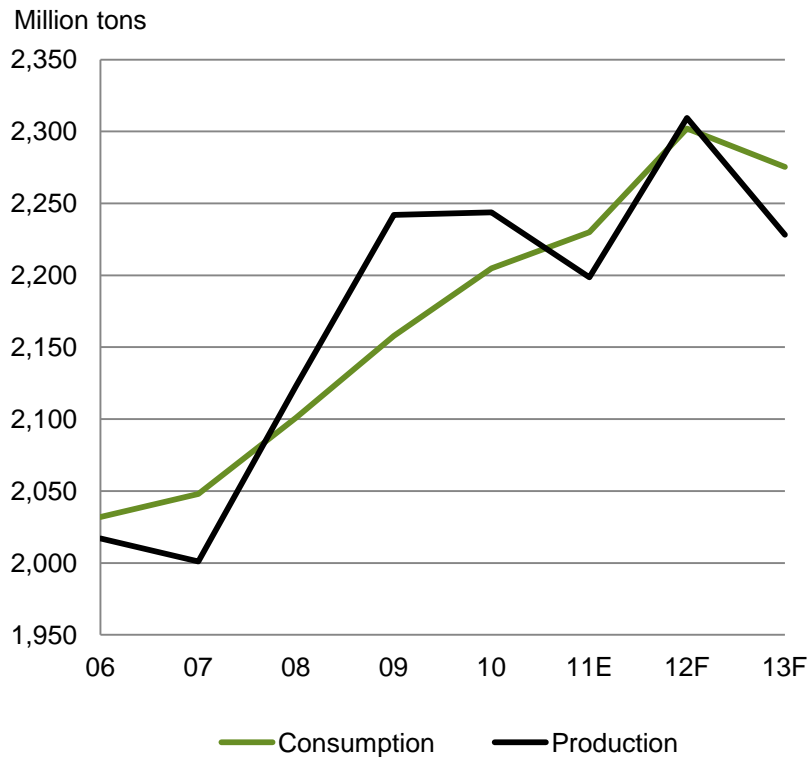


Urea price, fob Black Sea

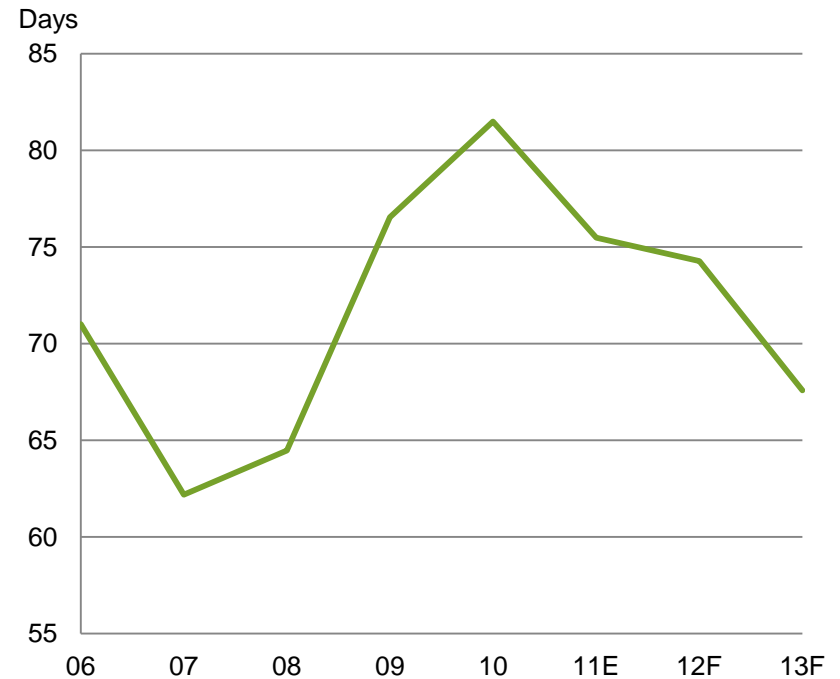


Continued strong price incentives necessary to avoid further inventory decline

Grain production and consumption



Days of consumption in stocks

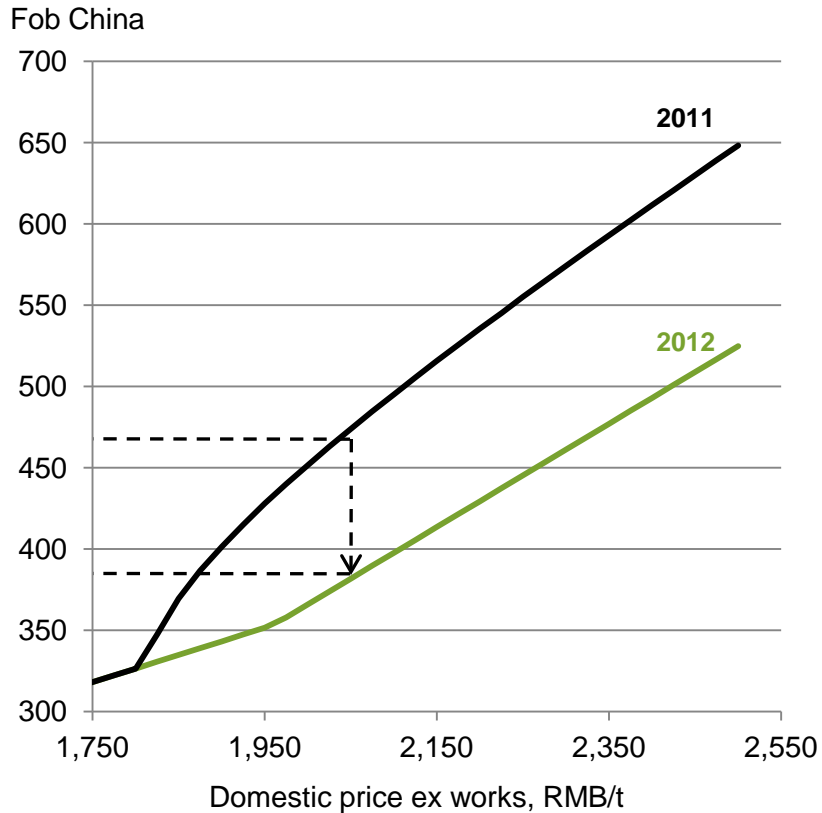


Source: USDA, October 2012

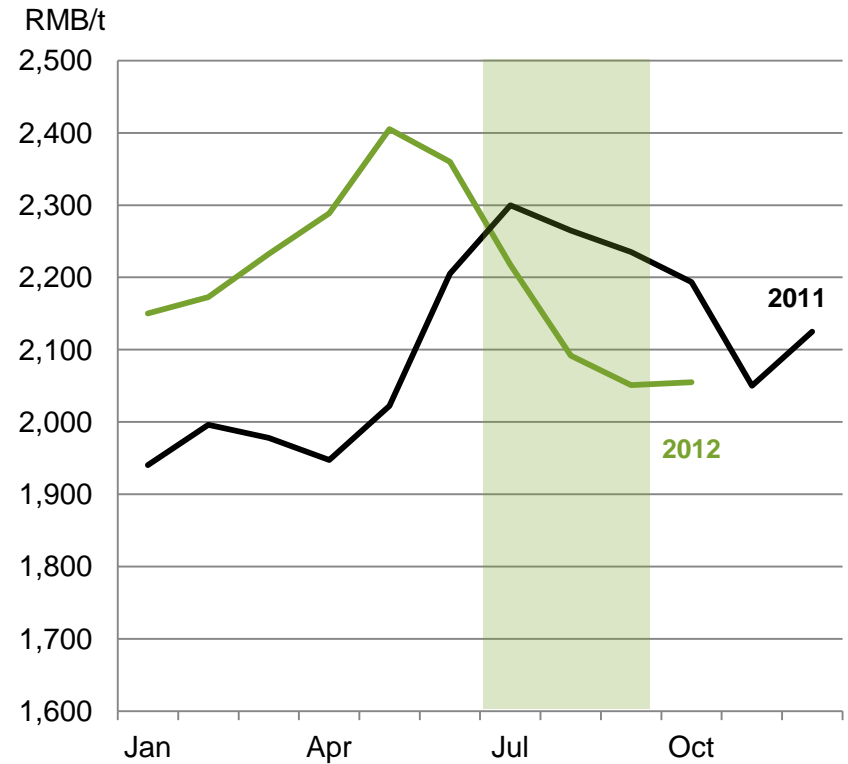


Lower Chinese urea export price in 2012

Chinese export tax 1 Jul – 1 Nov



Domestic urea price in China



* China Fertilizer Market Week

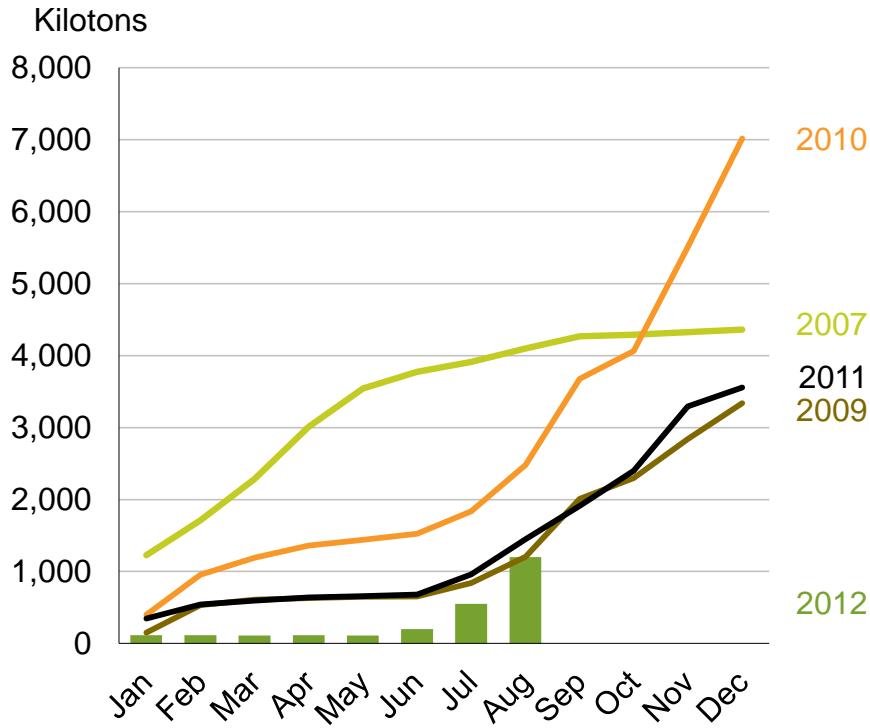


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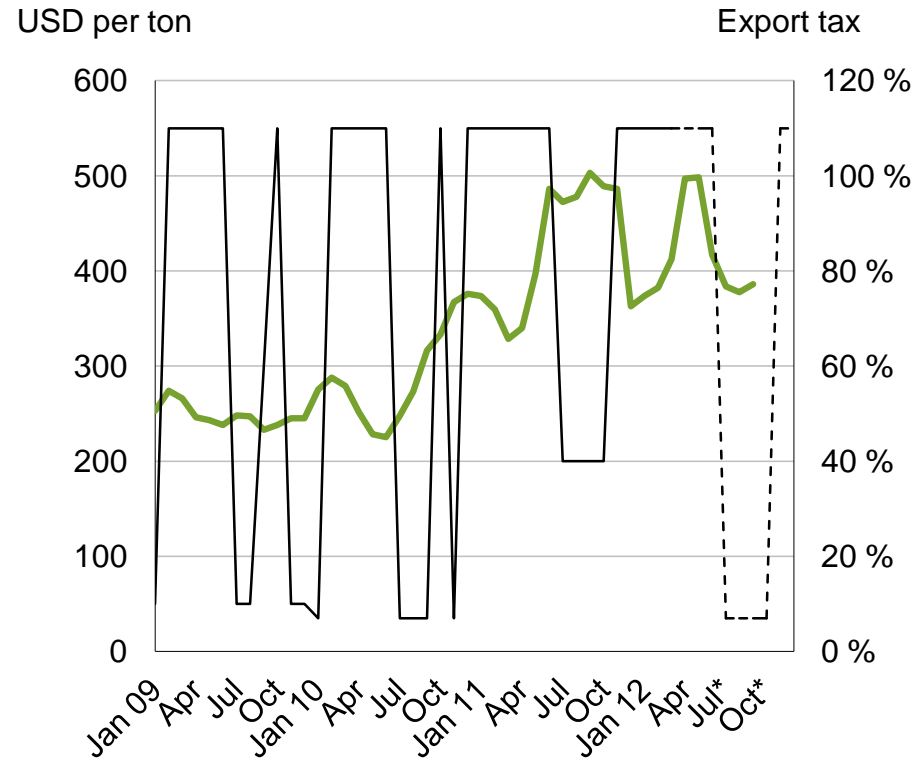


Chinese export situation

Accumulated urea exports



Urea price and export tax

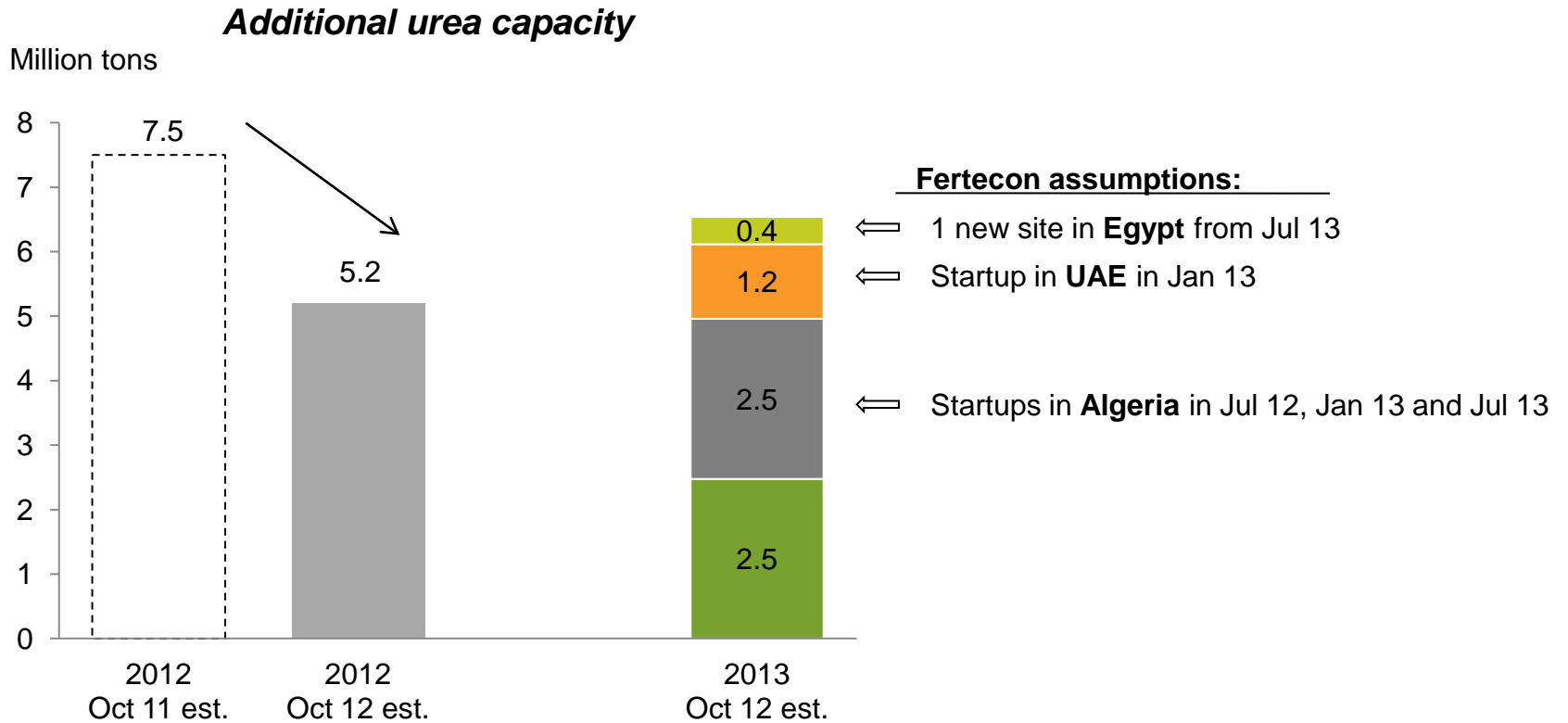


* Export tax during low tariff period depends on price level with 7% representing the minimum tax level

Source: BOABC



Continued project delays

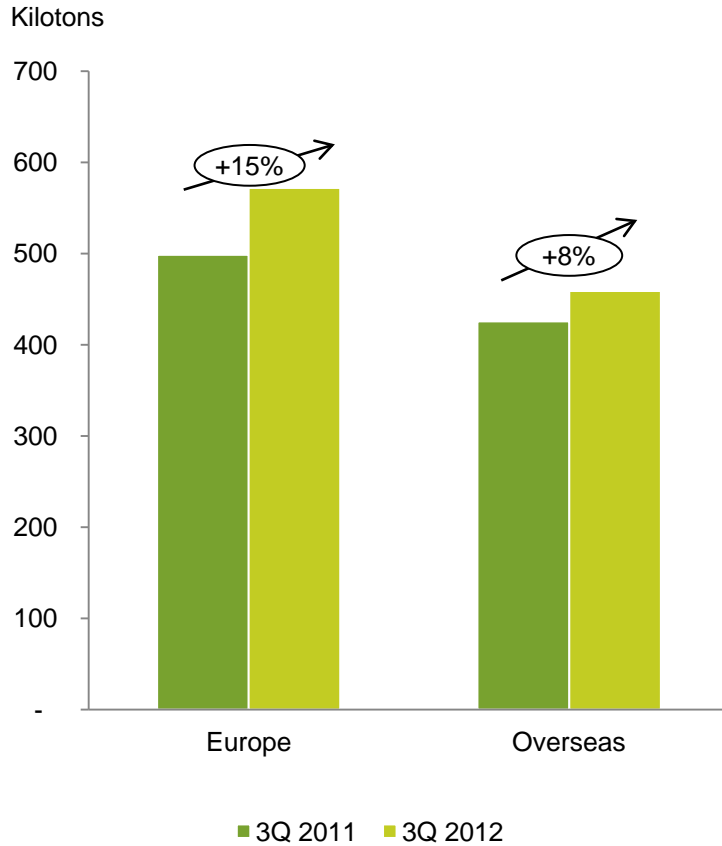


Source: Fertecon urea updates

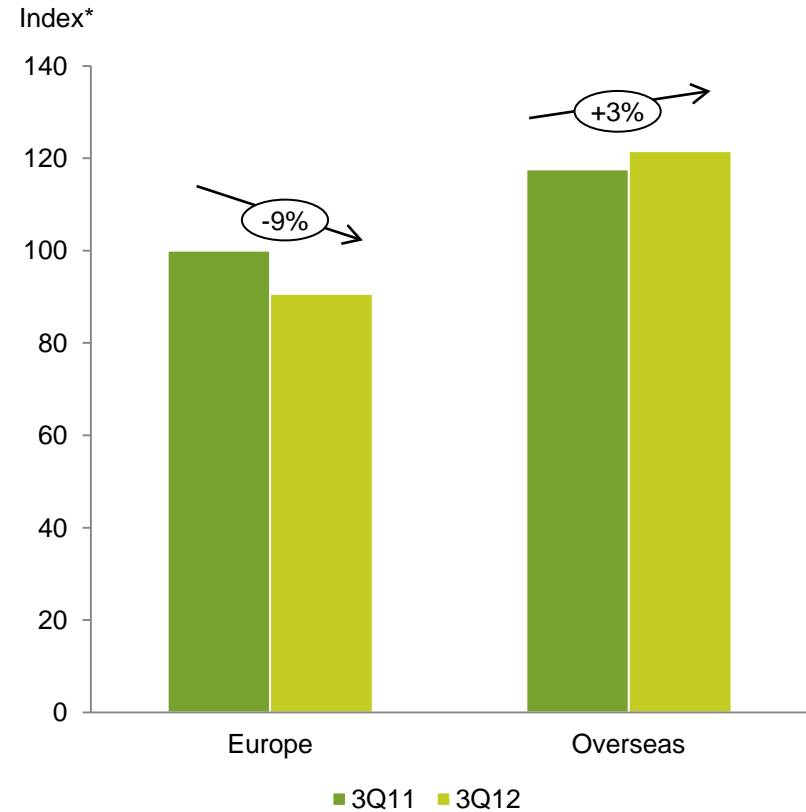


Strong NPK development

Yara-produced compound NPK volumes



Realized prices on Yara -produced NPK compounds

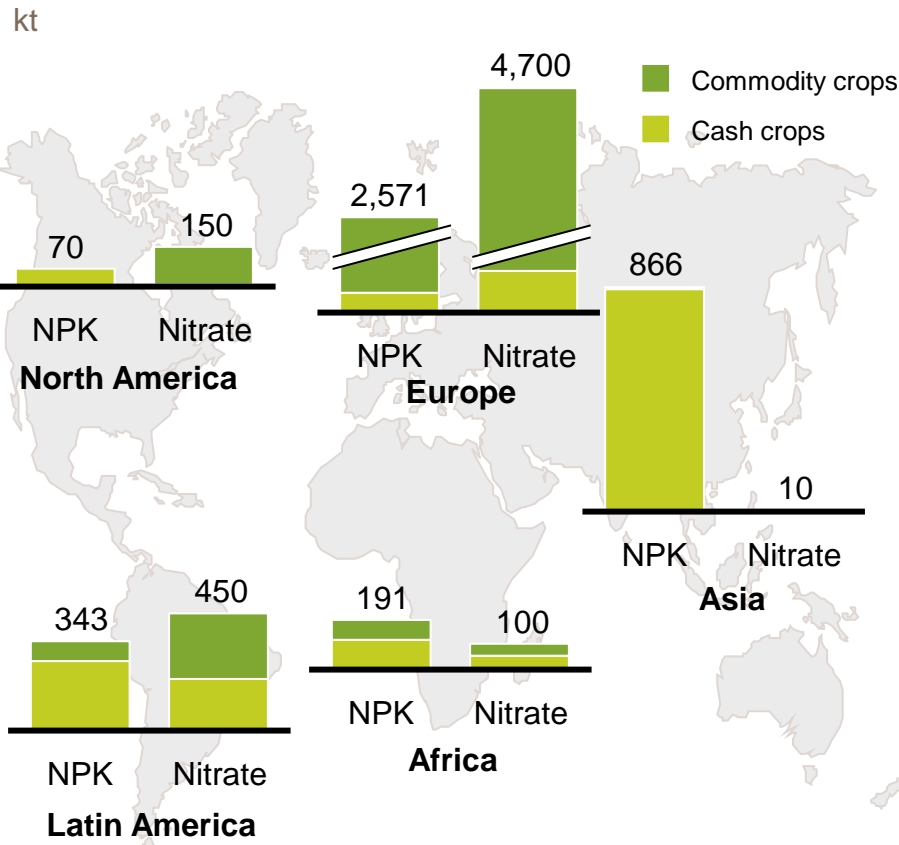


* 100 = European price in 3Q11

Value-added product growth focused on cash crops

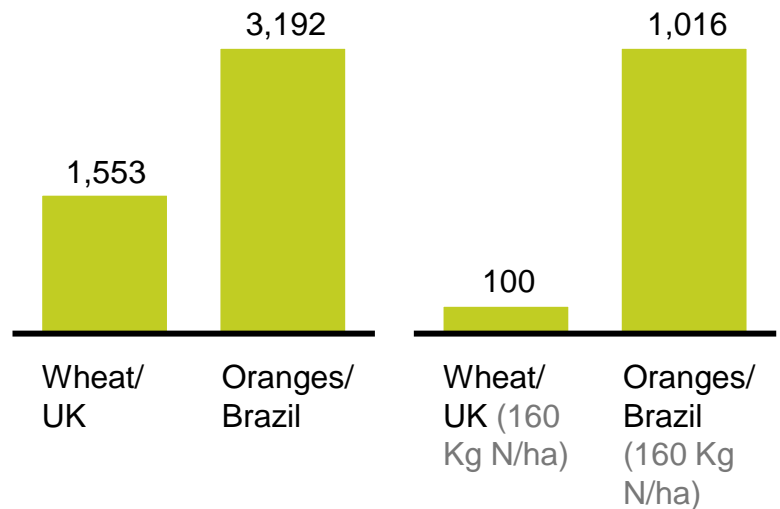
NPKs have significant cash crop share, while nitrates today mainly serve commodity crops

Nitrates' agronomic advantage has higher value for cash crops than for commodity crops



Crop value with nitrates
€/ha

Increase in crop production value using nitrates instead of urea
Index



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



More information can be found on www.yara.com

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YARA
Knowledge grows

Greening the desert

Producing food, water and clean energy in the desert

Play featured movie

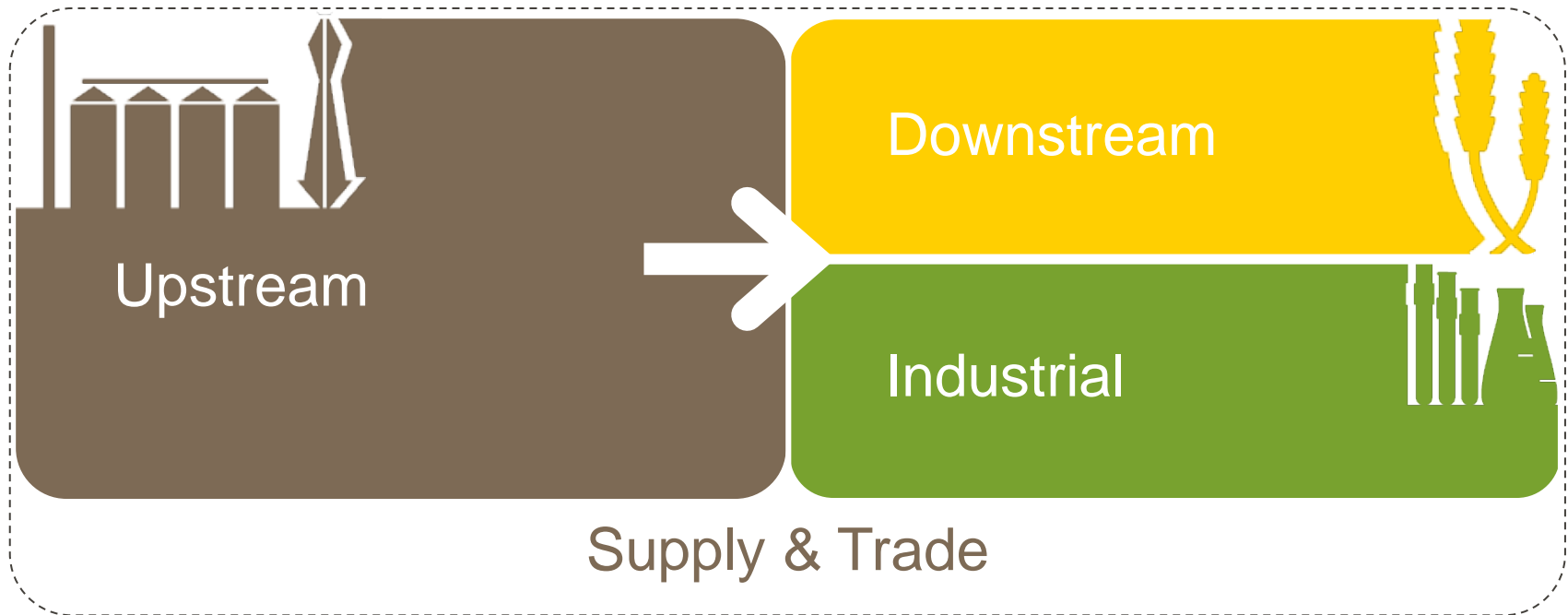
< [corn] [greenhouse] [person] >



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Integrated business model provides scale, flexibility and a strong end-to-end presence



Scale advantages



Unique flexibility



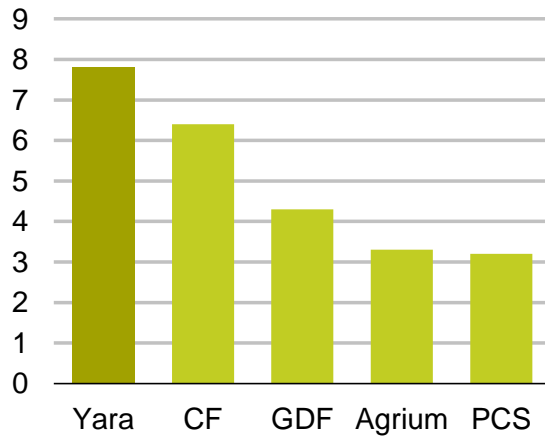
Unrivalled presence



Yara – the leader in nitrogen fertilizers

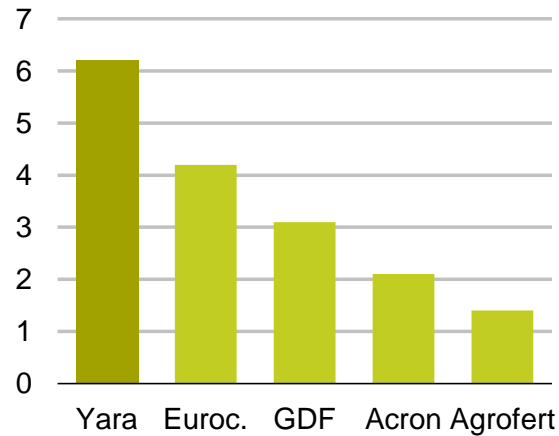
Global no 1 in ammonia

Production capacity* (mill t)



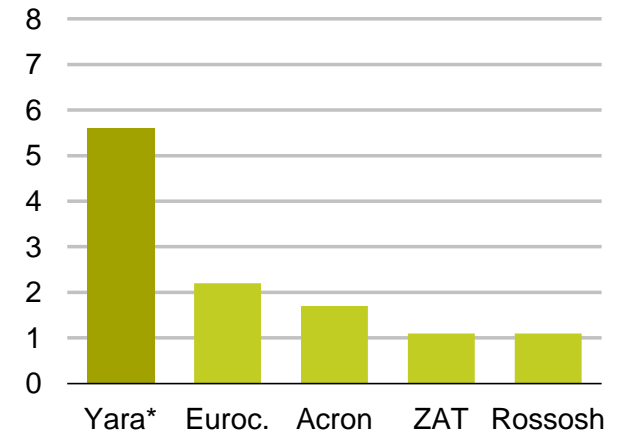
Global no 1 in nitrates

Production capacity* (mill t)



Global no 1 in NPK complex fertilizer

Production capacity* (mill t)



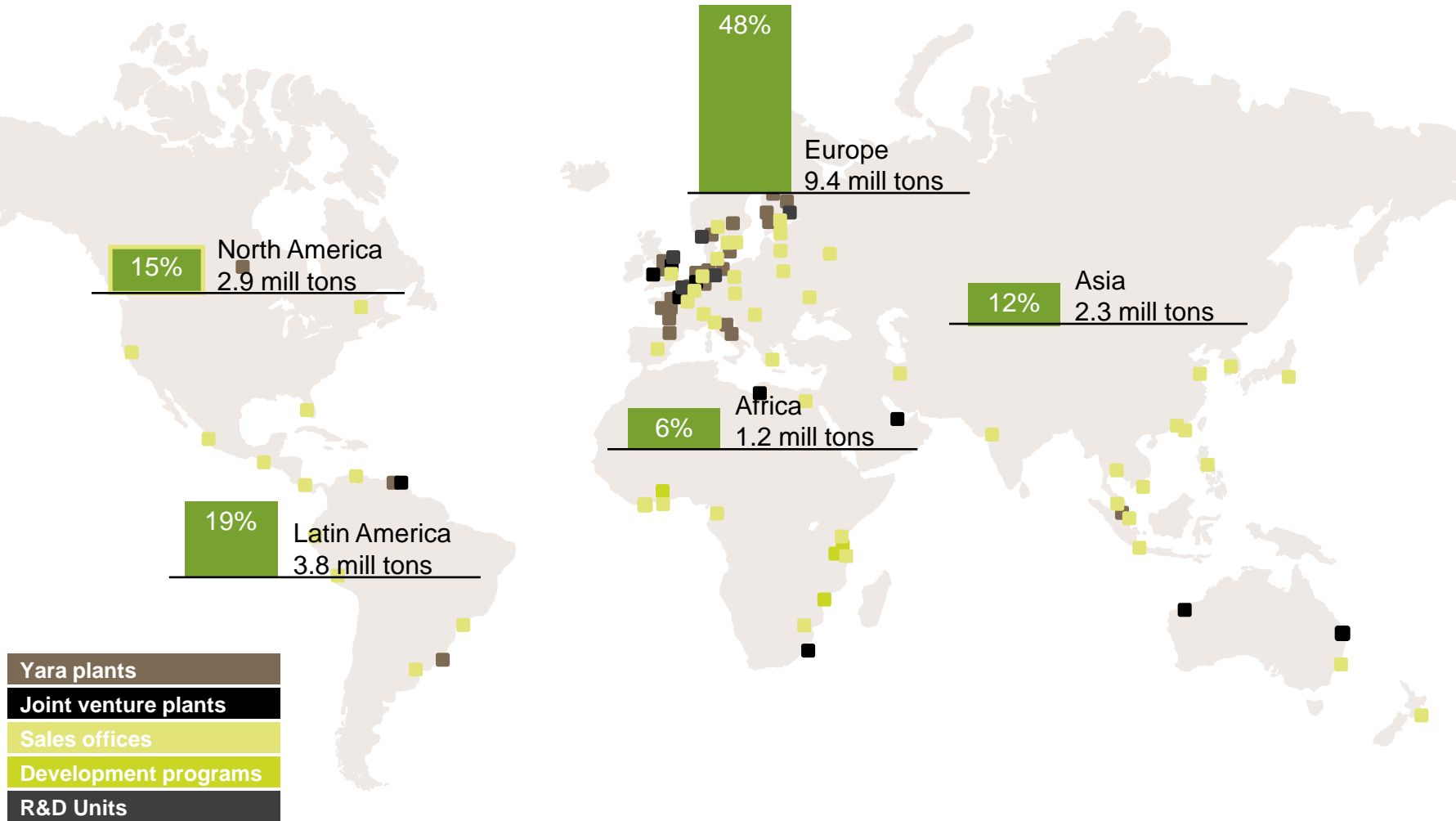
* Incl. companies' shares of JVs
Source: Yara & Fertecon

Source: Fertilizer Europe

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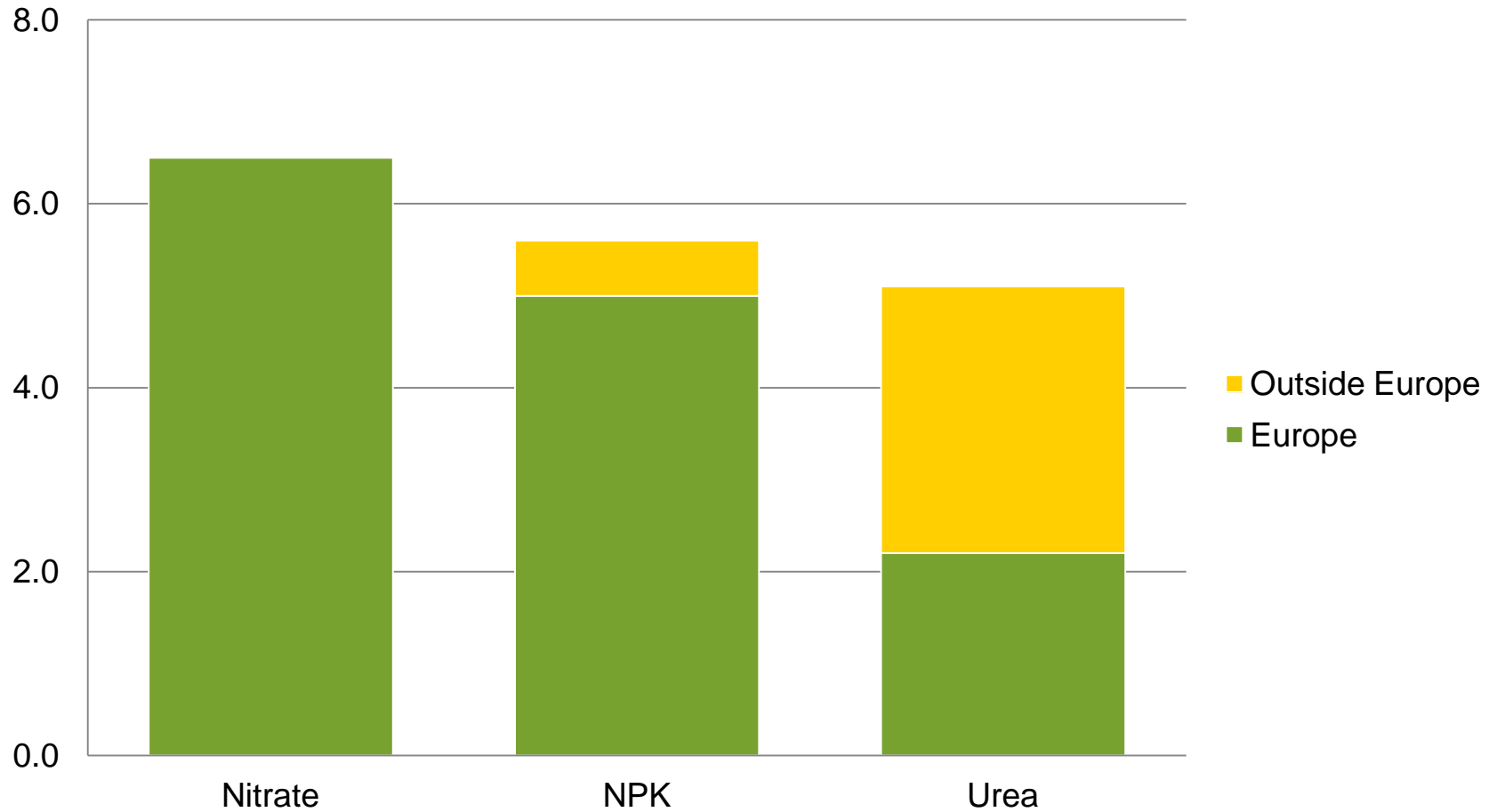


Global downstream player with sales to 150 countries



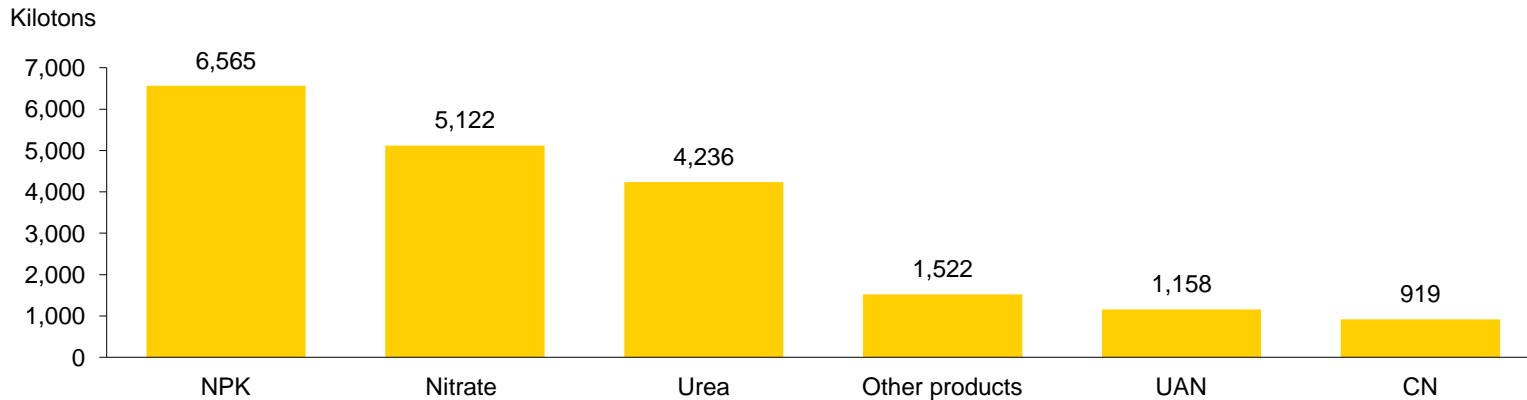
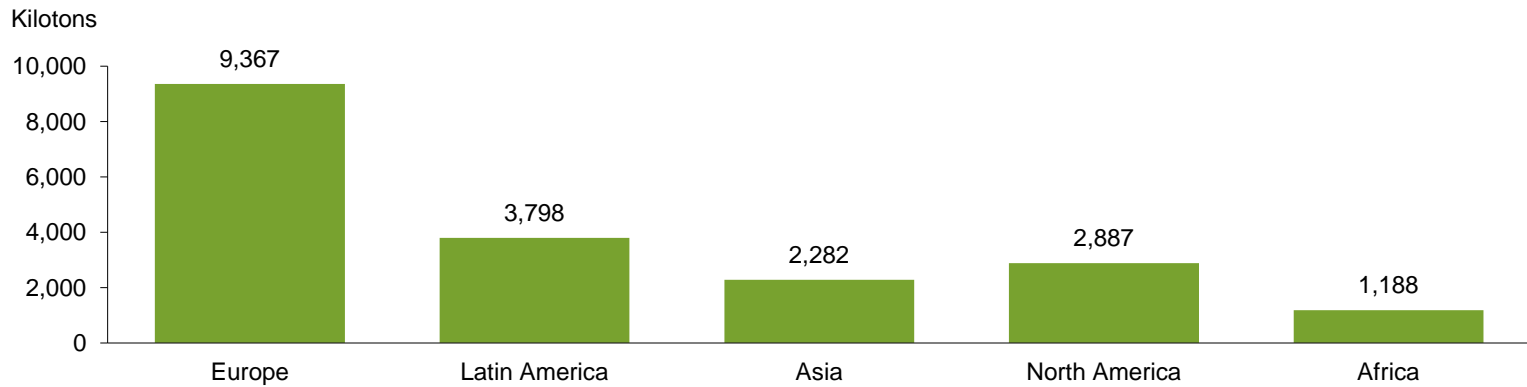
Yara production capacities

Million tons product



Yara 2011 fertilizer sales by market and product

Total: 19.5 million tons

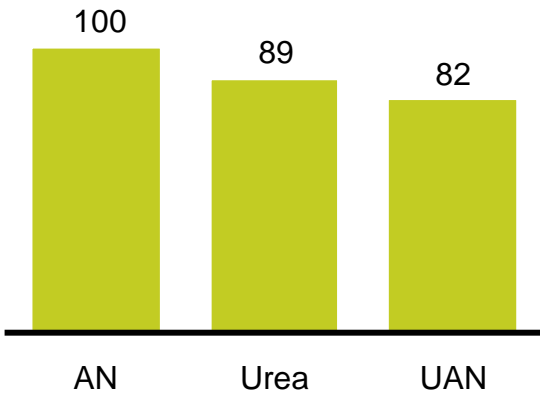


Achieving premium requires proper marketing of nitrate benefits

Nitrate-based fertilizers are superior to urea both agronomically and environmentally

The agronomical efficiency of nitrates is superior to urea

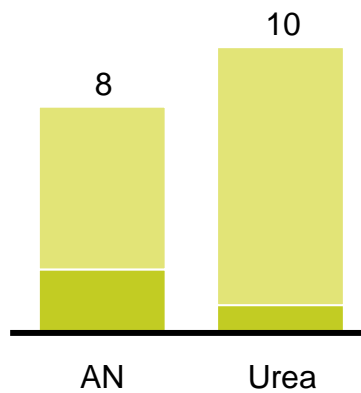
Nitrogen recovery (% of AN)



Urea requires up to 20% higher N application to achieve same cereal crop yield and quality as AN

The carbon footprint is lower than for Urea

Lifecycle carbon footprint (kg CO₂ eq/kg N)



Although urea is more CO₂ efficient in production, CO₂ emissions and ammonia volatilization on application more than offset for this

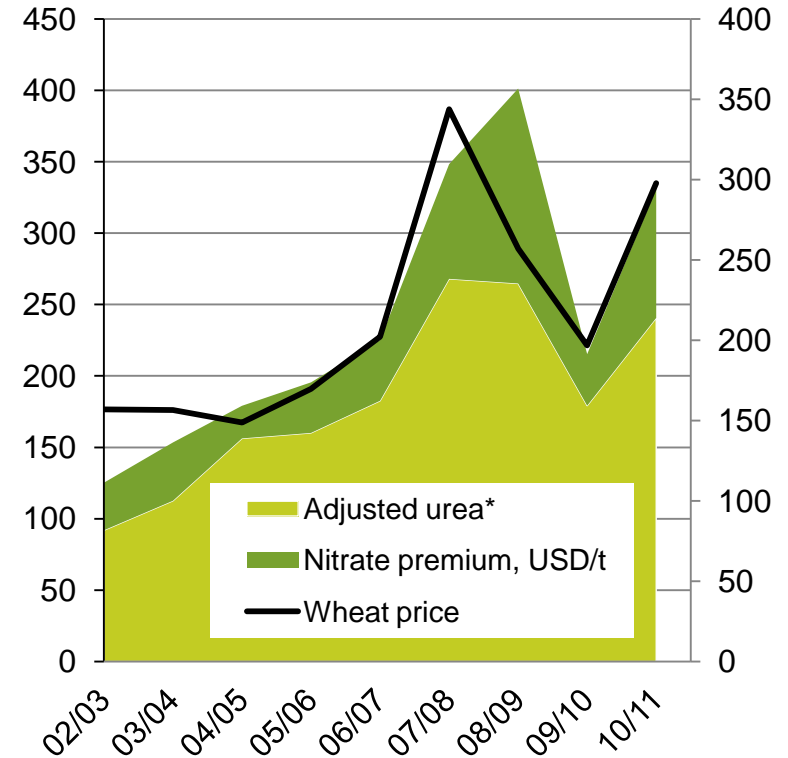
Nitrate premium is a function of crop prices but can be enhanced through proper marketing

CAN price

USD/t

Wheat price

USD/t



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.

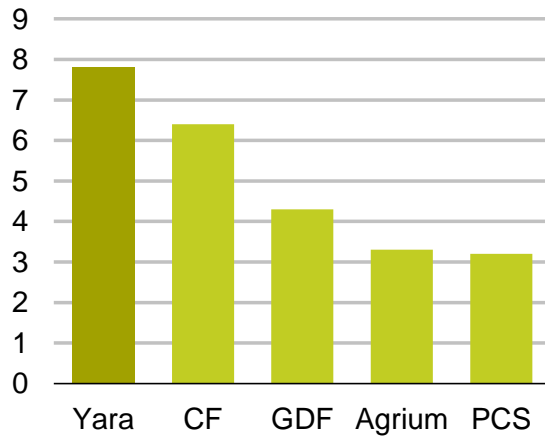
2) Not historical earnings, but estimated earnings for today's Yara business, using 5-year average price conditions.



Yara – the leader in nitrogen fertilizers

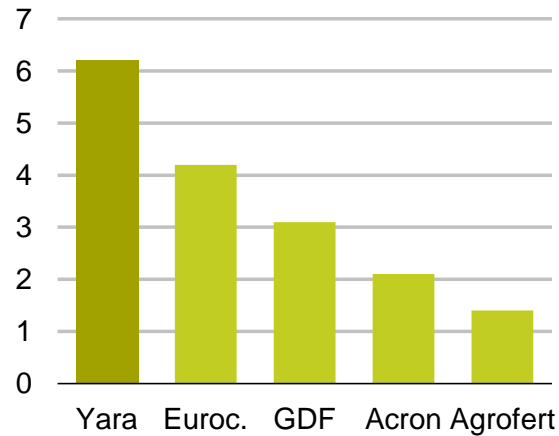
Global no 1 in ammonia

Production capacity* (mill t)



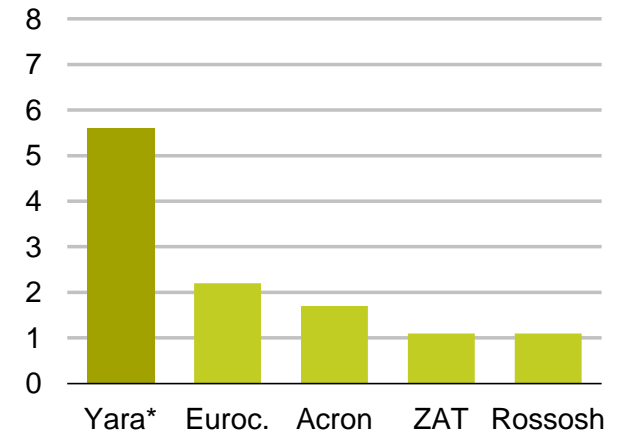
Global no 1 in nitrates

Production capacity* (mill t)



Global no 1 in NPK complex fertilizer

Production capacity* (mill t)



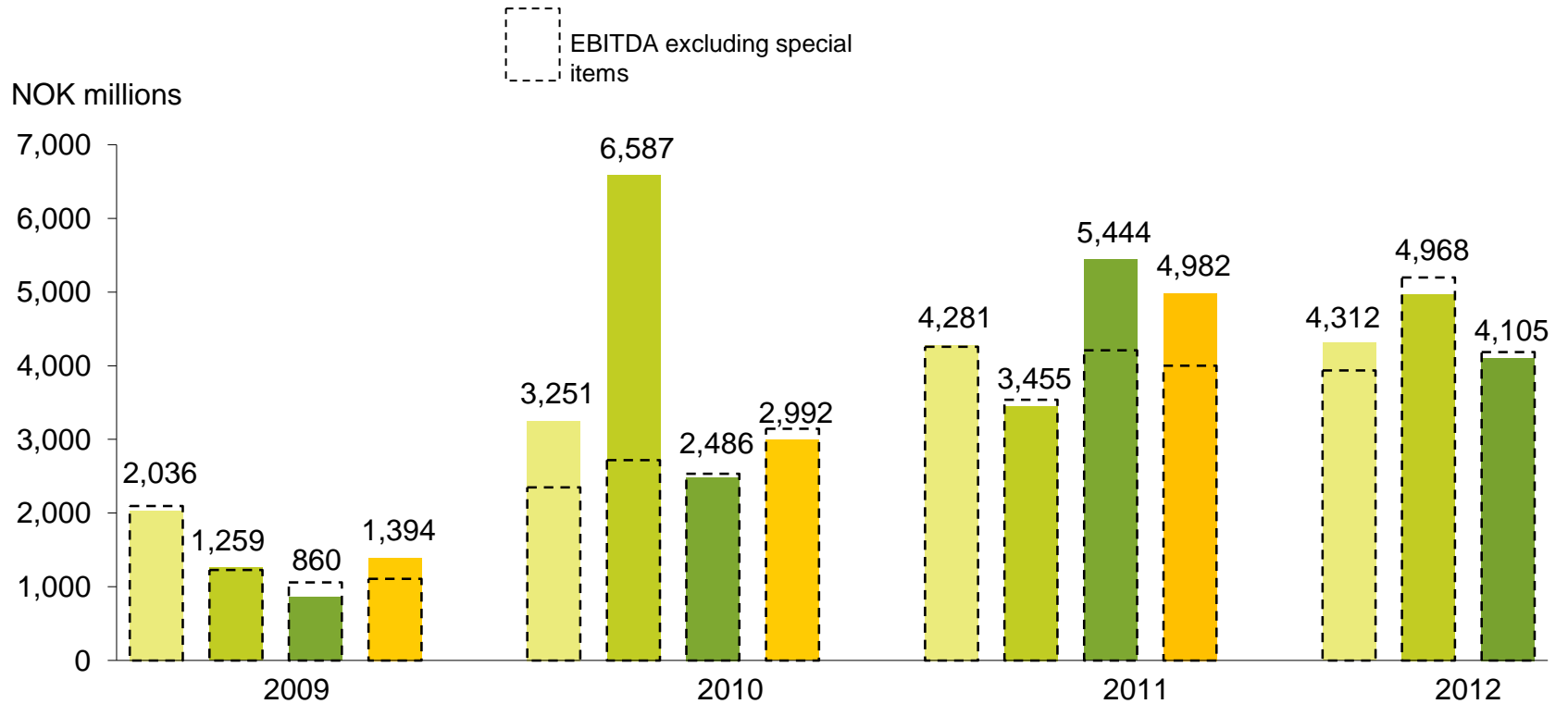
* Incl. companies' shares of JVs
Source: Yara & Fertecon

Source: Fertilizer Europe

Source: Fertilizer Europe



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



Annual

NOK millions	2009	2010	2011	2012
	5,549	15,315	18,163	13,385



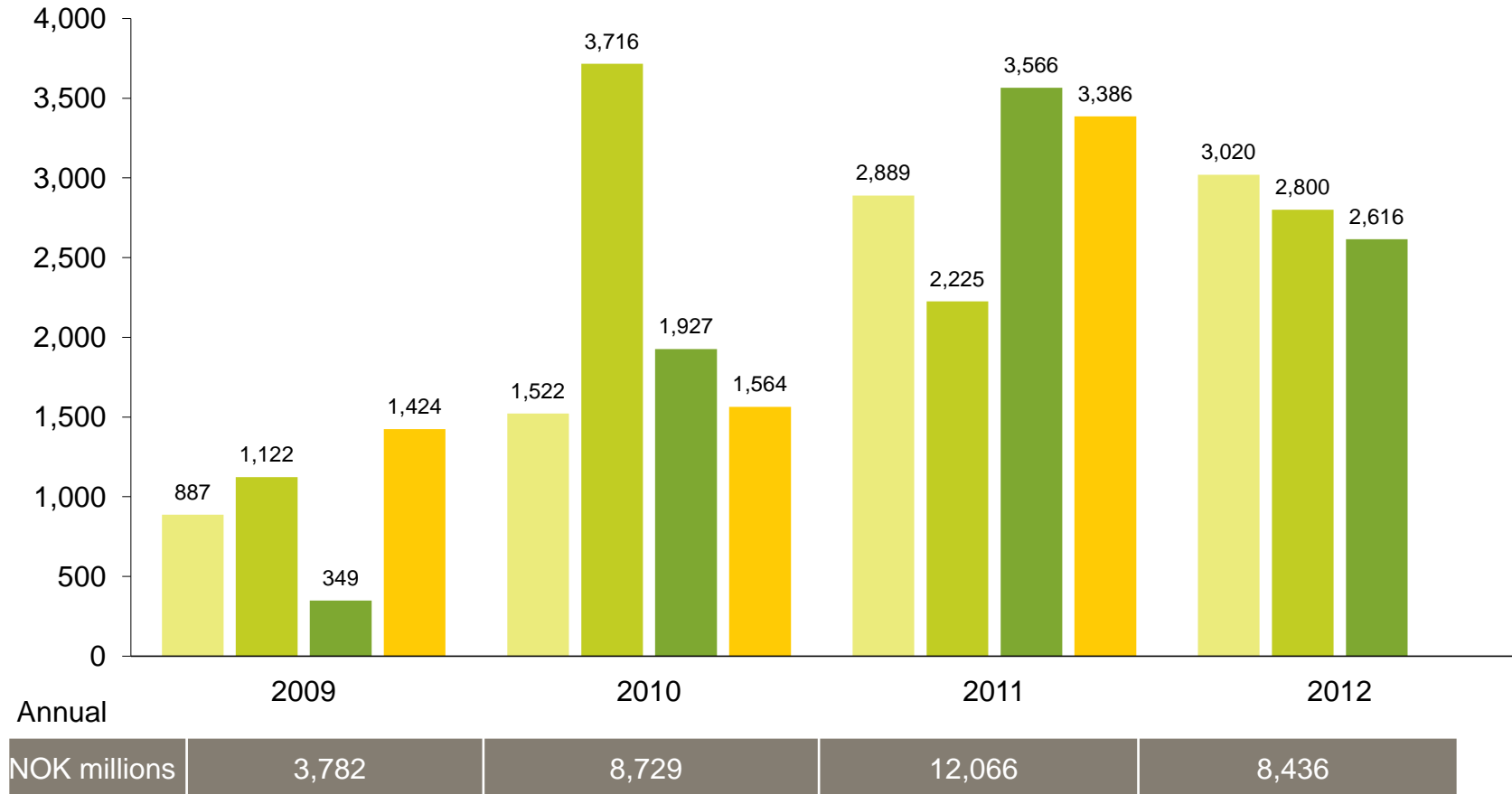
Share of net income in equity-accounted investees

NOK millions	3Q 2012	3Q 2011
Qafco	412	198
Tringen	85	55
Burrup	-	(24)
GrowHow UK Ltd.	132	141
Lifeco	(78)	(57)
Other	20	17
Total	571	329



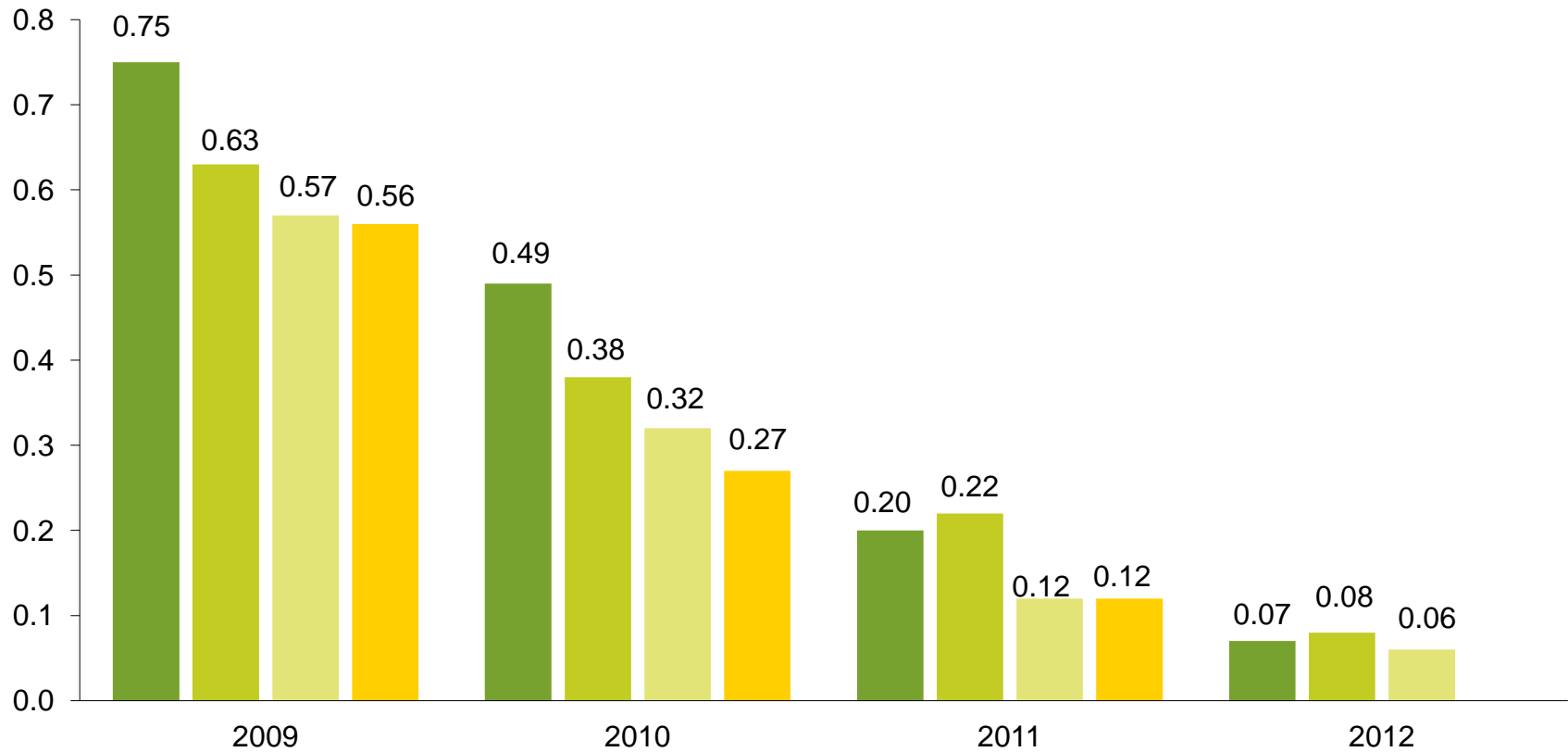
Net income after non-controlling interests

NOK millions

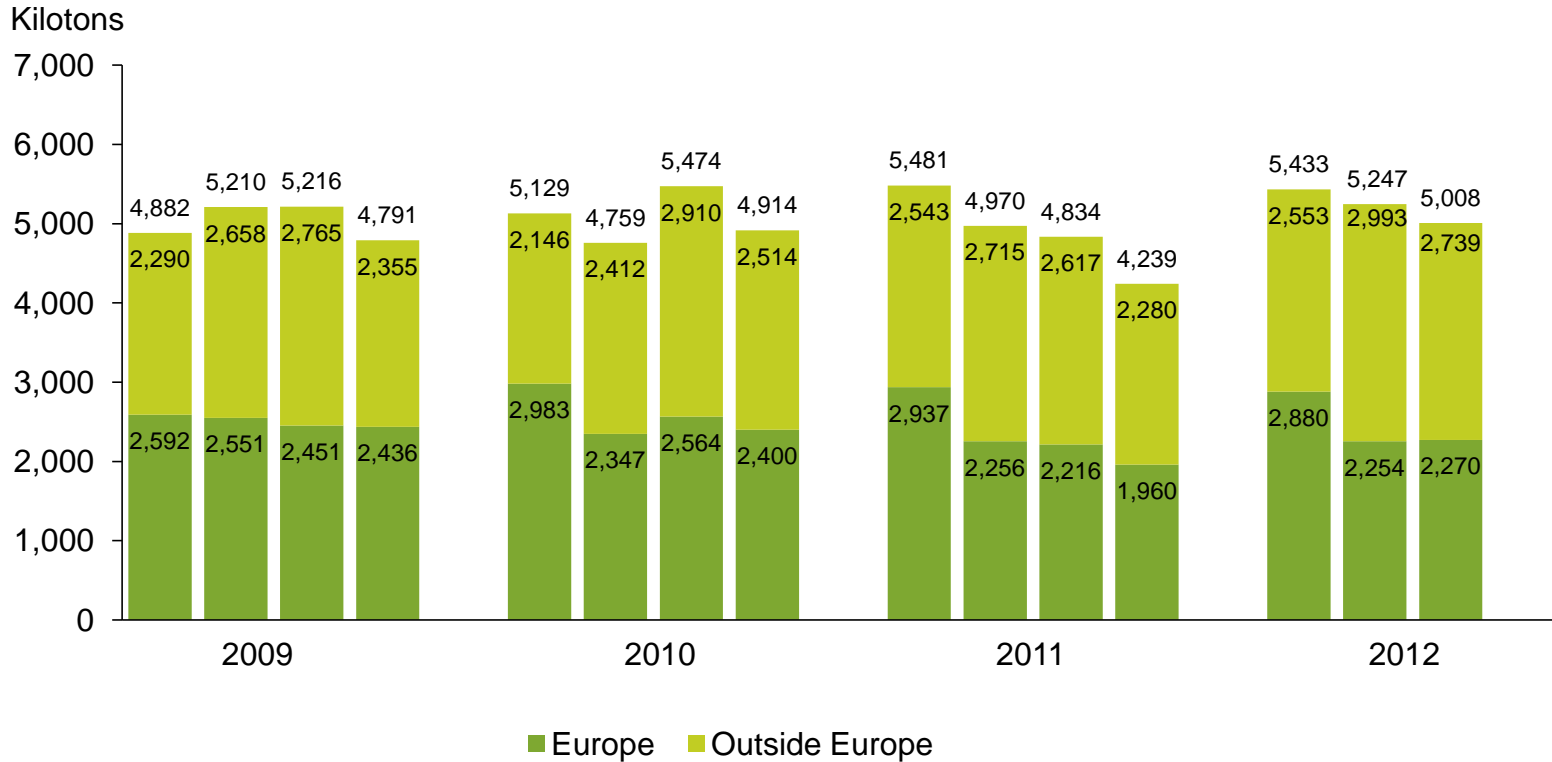


Debt/equity ratio

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



Fertilizer volumes



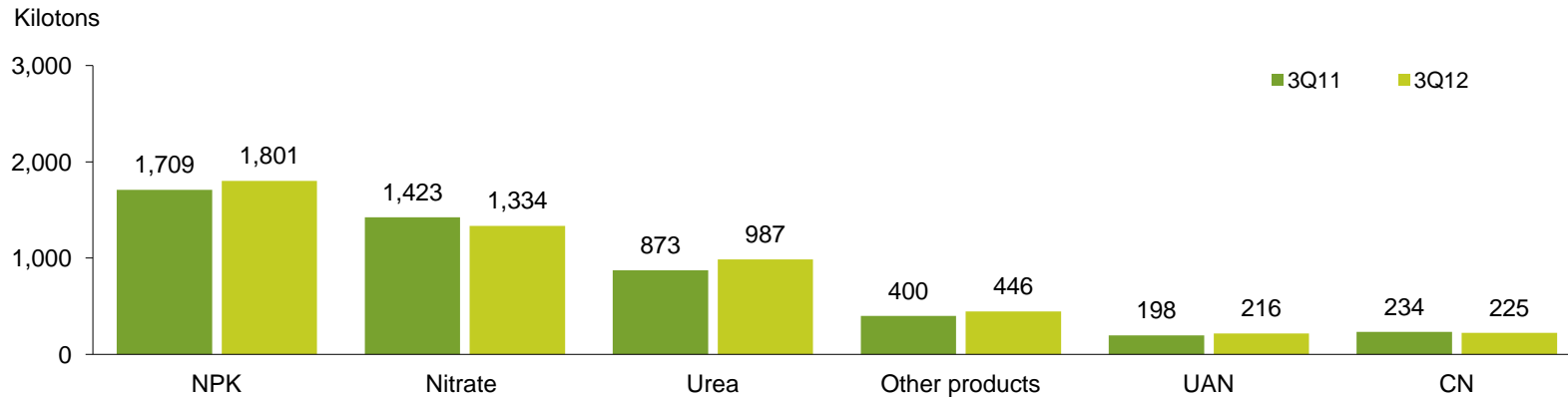
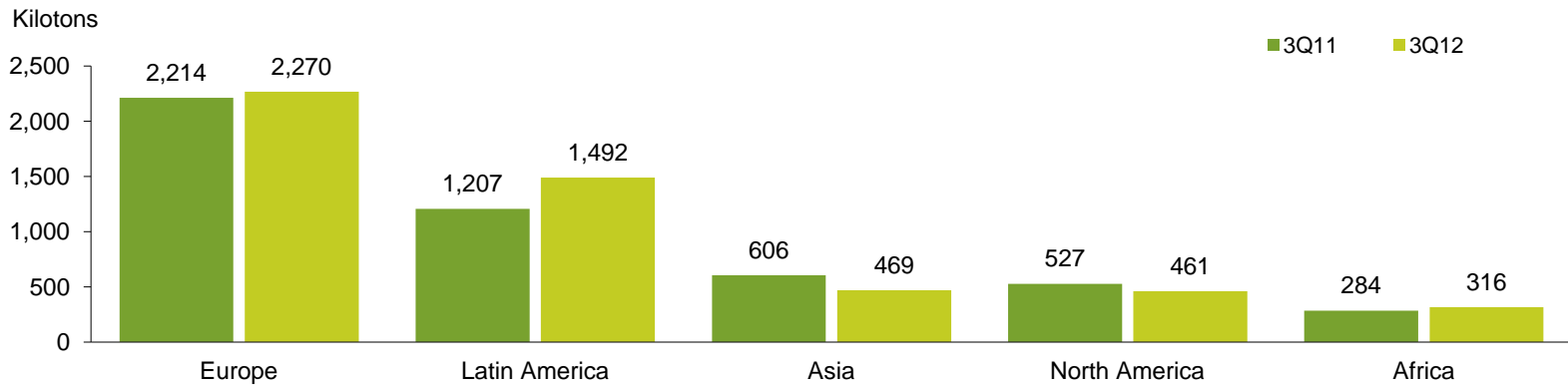
Accumulated, Kilotons

Fin. fertilizer	20,099	20,276	19,524	15,698
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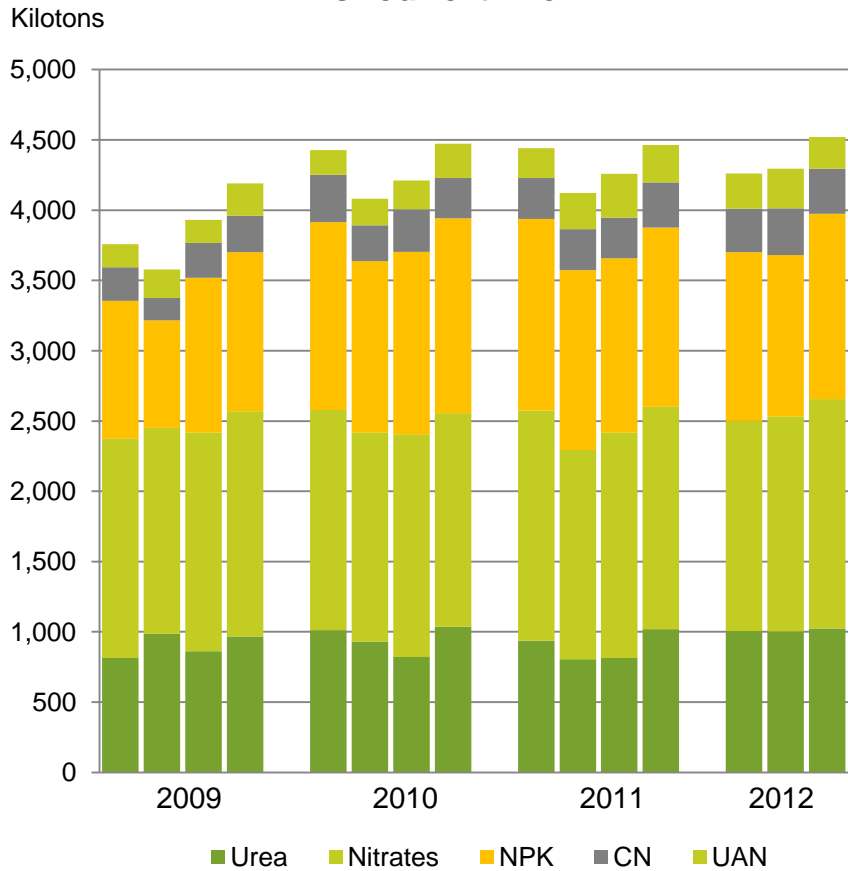
Yara 3Q fertilizer sales by market and product

2012: 5.0 million tons (2011: 4.8 million tons)

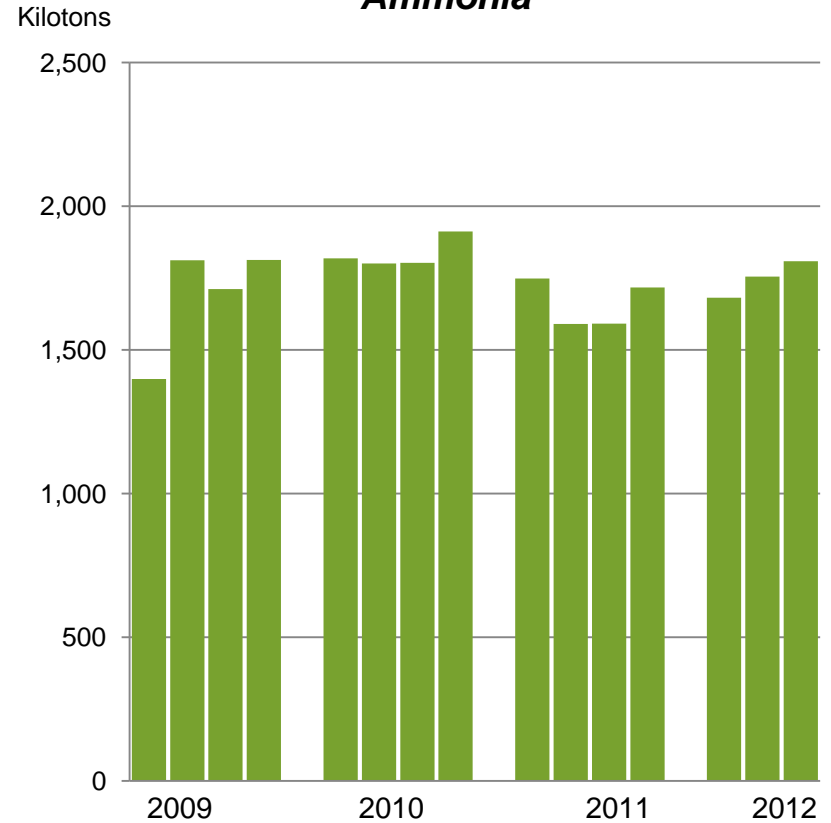


Yara - production volume*

Finished fertilizer



Ammonia



* Including share of equity-accounted investees

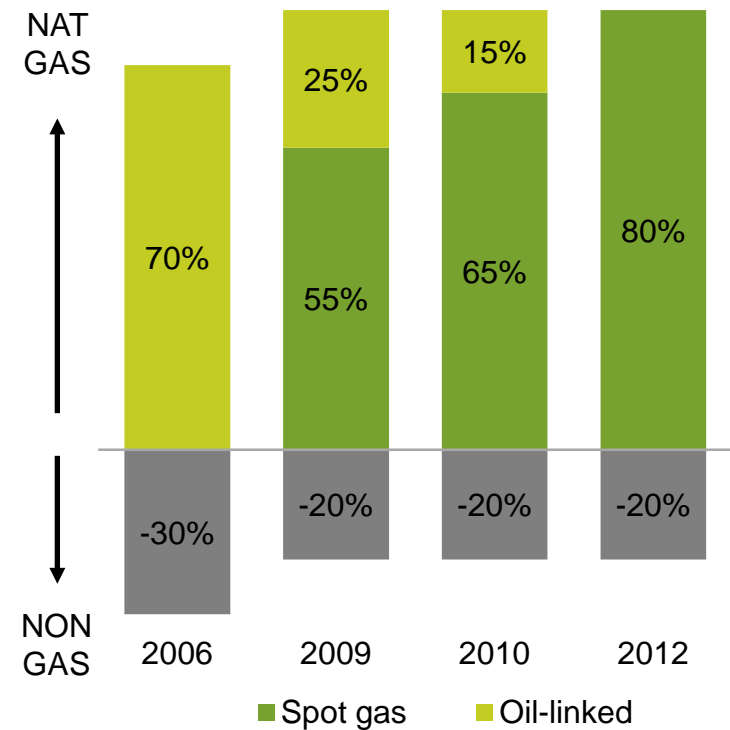


Reduced exposure to oil and European gas

Yara's geographic energy exposure



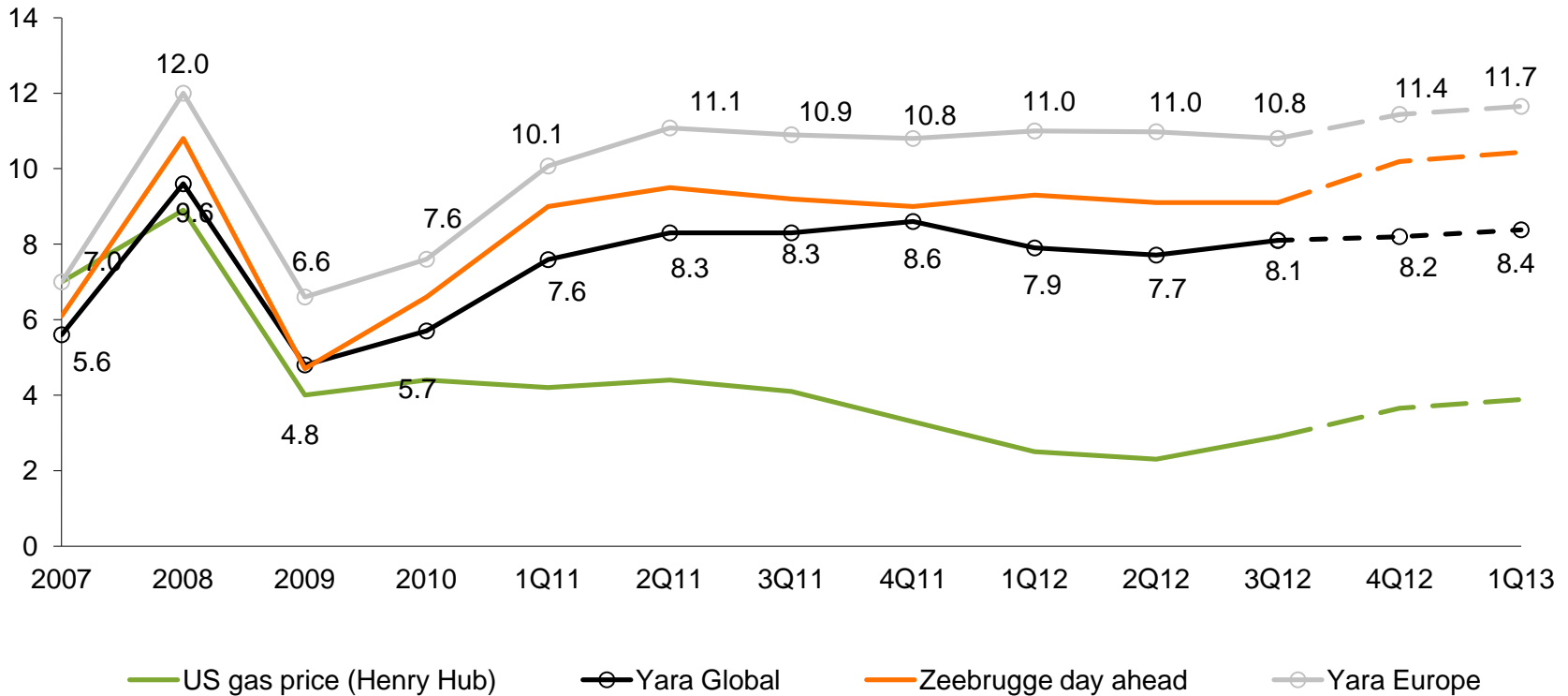
Yara's feed-stock contract structure Europe



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 October 2012

Source: Yara, World Bank, Platts



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

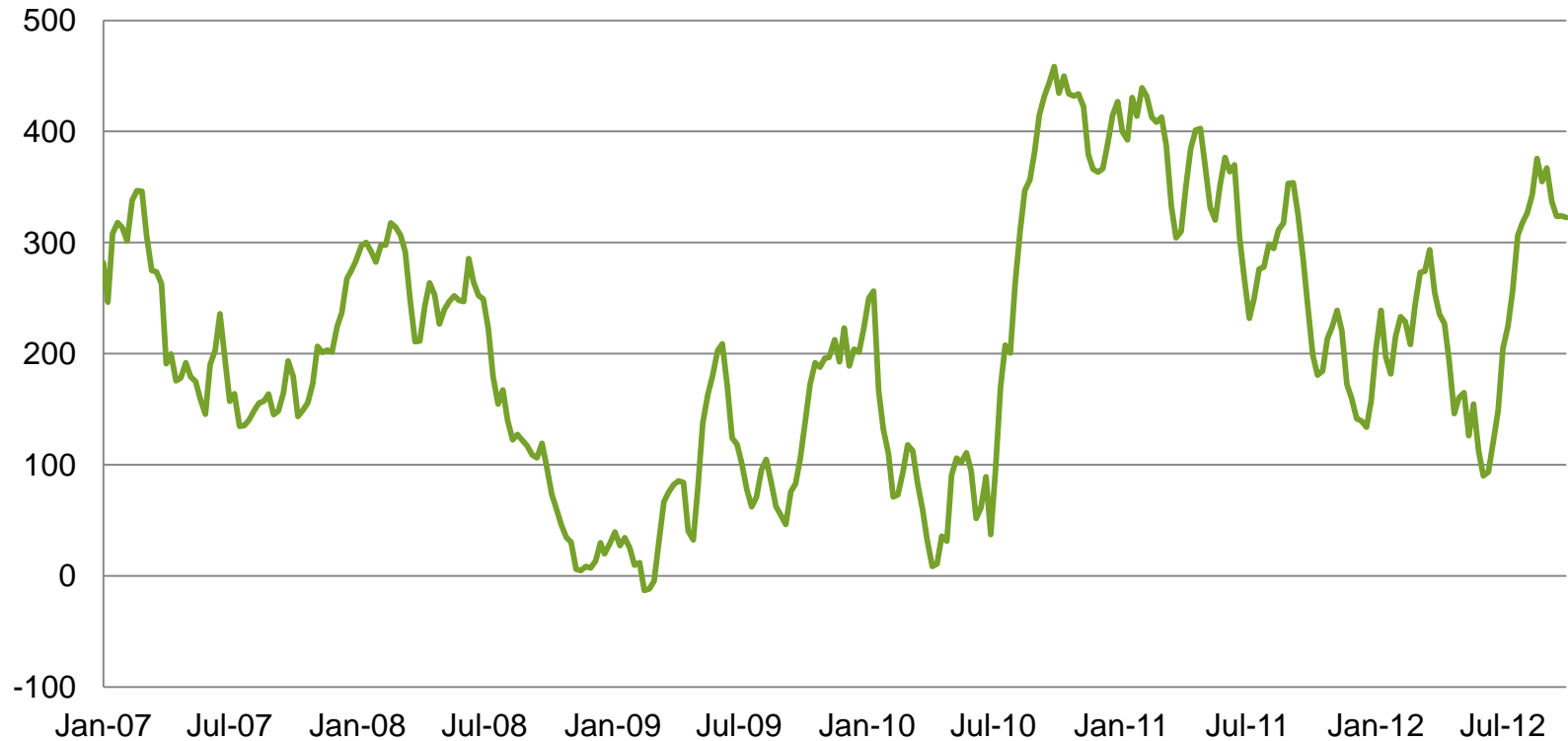
Year	Driving regions	Urea capacity growth relative to nitrogen capacity
	Excluding China	Excluding China
2011	Pakistan 37% Iran 18%	1.2% (1.3%)
2012	Qatar 34% Vietnam 20%	2.2% (2.1%)
2013	Algeria 38% UAE 18%	2.6% (3.1%)
2014	Egypt 25% Algeria 16%	1.5% (1.2%)
2015	Saudi Arabia 15% Brazil 14%	2.5% (1.9%)
Gross annual addition 2011-2015		~2.0%
Assumed annual closures		~0.5%
Net annual addition 2011-2015		~1.5%
Trend consumption growth from 2001		2.1%

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



Non-commercials' net long position in corn

Thousand contracts



Source: US Commodity Futures Trading Commission

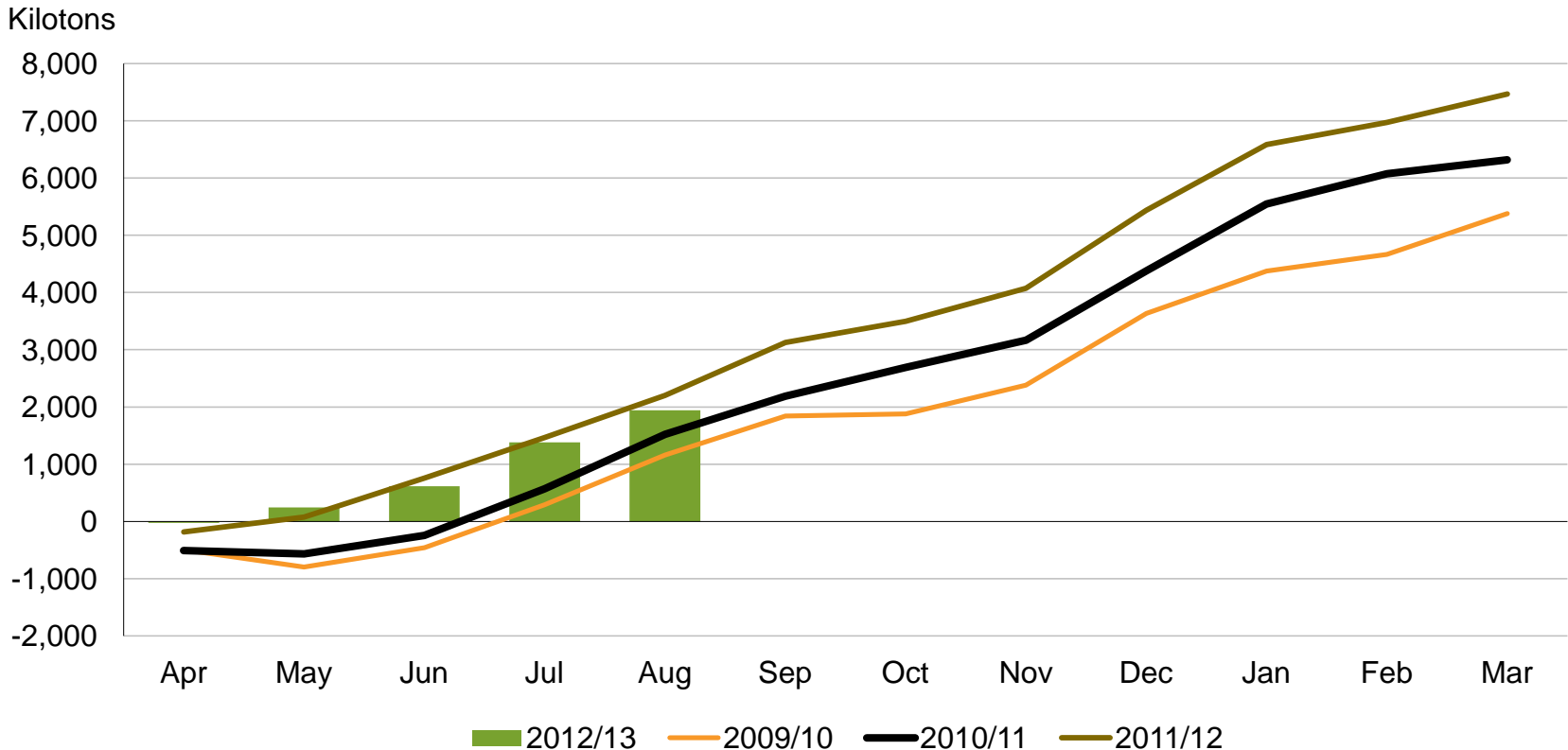


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Indian urea import requirement

Sales minus production



Source: Indian Statistics

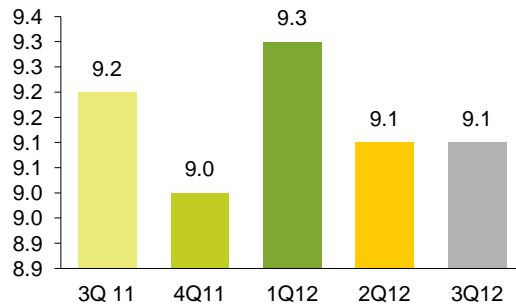


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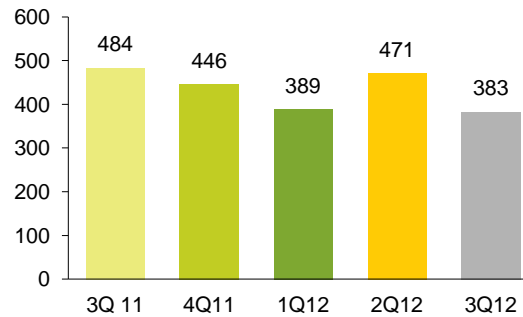


Key value drivers – quarterly averages

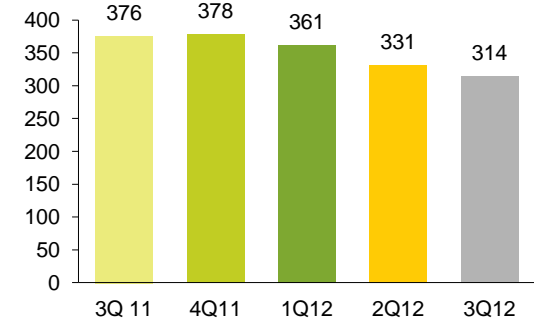
Zeebrugge day ahead(USD/MMBtu)



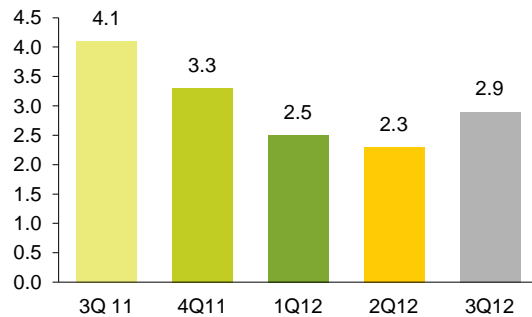
Urea prilled fob Black Sea (USD/t)



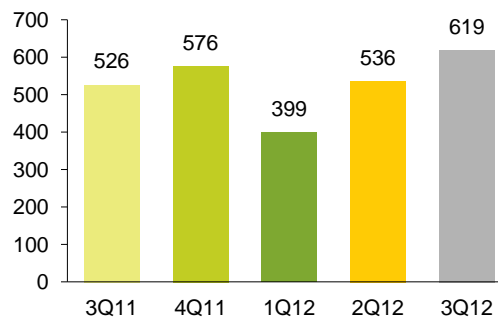
CAN cif Germany (USD/t)



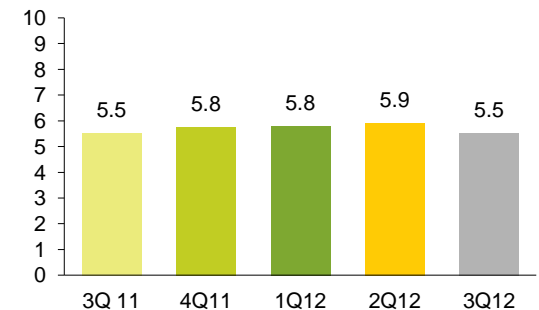
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)



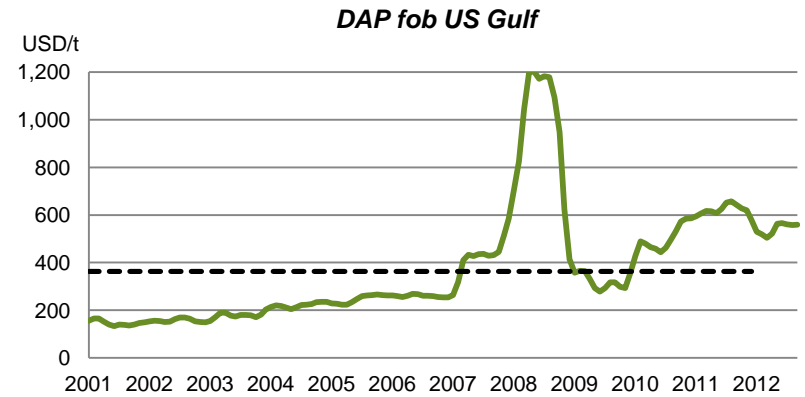
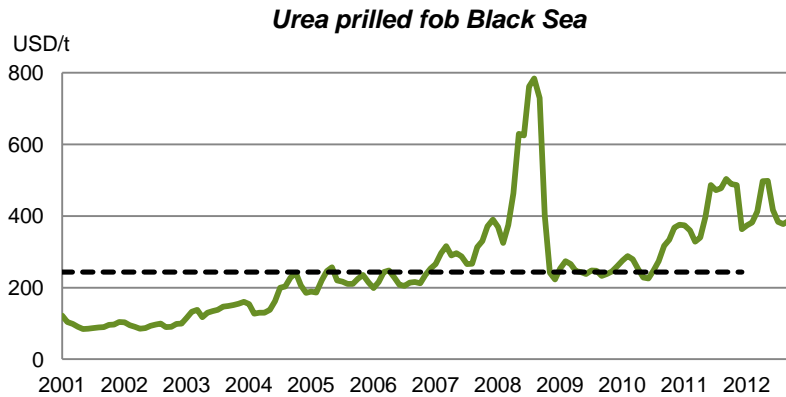
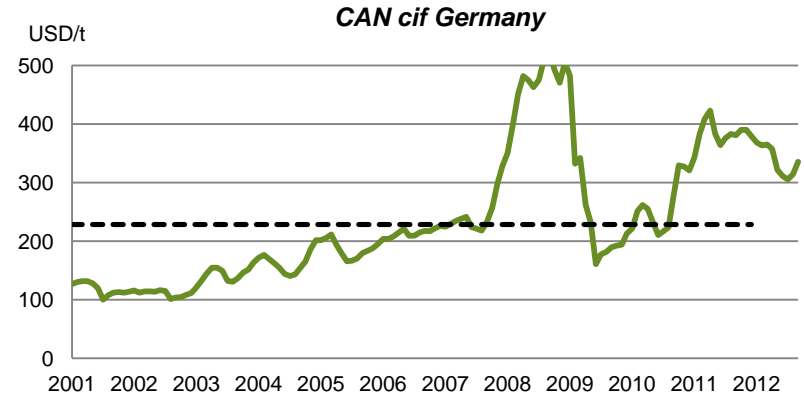
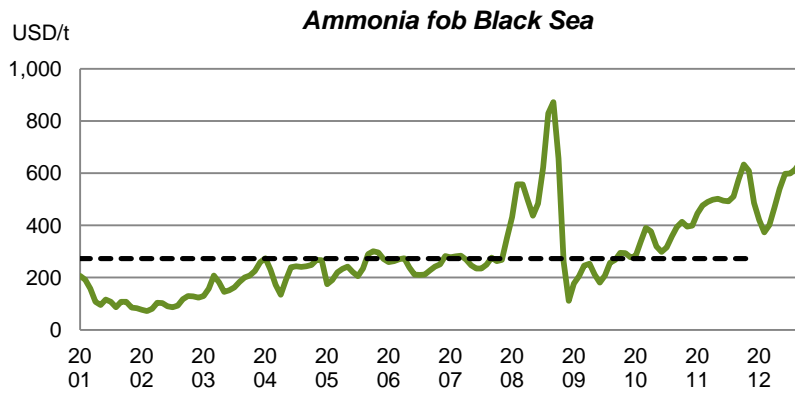
NOK/USD exchange rate



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



10-year fertilizer prices – monthly averages



Source: Average of international publications

--- Average prices 2001 - 2011

