



Knowledge grows

Yara International ASA Second quarter results 2014

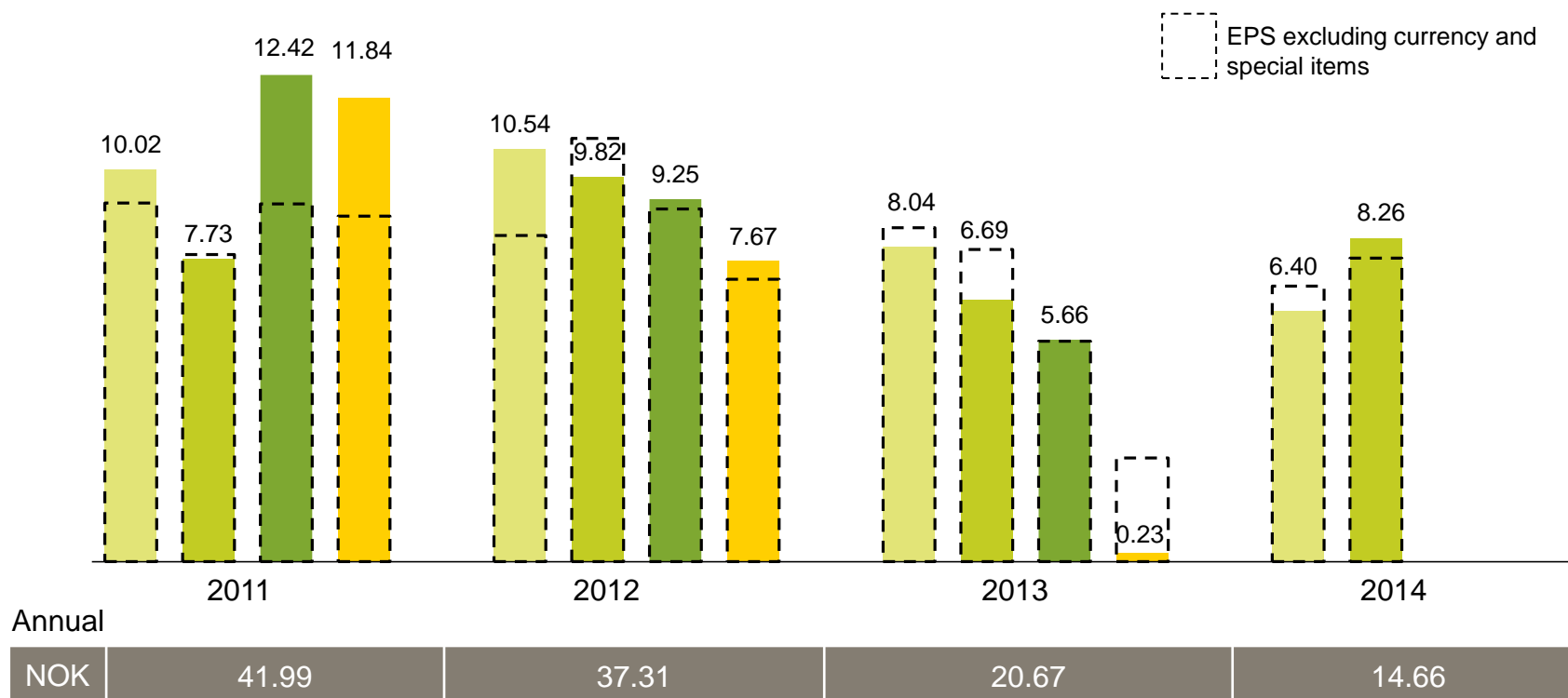
18 July 2014

Summary second quarter

- Strong result
- Lower nitrate deliveries amid early end to season in Europe
- Continued strong NPK deliveries and value-added premiums
- Improved European commodity margins due to lower gas price
- Continued Industrial segment growth



Earnings per share*



- Average number of shares for 2Q 2014: 276.5 million (2Q 2013: 279.3 million).



IR-Date: 2014-07-18

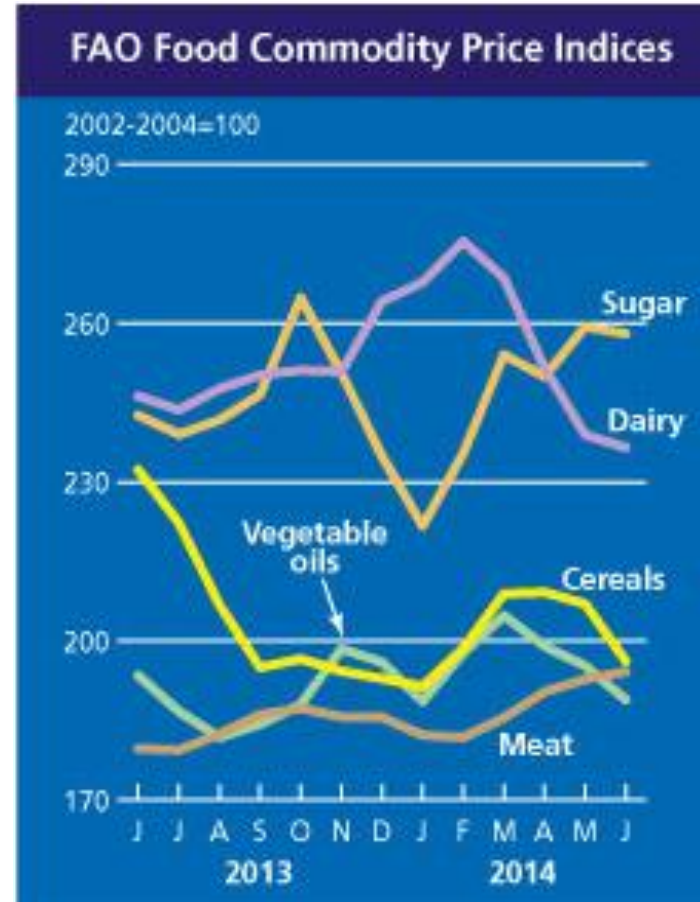
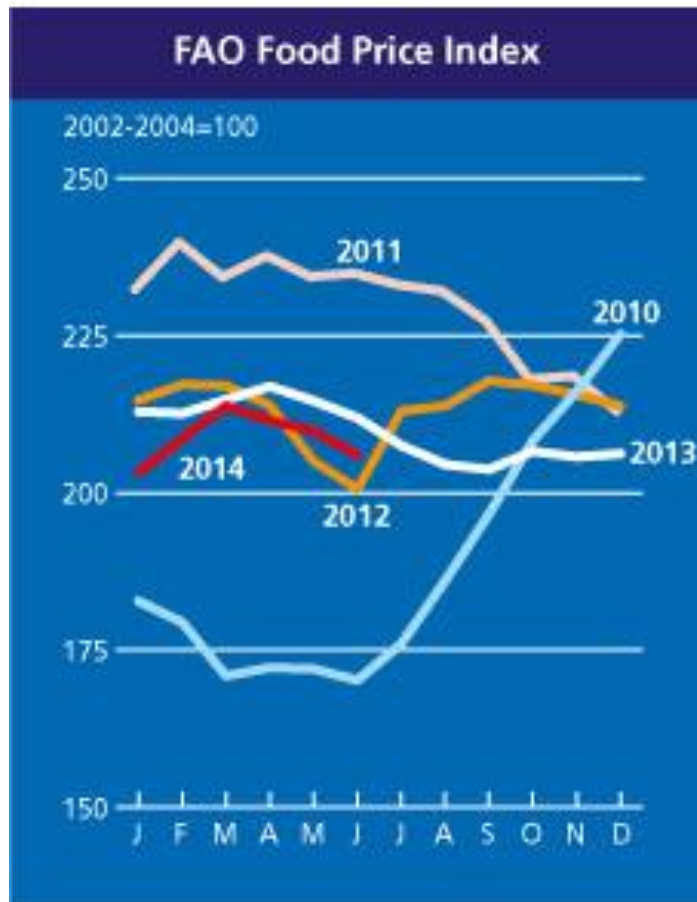


Fertilizer market development

- Continued robust fertilizer demand
- Stable urea prices, production curtailed in China and Ukraine
- Western Europe nitrogen fertilizer industry deliveries 8% lower, season to date 2% higher
- Tight phosphate markets, following a short-lived correction in April and May
- Strong demand for value-added fertilizer products



Farm economics strong overall, despite grain price decline



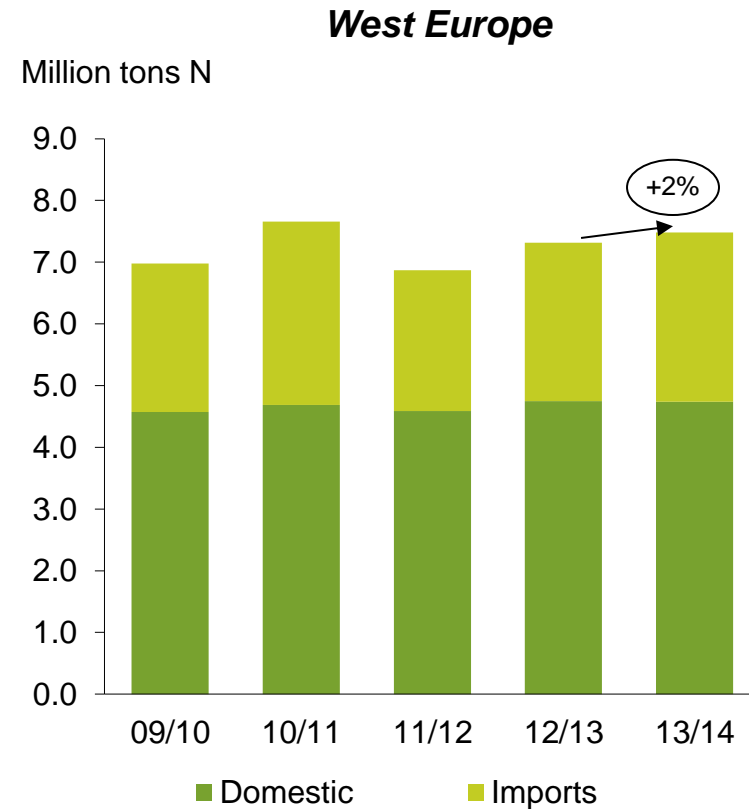
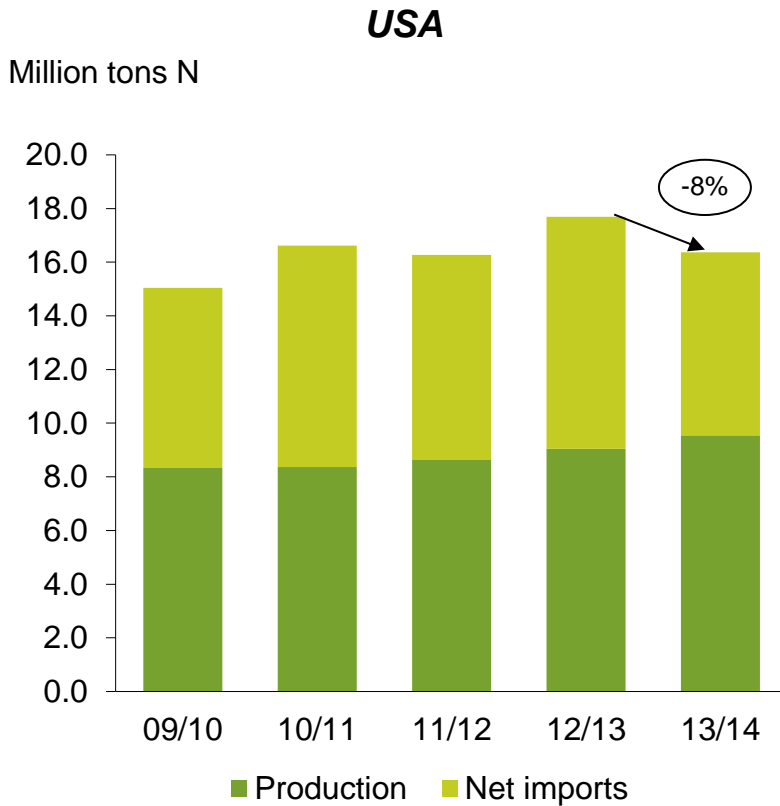
Source: FAO



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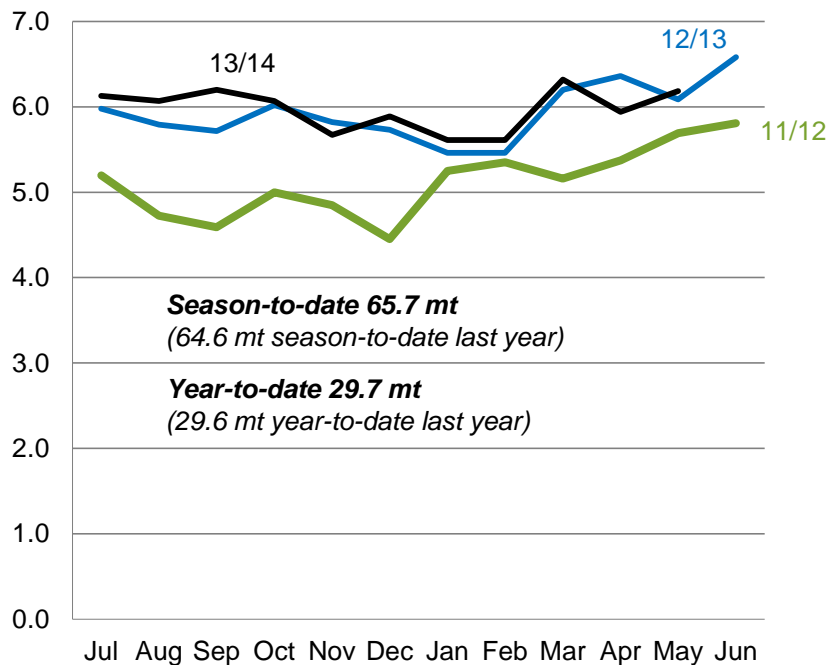
Lower US nitrogen deliveries, stable in Europe



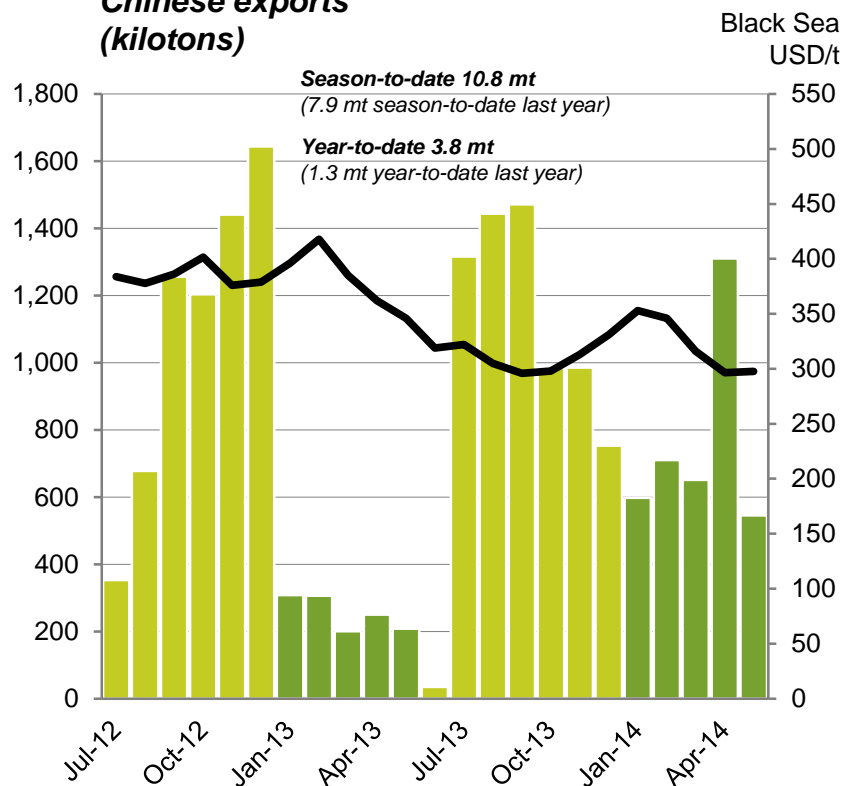
Source: Yara estimate for fertilizer deliveries to selected West European countries.
Total nitrogen deliveries based on TFI, US Trade Commission, Blue-Johnson and Yara estimates

Chinese urea: strong export volume increase, limited production increase

Chinese production (kilotons)



Chinese exports (kilotons)



Source: BOABC, CFMW

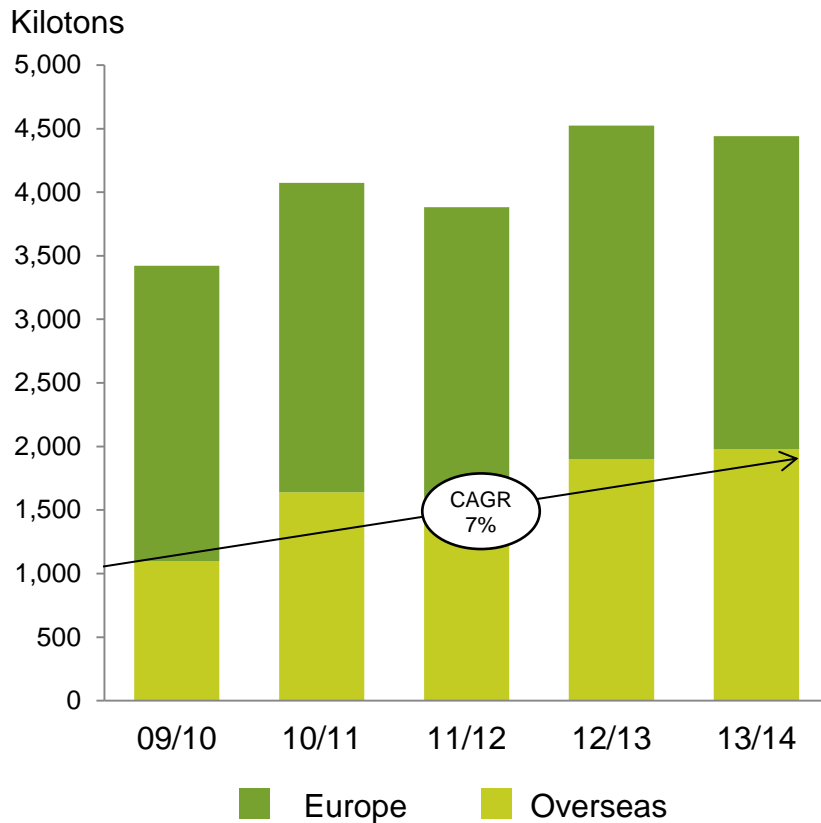


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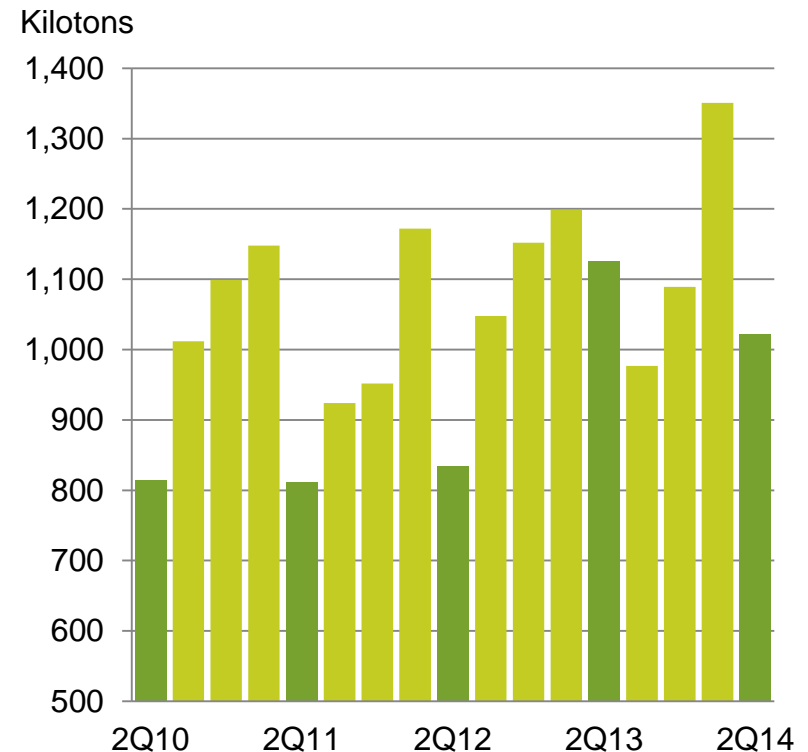


Strong NPK quarter and season, with continued growth outside Europe 7

Yara-produced compound NPK deliveries (by season)

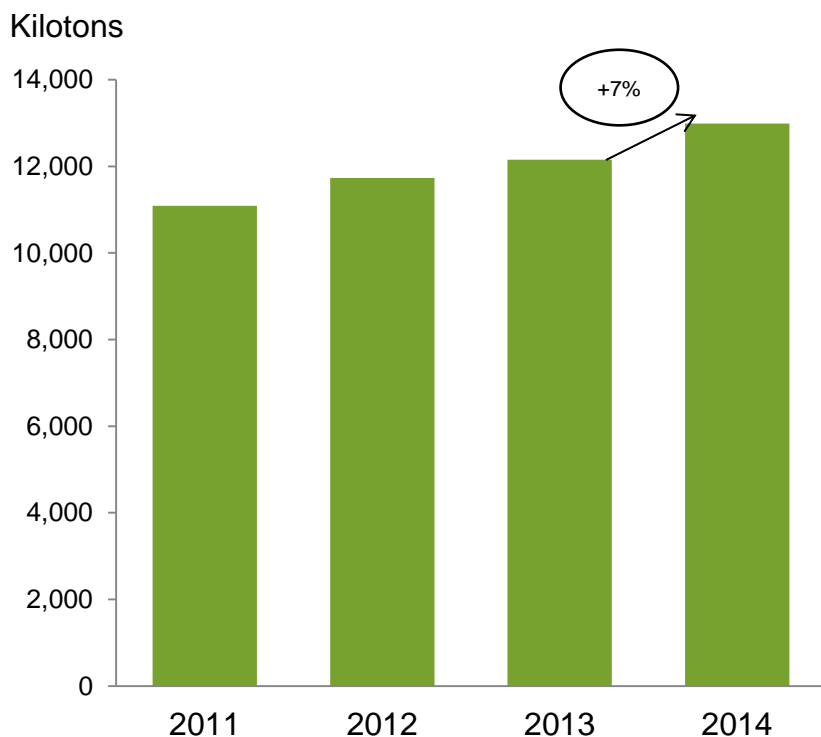


Yara-produced compound NPK deliveries (by quarter)

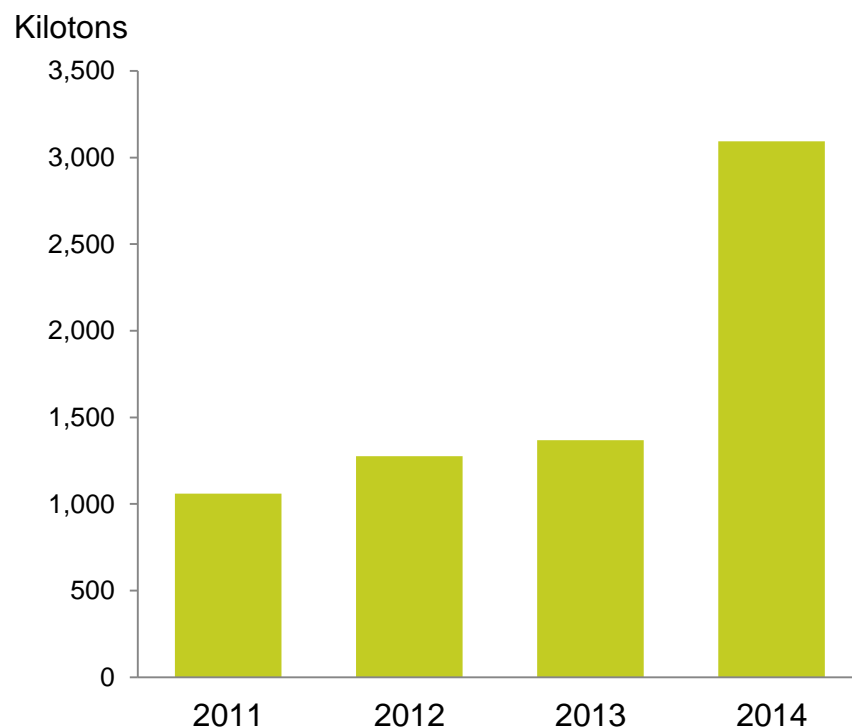


Brazil: Yara benefiting both from Bunge acquisition and increase in industry deliveries

Brazil 1H fertilizer industry deliveries



Yara Brazil 1H fertilizer deliveries¹



Source: ANDA, Yara

1) Excluding trade



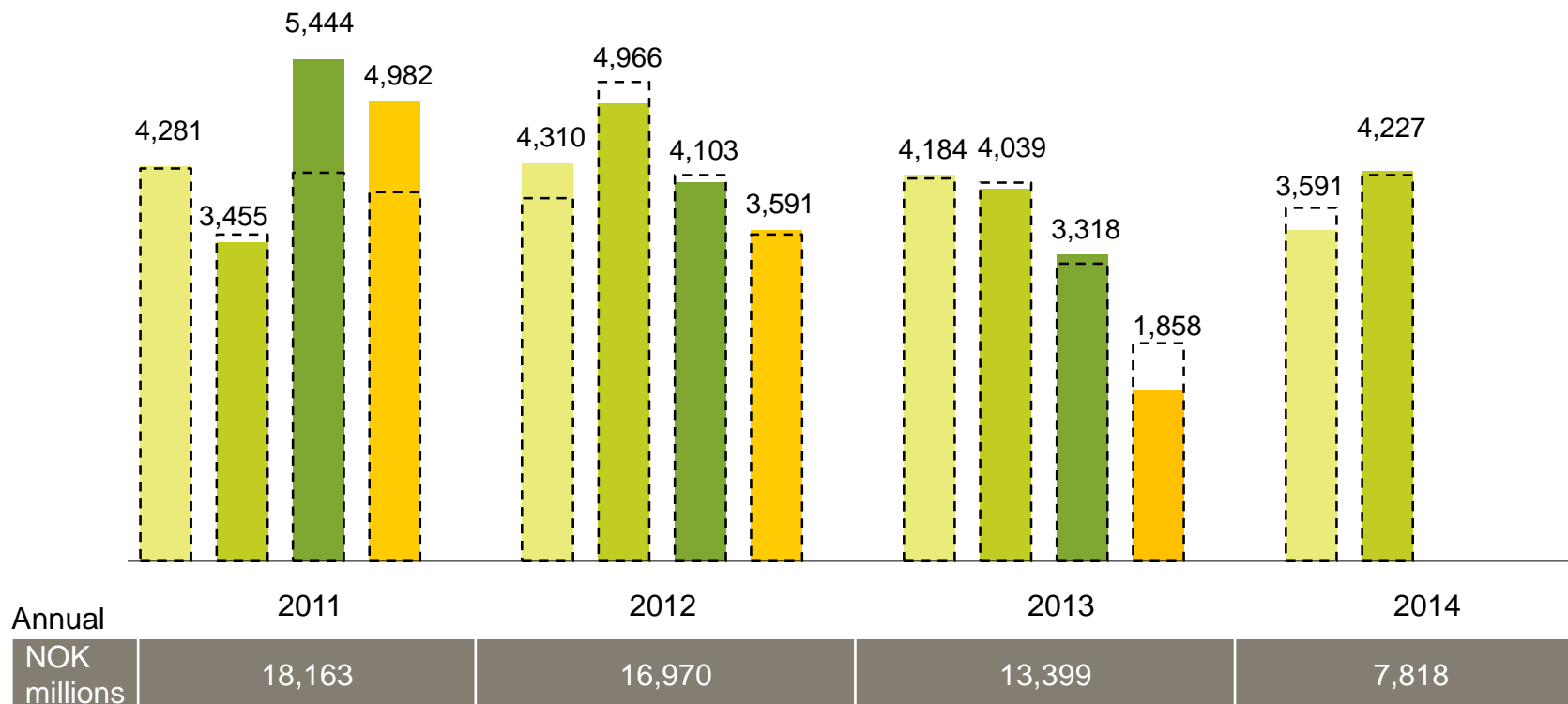
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Earnings before interest, tax, depreciation and amortization (EBITDA)

NOK millions

EBITDA excluding special items

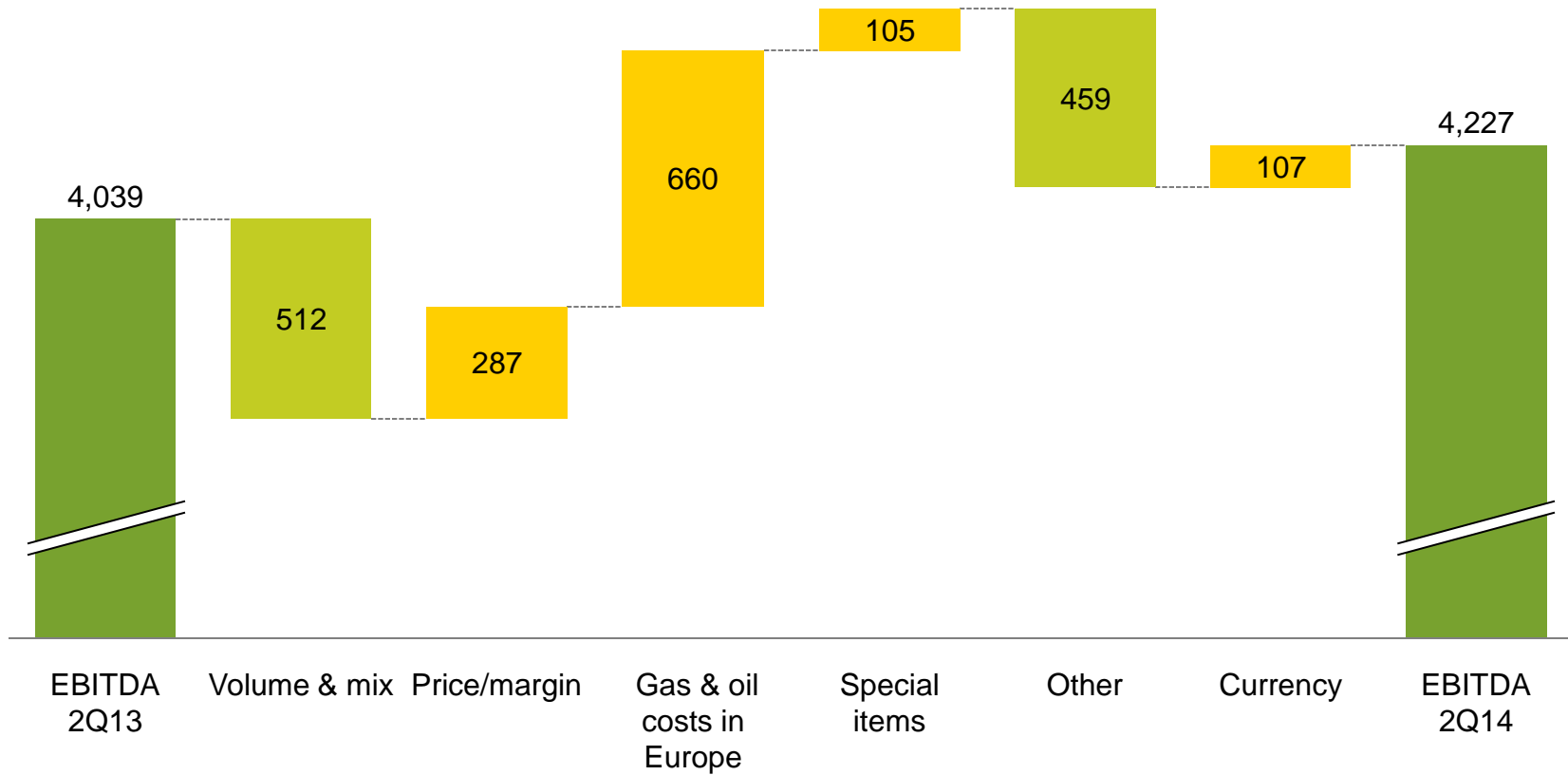


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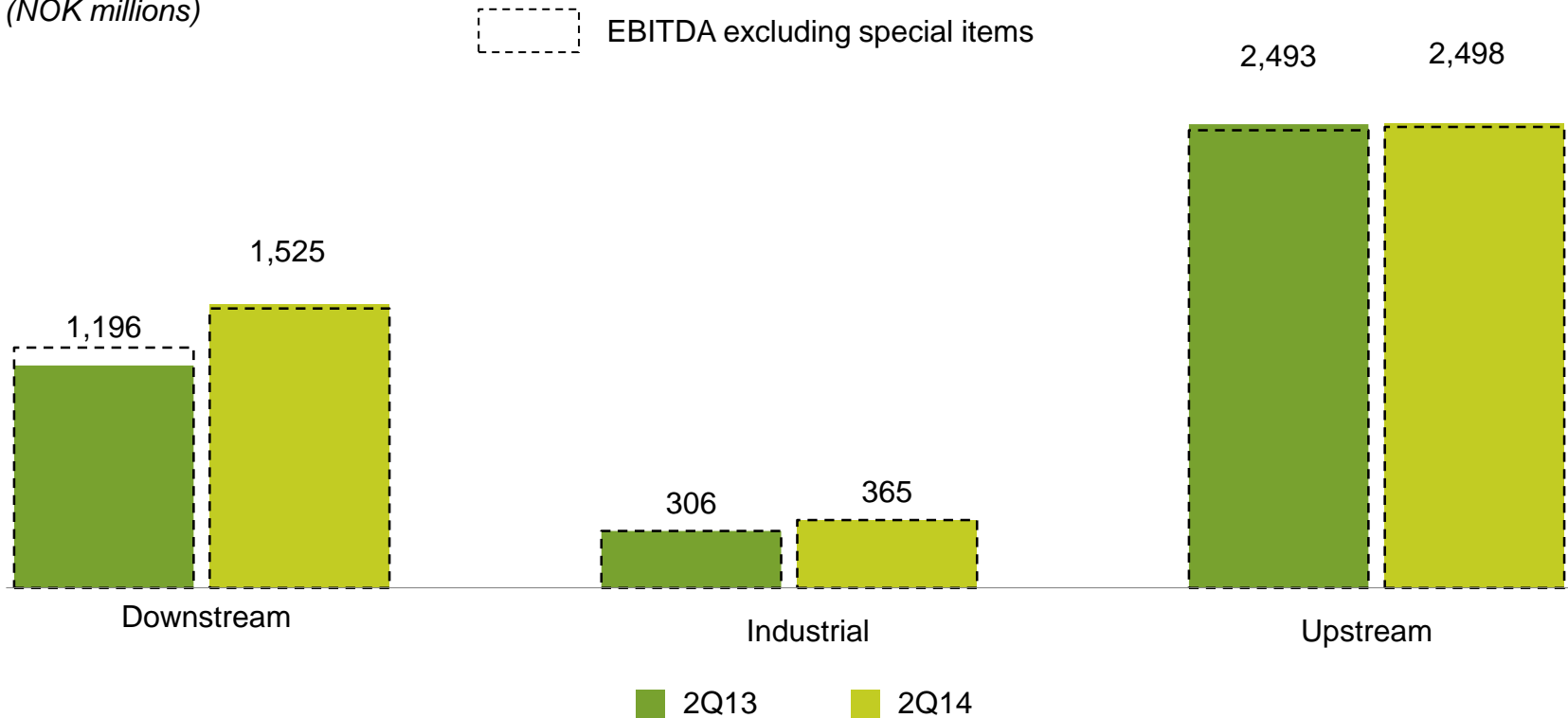
EBITDA development

NOK millions



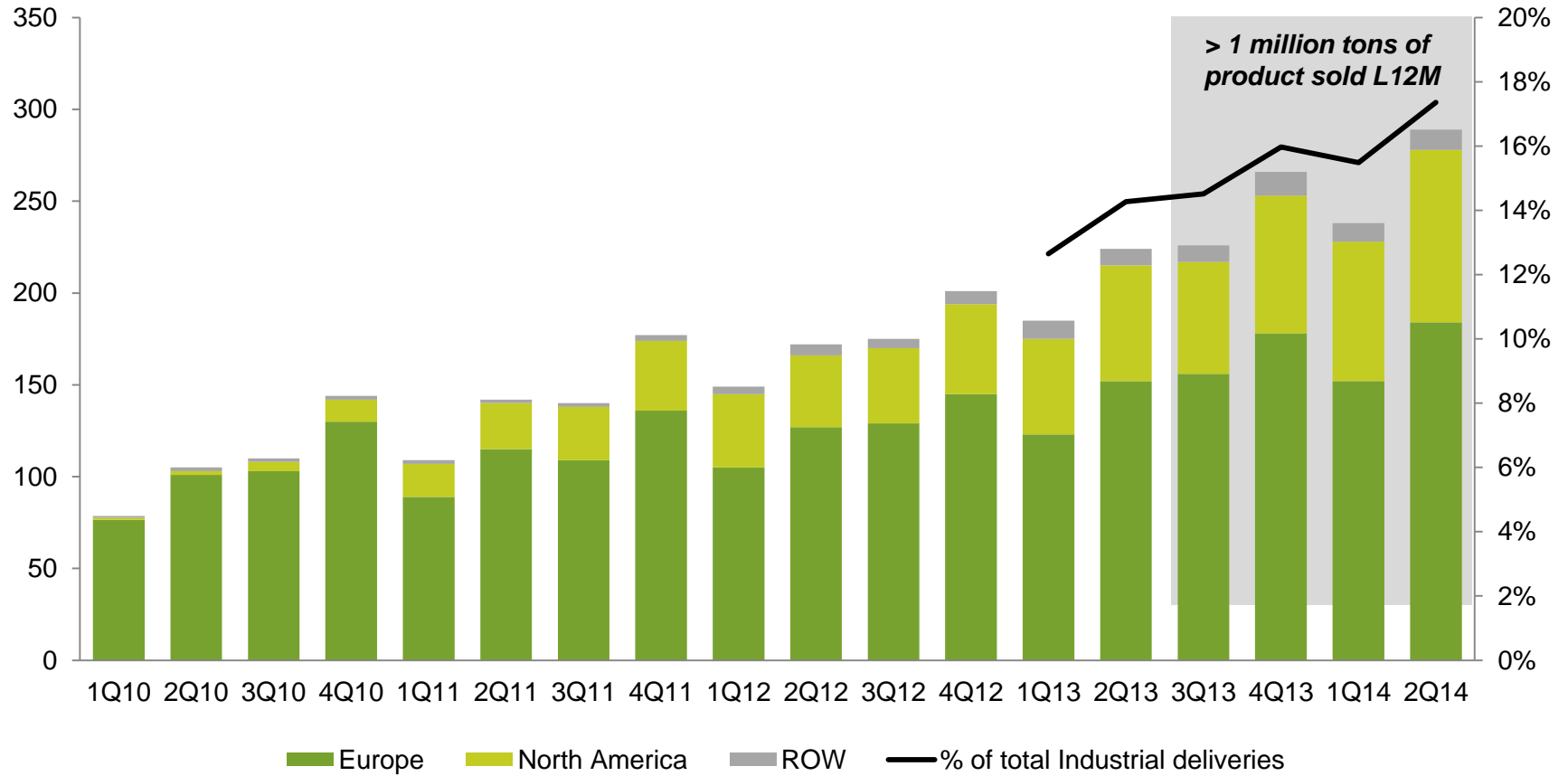
Improved Downstream and Industrial earnings

EBITDA
(NOK millions)



Strong growth in Air1 deliveries

Kilotons

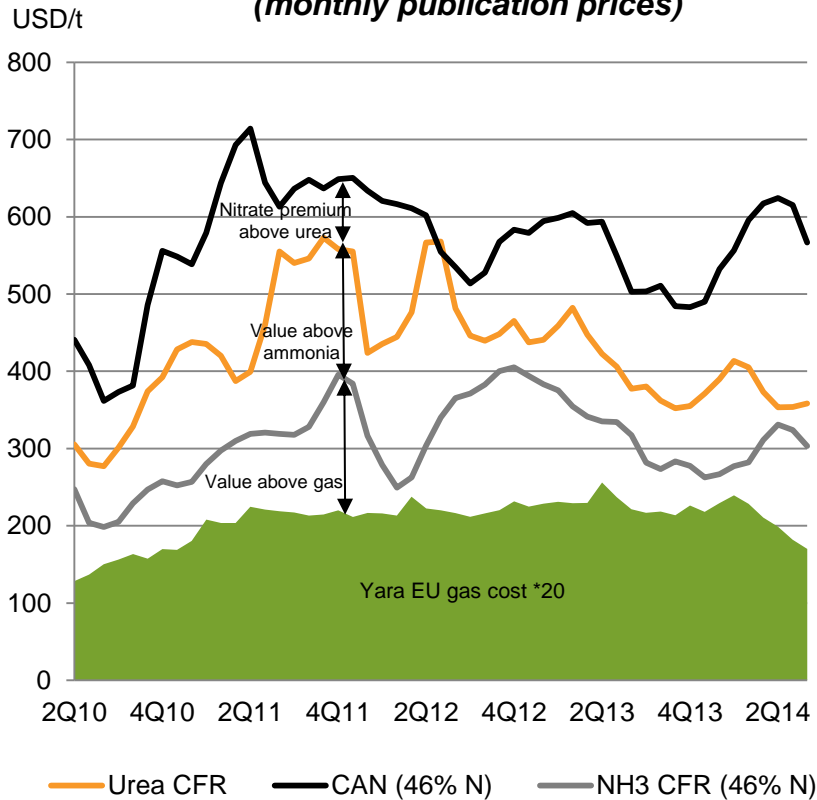


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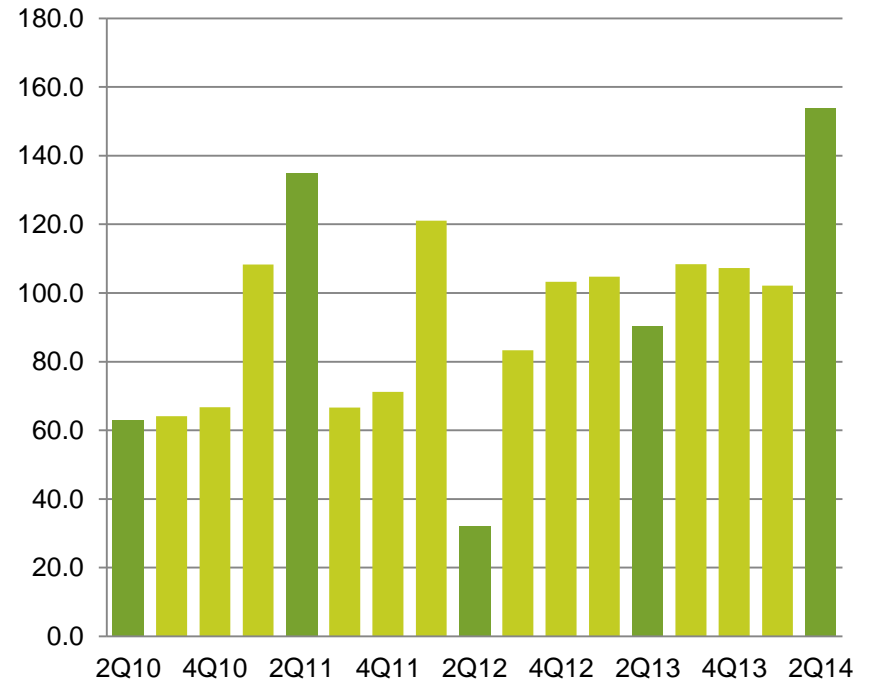
Strong nitrate premium at season close

Nitrogen upgrading margins¹
(monthly publication prices)



1) All prices in urea equivalents

European nitrate premium²
(quarterly Yara realized)

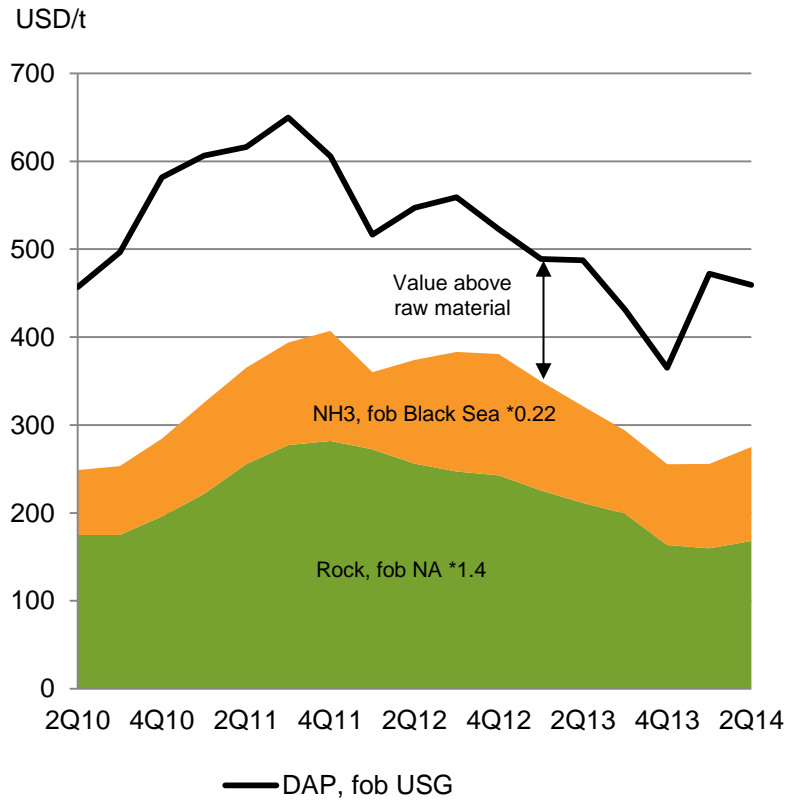


2) Yara European realized nitrate prices compared with urea publication prices with one month time lag. All numbers in USD per ton of CAN equivalents.

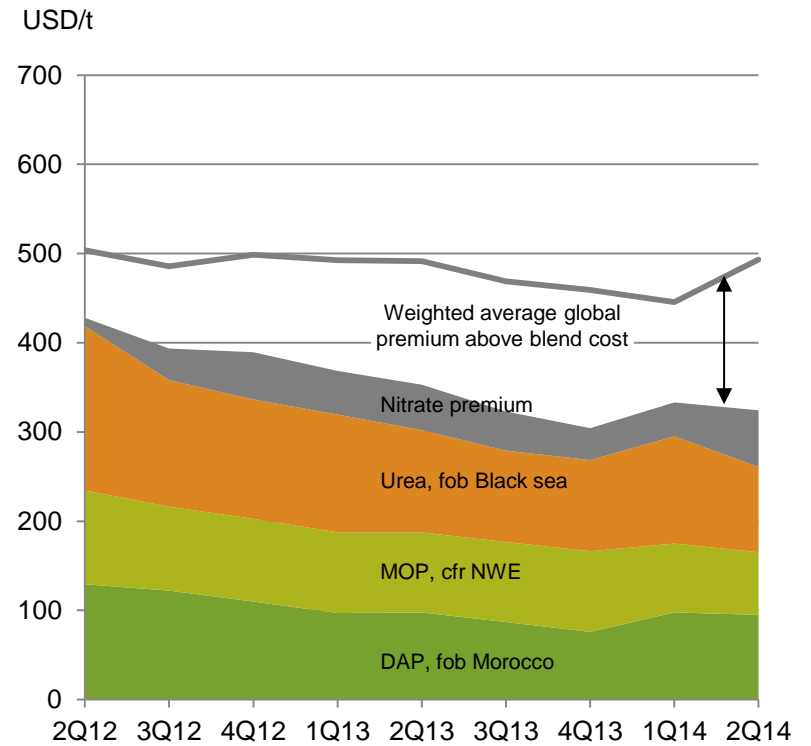


Improved NPK premiums

Phosphate upgrading margins



NPK premium over blend¹

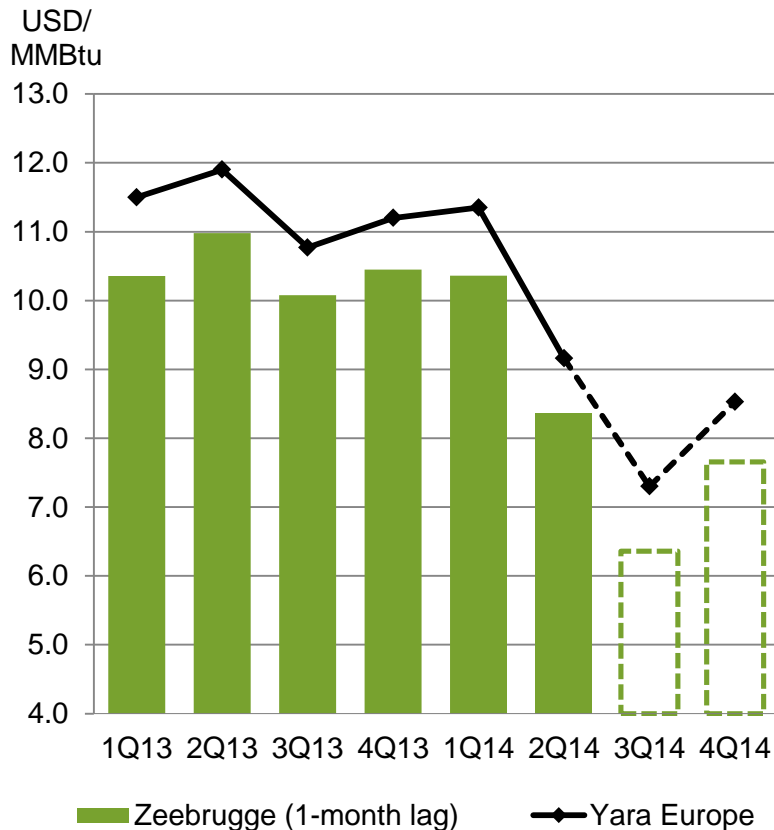


1) Export NPK plants, average grade 19-10-13, net of transport and handling cost.

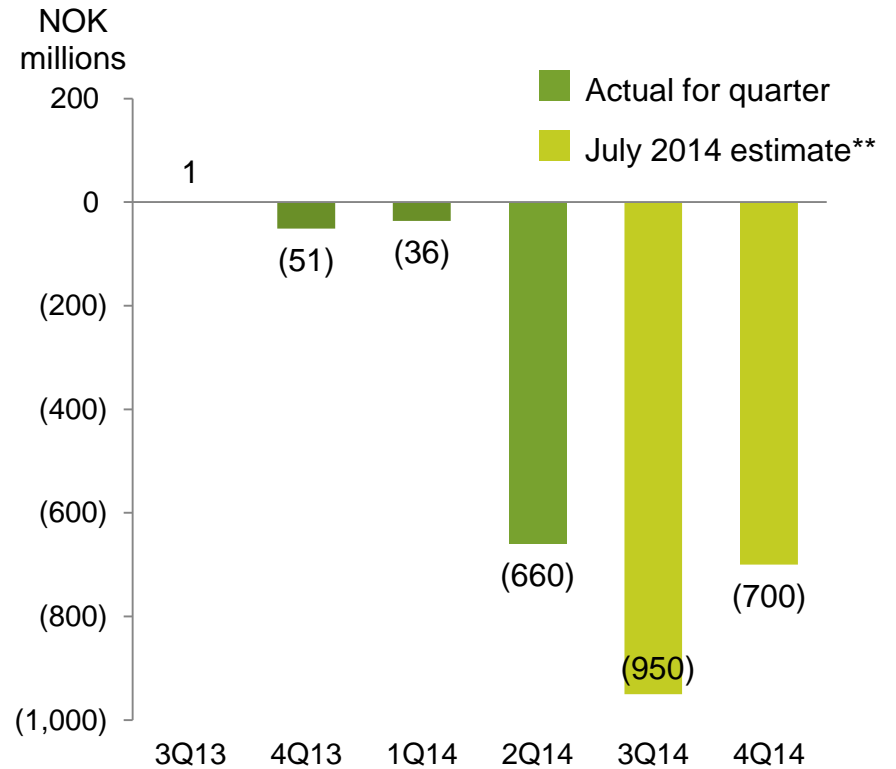


Lower natural gas cost in Europe

Yara European gas & oil cost



Change in European energy cost



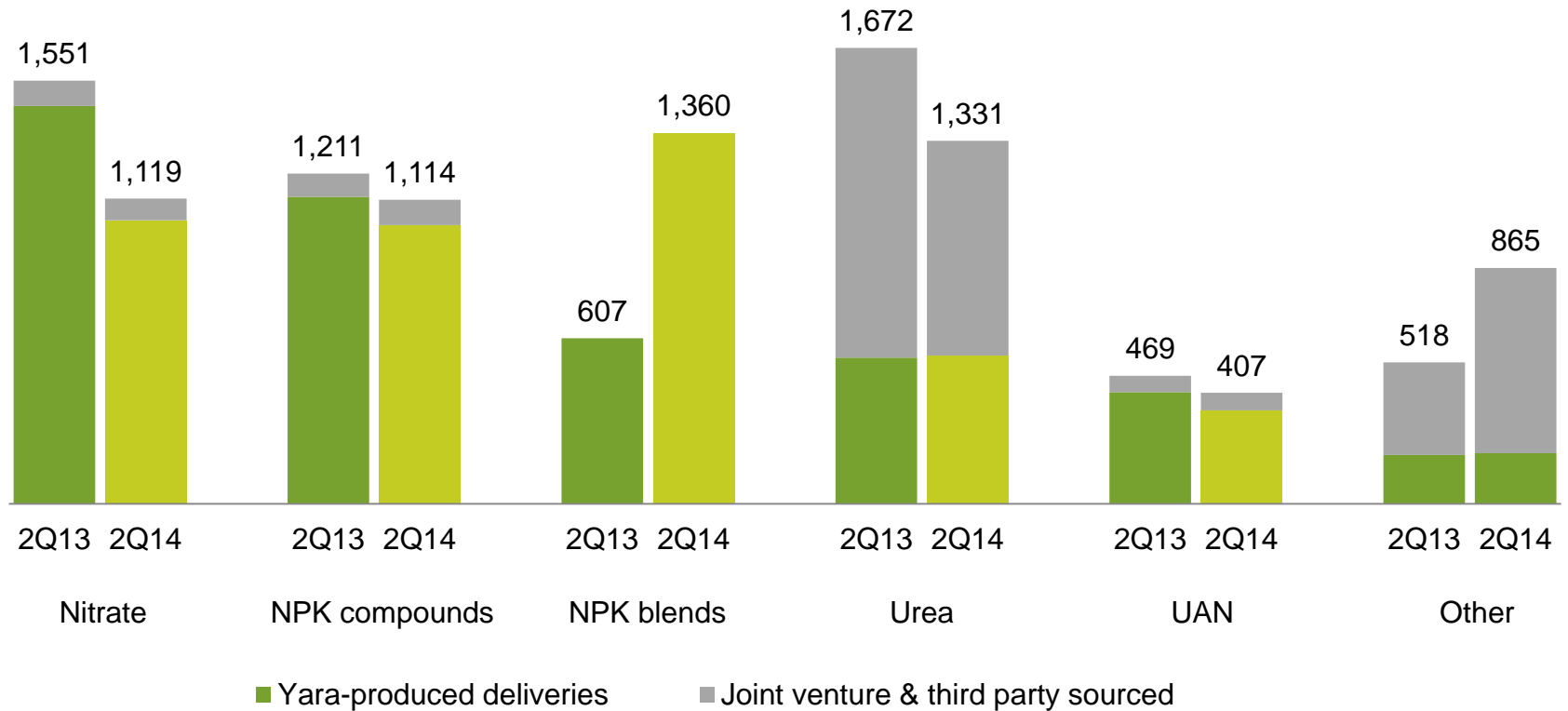
*Dotted lines denote forward prices as of 10 July 2014
 Source: Yara, World Bank, Platts

** Based on forward prices as of 10 July 2014



Fertilizer deliveries by product and source

Kilotons



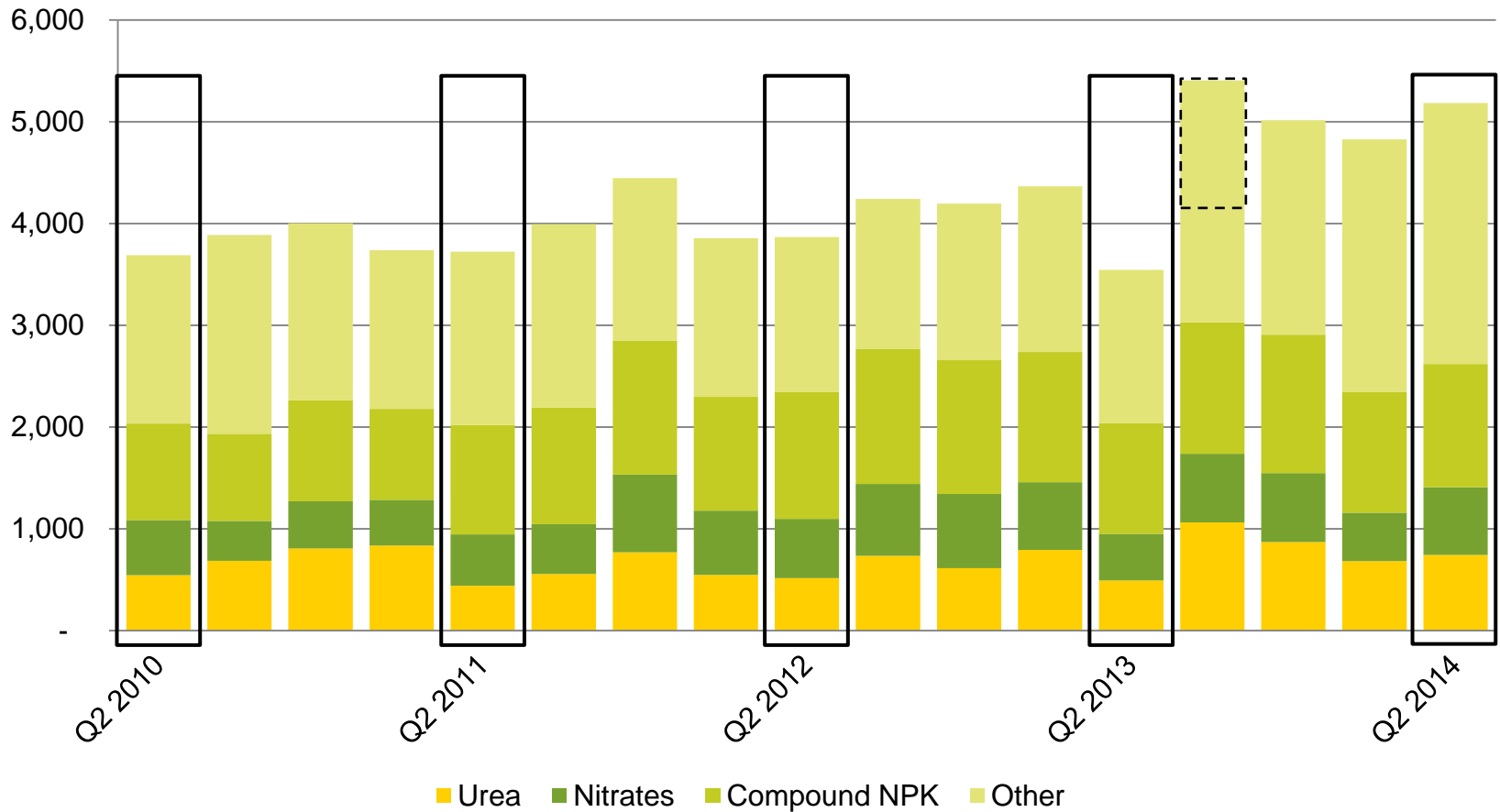
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Yara stocks: normal level, adjusted for Bunge

Kilotons
Finished fertilizer

 Bunge Fertilizer included from 3Q 2013

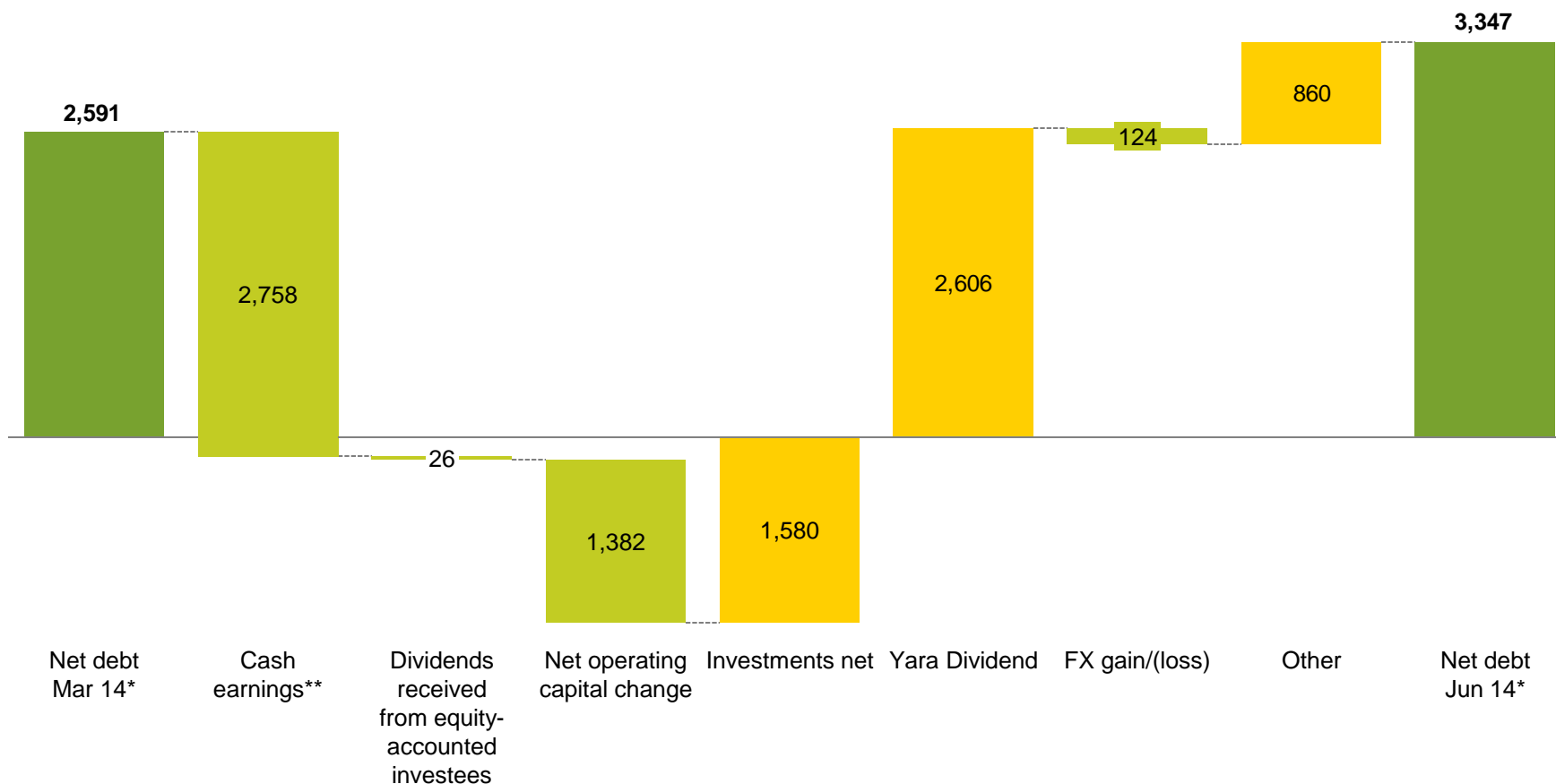


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Net interest-bearing debt development

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



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Prospects



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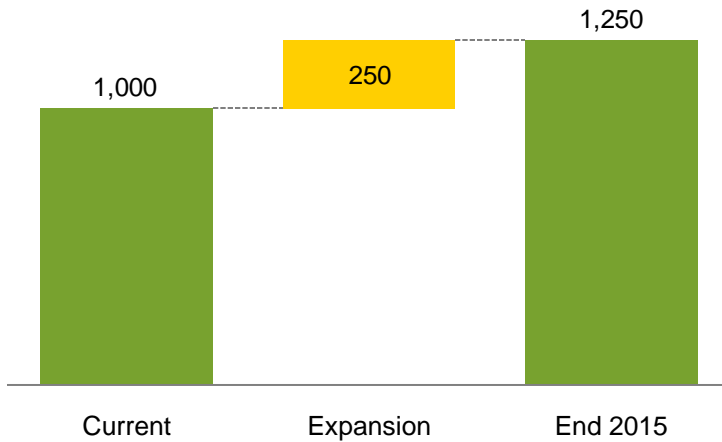
Prospects

- Farm economics strong overall, despite grain price decline
- Break-even urea export price from China; domestic coal price and export tax regime are key for global commodity nitrogen pricing going forward
- Capacity outside China: limited greenfield additions next 2 years, and curtailments currently in Ukraine
- Yara European 3Q deliveries in line so far, and improved commodity-N margins with lower gas cost



250 kt NPK expansion in Uusikaupunki, Finland

Annual NPK production capacity (kt)



- Strong NPK demand growth outside Europe presents solid business case
- Project to install new granulator adds ~250 kt annual capacity
- Competitive capex at ~200 EUR/t capacity addition
- Completion end 2015



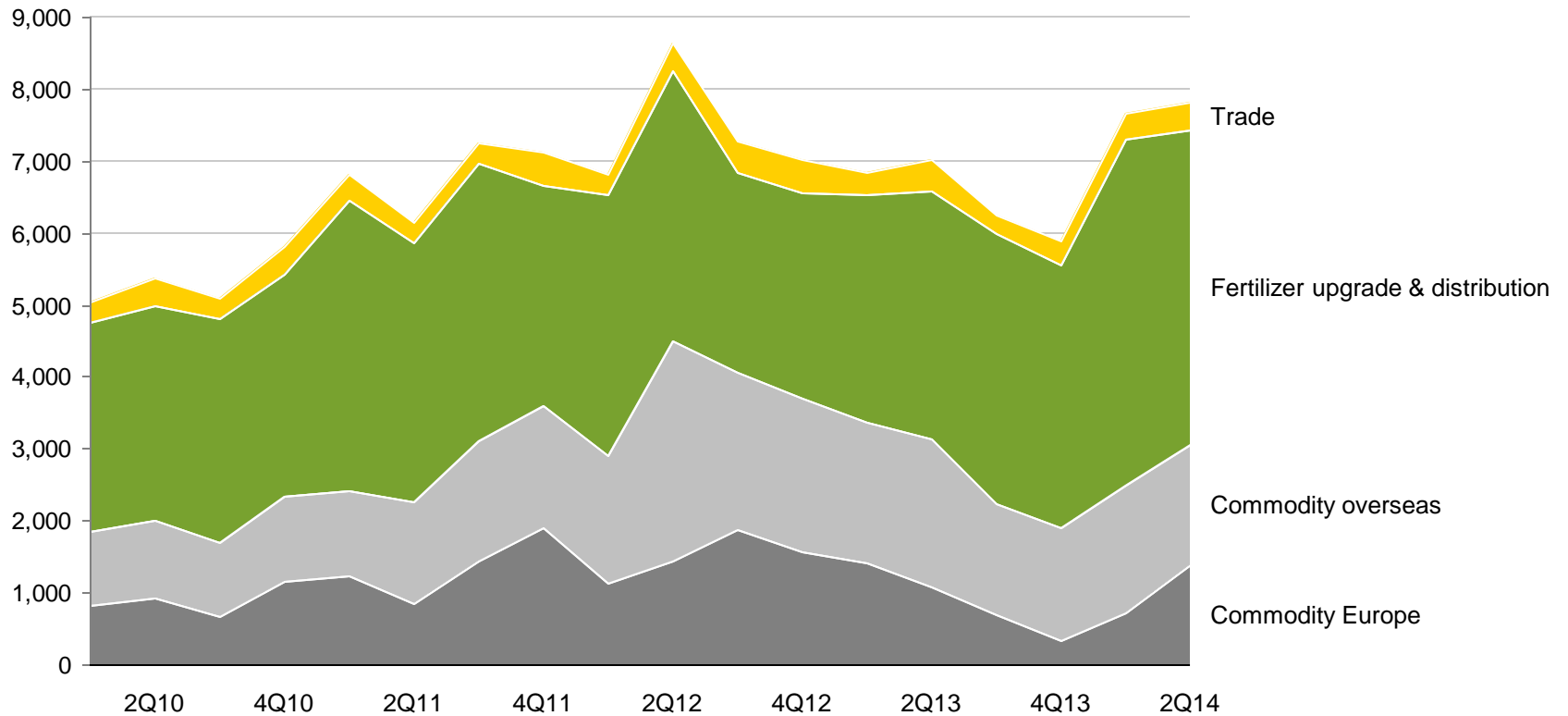
Knowledge grows

Additional information

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

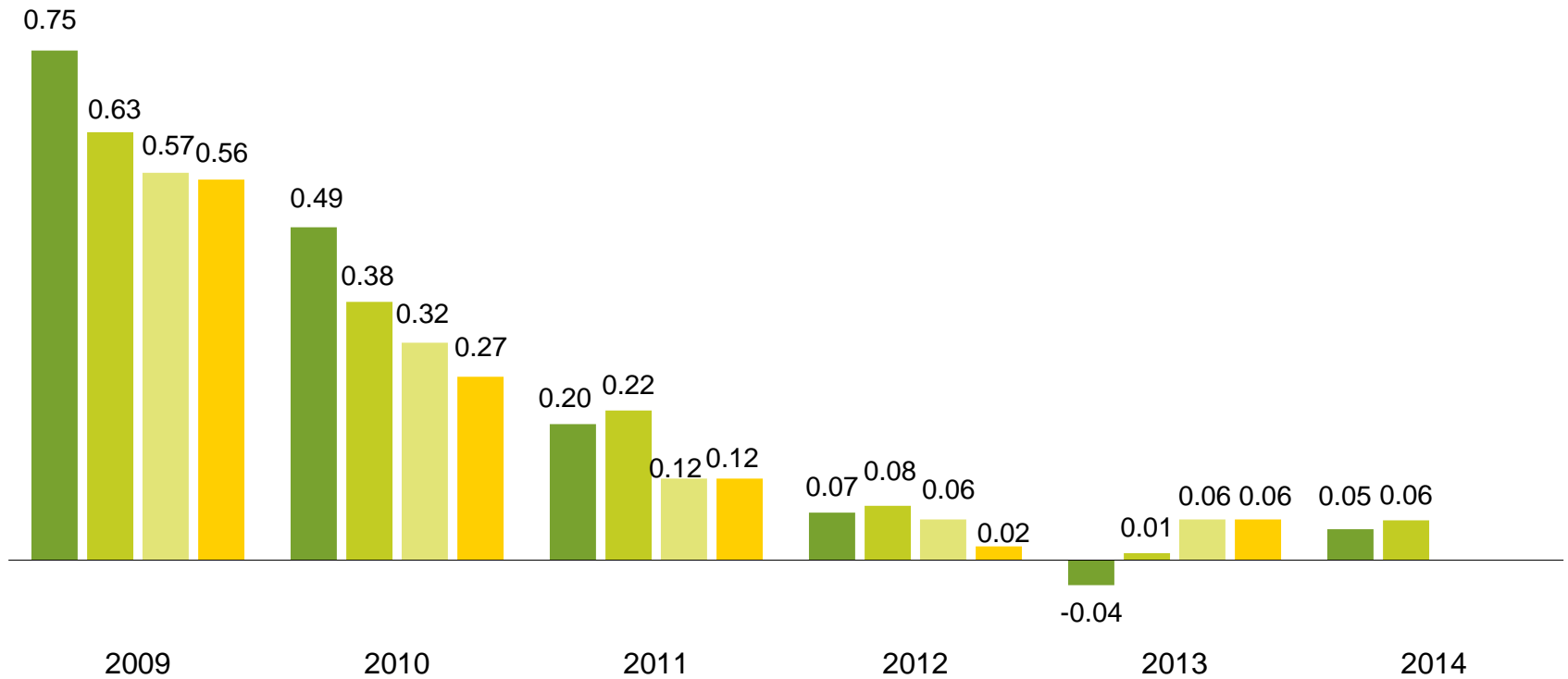
Total Yara contribution

NOK millions



Debt/equity ratio

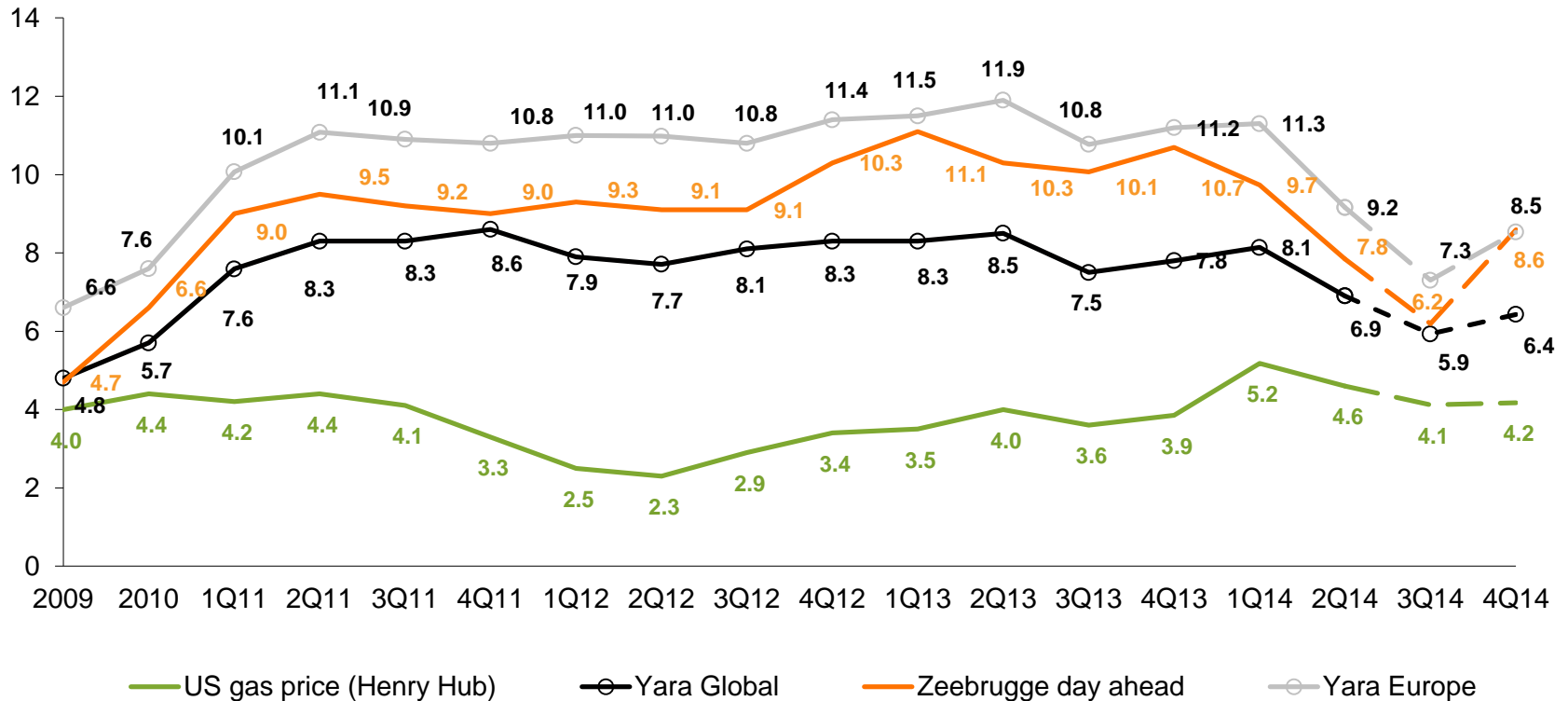
Net interest-bearing debt / equity ratio (end of period)



Gas & oil cost

Yearly averages 2009 – 2010, quarterly averages for 2011-14 with forward prices* for 3Q14 and 4Q14

USD per MMBtu



*Dotted lines denote forward prices as of 10 July 2014

Source: Yara, World Bank, Platts



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Currency exposure affecting P&L

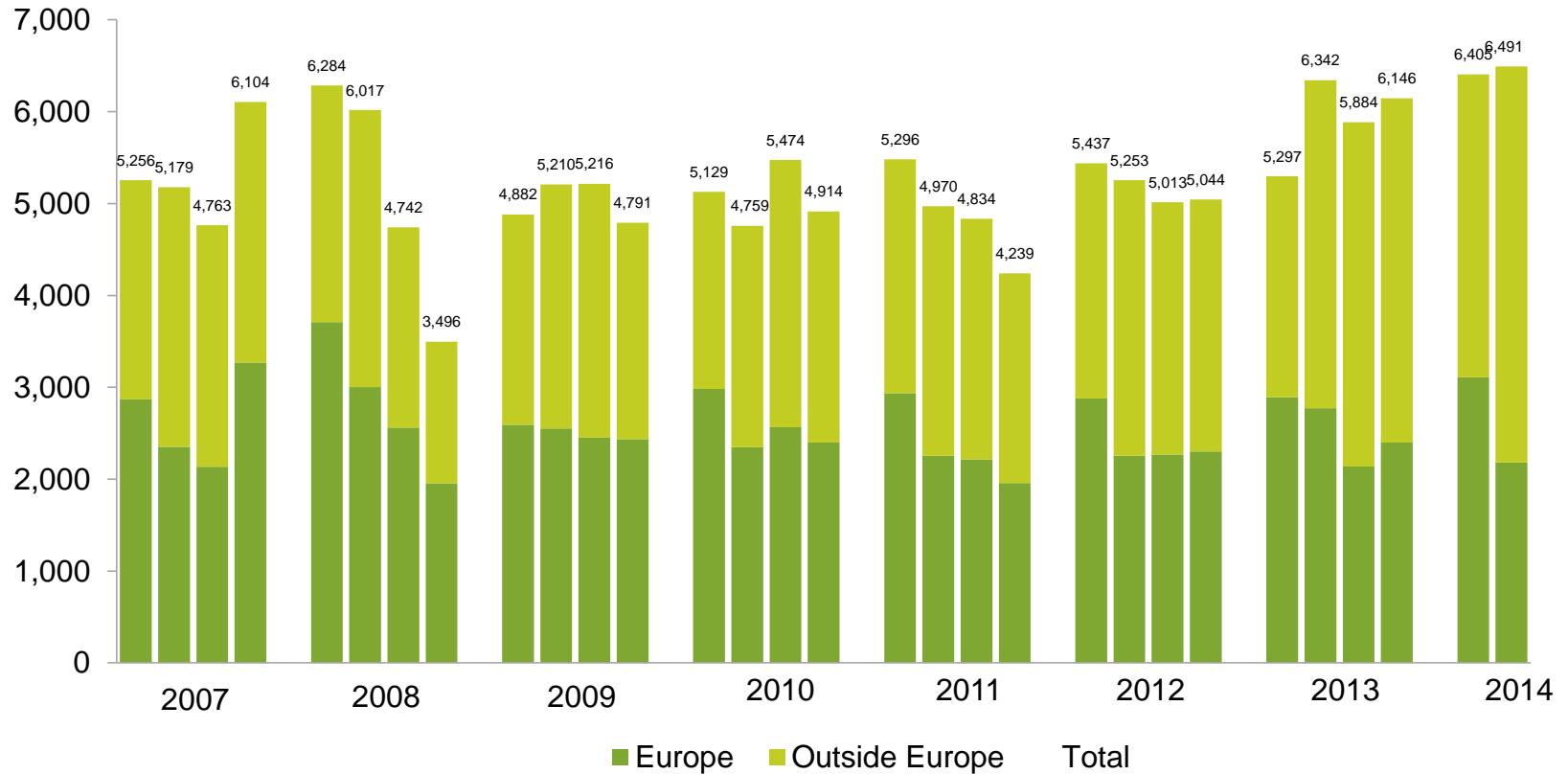
At the beginning of the third quarter 2014

1. The US dollar debt generating p&l exposure was USD 950 million
 - Kept as hedge of future earnings and to finance inventories in emerging markets
 - Around 80% towards EUR and BRL, 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 CAD (200 million)
 - Receivables mainly EUR (165 million), GBP (25 million) and AUD (45 million)



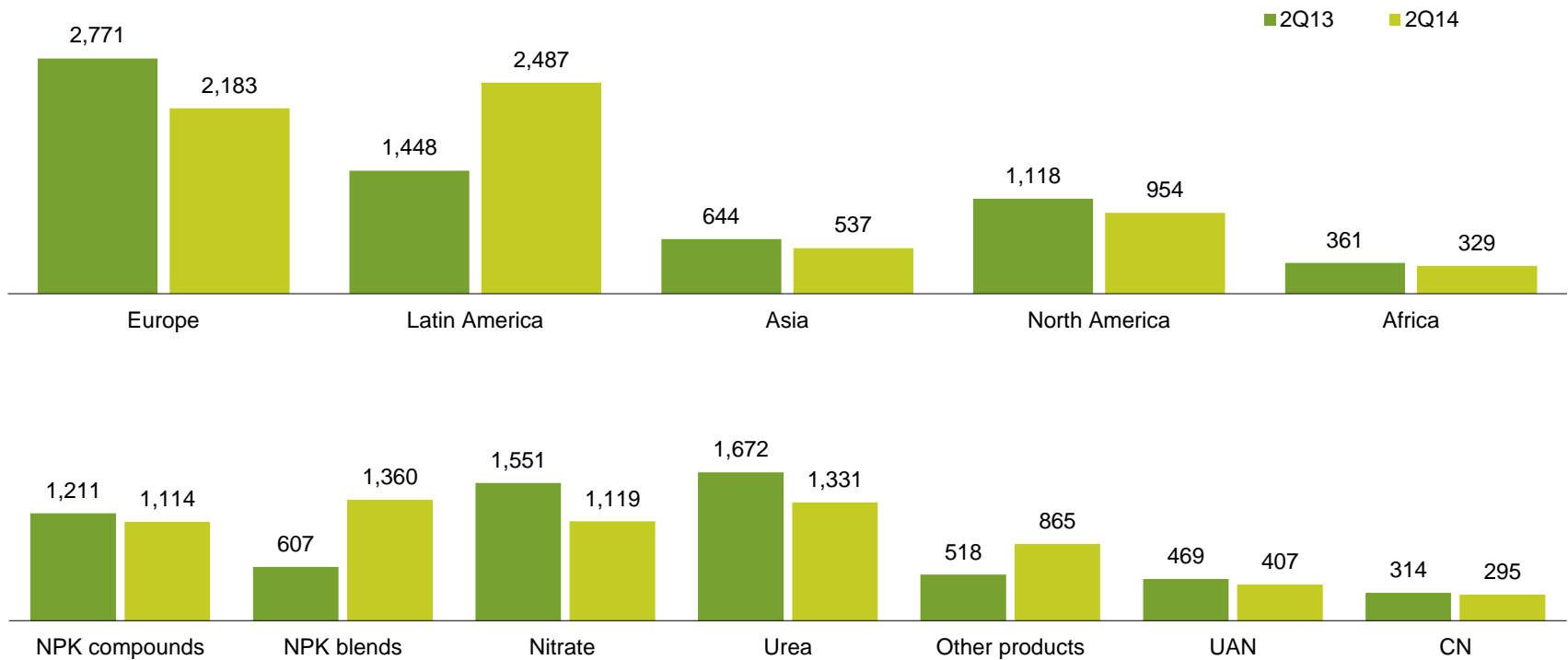
Fertilizer deliveries

Kilotons



Yara 2Q fertilizer sales by market and product

Kilotons

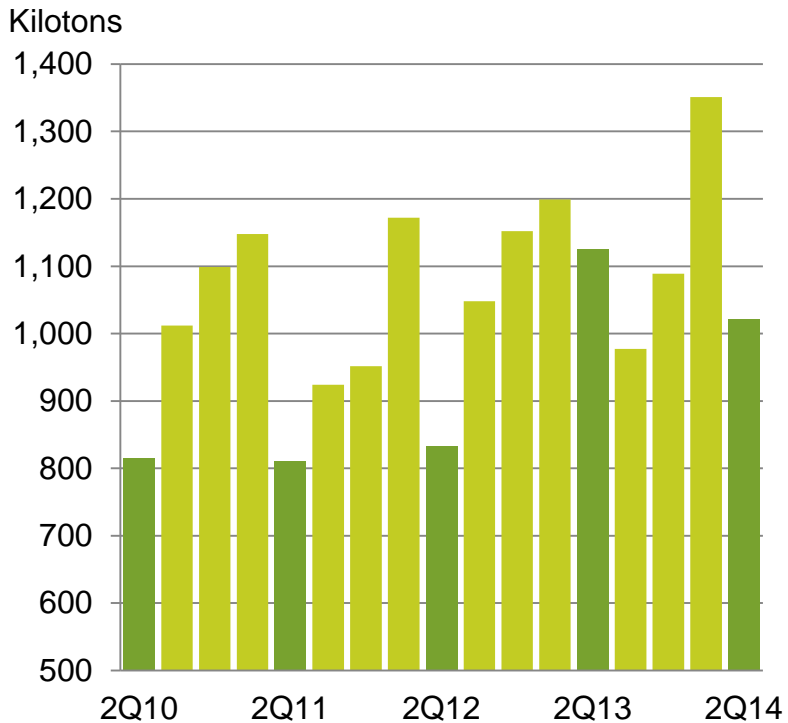


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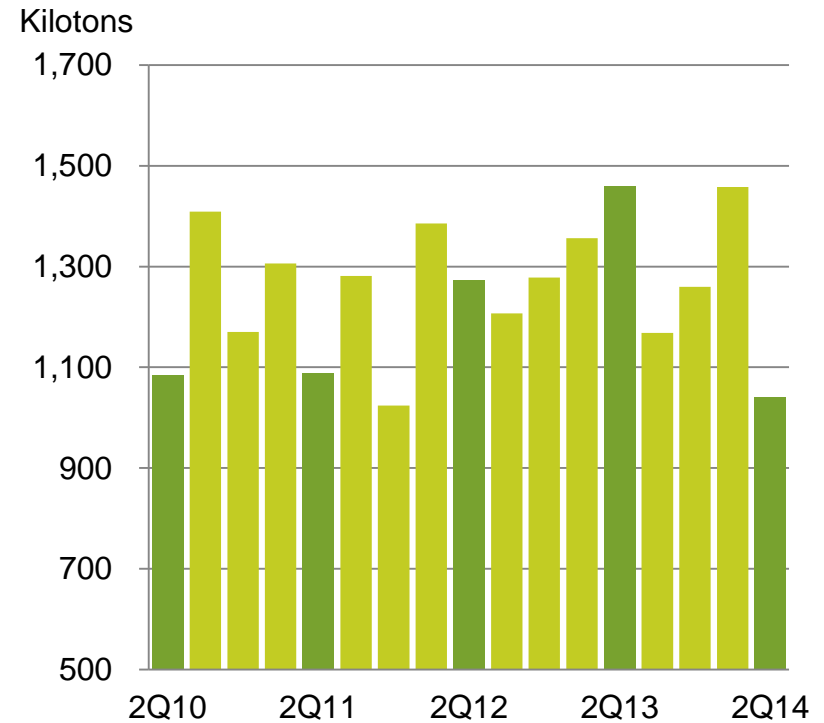


NPK and nitrate deliveries

Yara-produced compound NPK deliveries

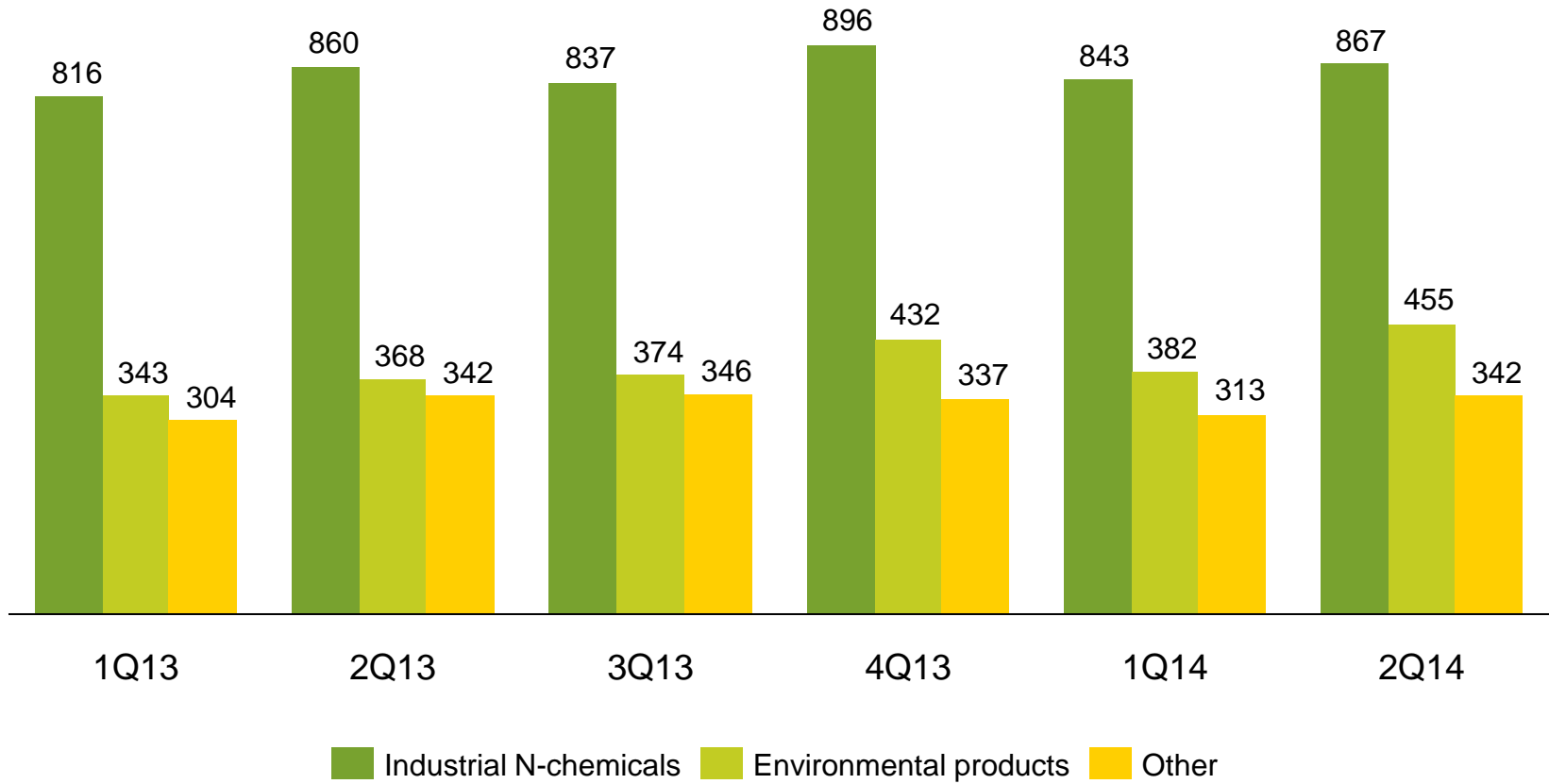


Yara-produced nitrate deliveries



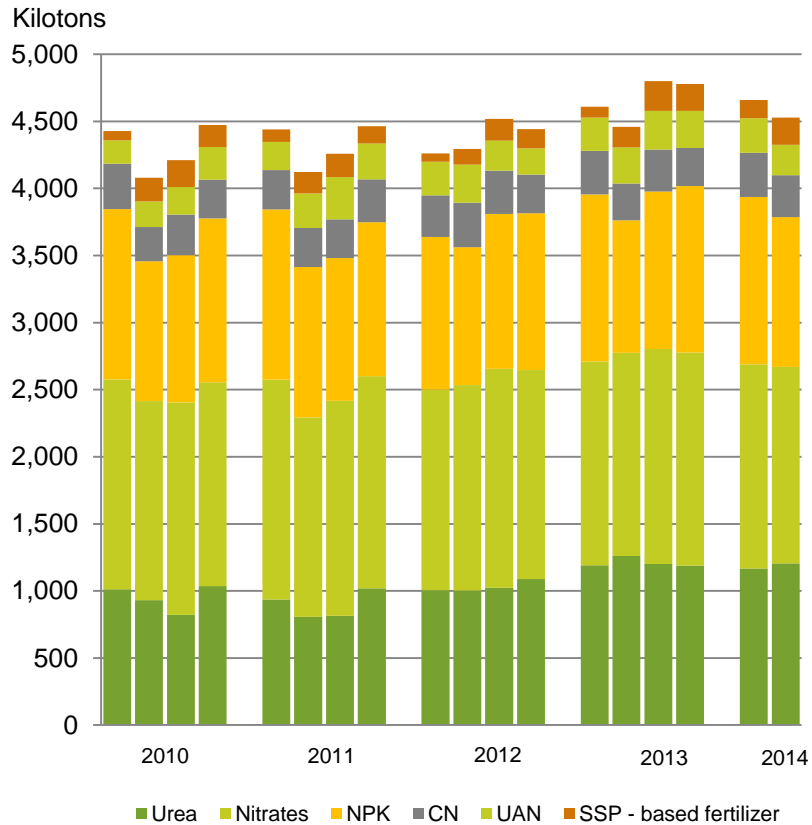
Industrial deliveries

Kilotons

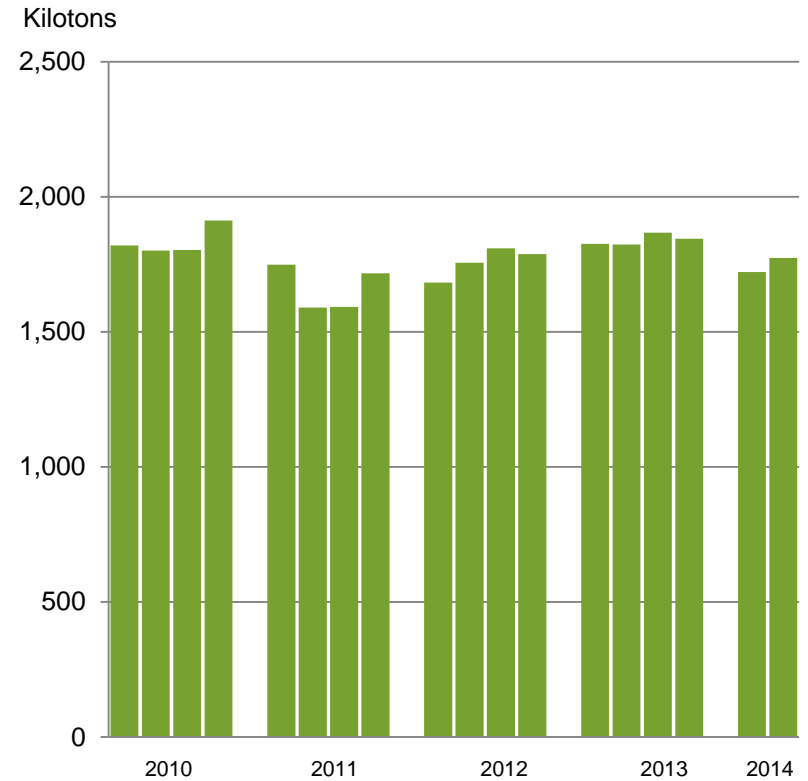


Yara production volume*

Finished fertilizer and industrial products



Ammonia



* Including share of equity-accounted investees



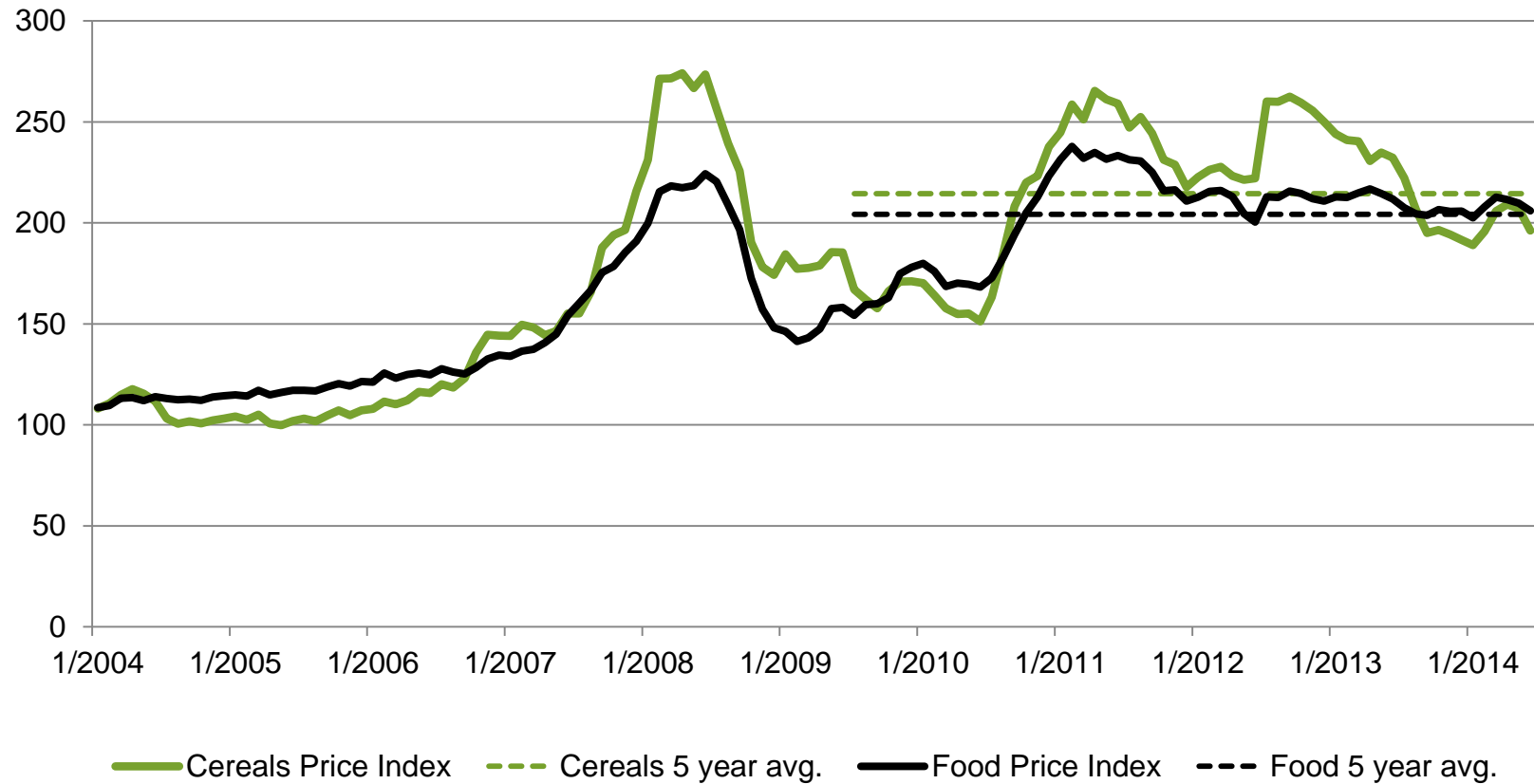
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Farm economics support fertilizer demand

FAO price index

Index



Source: FAO

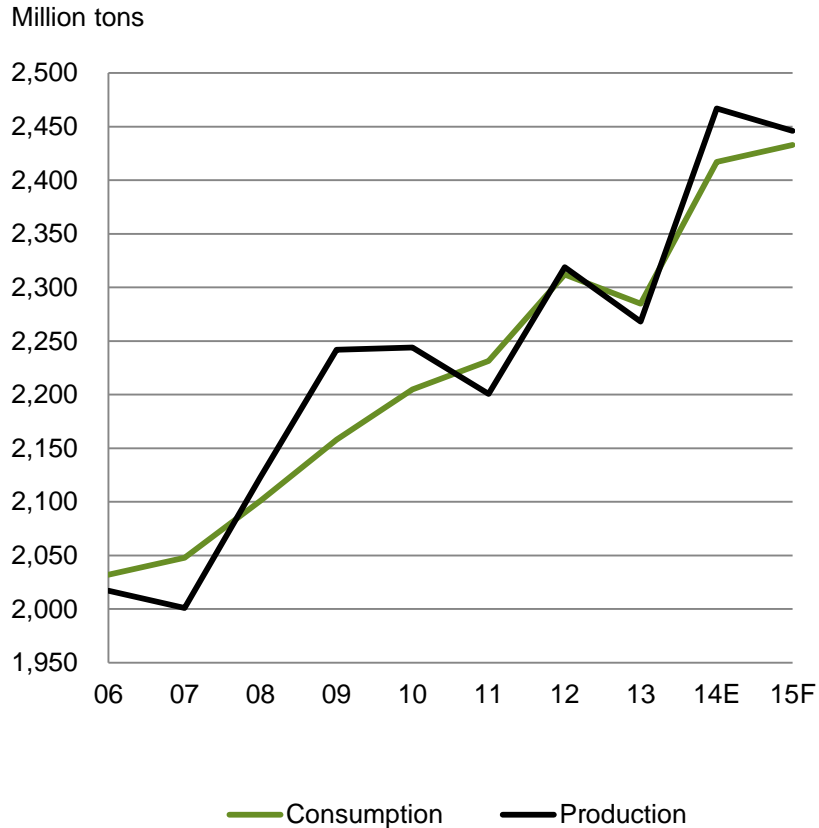


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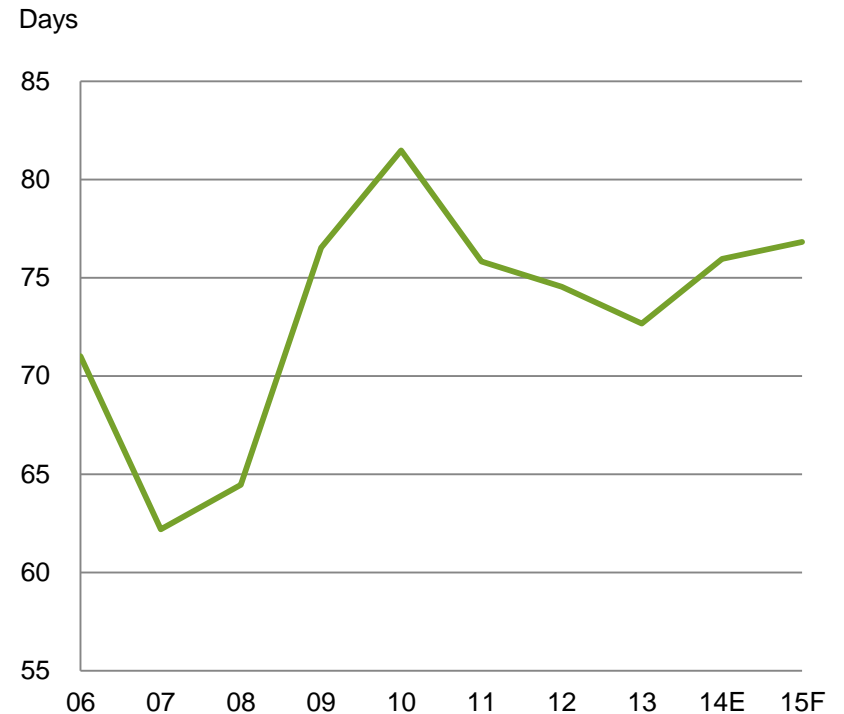


For 2014/15, global grain production and consumption close to balanced

Grain consumption and production



Days of consumption in stocks



Source: USDA July 2014

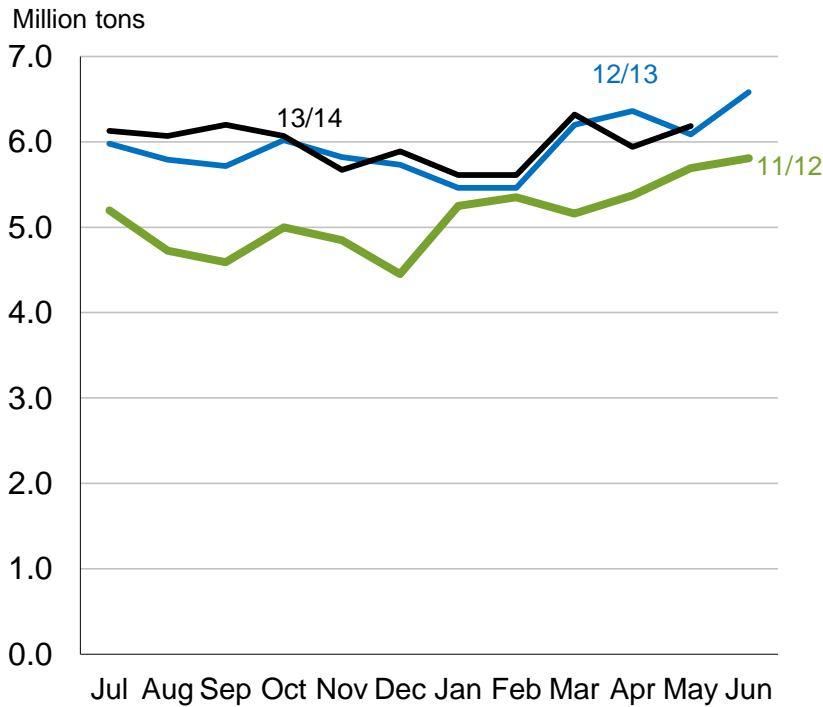


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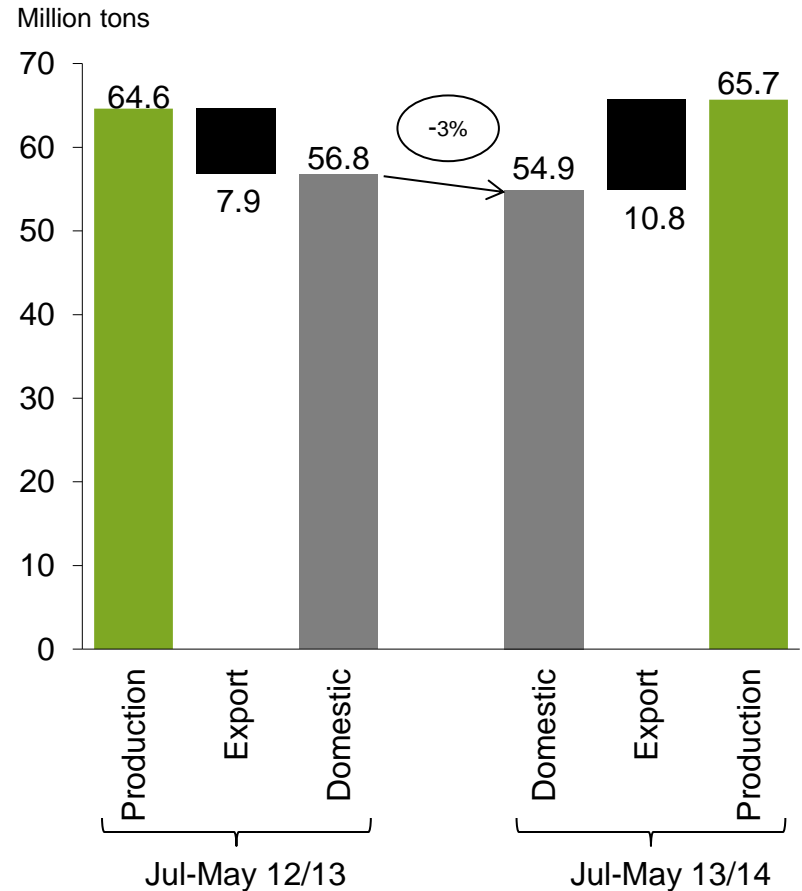


Production stable, reduced domestic supply due to more exports

Chinese urea production



Domestic urea balance



Source: BOABC, CFMW



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Projected nitrogen capacity additions outside China

Year	Driving regions	Urea capacity growth relative to nitrogen capacity
	Excluding China	Excluding China
2013	Qatar 23% Algeria 16%	1.6%
2014	Algeria 16% UAE 15%	1.5%
2015	Saudi Arabia 22% USA 20%	1.9%
2016	USA 48% Malaysia 12%	2.0%
2017	Nigeria 34% USA 26%	2.1%
Gross annual addition 2013-2017		~1.8%
Assumed annual closures		~0.5%
Net annual addition 2011-2015		~1.3%
Trend consumption growth from 2002		2.1%

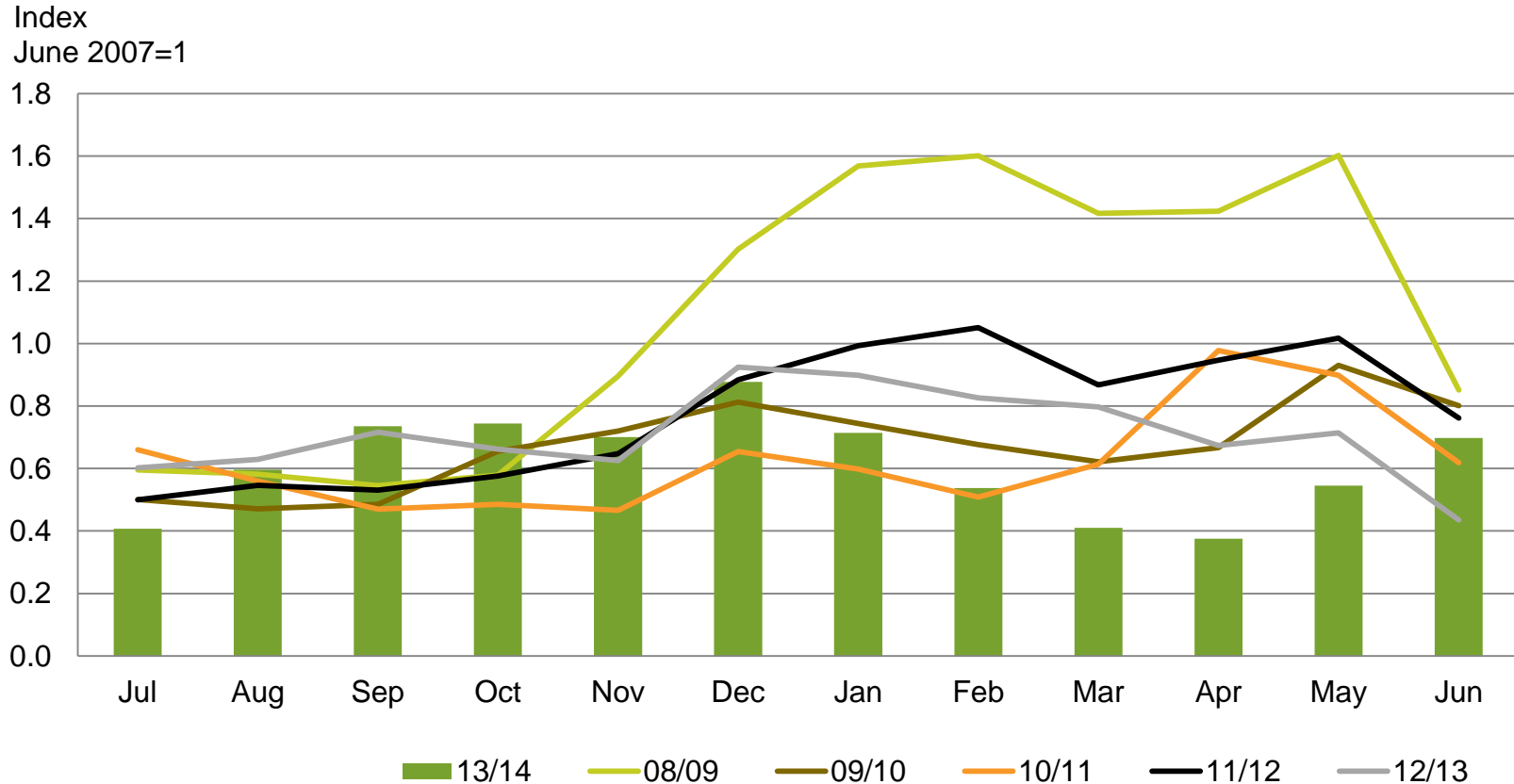
Source: CRU urea update July 2014 . Consumption data source is IFA.



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European producer nitrate stocks ending the season close to average



Source: Fertilizers Europe, Yara estimate for June

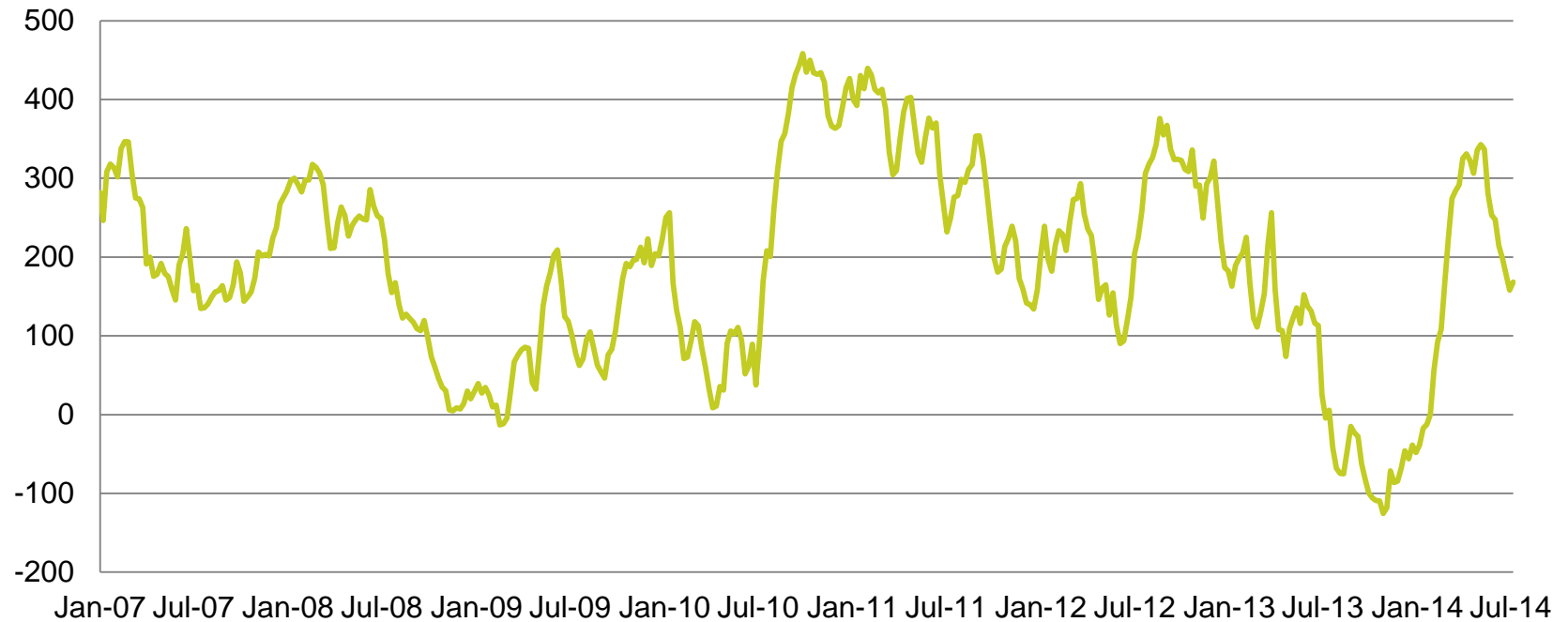


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Non-commercials' net long position in corn

Thousand contracts



Source: US Commodity Futures Trading Commission

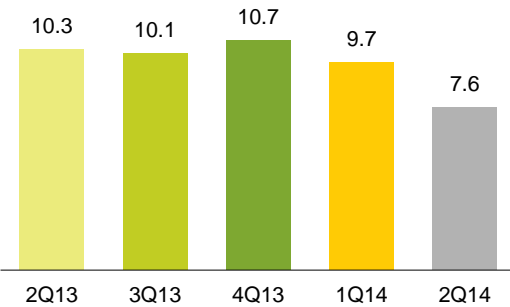


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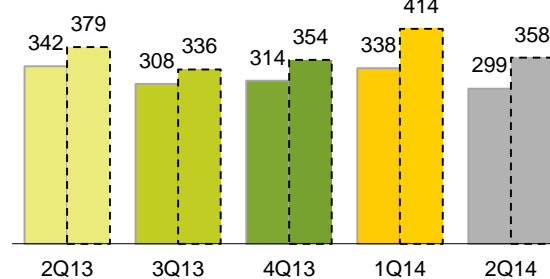


Key value drivers – quarterly averages

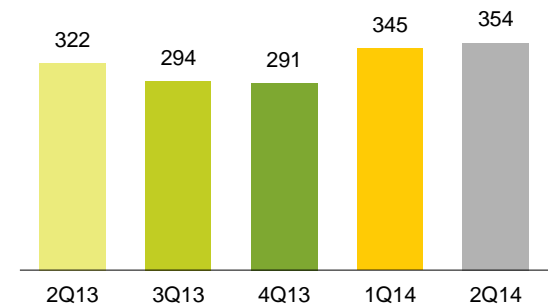
Zeebrugge day ahead (USD/MMBtu)



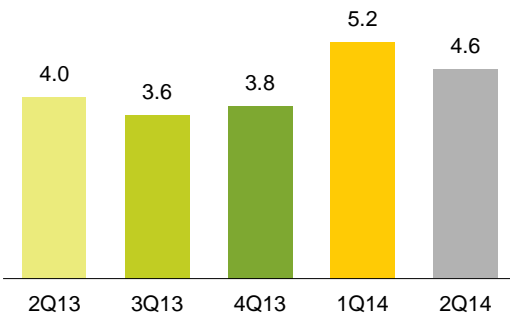
Urea prilled fob Black Sea (USD/t)/Urea granular fob Egypt (USD/t)



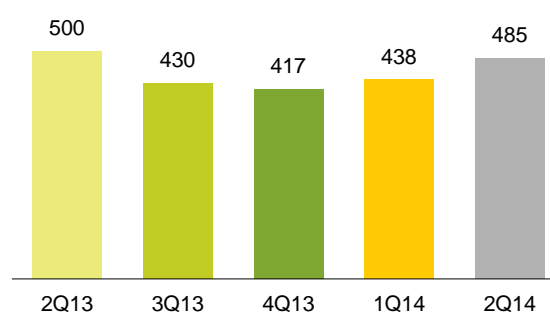
CAN cif Germany (USD/t)



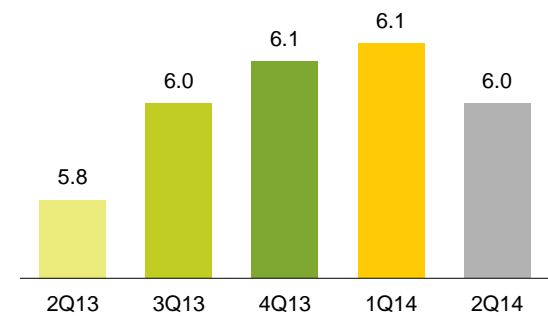
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)



NOK/USD exchange rate



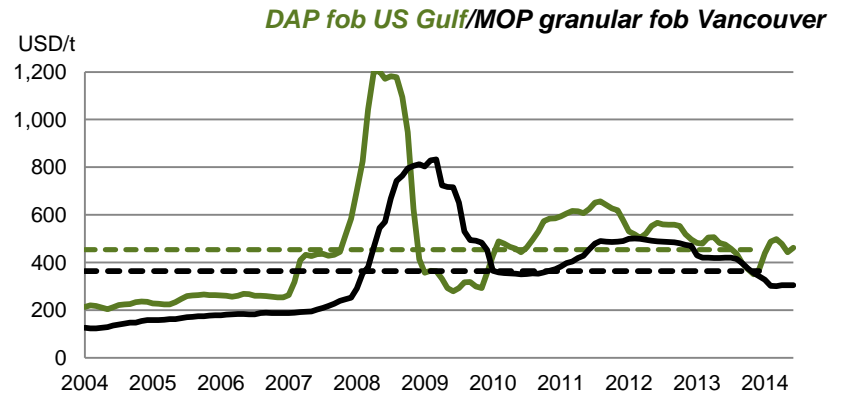
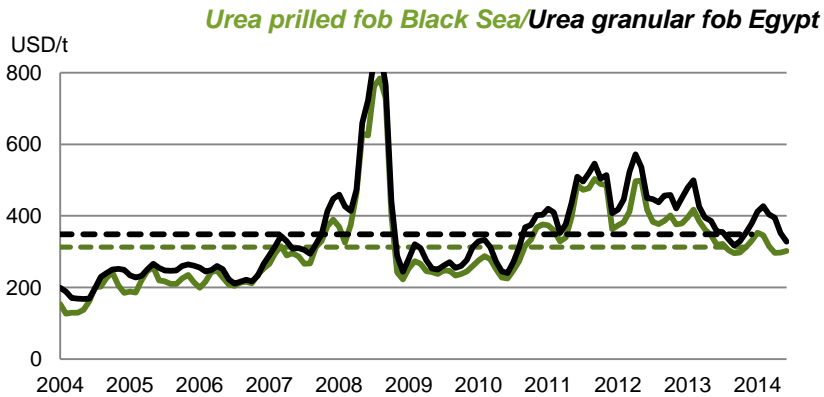
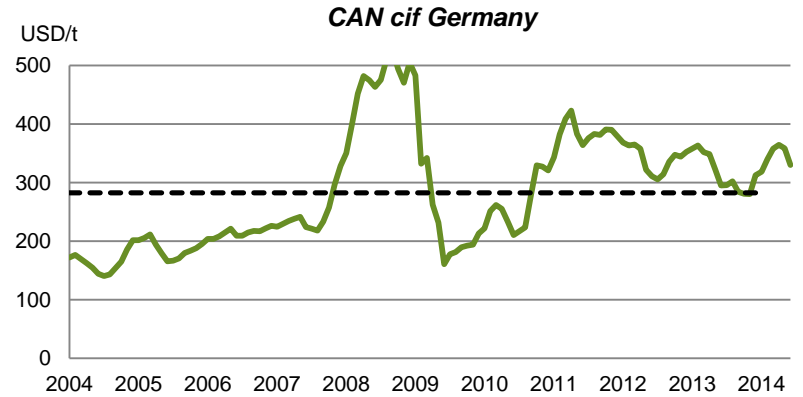
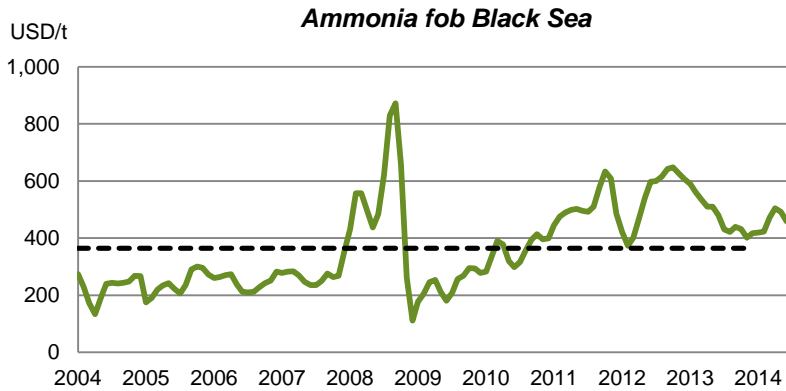
Source: Fertilizer Market Publications, CERA, World Bank, Norges Bank



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10-year fertilizer prices – monthly averages



Source: Average of international publications

--- Average prices 2004 - 2013



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