REPORT

First quarter 2014

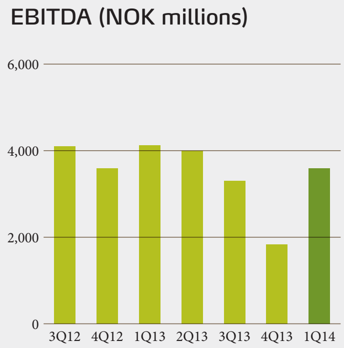
Yara International ASA – quarterly report

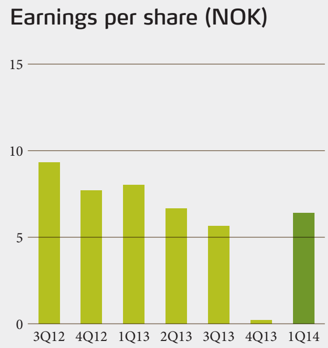
- Strong result
- Record deliveries with early spring in Europe
- Lower commodity margins but robust value-added premiums
- Record underlying Industrial result

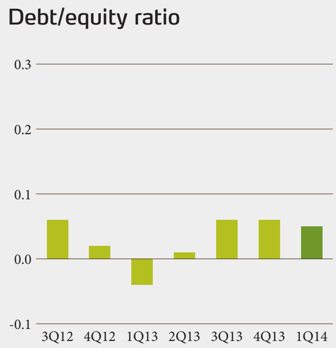
Yara reports a strong first-quarter result reflecting record deliveries.

EARNINGS PER SHARE

NOK 6.40







Knowledge grows

First quarter *2014*

FINANCIAL HIGHLIGHTS

NOK millions, except where indicated otherwise	1Q 2014	1Q 2013	2013
Revenue and other income	21,709	20,697	85,092
Operating income	2,268	2,817	8,074
Share net income equity-accounted investees	191	439	1,076
EBITDA	3,591	4,184	13,399
EBITDA excl. special items	3,830	4,149	13,834
Net income after non-controlling interests	1,773	2,257	5,759
Earnings per share [1)]	6.40	8.04	20.67
Earnings per share excl. currency [1)]	6.25	8.61	23.20
Earnings per share excl. currency and special items [1)]	7.03	8.52	24.80
Average number of shares outstanding (millions)	277.1	280.6	278.6
CROGI (12-month rolling average) [2)]	11.8 %	17.0 %	12.6 %
ROCE (12-month rolling average)	11.4 %	18.8 %	12.6 %

1) NOK per share. Yara currently has no share-based compensation programs that result in a dilutive effect on EPS.
2) First-quarter 2014 CROGI excl. special items annualized 13.5%.

KEY STATISTICS

		1Q 2014	1Q 2013	2013
Average prices				
Urea prilled (fob Black Sea)	USD per ton	338	400	341
CAN (cif Germany)	USD per ton	345	351	315
Ammonia (fob Black Sea)	USD per ton	438	562	477
DAP (fob US Gulf)	USD per ton	475	489	443
Phosphate rock (fob Morocco)	USD per ton	114	161	143
European gas (Zeebrugge)	USD per MMBtu	9.7	11.1	10.6
US gas (Henry Hub)	USD per MMBtu	5.2	3.5	3.7
Yara's gas & oil cost (weighted average) [1)]	USD per MMBtu	8.1	8.3	8.0
Yara's European gas & oil cost (weighted average) [1)]	USD per MMBtu	11.3	11.5	11.4
USD/NOK currency rate		6.09	5.63	5.87
Production (Thousand tons) [1)]				
Ammonia		1,721	1,826	7,360
Finished fertilizer and industrial products, excl. bulk blends		4,660	4,610	18,648
Total		6,381	6,436	26,009
Sales (Thousand tons)				
Ammonia trade		447	651	2,203
Fertilizer		6,405	5,297	23,668
Industrial products [2)]		1,537	1,463	6,255
Total		8,390	7,412	32,126

1) Including Yara's share in equity-accounted investees.
2) Including feed phosphates and CO_2 as from 2014 reporting (2013 restated).

Yara's first-quarter net income after non-controlling interests was NOK 1,773 million, compared with NOK 2,257 million last year. Excluding net foreign exchange gain/loss and special items, the result was NOK 1,946 million, compared with NOK 2,391 million in first quarter 2013. The corresponding earnings per share were NOK 7.03 compared with NOK 8.52 last year.

"Yara reports a strong first-quarter result reflecting record deliveries," said Jørgen Ole Haslestad, President and Chief Executive Officer of Yara.

"While global commodity nitrogen markets have been impacted by increased export supply from China, healthy demand in both Europe and Latin America has supported value-added premiums and generated a strong Yara performance," said Jørgen Ole Haslestad.

FERTILIZER MARKET CONDITIONS

Fertilizer demand remains strong. Following declining food prices during 2013, particularly for grains, they have rebounded during the first quarter. The Food and Agriculture Organization of the United Nations (FAO) food price index for March was 5% up on January (6% higher than the five year average), while its cereal price index increased by 9% from January to March (March 4% lower than the five year average). Positive development in the dairy and meat sectors are explaining the relatively stronger food price index. The record projected production level for 2013/14 will bring ending stocks to a level corresponding to 74 days of consumption, the second lowest level over the last six seasons, and adding only 2 days of consumption to stocks. But the main driver for the grain price increase so far in 2014 is initial concerns about the size of the 2014/15 crop, with the cold winter and late spring in North America a major contributor.

Although grain farmer margins are lower than a year ago, they are still supportive for fertilizer use, as commodity fertilizer prices also have declined. Demand for higher quality fertilizers like nitrates and NPKs remains strong, particularly for the cash crop, meat and dairy sectors where prices have seen a more positive development than for grains.

A seasonal pickup in demand from major Northern Hemisphere markets pulled urea prices up from the pricing of second half of 2013. However, global urea prices were lower, mainly due to lower tax on Chinese urea exports and lower urea pricing in China than first quarter last year. During the quarter, China exported 2.0 million tons, up from 0.8 million tons same period last year. The average price at USD 338 per ton fob Black Sea compares to USD 314 per ton the previous quarter, and USD 400 per ton first quarter last year. As farmers in North America and Europe prefer granular urea, late and strong demand for spring application tends to expand the granular premiums. So also during the first quarter, when the key Egyptian benchmark averaged USD 414 per ton, 22% higher than the fob Black Sea price reference.

The ammonia market has been supply-driven since mid-2013, making production curtailments necessary to balance the market. Reduced import demand from USA is the main factor causing the excess availability, and Ukraine has been the most important balancing player on the supply side. However, the balance improved sharply end February and prices were quickly driven up to the ceiling set by urea prices, around USD 500 per ton fob Black Sea at the end of the quarter.

Phosphate fertilizer demand improved sharply compared to the previous quarter, and the average DAP price fob US Gulf for the quarter exceeded the previous quarter by 30%, almost matching first quarter 2013. Demand improved as buyers were reluctant to buy early for the main spring application on the Northern Hemisphere. Prices were also supported by the 15% tax on Chinese exports during the quarter.

Higher DAP prices did not result in any significant increases in the prices of phosphate rock and phosphoric acid for the quarter, although some modest gains were achieved through the quarter. So upgrading margins from rock to DAP have increased significantly.

REGIONAL MARKET DEVELOPMENTS

First-quarter nitrogen fertilizer deliveries in Western Europe were up 11% on last year, with stable imports. Season-to-date deliveries are up 5% on last season, with imports up 4%. The increase in deliveries is likely a phasing effect, rather than an increase in underlying demand. A significant share of the early deliveries were consumed last summer due to the late spring last season, while spring this year has arrived early.

First-quarter US nitrogen deliveries were down an estimated 16% from a year earlier, due to lower imports of both ammonia and urea. Season to date, deliveries are estimated to be 13% lower than last season. Despite some more nitrogen in inventories at the start of the season, and the expected drop in corn acreage this year, the nitrogen markets in North America are and have been very tight, resulting in strong relative urea pricing for the quarter.

In India, urea sales increased by 1% for the 2013/14 agricultural year, with a similar increase in domestic production. Imports were lower as stocks were drawn down, resulting in low urea stocks in India at the end of first quarter.

During the quarter, urea production in China was 4% higher than last year. Despite capacity growth significantly exceeding this, poor margins for the highest cost producers resulted in production curtailments. The average domestic urea price for first quarter was 22% lower than last year.

In Brazil, total fertilizer deliveries for the first quarter were 6.0 million tons, up 11% on last year, supported by improved agricultural commodity prices. Urea imports were 0.9 million tons, same as last year.

VARIANCE ANALYSIS FIRST QUARTER

NOK millions	1Q 2014
EBITDA 2014	3,591
EBITDA 2013	4,184
Variance EBITDA	(593)
Volume & mix	610
Price/margin	(978)
Oil & gas costs in Europe	36
Special items	(274)
Other	(327)
Translation NOK vs. USD [1]	340
Total variance explained	(593)

1) Based on average NOK per USD for the quarter 2014: 6.09 (2013: 5.63)

Yara delivered strong first-quarter results, but EBITDA excluding special items decreased by 8% as strong deliveries were more than offset by lower commodity fertilizer margins.

The volume, margin and other variances presented in the Yara variance table include effects generated by performance in equity-accounted investees. Net income from equity-accounted investees decreased by NOK 249 million compared with first quarter 2013, primarily due to lower results in Lifeco due to production stop and in Qafco mainly as a result of lower sales volumes.

Volume development

Yara's global fertilizer deliveries were up 21% on first quarter last year, with strong demand for most products in all markets in addition to the effect of the acquisition of Bunge.

Excluding volumes to Brazil, global Yara fertilizer deliveries were up 11% compared with first quarter 2013. An early spring has contributed to strong demand in Europe, resulting in 8% higher deliveries compared to same quarter last year. Deliveries outside Europe excluding Brazil were up 17% with growth in North America and Africa while Asia saw profitable growth in NPK offset by reduced commodity product deliveries. Sales outside Europe were limited by supply constraints on nitrates. In general there has been a tight supply/demand balance on all own-produced products. Brazil volumes are progressing well, supported by higher market growth than anticipated. Yara deliveries to Brazil were 1.3 million tons vs. 0.7 million tons in first quarter 2013.

Global Yara nitrate deliveries were up 8% compared to first quarter 2013. This growth was primarily driven by the early spring in Europe with an increase in deliveries of 12%. Compound NPK deliveries increased 14%, with growth across all regions. In Europe the increased deliveries followed the same pattern as for nitrates, but in addition there was a catchup of a slow start in the beginning of the season. Urea deliveries were down 3% compared to first quarter 2013 due to low import availability for Europe and reduced deliveries to Asia and Africa partially offset by strong deliveries in North America and Brazil. Calcium nitrate deliveries increased by 7% compared with first quarter 2013 driven by growth in most Yara markets, despite reduction in North America.

Yara stocks are up 11% compared with the end of first quarter 2013 including the effect of Bunge. Excluding Brazil, stocks are down 12%, mainly driven by the strong deliveries to Europe, but also inventory reductions in North America. The stocks are particularly low on nitrates, with significantly lower inventory levels than at the same time last year. Compared to year-end 2013, total Yara stocks are down 4%.

Industrial sales volumes increased by 5% compared with first quarter 2013. Sales of NO_x abatement products for automotive, Air1, were 29% ahead due to rapid market development in the US and steady growth in Europe. Stationary NO_x abatement products sales were 9% below last year due to lower operating rates at coal-fired power plants in Europe. Sales of technical urea, nitric acid and ammonia to the process industry were up 8% as the demand for process intermediaries continued to develop positively in Europe. CO_2 sales were 4% above last year. Sales of Technical ammonium nitrate (TAN) and industrial nitrates products were in line with last year.

Yara's ammonia production faced a challenging first quarter and volumes decreased by 6% compared with last year. The Tertre ammonia plant went out of operation mid-January due to a fire. To minimize production losses a planned turnaround was moved forward and production was first resumed mid-April. At the Lifeco plant in Libya a controlled shut-down was carried out mid-January due to a local militia blocking the site. The blockade lasted until beginning of April and the ammonia production has resumed. Qafco production was also lower than last year due to a scheduled turnaround. The lower ammonia volumes from the mentioned plants were partly offset by increased production from plants that saw maintenance stops last year.

Finished fertilizer production was 1% above first quarter 2013, mainly as a result of increased production in Brazil. Urea production was impacted by the outages in the ammonia plants and saw a 2% decrease. Nitrates were in line with last year as production losses in Tertre were offset by increased volumes from Ince, with maintenance stop last year, and change in product portfolio for other plants. Other product groups saw smaller volume increases, with the exception of an almost 70% increase in Brazilian SSP production.

Margin development

Ammonia market prices decreased by 22%, while Yara's average realized urea prices were 13% lower than in first quarter 2013. Realized nitrate and NPK compound prices reduced less, decreasing by 12% and 10%, respectively, keeping premiums over urea and other commodity fertilizers stable overall, while NPK blend margins in Brazil were higher than last year.

Industrial margins generally benefited from lower raw material sourcing costs compared with first quarter 2013, contributing to a record underlying result. Chemicals margins increased compared with last year due to reallocation of products toward higher paying segments. Air1 margins increased both in Europe and North America due to higher demand and lower logistics costs.

Yara's average European gas and oil cost was 1% below first quarter 2013 on a USD per MMBtu basis, and slightly better than Yara's guidance. There were no significant changes in average spot gas prices and oil-linked prices compared with last year, using a one month time lag in the pricing. Yara also benefitted from the conversion from oil to gas in Brunsbuttel and the renegotiated gas contract in Ferrara. Yara's global average oil and gas cost decreased 2% on a USD per MMBtu basis as ammonia-linked gas cost decreased, partly offset by increased North American gas prices.

Other items

Total special items were a net negative NOK 239 million, primarily related to the negative result in Libya where the production has been suspended since mid-January after local militia blocked access to the site. There were also integration and acquisition costs in connection to the acquisitions of Bunge's fertilizer business in Brazil and OFD in Latin America, in addition to a partner settlement provision and negative effects from contract derivatives. Integration costs related to Bunge were USD 5 million in first quarter, which was lower than expected, with a further USD 8 million expected in the next two quarters. First-quarter 2013 special items were a net positive NOK 35 million, reflecting contract derivatives. For further details on special items see pages 9 and 10.

The major part of the "Other" variance is related to increased fixed costs, primarily due to the inclusion of Bunge's fertilizer business in Brazil and other growth related activities.

The US dollar was approximately 8% stronger versus the Norwegian krone compared with first quarter 2013, resulting in a positive translation effect in Yara's results.

PRODUCTION VOLUMES [1)]

Thousand tons	1Q 2014	1Q 2013	2013
Ammonia	1,721	1,826	7,360
of which equity-accounted investees	*308*	*373*	*1,488*
Urea	1,168	1,191	4,840
of which equity-accounted investees	*332*	*426*	*1,616*
Nitrate	1,520	1,520	6,224
of which equity-accounted investees	*100*	*68*	*361*
NPK	1,248	1,244	4,646
of which equity-accounted investees	*63*	*11*	*181*
CN	330	326	1,199
UAN	258	248	1,081
SSP-based fertilizer	137	81	659
Total production [1)]	6,381	6,436	26,009

1) Including Yara share of production in equity-accounted investees. Tringen is from 2014 classified as "Joint operations" in line with IFRS 11, and is not any longer included as equity-accounted investee. 2013 has been restated accordingly.

SALES VOLUMES

Thousand tons	1Q 2014	1Q 2013	2013
Ammonia	650	869	3,050
of which industrial products [1)]	*171*	*169*	*669*
Urea	1,553	1,611	6,741
of which fertilizer	*1,248*	*1,282*	*5,494*
of which Yara-produced fertilizer	*539*	*448*	*1,923*
of which Yara-produced industrial products [2)]	*265*	*287*	*1,123*
of which equity-accounted investees	*574*	*698*	*3,100*
Nitrate	1,742	1,650	6,489
of which fertilizer	*1,569*	*1,454*	*5,699*
of which Yara-produced fertilizer	*1,458*	*1,356*	*5,243*
of which Yara-produced industrial products	*136*	*167*	*649*
NPK	2,330	1,611	8,190
of which Yara-produced compounds	*1,351*	*1,199*	*4,411*
of which Yara-produced blends	*867*	*326*	*3,532*
CN	353	332	1,323
of which fertilizer	*279*	*261*	*986*
of which Yara-produced fertilizer	*277*	*257*	*971*
of which Yara-produced industrial products	*67*	*65*	*309*
UAN	418	316	1,290
of which Yara-produced fertilizer	*393*	*296*	*1,196*
DAP/MAP	149	70	377
MOP/SOP	125	81	596
Other products	1,070	873	4,071
of which industrial products [3)]	*815*	*698*	*3,213*
Total sales	8,390	7,412	32,126

1) 82% ammonia equivalents.
2) 46% urea equivalents.
3) Including feed phosphates and CO_2 as from 2014 reporting (2013 restated).

FERTILIZER VOLUMES BY REGION

Thousand tons	1Q 2014	1Q 2013	2013
Europe	3,110	2,892	10,199
Latin America	1,583	923	6,900
North America	929	800	3,265
Asia	482	484	2,279
Africa	300	198	1,026
Total	6,405	5,297	23,668

For a description of the key global fertilizer products, see the Yara Fertilizer Industry Handbook:
http://www.yara.com/investor relations/report presentations/index.aspx

FINANCIAL ITEMS

NOK millions	1Q 2014	1Q 2013
Interest income from customers	73	30
Interest income, other	37	55
Interest income and other financial income	110	86
Interest expense	(191)	(162)
Net interest expense on net pension liability	(17)	(21)
Net foreign exchange gain/(loss)	78	(218)
Other	(31)	23
Interest expense and foreign exchange gain/(loss)	(161)	(378)
Net financial income/(expense)	(52)	(293)

First-quarter net financial expense was NOK 52 million compared with NOK 293 million in 2013. The variance primarily reflects a net foreign exchange gain this quarter of NOK 78 million compared with a loss of NOK 218 million in the same quarter last year.

Interest income from customers increased with NOK 43 million compared with first quarter 2013, mainly due to the expansion in Brazil. Other interest income decreased by NOK 18 million as average cash deposits were NOK 4.5 billion lower than last year. The cash has mainly been kept as bank deposits in Norwegian kroner.

Interest expense was NOK 29 million above first quarter 2013 amid somewhat higher average interest rates and an average USD/NOK rate around 8% higher. Average gross debt was at almost the same level as in first quarter 2013.

Net foreign exchange gain was NOK 78 million as the US dollar depreciated against most of Yara's main currencies. Yara's US dollar debt generating currency effects in the income statement was approximately USD 1,000 million at the end of the quarter, with the exposure mainly towards the euro and the Brazilian real.

TAX

First-quarter provisions for current and deferred taxes were NOK 524 million, approximately 22% of income before tax. The tax rate was higher than for first quarter 2013 (approximately 20%) mainly due to lower share of earnings from equity-accounted investees.

NET INTEREST-BEARING DEBT

NOK millions	1Q 2014
Net interest-bearing debt at beginning of period	(3,333)
Cash earnings [1]	2,473
Dividends received from equity-accounted investees	552
Net operating capital change	(506)
Other investments (net)	(1,772)
Foreign exchange gain/(loss)	78
Other	(83)
Net interest-bearing debt at end of period	(2,591)

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 16), this table highlights the key factors behind the development in net interest-bearing debt.

Net interest-bearing debt ended at NOK 2,591 million in the first quarter, compared with NOK 3,333 million at the end of 2013. Strong cash earnings and dividends from equity-accounted investees exceeded capital expenditure.

Yara received dividend from equity-accounted investees of NOK 552 million in first quarter, of which dividend from Qafco amounted to NOK 547 million. Net operating capital increased by NOK 506 million due to higher receivables reflecting strong deliveries.

The investment activity for the quarter mainly reflects planned maintenance programmes and growth investments, including NOK 158 million in the Yara Pilbara Nitrates joint venture TAN plant construction. Yara completed three small acquisitions in the quarter totalling NOK 293 million.

The debt/equity ratio at the end of first quarter 2014, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.05 compared with 0.06 at the end of fourth quarter 2013.

Outlook

The global farm margin outlook and incentives for fertilizer application have improved in recent months, as both current and forward food prices have increased. The FAO food price index is up during the quarter, with increases for all main product groups except meat which is stable at record levels. Grassland for meat and dairy production represents Yara's second-largest fertilizer sector in Europe, after cereals.

The US Department of Agriculture estimates that global grain stocks-to-use will increase to 74 days during the 2013/14 season, as improved weather conditions and strong fertilizer application increase agricultural productivity. However, apart from last year, the estimated 74 days global grain supply represents the lowest level since 2008.

Global nitrogen demand was strong during the first quarter, reflecting seasonally strong northern hemisphere demand, including an early spring in Europe. However, urea prices declined from mid-February, reflecting continued strong supply from China.

The Chinese urea export tax is according to official information at RMB 40 per ton plus 15% until 1 July, after which it reduces to RMB 40 per ton until 1 November when it returns to RMB 40 per ton plus 15%. Exports are taking place below USD 300 per ton fob China, indicating lower production costs than in 2013, and perhaps also temporary effects as port stocks are liquidated. It is also possible that export taxes are not being fully applied, as seen also in first half 2013. Going forward, urea exports for second-half delivery will provide a better indication of underlying production costs, as the export tax uncertainty is removed. Lower anthracite coal prices in China remain a negative risk element for global commodity nitrogen prices longer term, however for other domestic cost elements such as labour and freight the risks are arguably more on the upside. Furthermore, port loading capacity can represent a bottleneck during peak export months.

Apart from two projects in Algeria with uncertain timing, there are limited greenfield capacity additions outside China scheduled for completion in the next 2 years.

In Ukraine, it is so far unclear to what extent recently announced gas price increases will impact local nitrogen producers. The urea curtailments seen so far appear to be in response to relatively stronger ammonia prices and production margins.

Nitrogen fertilizer industry deliveries in Western Europe have recovered from a slow start to the new season, with first-quarter deliveries 11% higher than a year ago and season-to-date deliveries up 5% from a year ago. Although the early spring has pulled ahead some demand from second to first quarter, strong farm margins and tight supply in particular for nitrates indicate a positive European nitrogen market situation also for the second quarter. Yara has a strong European order book for the remainder of the season.

Yara's value-added nitrate and NPK products continue to deliver strong and stable volumes and margins, which are relatively less exposed to swings in commodity nitrogen, phosphate and potash markets. However, the recent improvement in phosphate demand and prices has a positive impact also on NPK margins.

At the Lifeco plant in Marsa el Brega, Libya, a controlled shut-down was carried out in January due to a local militia blocking the site. The blockade was lifted in early April, allowing Yara to re-start production at the plant.

Growth in Latin America remains a key focus area for Yara in 2014. The integration of the former Bunge fertilizer business in Brazil is complete, with minium USD 50 million annual synergies expected to be realized in 2014. Yara's acquisition of OFD (Colombia) is expected to be completed in third quarter 2014, with integration preparations underway using resources and experience from the Bunge integration project. Yara's increased presence in Latin America strengthens its positioning for future growth, and further reduces the seasonality in its global business.

Lower prices and margins saw some of Yara's commodity nitrogen plants come close to curtailment in the fourth quarter. Lower European natural gas prices have recently improved the relative competitiveness of European ammonia/urea plants, but Yara will continue to evaluate the need for temporary or permanent capacity curtailments on an on-going basis, linked to both market price developments and investment decisions. Improving cost efficiency throughout the business is another key focus area for Yara in 2014.

Based on current forward markets for oil products and natural gas (22 April) Yara's second-quarter European energy costs are expected to be NOK 600 million lower than last year. Third-quarter 2014 European energy costs are expected to be NOK 450 million lower than a year earlier. The estimates may change considerably depending on future energy prices. Yara's European oil and gas exposure is approximately 90% spot gas and 10% spot oil products.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 29 April 2014

Bernt Reitan *Chairperson*	Hilde Merete Aasheim *Board member*	Elisabeth Harstad *Board member*	Geir Isaksen *Board member*
Juha Rantanen *Board member*	Rune Bratteberg *Board member*	Guro Mauset *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 impairment and 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. On Yara level, actual tax expense is used for the calculation while a standardized tax rate of 25% is used on segment level. "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. On segment level, cash and other liquid assets are not excluded from "Gross Investment".

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*

NOK millions	EBITDA effect 1Q 2014	EBITDA effect 1Q 2013	Operating income effect 1Q 2014	Operating income effect 1Q 2013
Bunge integration costs	(30)	-	(30)	-
Partner settlement provision	(48)	-	(48)	-
OFD acquisition and integration costs	(18)	-	(18)	-
Total Downstream	(96)	-	(96)	-
Total Industrial	-	-	-	-
Libya costs	(90)	-	-	-
Contract derivatives	(53)	35	(53)	35
Total Upstream	(143)	35	(53)	35
Total Other and eliminations	-	-	-	-
Total Yara	(239)	35	(148)	35

Condensed *consolidated interim statement of income*

NOK millions, except share information	Notes	1Q 2014	1Q 2013 Restated 3)	2013 Restated 3)
Revenue	3	21,763	20,617	84,668
Other income	3	4	41	119
Commodity based derivatives gain/(loss)		(59)	39	305
Revenue and other income	3	21,709	20,697	85,092
Raw materials, energy costs and freight expenses		(16,213)	(15,284)	(64,786)
Payroll and related costs		(1,518)	(1,270)	(5,454)
Depreciation, amortization and impairment loss		(1,022)	(842)	(3,743)
Other operating expenses		(688)	(484)	(3,036)
Operating costs and expenses		(19,441)	(17,879)	(77,018)
Operating income	3	2,268	2,817	8,074
Share of net income in equity-accounted investees	3	191	439	1,076
Interest income and other financial income	3	110	86	414
Earnings before interest expense and tax (EBIT)	3	2,568	3,342	9,563
Foreign exchange gain/(loss)		78	(218)	(949)
Interest expense and other financial items		(239)	(160)	(904)
Income before tax	3	2,407	2,964	7,711
Income tax expense		(524)	(605)	(1,602)
Net income		1,882	2,359	6,108
Net income attributable to				
Shareholders of the parent		1,773	2,257	5,759
Non-controlling interests		109	103	350
Net income		1,882	2,359	6,108
Earnings per share 1)		6.40	8.04	20.67
Weighted average number of shares outstanding 2)		277,050,910	280,567,264	278,647,345

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 second, third and fourth quarter 2013 due to the share buy-back program.
3) See note 8 for more information.

Condensed *consolidated interim statement of comprehensive income*

NOK millions	1Q 2014	1Q 2013 Restated [1]	2013 Restated [1]
Net income	1,882	2,359	6,108
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(919)	1,527	4,851
Available-for-sale financial assets - change in fair value	(31)	30	26
Hedge of net investments	49	(156)	(292)
Share of other comprehensive income of equity-accounted investees, excluding remeasurements	9	2	70
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(892)	1,403	4,655
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Remeasurements of the net defined benefit pension liability	-	-	399
Remeasurements of the net defined benefit pension liability for equity-accounted investees	(5)	(6)	(90)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	(5)	(6)	309
Reclassification adjustments of the period:			
- cash flow hedges	3	3	15
Net reclassification adjustment of the period:	3	3	15
Total other comprehensive income, net of tax	(894)	1,401	4,979
Total comprehensive income	989	3,760	11,087
Total comprehensive income attributable to			
Shareholders of the parent	912	3,576	10,572
Non-controlling interests	77	184	514
Total	989	3,760	11,086

1) See note 8 for more information.

Condensed *consolidated 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 2012 as reported 2013	477	117	(2,805)	5	(255)	169	(2,886)	50,538	48,246	1,745	49,991
Implementation of revised IAS 28, restatement effect [3]	-	-	-	-	-	-	-	(652)	(652)	-	(652)
Balance at 1 January 2013 restated [3]	477	117	(2,805)	5	(255)	169	(2,886)	49,886	47,594	1,745	49,339
Net income	-	-	-	-	-	-	-	2,257	2,257	103	2,359
Other comprehensive income, net of tax	-	-	1,446	30	3	(156)	1,323	-	1,323	81	1,405
Share of other comprehensive income of equity-accounted investees	-	-	-	-	2	-	1	(5)	(4)	-	(4)
Total other comprehensive income, net of tax	-	-	1,446	30	4	(156)	1,324	(5)	1,319	81	1,401
Long term incentive plan	-	-	-	-	-	-	-	2	2	-	2
Dividends distributed	-	-	-	-	-	-	-	-	-	(85)	(85)
Balance at 31 March 2013 restated [3]	477	117	(1,359)	35	(251)	13	(1,561)	52,140	51,173	1,844	53,017
Net income	-	-	-	-	-	-	-	3,502	3,502	246	3,748
Other comprehensive income, net of tax	-	-	3,240	(4)	12	(136)	3,112	399	3,511	84	3,595
Share of other comprehensive income of equity-accounted investees	-	-	6	-	62	-	68	(84)	(16)	-	(16)
Total other comprehensive income, net of tax	-	-	3,246	(4)	74	(136)	3,180	315	3,495	84	3,578
Long term incentive plan	-	-	-	-	-	-	-	(8)	(8)	-	(8)
Transactions with non-controlling interests	-	-	-	-	-	-	-	17	17	(6)	11
Treasury shares	(2)	-	-	-	-	-	-	(375)	(377)	-	(377)
Redeemed shares, Norwegian State [2]	(4)	-	-	-	-	-	-	(529)	(533)	-	(533)
Dividends distributed	-	-	-	-	-	-	-	(3,647)	(3,647)	(16)	(3,663)
Balance at 31 December 2013 restated [3]	471	117	1,887	30	(177)	(122)	1,618	51,415	53,621	2,152	55,773
Net income	-	-	-	-	-	-	-	1,773	1,773	109	1,882
Other comprehensive income, net of tax	-	-	(886)	(31)	3	49	(865)	-	(865)	(32)	(898)
Share of other comprehensive income of equity-accounted investees	-	-	1	-	4	-	5	(1)	4	-	4
Total other comprehensive income, net of tax	-	-	(885)	(31)	7	49	(861)	(1)	(861)	(32)	(894)
Long term incentive plan	-	-	-	-	-	-	-	3	3	-	3
Balance at 31 March 2014	471	117	1,002	(1)	(170)	(74)	757	53,191	54,536	2,229	56,765

1) Par value 1.70.
2) As approved by General Meeting 13 May 2013.
3) See note 8 for more information.

Condensed *consolidated statement of financial position*

NOK millions	Notes	31 Mar 2014	31 Mar 2013 Restated [1]	31 Dec 2013 Restated [1]	1 Jan 2013 Restated [1]
Assets					
Non-current assets					
Deferred tax assets		1,983	1,239	1,984	1,409
Intangible assets		8,432	7,737	8,419	7,512
Property, plant and equipment		34,232	29,212	34,611	28,594
Equity-accounted investees		8,880	8,676	9,361	9,069
Other non-current assets		1,563	1,425	1,549	1,437
Total non-current assets		55,090	48,289	55,923	48,022
Current assets					
Inventories	6	13,089	12,848	13,129	12,003
Trade receivables		10,923	9,858	9,339	8,086
Prepaid expenses and other current assets		3,435	2,622	3,378	2,635
Cash and cash equivalents		6,770	12,285	6,824	10,015
Non-current assets classified as held-for-sale		8	3	8	11
Total current assets		34,224	37,616	32,679	32,750
Total assets	3	89,314	85,905	88,602	80,772

1) See note 8 for more information.

Condensed *consolidated statement of financial position*

NOK millions, except for number of shares	Notes	31 Mar 2014	31 Mar 2013 Restated [1]	31 Dec 2013 Restated [1]	1 Jan 2013 Restated [1]
Equity and liabilities					
Equity					
Share capital reduced for treasury stock		471	477	471	477
Premium paid-in capital		117	117	117	117
Total paid-in capital		588	594	588	594
Other reserves		757	(1,561)	1,618	(2,886)
Retained earnings		53,191	52,140	51,415	49,886
Total equity attributable to shareholders of the parent		54,536	51,173	53,621	47,594
Non-controlling interests		2,229	1,844	2,152	1,745
Total equity		56,765	53,017	55,773	49,339
Non-current liabilities					
Employee benefits		2,280	2,374	2,339	2,427
Deferred tax liabilities		4,326	4,362	4,423	4,444
Other long-term liabilities		579	681	569	659
Long-term provisions		397	426	398	407
Long-term interest-bearing debt	7	5,784	8,933	5,833	9,287
Total non-current liabilities		13,366	16,776	13,562	17,224
Current liabilities					
Trade and other payables		13,088	12,000	11,961	9,838
Current tax liabilities		1,329	1,797	1,407	1,932
Short-term provisions		434	237	458	230
Other short-term liabilities		754	819	1,114	686
Bank loans and other interest-bearing short-term debt		445	523	500	520
Current portion of long-term debt		3,134	736	3,826	1,004
Total current liabilities		19,183	16,112	19,266	14,209
Total equity and liabilities		89,314	85,905	88,602	80,772
Number of shares outstanding [2]	2	277,050,910	280,567,264	277,050,910	280,567,264

1) See note 8 for more information.
2) Weighted average number of shares outstanding was reduced in second, third and forth quarter 2013 due to the share buy-back program..

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 29 April 2014

Bernt Reitan
Chairperson

Hilde Merete Aasheim
Board member

Elisabeth Harstad
Board member

Geir Isaksen
Board member

Juha Rantanen
Board member

Rune Bratteberg
Board member

Guro Mauset
Board member

Geir O. Sundbø
Board member

Jørgen Ole Haslestad
President and CEO

Condensed *consolidated statement of cash flows*

NOK millions	Notes	1Q 2014	1Q 2013 Restated [2]	2013 Restated [2]
Operating activities				
Operating income	3	2,268	2,817	8,074
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation, amortization and impairment loss		1,022	842	3,743
Write-down and reversals, net		16	(27)	5
Tax paid		(817)	(872)	(3,881)
Dividend from equity-accounted investees		552	1,119	1,862
Change in net operating capital [1]		(522)	(181)	2,187
Other		(123)	319	310
Net cash from operating activities		2,396	4,017	12,300
				-
Investing activities				-
Purchases of property, plant and equipment	3	(1,423)	(899)	(5,420)
Purchases of subsidiaries	5	(293)	-	(4,319)
Purchases of other long-term investments	3	(59)	(102)	(434)
Net sales/(purchases) of short-term investments		-	-	(1)
Proceeds from sales of property, plant and equipment		3	12	38
Proceeds from sales of other long-term investments		1	202	623
Net cash from/(used in) investing activities		(1,772)	(787)	(9,514)
				-
Financing activities				-
Loan proceeds/(repayments), net		(672)	(931)	(1,286)
Purchase of treasury shares	2	-	-	(377)
Redeemed shares Norwegian State		-	-	(533)
Dividend	2	-	-	(3,647)
Net cash transfers (to)/from non-controlling interests		-	(85)	(100)
Net cash from/(used in) in financing activities		(672)	(1,016)	(5,944)
				-
Foreign currency effects on cash flows		(6)	56	(33)
				-
Net increase (decrease) in cash and cash equivalents		(54)	2,270	(3,191)
Cash and cash equivalents at beginning of period		6,824	10,015	10,015
Cash and cash equivalents at end of period		6,770	12,285	6,824
Bank deposits not available for the use of other group companies		532	501	383

1) Operating capital consists of trade receivable, inventories and trade payable.
2) See note 8 for more information.

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 2013 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 2013. These condensed consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are mainly the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013, except for IFRS 10, 11 and 12 and revised IAS 27 and 28 which Yara implemented 1 January 2014. See note 8 for further information.

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 2013. The implementation of the new standards IFRS 10 and 11 and the revised IAS 28 has however required management judgments, particularly when distinguishing between joint operations and joint ventures. See note 8 for more information.

Note 2

Shares, *dividend and share buy-back program*

The Board of Directors proposed a dividend for 2013 of NOK 10 per share. If approved by the Annual General Meeting in May 2014, the total dividend payment will be NOK 2,771 million based on current outstanding shares.

In May 2013 the Annual General Meeting authorized the Board of Directors to acquire up to 5% (13,925,045 shares) with a nominal value of up to NOK 23,672,577 in the equity market and from the Norwegian State. Within this frame, the Company has acquired 1,450,000 shares with a total nominal value of NOK 2,465,000. The Board proposed to the Annual General Meeting in May 2014, that these shares shall be cancelled by reduction of the Company's share capital. The Norwegian State 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 591 million.

Yara has not purchased own shares during first quarter 2014.

The Board has proposed to the Annual General Meeting in May 2014 that the existing buy-back program is replaced by a new program, authorizing the Board to acquire up to 5% (13,811,388 shares) 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.

	Ordinary shares	Own shares
Total at 31 December 2012	284,207,264	(3,640,000)
Redeemed shares Norwegian State [1]	(2,066,354)	
Shares cancelled [1]	(3,640,000)	3,640,000
Treasury shares - share buy-back program [1]		(1,450,000)
Total at 31 December 2013	278,500,910	(1,450,000)
Total at 31 March 2014	278,500,910	(1,450,000)

1) As approved by General Meeting 13 May 2013.

Note 3

Operating *segment information*

NOK millions	1Q 2014	1Q 2013 Restated [3]	2013 Restated [3]
External revenue and other income			
Downstream	16,748	14,557	62,268
Industrial	3,405	3,392	13,693
Upstream	1,544	2,693	9,008
Other and eliminations	12	55	123
Total	21,709	20,697	85,092
Internal revenue and other income			
Downstream	418	401	1,592
Industrial	37	56	170
Upstream	7,659	8,340	30,487
Other and eliminations	(8,115)	(8,797)	(32,249)
Total	-	-	-
Revenue and other income			
Downstream	17,167	14,958	63,860
Industrial	3,442	3,449	13,864
Upstream	9,203	11,033	39,495
Other and eliminations	(8,103)	(8,742)	(32,127)
Total	21,709	20,697	85,092
Operating income			
Downstream	1,515	838	3,078
Industrial	287	168	841
Upstream	717	1,630	4,135
Other and eliminations	(252)	181	20
Total	2,268	2,817	8,074
EBITDA			
Downstream	1,792	1,004	4,013
Industrial	365	228	1,144
Upstream	1,646	2,711	8,004
Other and eliminations	(213)	240	238
Total	3,591	4,184	13,399
Investments [1]			
Downstream	442	148	3,515
Industrial	218	43	321
Upstream	748	558	3,941
Other and eliminations	41	47	206
Total	1,449	795	7,984
Total Assets [2]			
Downstream	28,890	23,538	26,884
Industrial	5,381	4,962	5,125
Upstream	48,486	45,802	49,479
Other and eliminations	6,556	11,602	7,113
Total	89,314	85,904	88,602

1) Investments in property, plant and equipment, intangible assets, equity-accounted investees and other equity investments.
2) Assets exclude internal cash accounts and accounts receivables related to group relief.
3) See note 8 for more information.

NOK millions, except percentages	1Q 2014	1Q 2013 Restated [3]	2013 Restated [3]
CROGI (12-month rolling average)			
Yara [1]	11.8%	17.0%	12.6%
Downstream	16.6%	15.3%	14.5%
Industrial	16.9%	11.5%	15.4%
Upstream	9.3%	17.0%	10.8%
ROCE (12-month rolling average)			
Yara	11.4%	18.8%	12.6%
Downstream	17.8%	16.2%	15.2%
Industrial	21.9%	12.8%	19.5%
Upstream	7.3%	18.5%	9.7%
Reconciliation of EBITDA to Income before tax			
EBITDA	3,591	4,184	13,399
Depreciation, amortization and impairment loss [2]	(1,023)	(842)	(3,836)
Foreign exchange gain/(loss)	78	(218)	(949)
Interest expense and other financial items	(239)	(160)	(904)
Income before tax	2,407	2,964	7,711

1) Cash and other liquid assets are included in gross investments and capital employed when calculating CROGI and ROCE respectively for the segments, but not included for total Yara. In addition, actual Yara tax is used for calculating CROGI and ROCE for Yara while a standardized tax rate of 25% is used for the segments. These two effects explain the variance in CROGI and ROCE between Yara and the segments. See page 9 "Definitions and variance analysis" for more information.
2) Including amortization and impairment of excess value in equity-accounted investees.
3) See note 8 for more information.

RECONCILIATION OF OPERATING INCOME TO EBITDA

NOK millions	Operating income	Equity-accounted investees	Interest income and other financial income	EBIT	Depreciation, amortization and impairment loss [1]	EBITDA
1Q 2014						
Downstream	1,515	(1)	90	1,605	188	1,792
Industrial	287	21	2	310	56	365
Upstream	717	170	2	889	757	1,646
Other and eliminations	(252)	-	16	(236)	23	(213)
Total	2,268	191	110	2,568	1,023	3,591
1Q 2013 [2]						
Downstream	838	(5)	39	872	132	1,004
Industrial	168	13	-	181	47	228
Upstream	1,630	432	1	2,063	649	2,711
Other and eliminations	181	-	45	226	14	240
Total	2,817	439	86	3,342	842	4,184
2013 [2]						
Downstream	3,078	40	259	3,376	637	4,013
Industrial	841	83	5	929	215	1,144
Upstream	4,135	954	7	5,096	2,908	8,004
Other and eliminations	20	-	143	162	76	238
Total	8,074	1,076	414	9,563	3,836	13,399

1) Including amortization of excess value in equity-accounted investees.
2) See note 8 for more information.

Note 4

Business *initiatives*

Yara has acquired the German water sensor company ZIM Plant Technology GmbH. The company has developed technology to monitor the water status of the crop. Closing of the deal was 2 January 2014. The transaction value is EUR 3.5 million and the company is included in the Downstream segment.

On 29 January 2014, Yara acquired H+H Umwelt- und Industrietechnik GmbH. H+H specializes in Selective Catalytic Reduction (SCR) systems for NO_X abatement in ships and power plants. The company provides SCR systems to the shipping and industrial markets, with over 1,200 installed SCR units around the world. The transaction value is EUR 15.4 million and the company is included in the Industrial segment.

Yara acquired the Kynoch business in the Cape regions of South Africa on 1 March 2014. The business represents 140 kiloton of fertilizer sales, with a differentiated product portfolio offering crop nutrition solutions. The transaction value is USD 31 million and the unit is included in the Downstream segment.

Yara has consolidated H+H, ZIM Plant Technology GmbH and Kynoch business from the acquisition dates. See note 5 for further information.

Yara signed an agreement to acquire a majority 63.33% stake in Green Tech Marine (GTM), a sulphur oxide (SO_X) scrubber supplier to the marine industry on 22 March 2014. Closing of the deal took place in second quarter 2014. The transaction value is NOK 47.5 million and the company will be included in the Industrial segment.

In November 2013, Yara entered into an agreement to acquire OFD Holding Inc. from Ominex Resources Inc., for an enterprise value of USD 425 million. The share purchase agreement was signed in first quarter 2014, and closing is expected to take place in third quarter 2014.

Note 5

Business *combinations*

During first quarter 2014, Yara closed its acquisitions of ZIM Plant Technology GmbH, H+H Umwelt- und Industrietechnik GmbH and the southern part of Kynoch's business in South Africa.

The acquisition of ZIM Plant Technology GmbH marks a strategic move to engage in agricultural water use efficiency. The company has developed technology to monitor the water status of the crop.

Yara strengthens its position in the area of Nitrogen Oxide (NO_X) Emissions Control systems in a strategic move acquiring H+H Umwelt- und Industrietechnik GmbH. H+H specializes in Selective Catalytic Reduction (SCR) systems for NO_X abatement in ships and power plants. Through this acquisition, Yara continues to develop into a global Emission-to-Air abatement company, building a comprehensive portfolio of NO_X reduction systems.

Kynoch South (Cape) will operate in the premium offerings segment in South Africa reaching the Western, Eastern and Northern Cape regions.

The acquisitions above are presented combined in the column "Total 2014". It is not recognized any non-controlling interests on any of the business combinations.

CONSIDERATIONS

NOK millions	Total 2014
Cash transferred	299
Debt settled as part of the transaction [1)	19
Deferred consideration [1)	30
Total considerations	348

1) Related to the business combination of Cape.

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

NOK millions	Total 2014
Assets	
Patents, part of intangible assets	25
Customer relationships, part of intangible assets	68
Property, plant and equipment	17
Other non-current assets	1
Inventories	107
Trade receivables	29
Prepaid expenses and other current assets	4
Cash and cash equivalents	6
Total assets	257
Liabilities	
Long-term provisions	3
Deferred tax liabilities	26
Trade and other payables	30
Bank loans and other interest-bearing short term debt	8
Other short-term liabilities	3
Total liabilities	70
Total identifiable net assets at fair value	187

The receivables acquired in all business combinations have a gross contractual amount equal to their fair value.

The initial accounting for the acquisitions has only been provisionally determined at the end of the reporting period. The tax values of Cape are impacted by the transaction.

GOODWILL ARISING ON ACQUISITIONS

NOK millions	Total 2014
Total consideration	348
Less: Fair value of net identifiable assets acquired	(187)
Goodwill arising on acquisition	161

1) Deferred consideration related to Cape of NOK 30 million is dependent on guarantees to be established. Expected settlement in 2Q 2014.

Goodwill arose on the acquisitions due to future economic benefits from the assembled workforce. For Cape it also reflects a willingness to pay for operational benefits in raw material sourcing and increased sale of premium offerings.

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

NET CASH OUTFLOW ON BUSINESS COMBINATIONS

NOK millions	Total 2014
Consideration paid in cash at date of acquisition	299
Less: Cash and cash equivalent balances acquired	(6)
Net cash outflow on business combinations	293

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

“Pro-forma” figures have not been prepared as the business combination would have limited impact to the year-to-date figures of the Group.

Note 6

Inventory

NOK millions	31 Mar 2014	31 Mar 2013	31 Dec 2013
Finished goods	6,382	7,591	7,164
Work in progress	506	550	633
Raw materials	6,201	4,707	5,332
Total	13,089	12,848	13,129
Write-down			
Balance at 1 January	(103)	(96)	(96)
Reversal/(write-down), net	5	19	2
Foreign currency translation	2	(2)	(9)
Closing balance	(95)	(78)	(103)

Note 7

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
2015	-	98	23	121
2016	1,039	98	628	1,765
2017	-	99	26	124
2018	-	98	27	125
Thereafter	2,971	449	228	3,648
Total	4,010	843	931	5,784

Yara International ASA has repaid NOK 625 million of its bond debt upon maturity in March.

Note 8

Restatement *effects*

Effective 1 January 2014 Yara adopted the new standards IFRS 10, 11, 12 and revised IAS 27 and 28 with retrospective application.

IMPACT OF IMPLEMENTATION OF IFRS 10 CONSOLIDATED FINANCIAL STATEMENTS AND REVISED IAS 27 SEPARATE FINANCIAL STATEMENTS

The Group adopted IFRS 10 in the current year. IFRS 10 changes the definition of control and Yara has assessed whether or not the Group has control over some of the associates or joint ventures (under the previously existing IAS 28 and the old IAS 31). At the date of initial application of IFRS 10, the Group assessed that it did not control any of the equity-accounted investees.

IMPACT OF IMPLEMENTATION OF IFRS 11 JOINT ARRANGEMENTS

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement, of which two or more parties have joint control, should be classified and accounted for. The classification should be joint operation or joint venture. Investments in joint ventures are accounted for using the equity method, and joint operations are accounted for by each joint operator accounting for its share of assets, liabilities, revenues and expenses. Yara's management assessed the classification of the Group's investments in joint arrangements in accordance with IFRS 11. Management concluded that two joint arrangements should be classified as joint operations and thus changing the accounting from equity method to the Group's share of assets, liabilities, revenues and expenses. The companies are Trinidad Nitrogen Company Ltd., where Yara owns 49%, and Yara Pilbara Nitrates, where Yara consolidates 55% (owned directly 35% by Yara and 20% through Yara Pilbara Holding where Yara has a ownership of 51%). The main reason why Tringen is classified as a joint operation is that Yara buys all products produced by the plant. Yara Pilbara Nitrates is classified as a joint operation as the products produced by the plant will be sold solely to the parties of the joint operation.

IMPACT OF IMPLEMENTATION OF IFRS 12 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

More extensive disclosures are required by IFRS 12 for entities having interests in subsidiaries, joint arrangements and associates. These requirements are not included in the interim consolidated financial statements, but will be assessed for the annual report 2014.

IMPACT OF IMPLEMENTATION OF REVISED IAS 28 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Yara sold 16% in Yara Praxair Holding AS in 2011, and joint control ceased over this entity. This transaction gave a remeasurement gain of remaining 34% ownership in the associate of NOK 661 million. Under the revised IAS 28, remeasurement of remaining ownership is not required. The effect has been restated. The restatement reduces the carrying value of the investment and Yara's equity. Also, the restatement gave a NOK 7 million positive impact on operating income due to reversal of amortization of excess values.

1 JANUARY 2013 - IMPLEMENTATION EFFECTS

	1 Jan 2013	IFRS 11		IAS 28	1 Jan 2013
NOK millions	As reported	Derecognized	Recognized	Change	Restated
Assets					
Non-current assets					
Deferred tax assets	1,376	-	37	(4)	1,409
Intangible assets	7,512	-	-	-	7,512
Property, plant and equipment	27,893	-	701	-	28,594
Equity-accounted investees	10,501	(784)	-	(648)	9,069
Other non-current assets	1,437	-	-	-	1,437
Total non-current assets	48,719	(784)	738	(652)	48,022
Current assets					
Inventories	11,927	-	76	-	12,003
Trade receivables	8,045	-	41	-	8,086
Prepaid expenses and other current assets	2,607	-	28	-	2,635
Cash and cash equivalents	9,941	-	74	-	10,015
Non-current assets classified as held-for-sale	11	-	-	-	11
Total current assets	32,530	-	220	-	32,750
Total assets	81,249	(784)	957	(652)	80,772
Equity and liabilities					
Equity					
Share capital reduced for treasury stock	477	-	-	-	477
Premium paid-in capital	117	-	-	-	117
Total paid-in capital	594	-	-	-	594
Other reserves	(2,886)	-	-	-	(2,886)
Retained earnings	50,538	(784)	784	(652)	49,886
Total equity attributable to shareholders of the parent	48,246	(784)	784	(652)	47,594
Non-controlling interests	1,745	-	-	-	1,745
Total equity	49,991	(784)	784	(652)	49,339
Non-current liabilities					
Employee benefits	2,350	-	78	-	2,427
Deferred tax liabilities	4,442	-	1	-	4,444
Other long-term liabilities	658	-	-	-	659
Long-term provisions	407	-	-	-	407
Long-term interest-bearing debt	9,287	-	-	-	9,287
Total non-current liabilities	17,144	-	80	-	17,224
Current liabilities					
Trade and other payables	9,665	-	172	-	9,838
Current tax liabilities	1,932	-	-	-	1,932
Short-term provisions	230	-	-	-	230
Other short-term liabilities	680	-	6	-	686
Bank loans and other interest-bearing short-term debt	604	-	(84)	-	520
Current portion of long-term debt	1,004	-	-	-	1,004
Total current liabilities	14,115	-	94	-	14,209
Total equity and liabilities	81,249	(784)	957	(652)	80,772

2013 - IFRS 11 AND IAS 28 RESTATEMENTS

	1Q 2013			2013		
NOK millions, except percentages and per share information	As reported	Restatement Effects	Restated	As reported	Restatement Effects	Restated
YARA						
Condensed consolidated statement of income						
Revenue and other income	20,690	7	20,697	85,052	40	85,092
Operating income	2,682	136	2,817	7,791	283	8,074
Share of net income equity-accounted investees	525	(86)	439	1,250	(174)	1,076
Income taxes	(558)	(47)	(605)	(1,506)	(97)	(1,602)
Net Income	2,357	2	2,359	6,097	11	6,108
Earnings per share	8.04	0.01	8.04	20.63	0.04	20.67
Condensed consolidated statement of comprehensive income						
Exchange differences on translation of foreign operations	1,528	-	1,527	4,856	(5)	4,851
Remeasurements of the net defined benefit pension liability	-	-	-	409	(10)	399
Remeasurements of the net defined benefit pension liability for equity-accounted investees	(6)	-	(6)	(101)	10	(90)
Total other comprehensive income, net of tax	1,401	-	1,401	4,984	(5)	4,979
Total comprehensive income	3,758	2	3,760	11,081	6	11,087
Total comprehensive income attributable to:						
Shareholders of the parent	3,574	2	3,576	10,567	6	10,572
Condensed consolidated statement of financial position						
Total non-current assets	48,973	(684)	48,289	56,459	(536)	55,923
Total current assets	37,467	148	37,616	32,521	158	32,679
Total equity	53,667	(650)	53,017	56,419	(646)	55,773
Total non-current liabilities	16,694	81	16,776	13,444	119	13,562
Total current liabilities	16,080	33	16,112	19,118	149	19,266
Condensed consolidated statement of cash flows						
Net cash from operating activities	3,968	49	4,017	12,174	126	12,300
Net cash from/ (used in) investing activities	(682)	(105)	(787)	(9,259)	(254)	(9,514)
Net cash from/ (used in) financing activities	(998)	(18)	(1,016)	(5,989)	45	(5,944)
Foreign currency effects on cash flows	48	7	56	(48)	14	(33)
		-				
Net increase (decrease) in cash and cash equivalents	2,337	(68)	2,270	(3,122)	(69)	(3,191)
Cash and cash equivalents at beginning of period	9,941	75	10,015	9,941	75	10,015
Cash and cash equivalents at end of period	12,278	7	12,285	6,819	5	6,824
Other key figures						
EBITDA	4,129	55	4,184	13,266	133	13,399
CROGI				12.6%		12.6%
ROCE				12.4%		12.6%

2013 - SEGMENT RESTATEMENTS

The restatements following the new and revised standards presented above impacted the Upstream and Industrial segments. In addition, Yara made changes to the segment structure effective from 1 January 2014. Comparative figures for 2013 are restated . The segment changes are:

- Transfer of business unit Feed Phosphates from Upstream to Industrial
- Transfer of unit Yara Pilbara Nitrates, which is currently constructing a TAN plant in Australia, from Industrial to Upstream

The table below provides the restatement effects on segment level, both for the changes in accounting standards and for the changes to the segment structure:

	1Q 2013				2013			
NOK millions, except percentages	As reported	Effects of new and revised standards	Effects of change in segment structure	Restated	As reported	Effects of new and revised standards	Effects of change in segment structure	Restated
Upstream segment								
Revenue and other income	11,221	7	(196)	11,033	40,267	40	(812)	39,495
Operating income	1,485	136	9	1,630	3,886	283	(34)	4,135
EBITDA	2,649	53	9	2,711	7,919	133	(48)	8,004
Total Assets 1)	45,405	167	231	45,802	48,246	1,019	214	49,479
CROGI					11.0%			10.8%
ROCE					9.8%			9.7%
Industrial segment								
Revenue and other income	3,078	-	371	3,449	12,397	-	1,466	13,864
Operating income	178	-	(9)	168	807	-	34	841
EBITDA	235	2	(9)	228	1,096	-	48	1,144
Total Assets 1)	5,772	(634)	(176)	4,962	6,692	(1,397)	(169)	5,125
CROGI					12.2%			15.4%
ROCE					13.7%			19.5%
Other and eliminations								
Revenue and other income	(8,567)	-	(175)	(8,742)	(31,472)	-	(655)	(32,127)
Total Assets 1)	11,725	(68)	(54)	11,602	7,159	-	(45)	7,113

1) Assets exclude cash accounts and accounts receivable related to group relief.

Quarterly *historical information*

EBITDA

NOK millions	1Q 2014	4Q 2013 [2]	3Q 2013 [2]	2Q 2013 [2]	1Q 2013 [2]
Downstream	1,792	718	1,094	1,196	1,004
Industrial	365	306	304	306	228
Upstream	1,646	1,002	1,797	2,493	2,711
Other and eliminations	(213)	(168)	123	44	240
Total	3,591	1,858	3,318	4,039	4,184

RESULTS

NOK millions, except per share information	1Q 2014	4Q 2013 [2]	3Q 2013 [2]	2Q 2013 [2]	1Q 2013 [2]
Revenue and other income	21,709	20,573	20,613	23,209	20,697
Operating income	2,268	583	2,022	2,651	2,817
EBITDA	3,591	1,858	3,318	4,039	4,184
Net income after non-controlling interests	1,773	63	1,571	1,867	2,257
Earnings per share (NOK)	6.40	0.23	5.66	6.69	8.04

USD [1] millions, except per share information	1Q 2014	4Q 2013 [2]	3Q 2013 [2]	2Q 2013 [2]	1Q 2013 [2]
Revenue and other income	3,565	3,400	3,457	3,985	3,678
Operating income	373	98	339	455	501
EBITDA	590	308	556	694	744
Net income after non-controlling interests	292	5	263	321	401
Earnings per share (USD)	1.05	0.02	0.95	1.15	1.43

1) USD numbers are calculated monthly based on average NOK/USD per month.
2) 2013 figures have been restated, see note 8 for more information.

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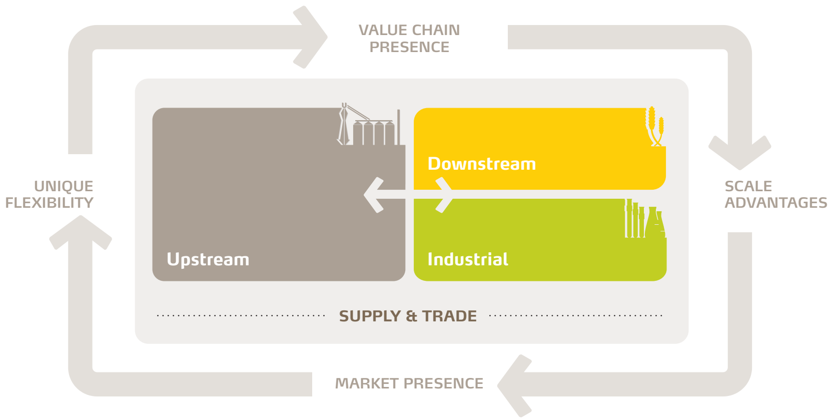

YARA HAS A STRONG platform building on its global presence, its vast knowledge base and unique business model. With a presence from sourcing of resources to dissemination of knowledge in the field, Yara is positioned to yield margins throughout the value chain.

YARA ACTIVELY RESPONDS to global challenges – and is positioned to make a difference. We succeed by pursuing a strategy that creates value for owners, customers and society at large – Creating Impact by using economic success as a lever for change, positioning the company.

PILLARS OF STRENGTH

Global #1
in ammonia

LEADERSHIP position in the ammonia value chain, producing ammonia/urea at scales 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.