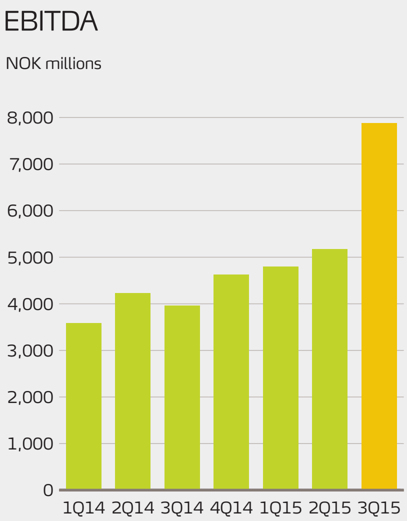
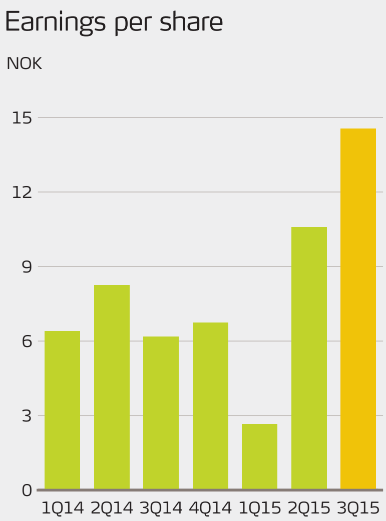
Knowledge grows

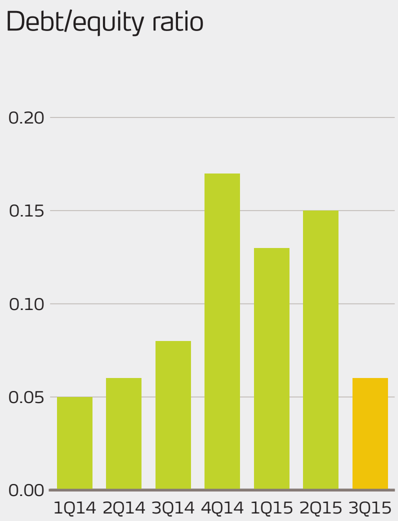
Third quarter 2015 report

Yara International ASA

- Strong result with increased deliveries
- Pick-up in Brazil sales
- European deliveries down 5%, but increase for nitrates
- Lower production mainly due to planned maintenance
- NOK 3.2 billion gain on divestment of GrowHow UK







Third quarter 2015

Financial highlights

NOK millions, except where indicated otherwise	3Q 2015	3Q 2014	YTD 2015	YTD 2014
Revenue and other income	30,479	24,095	86,176	69,113
Operating income	5,874	2,501	13,419	7,618
Share net income equity-accounted investees	165	159	(322)	521
EBITDA	7,884	3,964	17,857	11,782
EBITDA excl. special items	4,614	4,002	15,412	12,016
Net income after non-controlling interests	4,004	1,707	7,649	5,765
Earnings per share [1)]	14.56	6.18	27.79	20.84
Earnings per share excl.currency [1)]	18.47	7.52	35.41	21.68
Earnings per share excl.currency and special items [1)]	7.41	7.62	27.49	22.39
Average number of shares outstanding (millions)	275.1	276.2	275.3	276.6
CROGI (12-month rolling average) [2)]			15.5 %	11.8 %
ROCE (12-month rolling average)			16.0 %	11.1 %

1) NOK per share. Yara currently has no share-based compensation programs that result in a dilutive effect on EPS.
2) Third-quarter 2015 CROGI excl. special items annualized 12.2%.

Key statistics

Average prices		3Q 2015	3Q 2014	YTD 2015	YTD 2014
Urea prilled (fob Black Sea)	USD per ton	268	320	280	319
CAN (cif Germany)	USD per ton	257	309	275	336
Ammonia (fob Black Sea)	USD per ton	388	488	398	470
DAP (fob US Gulf)	USD per ton	465	497	472	478
Phosphate rock (fob Morocco)	USD per ton	124	117	123	117
European gas (TTF)	USD per MMBtu	6.4	7.0	6.7	8.1
US gas (Henry Hub)	USD per MMBtu	2.7	3.9	2.8	4.6
Yara's gas & oil cost (weighted average) [1)]	USD per MMBtu	5.3	6.1	6.0	7.0
Yara's European gas & oil cost (weighted average) [1)]	USD per MMBtu	7.0	7.5	7.4	9.3
USD/NOK currency rate		8.22	6.24	7.91	6.11
Production (Thousand tons) [1)]					
Ammonia		1,606	1,810	5,423	5,304
Finished fertilizer and industrial products, excl. bulk blends		4,683	4,953	14,663	14,143
Total		6,289	6,763	20,087	19,447
Sales (Thousand tons)					
Ammonia trade		504	464	1,653	1,534
Fertilizer		6,936	6,848	20,391	19,731
Industrial products		1,755	1,670	5,271	4,873
Total		9,194	8,982	27,315	26,138

1) Including Yara's share in equity-accounted investees.

Yara's third-quarter net income after non-controlling interests was NOK 4,004 million, compared with NOK 1,707 million a year earlier. Excluding net foreign exchange gain/(loss) and special items, the result was NOK 2,038 million, compared with NOK 2,105 million in third quarter 2014. The corresponding earnings per share were NOK 7.41 compared with NOK 7.62 a year earlier.

"Yara reports a strong third-quarter result with increased deliveries reflecting recent acquisitions in Latin America," said Svein Tore Holsether, President and Chief Executive Officer of Yara.

"I am pleased to see continued growth in our premium product deliveries during the quarter, with the strongest growth in overseas markets," said Svein Tore Holsether.

FERTILIZER MARKET CONDITIONS

A third consecutive strong grain harvest is expected for the 2015/16 agricultural year (July-June), but grain production is only just about to match the growing consumption, resulting in slightly declining stocks. With continued consumption growth, another record crop is needed for next year, supporting fertilizer demand. But still, the strong harvests have resulted in lower prices for several key crops, measured in US dollar. The Food and Agriculture Organization of the United Nations (FAO) food price index was down 20% on third quarter 2014 and 23% below the five-year average, while the cereal price index was down 13% and 26% below the five-year average.

As US dollar has strengthened against most relevant currencies, the price developments have been significantly less negative (in some cases positive) in many key producing regions outside the US, including Europe and Brazil. On average this third quarter compared to a year earlier, euro has depreciated 19% versus US dollar, while Brazilian Real has depreciated by 54%.

Although US denominated crop prices are lower than a year ago, they are still supportive for fertilizer use, and global fertilizer demand is growing. Demand for higher quality fertilizers like nitrates and NPK remains strong.

Prilled urea prices fob Black Sea averaged USD 268 per ton for the quarter, down 16% on the same quarter last year, caused by lower production costs globally, but most importantly in China. In addition, production capacity has increased, not only in China, but exports have increased from Iran, and from new plants in Algeria and Saudi Arabia. While Chinese urea exports are currently running below last year's level, 1.8 million tons for July/August, down from 2.4 million tons, the global market is still negatively affected by year to date exports at 8.5 million tons, up from 6.6 million tons same period last year. Production remains curtailed for key exporters like Egypt and Ukraine, but the year on year deviations are now modest. As fertilizer buyers observed declining price trends, demand was to some extent deferred, unless application need was immediate.

The ammonia market has remained reasonably tight through the quarter, as continued supply problems from Ukraine, Egypt and elsewhere has compensated for relatively slow demand. At USD 388 per ton fob Black Sea as an average for the quarter, ammonia prices have been stable since the start of the year. With declining urea prices, upgrading margins from ammonia to urea are zero at the end of the third quarter, indicating that ammonia prices are close to their ceiling.

The global phosphate market remained strong through third quarter, with average DAP fob US Gulf price down a modest 6% compared to same quarter last year, making phosphates more valuable in many relevant currencies, for both consumers and producers. Following a substantial increase in Indian import demand this year, the market is currently well covered, and global DAP pricing has lately come under pressure.

Phosphate rock prices are up slightly on last year, enforcing the relatively strong market development in the phosphate sector. Upgrading margins from rock to DAP are in line with last year, as lower ammonia and sulphur prices fully explains the drop in DAP pricing.

REGIONAL MARKET DEVELOPMENTS

Third quarter nitrogen fertilizer deliveries in Western Europe were down 5% on a year earlier, with imports down 12%, mainly due to decline of urea and UAN. Total nitrate deliveries were up on third quarter last year.

Third quarter US nitrogen deliveries are estimated to be 4% lower than a year ago, due to reduced imports.

In India, urea sales so far this season (April through August) were 12% higher than a year earlier. Given a more modest 5% increase in domestic production, the need for imported urea has increased. For this same period, India imported 3.1 million tons urea this year, up from 1.7 million tons last year, part of this increase reflecting a different seasonal buying pattern. After a relatively strong start, the total rainfall from the monsoon for June through September lags the long term average by 14% as it draws to a close.

For July and August, urea production in China was 10% higher than a year earlier, with year to date production up 5%. The reduced urea inventories and higher prices seen during the main spring application season triggered increased production, and urea prices have subsequently been declining through third quarter. The average domestic urea price for third quarter was 4% higher than a year earlier, but ended the quarter 3% lower.

In Brazil, July and August fertilizer deliveries were 6.8 million tons, in line with a year earlier. Year-to-date deliveries were down 6% on last year at end August. Year-to-date imports of all fertilizer declined 10%, as in addition to lower sales, domestic production was up 5%, and industry stocks at the end of December was 13% higher than a year earlier. Third-quarter urea imports were 0.6 million tons, compared to 1.2 million tons a year earlier. Year-to-date imports were 1.9 million tons, down from 3.0 million tons last year.

Production volumes [1]

Thousand tons	3Q 2015	3Q 2014	YTD 2015	YTD 2014
Ammonia	1,606	1,810	5,423	5,304
of which equity-accounted investees	284	400	994	1,014
Urea	1,081	1,244	3,710	3,617
of which equity-accounted investees	414	405	1,197	1,064
Nitrate	1,453	1,691	4,587	4,676
of which equity-accounted investees	-	115	199	290
NPK	1,182	1,181	3,637	3,546
of which equity-accounted investees	-	52	83	177
CN	389	348	1,126	990
UAN	221	236	719	721
SSP-based fertilizer	357	254	886	593
Total production [1]	6,289	6,763	20,087	19,447

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

Sales volumes

Thousand tons	3Q 2015	3Q 2014	YTD 2015	YTD 2014
Ammonia	664	650	2,209	2,127
of which industrial products [1]	158	172	523	510
Urea	1,438	1,677	5,211	5,059
of which fertilizer	998	1,296	3,846	3,872
of which Yara-produced fertilizer	343	432	1,434	1,515
of which Yara-produced industrial products [2]	321	318	1,101	935
of which equity-accounted investees	516	626	1,694	1,845
Nitrate	1,571	1,580	4,751	4,639
of which fertilizer	1,413	1,390	4,249	4,079
of which Yara-produced fertilizer	1,300	1,274	3,855	3,772
of which Yara-produced industrial products	105	145	363	440
NPK	2,708	2,721	7,018	7,516
of which Yara-produced compounds	1,044	914	3,369	3,287
of which Yara-produced blends	1,603	1,713	3,358	3,931
CN	333	336	1,096	1,071
of which fertilizer	233	225	837	799
of which Yara-produced fertilizer	230	215	822	778
of which Yara-produced industrial products	92	104	238	251
UAN	236	274	1,092	1,099
of which Yara-produced fertilizer	201	259	863	995
DAP/MAP	163	202	713	536
MOP/SOP	438	319	920	754
Other products	1,642	1,222	4,305	3,339
of which industrial products	900	816	2,621	2,345
Total sales	9,194	8,982	27,315	26,138

1) 82% ammonia equivalents.
2) 46% urea equivalents.

Fertilizer volumes by region

Thousand tons	3Q 2015	3Q 2014	YTD 2015	YTD 2014
Europe	2,081	2,195	7,292	7,488
Latin America	3,516	3,120	7,827	7,197
North America	526	673	2,458	2,553
Asia	577	515	1,680	1,534
Africa	235	345	1,135	960
Total	6,936	6,848	20,391	19,732

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

Variance analysis third quarter

NOK millions	3Q 2015
EBITDA 2015	7,884
EBITDA 2014	3,964
Variance EBITDA	3,919
Volume & mix	764
Price/margin	(1,066)
of which gas & oil costs in Europe	151
Special items	3,306
Other	(540)
Translation NOK vs. USD [1]	1,455
Total variance explained	3,919

1) Based on average NOK per USD for the quarter 2015: 8.22 (2014: 6.24)

Yara delivered strong third-quarter results, with EBITDA excluding special items up 15% compared with a year earlier, mainly driven by a stronger US dollar and higher sales volumes as a result of the OFD and Galvani acquisitions.

The volume, margin and other variances presented in the Yara variance table include effects generated by performance in equity-accounted investees. Yara sold its share in GrowHow UK in third quarter 2015. In third-quarter 2014 Yara's share of GrowHow UK earnings amounted to NOK 72 million and this is treated as a negative volume effect in the Yara variance analysis.

Volume development

Yara fertilizer deliveries were up 1% from third quarter 2014, due to the acquisition of OFD in Latin America and Galvani in Brazil. Excluding OFD and Galvani, deliveries were down 8% driven by lower deliveries of products sourced from third-parties and joint venture companies while sales of Yara produced products were in line with last year.

In Europe, fertilizer deliveries were 5% lower than last year. While nitrate sales increased compared to a year ago, both compound NPK and urea sales decreased by more than 10% compared to last year.

In Brazil, fertilizer deliveries were 8% higher than a year ago. Excluding Galvani, deliveries declined 6% driven by a 10% decrease in blended NPK deliveries while sales of premium products increased 9% compared to last year. Yara has during the quarter prioritized margins in Brazil and consequently lagged the overall market development. Yara deliveries in the rest of Latin America doubled compared to third quarter 2014, mainly due to higher sales of compound NPK produced in the Cartagena plant acquired from OFD.

Industrial sales volumes increased 5% compared to third quarter 2014. Adjusting for Galvani, deliveries were up 2% compared to last year. Reagent deliveries, both for automotive and stationary NOx abatement, were up 23% due to record sales in US and France. Process chemical volumes were up 5% compared to third quarter 2014, including volumes from the Galvani acquisition. Technical ammonium nitrate (TAN) deliveries were 20% lower than third quarter 2014 due to lower demand from the mining industry.

Ammonia production was 11% lower than last year. Adjusting for the GrowHow UK divestment and the OFD acquisition, ammonia production was 6% lower than a year ago, of which approximately half reflects higher level of turnaround activity.

Finished fertilizer production was 5% lower than third quarter 2014. Adjusting for GrowHow UK, OFD and Galvani production declined 7%, reflecting higher turnaround activity especially for urea and nitrates. CN production increased 12% with the Cartagena and Porsgrunn plants as the main contributors, while NPK production was in line with last year.

Margin development

Overall, margins declined compared to third quarter last year as realized prices fell more than feed stock costs.

Yara's average European gas and oil-linked cost was 6% below third quarter 2014 on a USD per MMBtu basis, slightly below Yara's guiding. The decrease reflected lower spot prices for gas and particularly for oil-linked contracts. Yara's global average gas and oil cost decreased 13%.

Yara's average realized urea fertilizer prices decreased 15% and realized nitrate prices 17% down compared to third quarter 2014 resulting in lower nitrate premiums compared to last year. Compound NPK prices decreased on average 12% while NPK blend margins in Brazil were 10% lower.

Industrial margins decreased compared with third quarter 2014, with TAN margins significantly lower due to the continued slow-down in the mining sector. Technical ammonia and urea margins were negatively impacted by increased sourcing of third-party products. Margins for industrial applications sold in the European markets were negatively impacted by the weaker euro.

Other Items

Net special items were a positive NOK 3,269 million, mainly reflecting the gain of NOK 3,199 million from the GrowHow UK divestment in July 2015. For further details on special items see page 11.

The major part of the "Other" variance is explained by higher fixed costs with the inclusion of OFD and Galvani explaining NOK 357 million of the variance.

US dollar appreciated 24% versus Norwegian krone compared with third quarter 2014, resulting in a NOK 1,455 million positive currency translation effect in Yara's results.

Yara variance analysis year to date

NOK millions		YTD 2015
EBITDA 2015		17,857
EBITDA 2014		11,782
Variance EBITDA		6,075
Volume & mix		1,508
Price/margin		(271)
of which gas & oil costs in Europe	2,053	
Special items		2,679
Other		(1,571)
Translation NOK vs. USD 1)		3,729
Total variance explained		6,075

1) Based on quarterly average NOK per USD rates as detailed in Yara 2015 reports.

Yara delivered strong results in the first nine months, with EBITDA excluding special items up 28% compared with a year earlier, mainly driven by a stronger US dollar, lower energy costs and higher sales volumes as a result of the OFD and Galvani acquisitions.

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 844 million compared with the first nine months of 2014, mainly reflecting write-down of value of the Lifeco investment in first quarter 2015 in addition to the divestment of GrowHow UK in third quarter 2015.

Volume development

Global Yara fertilizer deliveries were up 3% compared with the first nine months of 2014, mainly due to the acquisition of OFD in Latin America and Galvani in Brazil. Excluding OFD and Galvani, deliveries were down 4%.

In Europe, fertilizer deliveries were 3% below last year, with strong nitrate deliveries partly offsetting lower NPK sales. Nitrate deliveries were up 4% as Yara experienced nitrate supply constraints especially in the first half of 2014.

The first nine months of 2015 were slow in Brazil and Yara deliveries declined 11% excluding Galvani. Lower commodity product deliveries were partly offset by higher sales of nitrate and compound NPKs compared to a year earlier. Yara deliveries in the rest of Latin America almost doubled compared with 2014, mainly due to the OFD acquisition.

Fertilizer deliveries in Asia, North America and Africa were up 4%.

Industrial sales volumes have increased by 8% compared to first nine months of 2014. AdBlue and stationary DeNOx reagent deliveries were up 22%, driven by strong growth in overseas markets and continued increase in Europe. Technical ammonia, urea and nitric acid deliveries were up 11% compared to 2014, including volumes from the Galvani acquisition in Brazil. Technical ammonium nitrate sales were 12% lower due to lower demand from the mining industry.

Yara's ammonia production increased 2% compared with same period last year mainly due to increased production in the Sluiskil and Porsgrunn plants. So far this year the Lifeco plant has produced at less than 50% capacity due to gas curtailments.

Finished fertilizer production saw a 4% increase compared with a year earlier. Adjusting for the inclusion of the acquired Cartagena plant (OFD) in Colombia and the Galvani plants in Brazil and the exclusion of the GrowHow UK plants, production was in line with last year. Both urea and NPK production increased by 3%, while CN production saw a 15% increase, due to de-bottlenecking in Porsgrunn and inclusion of OFD volumes. Nitrate production declined by 2% mainly caused by exclusion of the GrowHow UK plants and less production of technical ammonium nitrates.

Margin development

Yara's average European gas and oil-linked cost decreased by 21% compared with last year, reflecting lower spot prices for gas and in particular oil-linked products in Europe. The 15% decrease in Yara's global average gas and oil cost reflects decreases in both European and North American spot prices in addition to ammonia-linked gas costs outside Europe.

While Yara's average realized urea fertilizer prices decreased 11%, realized nitrate prices was 13% lower and compound NPK prices decreased 4% compared to the first nine months of 2014. NPK blend margins in Brazil declined 18% the first nine months in 2015.

Industrial margins were lower compared with first nine months of 2014 with margins for TAN the main negative factor due to the slow-down in the mining sector. Margins for industrial applications sold in the European markets have also been negatively impacted during 2015 by changes in the euro-US dollar exchange rate.

Other Items

Net special items were a positive NOK 2,445 million during the first nine months of 2015, mainly reflecting the gain from divesting GrowHow UK in the third quarter and the write down of Lifeco in the first quarter. For further details on special items see page 11.

The major part of the "Other" variance is related to increased fixed costs, primarily due to the inclusion of OFD in Latin America and Galvani in Brazil and other growth related activities.

US dollar appreciated almost 23% versus Norwegian krone during the first nine months in 2015, resulting in a NOK 3,729 million positive currency translation effect in Yara's results.

Financial items

NOK millions	3Q 2015	3Q 2014	YTD 2015	YTD 2014
Interest income from customers	113	75	316	219
Interest income, other	37	25	77	93
Dividends and net gain/(loss) on securities	-	-	10	66
Interest income and other financial income	150	99	402	379
Interest expense	(234)	(159)	(656)	(532)
Net interest expense on net pension liability	(21)	(17)	(60)	(50)
Net foreign exchange gain/(loss)	(1,335)	(549)	(2,825)	(347)
Other	(182)	(31)	(296)	(83)
Interest expense and foreign exchange gain/(loss)	(1,772)	(756)	(3,837)	(1,013)
Net financial income/(expense)	(1,622)	(656)	(3,434)	(634)

Third-quarter net financial expense was NOK 1,622 million compared with NOK 656 million in 2014. The variance primarily reflects a net foreign exchange loss of NOK 1,335 million this quarter, compared with NOK 549 million in the same quarter last year.

Interest income from customers increased with NOK 38 million compared with third quarter 2014, while other interest income increased with NOK 12 million. Average cash deposits were NOK 1.5 billion higher than last year.

Interest expense was NOK 75 million higher than last year as the average gross debt level was NOK 3.5 billion higher. The increase also reflects a somewhat higher portion of the gross debt established in Latin American countries.

The net foreign exchange loss this quarter was NOK 1,335 million as the US dollar appreciated up to 28% against the Brazilian real and Yara's other main emerging market currencies. Fundamentally, however, the appreciation has been beneficial since Yara's operating revenues are positively exposed to US dollar.

Yara's US dollar debt generating currency effects in the income statement was approximately USD 1,500 million at the start of the fourth quarter 2015, with the exposure mainly towards euro, Brazilian real and other emerging market currencies.

The 'other' line this quarter includes a NOK 100 million loss upon termination of the interest rate derivative portfolio established during fourth quarter last year and first quarter this year in order to hedge the interest rate on a planned bond issue.

Net financial expense for the first nine months this year was NOK 3,434 million compared with NOK 634 million last year. The variance is primarily explained by the foreign exchange loss this year being NOK 2.5 billion higher following the appreciation of the USD against the euro (8%) and the Brazilian real (50%).

Tax

Third quarter provisions for current and deferred taxes were NOK 319 million, approximately 7% of income before tax. The tax rate was significantly lower than third quarter 2014 due to tax free gain from selling our stake in GrowHow UK.

Net interest-bearing debt

NOK millions	3Q 2015	YTD 2015
Net interest-bearing debt at beginning of period	(10,471)	(11,808)
Cash earnings [1]	3,282	11,826
Dividends received from equity-accounted investees	347	807
Net operating capital change	377	(443)
Sale of GrowHow UK	4,794	4,794
Investments (net)	(2,452)	(6,212)
Share buy backs/redemption of shares	(127)	(127)
Yara dividend	(185)	(3,581)
Foreign exchange gain/(loss)	(1,335)	(2,825)
Other	1,369	3,169
of which foreign exchange adjustment [2]	949	2,062
Net interest-bearing debt at end of period	(4,401)	(4,401)

1) Operating income plus depreciation and amortization, minus tax paid, net gain/(loss) on disposals, net interest expense and bank charges.
2) The currency effect included in «Other» is an adjustment from the currency gain/loss in the income statement to the currency impact on net interest bearing debt. The adjustment is mainly explained by applied hedge accounting for net investments in USD, the translation effect when consolidating net interest bearing debt to the presentation currency NOK and internal currency positions that are not related to net interest bearing debt.

As a supplement to the consolidated statement of cash flows (page 18), this table highlights the key factors behind the development in net interest-bearing debt.

Net interest-bearing debt ended at NOK 4,401 million in the third quarter, compared with NOK 10,471 million at the end of the second quarter 2015. Strong cash earnings and proceeds from sale of Yara's stake in GrowHow UK exceeded cash outflows from investments.

The investment activity for the quarter mainly reflects planned maintenance programs and growth investments.

The debt/equity ratio at the end of third quarter 2015, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.06 compared with 0.15 at the end of second quarter 2015.

Net interest-bearing debt for the first 9 months decreased by NOK 7,407 million, mainly reflecting cash earnings and sale of shares in GrowHow UK, partially offset by Yara dividend payment and investments.

Outlook

Despite a third consecutive strong grain harvest globally, the US Department of Agriculture projects global grain stocks to decline somewhat, as consumption continues to grow. The global farm margin outlook and incentives for fertilizer application remain supportive overall, especially for key crop exporting regions such as Europe and Latin America where local currencies have depreciated relative to the US dollar.

Chinese urea production and export costs are likely to remain the main reference point for global nitrogen pricing going forward, given the record volumes exported over the last year. Recently recorded fob prices around USD 250 per tonne are likely close to a break-even level for marginal Chinese producers, but continued fluctuations can be expected also going forward due to both seasonality and variability in different plants' cost bases.

The European season has started well, with third-quarter nitrate deliveries and industry stocks at normal levels. European nitrate premiums are today close to the average for the last years.

Demand for higher quality fertilizers like nitrates and compound NPKs continues to grow, especially outside Europe where Yara targets higher value crop segments.

In Brazil, industry deliveries have picked up as expected, with third-quarter fertilizer deliveries in line with a year earlier. Following a slow first half amid delayed purchasing and lower credit availability, Yara sees improved demand in Brazil going forward, due to increased agricultural competitiveness compared with other exporting regions.

Yara has signed a non-binding Heads of Terms for the sale of European CO_2 business and its remaining 34% stake in the Yara Praxair Holding AS joint venture. Closing is expected to take place in first quarter 2016, subject to binding agreements and necessary approvals. The two transactions are expected to generate a total post-tax gain of EUR 150 million.

A weaker euro and lower gas prices have improved the relative competitiveness of European fertilizer capacity. Based on current forward markets for oil products and natural gas (13 October) Yara's European energy costs for fourth quarter 2015 and first quarter 2016 are expected to be respectively NOK 550 million and NOK 300 million lower than a year earlier. The estimates may change depending on future spot gas prices.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 20 October 2015

Leif Teksum
Chairperson

Maria Moræus Hanssen
Vice chair

John Thuestad
Board member

Hilde Bakken
Board member

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Board member

Geir Isaksen
Board member

Rune Bratteberg
Board member

Guro Mauset
Board member

Svein Tore Holsether
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 30 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				Operating income effect			
	3Q 2015	3Q 2014	YTD 2015	YTD 2014	3Q 2015	3Q 2014	YTD 2015	YTD 2014
OFD integration costs	(14)	(42)	(72)	(83)	(14)	(42)	(72)	(83)
Bunge intregation costs		(11)		(53)		(11)		(53)
Partner settlement provision				(46)				(46)
Sale of minority shares Baltic distribution and trade companies				56				
Total Downstream	(14)	(53)	(72)	(126)	(14)	(53)	(72)	(182)
Sale of GrowHow UK	3,199		3,199		3,199		3,199	
Impairment of Sokli					(172)		(172)	
Impairment of Sept-Illes					(95)		(95)	
Impairment of Harjavalta						(38)		(38)
Impairment Lifeco plant			(929)				(36)	
Impairment Trinidad plant							(31)	
Flooding Ravenna plant			(39)				(39)	
Lifeco results during shut-down				(90)				
Tertre insurance settlement			55				55	
Sale of energy efficiency certificates in Italy			89				89	
Contract derivatives	85	16	142	(18)	85	16	142	(18)
Total Upstream	3,284	16	2,517	(108)	3,017	(22)	3,113	(56)
Total Yara	3,269	(37)	2,445	(234)	3,002	(75)	3,040	(238)

Condensed consolidated interim statement of income

NOK millions, except share information	Notes	3Q 2015	3Q 2014	YTD 2015	YTD 2014	2014
Revenue		27,105	24,029	82,513	69,057	95,047
Other income	4,5	3,286	58	3,539	80	293
Commodity based derivatives gain/(loss)		88	7	124	(24)	2
Revenue and other income	3	30,479	24,095	86,176	69,113	95,343
Raw materials, energy costs and freight expenses		(20,152)	(18,207)	(60,087)	(51,546)	(70,557)
Payroll and related costs		(1,967)	(1,567)	(5,880)	(4,680)	(6,616)
Depreciation, amortization and impairment loss	5	(1,668)	(1,120)	(4,322)	(3,178)	(4,678)
Other operating expenses		(818)	(700)	(2,468)	(2,091)	(3,186)
Operating costs and expenses		(24,605)	(21,594)	(72,756)	(61,495)	(85,037)
Operating income	3	5,874	2,501	13,419	7,618	10,305
Share of net income in equity-accounted investees	4,6	165	159	(322)	521	786
Interest income and other financial income		150	99	402	379	550
Earnings before interest expense and tax (EBIT)		6,189	2,759	13,499	8,518	11,642
Foreign exchange gain/(loss)		(1,335)	(549)	(2,825)	(347)	(698)
Interest expense and other financial items		(437)	(207)	(1,012)	(666)	(909)
Income before tax		4,417	2,003	9,663	7,505	10,035
Income tax expense		(319)	(348)	(1,708)	(1,589)	(2,092)
Net income		4,098	1,656	7,955	5,916	7,944
Net income attributable to						
Shareholders of the parent		4,004	1,707	7,649	5,765	7,625
Non-controlling interests		94	(51)	306	151	319
Net income		4,098	1,656	7,955	5,916	7,944
Earnings per share [1]		14.56	6.18	27.79	20.84	27.59
Weighted average number of shares outstanding [2]	2	275,083,369	276,176,905	275,282,223	276,587,525	276,385,013

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 the second and third quarter 2014 and second quarter 2015 due to the share buy-back program.

Condensed consolidated interim statement of comprehensive income

NOK millions	Notes	3Q 2015	3Q 2014	YTD 2015	YTD 2014	2014
Net income		4,098	1,656	7,955	5,916	7,944
Other comprehensive income that may be reclassified to statement of income in subsequent periods:						
Exchange differences on translation of foreign operations		3,558	371	4,950	1,105	8,057
Available-for-sale financial assets - change in fair value		(1)	1	(27)	(20)	(12)
Cash flow hedges		-	-	18	-	(20)
Hedge of net investments		(351)	(160)	(608)	(201)	(682)
Share of other comprehensive income of equity-accounted investees, excluding remeasurements		9	11	23	31	52
Net other comprehensive income that may be reclassified to statement of income in subsequent periods		3,215	224	4,356	914	7,395
Other comprehensive income that will not be reclassified to statement of income in subsequent periods:						
Remeasurements of the net defined benefit pension liability	9	-	(178)	726	(572)	(1,026)
Remeasurements of the net defined benefit pension liability for equity-accounted investees		-	3	11	-	(160)
Net other comprehensive income that will not be reclassified to statement of income in subsequent periods		-	(175)	737	(571)	(1,186)
Reclassification adjustments of the period:						
- cash flow hedges		3	3	5	10	13
- fair value adjustments on available-for-sale financial assets disposed of in the year		-	-	-	(16)	(16)
- exchange differences on foreign operations disposed of in the year	4	(312)	-	(312)	-	8
Net reclassification adjustments of the period		(309)	3	(307)	(6)	4
Total other comprehensive income, net of tax		2,906	52	4,786	337	6,214
Total comprehensive income		7,004	1,708	12,741	6,253	14,157
Total comprehensive income attributable to						
Shareholders of the parent		6,853	1,659	12,315	5,973	13,325
Non-controlling interests		151	49	426	280	832
Total		7,004	1,708	12,741	6,253	14,157

Condensed consolidated interim statement of changes in equity

NOK millions	Share Capital [1]	Premium paid-in capital	Translation of foreign operations	Available for sale financial assets	Cash flow hedges	Hedge of net invest-ments	Total other reserves	Retained earnings	Attri-butable to share-holders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2013	471	117	1,887	30	(177)	(122)	1,618	51,415	53,621	2,152	55,773
Net income	-	-	-	-	-	-	-	5,765	5,765	151	5,916
Other comprehensive income, net of tax	-	-	977	(37)	10	(201)	749	(572)	177	129	306
Share of other comprehensive income of equity-accounted investees	-	-	1	-	25	-	26	5	31	-	31
Total other comprehensive income, net of tax	-	-	978	(37)	35	(201)	774	(566)	208	129	337
Long term incentive plan	-	-	-	-	-	-	-	(5)	(5)	-	(5)
Transactions with non-controlling interests	-	-	-	-	-	-	-	33	33	(5)	28
Treasury shares	-	-	-	-	-	-	-	(37)	(37)	-	(37)
Redeemed shares, Norwegian State [2]	(1)	-	-	-	-	-	-	(210)	(211)	-	(211)
Dividends distributed	-	-	-	-	-	-	-	(2,771)	(2,771)	(15)	(2,786)
Balance at 30 September 2014	469	117	2,865	(6)	(142)	(324)	2,393	53,624	56,602	2,413	59,015
Net income	-	-	-	-	-	-	-	1,860	1,860	167	2,028
Other comprehensive income, net of tax	-	-	6,574	9	(17)	(480)	6,086	(455)	5,631	385	6,016
Share of other comprehensive income of equity-accounted investees	-	-	6	-	15	-	21	(160)	(139)	-	(139)
Total other comprehensive income, net of tax	-	-	6,581	9	(3)	(480)	6,107	(615)	5,492	385	5,876
Long term incentive plan	-	-	-	-	-	-	-	4	4	-	4
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	1,051	1,051
Treasury shares	(1)	-	-	-	-	-	-	(192)	(193)	-	(193)
Share capital increase in subsidiary, non-controlling interest	-	-	-	-	-	-	-	-	-	180	180
Balance at 31 December 2014	468	117	9,445	3	(145)	(804)	8,499	54,681	63,765	4,196	67,962
Net income	-	-	-	-	-	-	-	7,649	7,649	306	7,955
Other comprehensive income, net of tax	-	-	4,518	(27)	23	(608)	3,906	726	4,632	120	4,752
Share of other comprehensive income of equity-accounted investees	-	-	12	-	11	-	23	11	34	-	34
Total other comprehensive income, net of tax	-	-	4,530	(27)	34	(608)	3,929	737	4,666	120	4,786
Long term incentive plan	-	-	-	-	-	-	-	11	11	-	11
Transactions with non-controlling interests	-	-	-	-	-	-	-	(8)	(8)	(59)	(68)
Redeemed shares, Norwegian State [3]	(1)	-	-	-	-	-	-	(127)	(127)	-	(127)
Dividends distributed	-	-	-	-	-	-	-	(3,581)	(3,581)	(239)	(3,821)
Balance at 30 September 2015	468	117	13,975	(24)	(111)	(1,413)	12,428	59,362	72,374	4,323	76,697

1) Par value 1.70.
2) As approved by General Meeting 5 May 2014.
3) As approved by General Meeting 11 May 2015.

Condensed consolidated interim statement of financial position

NOK millions	Notes	30 Sep 2015	30 Sep 2014	31 Dec 2014
Assets				
Non-current assets				
Deferred tax assets		2,817	2,180	2,804
Intangible assets		11,441	8,775	12,008
Property, plant and equipment		47,839	36,451	44,584
Equity-accounted investees	4,6	9,699	9,718	10,926
Other non-current assets		2,705	1,580	2,737
Total non-current assets		74,502	58,703	73,059
Current assets				
Inventories	7	19,412	15,255	18,639
Trade receivables		11,959	9,502	12,100
Prepaid expenses and other current assets		5,006	3,977	4,196
Cash and cash equivalents		8,554	5,027	3,591
Non-current assets classified as held-for-sale		95	6	47
Total current assets		45,025	33,767	38,573
Total assets		119,527	92,470	111,632

Condensed consolidated interim statement of financial position

NOK millions, except share information	Notes	30 Sep 2015	30 Sep 2014	31 Dec 2014
Equity and liabilities				
Equity				
Share capital reduced for treasury stock		468	469	468
Premium paid-in capital		117	117	117
Total paid-in capital		585	587	586
Other reserves		12,428	2,393	8,499
Retained earnings		59,362	53,624	54,681
Total equity attributable to shareholders of the parent		72,374	56,602	63,765
Non-controlling interests		4,323	2,413	4,196
Total equity	2	76,697	59,015	67,962
Non-current liabilities				
Employee benefits	9	3,145	2,799	3,897
Deferred tax liabilities		5,853	4,521	5,767
Other long-term liabilities		1,465	628	989
Long-term provisions		814	415	725
Long-term interest-bearing debt	8	9,226	6,057	10,609
Total non-current liabilities		20,503	14,419	21,987
Current liabilities				
Trade and other payables		15,919	12,267	14,628
Current tax liabilities		1,269	1,557	1,060
Short-term provisions		325	322	348
Other short-term liabilities		782	954	843
Bank loans and other interest-bearing short-term debt		1,952	581	4,460
Current portion of long-term debt		2,080	3,354	345
Total current liabilities		22,327	19,036	21,683
Total equity and liabilities		119,527	92,470	111,632
Number of shares outstanding [1]	2	275,083,369	276,107,775	275,497,775

1) Weighted average number of shares outstanding was reduced in the second and third quarter 2014 and second quarter 2015 due to the share buy-back program.

The Board of Directors and Chief Executive Officer
Yara International ASA
Oslo, 20 October 2015

Leif Teksum Chairperson	Maria Moræus Hanssen Vice chair	John Thuestad Board member	Hilde Bakken Board member
Geir O. Sundbø Board member	Geir Isaksen Board member	Rune Bratteberg Board member	Guro Mauset Board member

Svein Tore Holsether
President and CEO

Condensed consolidated interim statement of cash flows

NOK millions	Notes	3Q 2015	3Q 2014	YTD 2015	YTD 2014	2014
Operating activities						
Operating income	3	5,874	2,501	13,419	7,618	10,305
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation, amortization and impairment loss		1,668	1,120	4,322	3,178	4,678
Write-down and reversals, net		19	3	199	17	53
Tax paid [1)]		(1,146)	(437)	(2,641)	(2,226)	(2,378)
Dividend from equity-accounted investees		347	447	807	1,025	1,322
Change in net operating capital [2)]		358	(2,746)	(642)	(1,884)	(3,827)
Other [3)]	4	(2,707)	92	(1,918)	(773)	(1,546)
Net cash from operating activities		4,413	980	13,545	6,954	8,607
Investing activities						
Purchases of property, plant and equipment		(2,260)	(1,743)	(5,896)	(4,696)	(7,020)
Cash outflow on business combinations		(17)	-	(73)	(375)	(2,280)
Purchases of other long-term investments		(232)	(126)	(507)	(251)	(524)
Sales/(purchases) of short-term investments, net		(300)	-	(300)	-	-
Proceeds from sales of property, plant and equipment		53	8	120	15	26
Proceeds from sales of other long-term investments	4	4,797	1	4,939	96	98
Net cash from/(used in) investing activities		2,042	(1,860)	(1,718)	(5,212)	(9,700)
Financing activities						
Loan proceeds/(repayments), net		(583)	157	(2,921)	(550)	662
Purchase of treasury shares		-	(37)	-	(37)	(230)
Redeemed shares Norwegian State		(127)	(211)	(127)	(211)	(211)
Dividend	2	(185)	(164)	(3,581)	(2,771)	(2,771)
Net cash transfers (to)/from non-controlling interests		-	(13)	(290)	(17)	163
Net cash from/(used in) financing activities		(895)	(268)	(6,920)	(3,586)	(2,387)
Foreign currency effects on cash flows		34	(4)	55	46	246
Net increase/(decrease) in cash and cash equivalents		5,594	(1,152)	4,962	(1,798)	(3,233)
Cash and cash equivalents at beginning of period		2,960	6,179	3,591	6,824	6,824
Cash and cash equivalents at end of period		8,554	5,027	8,554	5,027	3,591
Bank deposits not available for the use of other group companies				416	520	463

1) Profit attributable to foreign shareholder (Yara) is subject to tax in Qatar. The tax is paid by Qafco, but refunded by Yara. Tax paid to Qatar was NOK (334) million in second quarter 2015 and NOK (349) million in second quarter 2014.
2) Operating capital consists of trade receivables, inventories and trade payables.
3) Gain on sale of GrowHow UK is included with NOK (3,199) million in third quarter 2015.

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 2014 are available upon request from the Company's registered office at Drammensveien 131, 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 2014. These condensed consolidated interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2014.

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 2014. Yara has performed significant impairment write-downs in 2015 and further information is provided in note 6, including updated sensitivities.

Note 2 Shares, dividend and share buy-back program

The Annual General Meeting in May 2015 approved a dividend for 2014 of NOK 3,581 million (NOK 13 per share). The dividend was paid out with NOK 3,396 million during second quarter and NOK 185 million during third quarter 2015.

In May 2014, the Annual General Meeting authorized the Board of Directors to acquire up to 5% (13,811,388 shares) of total shares in the open market and from the Norwegian State. The purchase price shall not be less than NOK 10 nor more than NOK 1,000. Within this frame, the Company has acquired 730,000 shares with a total nominal value of NOK 229.6 million. The Annual General Meeting in May 2015 approved the cancellation of 730,000 of the Company's own shares and the redemption of 414,406 shares owned by the Norwegian State for a consideration of NOK 130.3 million. The number of shares in the Company is consequently reduced to 275,083,369.

The Annual General Meeting in May 2015 approved that the existing buy-back program is replaced by a new program, authorizing the Board to acquire up to 5% (13,754,168 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. Yara has renewed its agreement with the Norwegian State according to which the State's shares will be redeemed on a pro-rata basis to ensure the State's ownership is unchanged in the event of a cancellation of the shares bought back.

Yara has not purchased own shares during 2015.

	Ordinary shares	Own shares [1]
Total at 31 December 2013	278,500,910	(1,450,000)
Redeemed shares Norwegian State [2]	(823,135)	
Shares cancelled [2]	(1,450,000)	1,450,000
Treasury shares - share buy-back program [2]		(730,000)
Total at 31 December 2014	276,227,775	(730,000)
Redeemed shares Norwegian State [3]	(414,406)	
Shares cancelled [3]	(730,000)	730,000
Total at 30 September 2015	275,083,369	-

1) Including employee trust.
2) As approved by General Meeting 5 May 2014.
3) As approved by General Meeting 11 May 2015.

Note 3 Operating segment information

As of 1 January 2015, Yara transferred seven plants from the Downstream and Industrial segments to the Upstream segment. These plants have historically been included in Downstream and Industrial as they have mainly served the local markets. The transfer is reflecting that Upstream has the operational responsibility of the plants.

Plants transferred from Downstream are: Montoir (France), Ambes (France), Ravenna (Italy), Rostock (Germany) and Glomfjord (Norway). Plants transferred from Industrial are: Pardies (France) and Köping (Sweden). Total property, plant and equipment transferred to Upstream is NOK 2,974 million, of which NOK 2,466 million is transferred from Downstream and NOK 508 million is transferred from Industrial.

It has not been practically possible to restate the 2014 comparative figures on segment level as this would require implementation of transfer pricing on historical transactions. Instead, Yara will present two sets of 2015 segment figures based on the new and the previous segment structure. The 2015 figures based on previous segment structure will then be comparable with prior year figures.

NOK millions	New segment structure 3Q 2015	Previous segment structure 3Q 2015 [1]	Previous segment structure 3Q 2014	New segment structure YTD 2015	Previous segment structure YTD 2015 [1]	Previous segment structure YTD 2014	Previous segment structure 2014
External revenue and other income							
Downstream	19,995	20,003	18,362	61,438	61,515	52,355	71,494
Industrial	4,387	4,413	3,670	12,851	12,972	10,695	14,928
Upstream	6,086	6,052	2,038	11,822	11,675	6,028	8,874
Other and eliminations	11	11	24	64	14	35	46
Total	30,479	30,479	24,095	86,176	86,176	69,113	95,343
Internal revenue and other income							
Downstream	674	849	382	1,181	1,739	1,215	1,724
Industrial	23	39	39	78	132	105	164
Upstream	9,608	8,741	7,758	32,138	27,903	22,998	31,976
Other and eliminations	(10,305)	(9,629)	(8,179)	(33,396)	(29,774)	(24,318)	(33,864)
Total	-	-	-	-	-	-	-
Revenue and other income							
Downstream	20,669	20,852	18,744	62,619	63,253	53,570	73,219
Industrial	4,409	4,452	3,710	12,929	13,104	10,800	15,092
Upstream	15,694	14,792	9,796	43,960	39,578	29,027	40,850
Other and eliminations	(10,294)	(9,618)	(8,155)	(33,332)	(29,761)	(24,283)	(33,819)
Total	30,479	30,479	24,095	86,176	86,176	69,113	95,343
Operating income							
Downstream	1,236	1,120	1,164	4,090	3,628	3,838	4,488
Industrial	351	317	330	953	906	897	973
Upstream	4,612	4,732	1,256	8,976	9,555	3,603	5,856
Other and eliminations	(325)	(295)	(249)	(599)	(669)	(721)	(1,011)
Total	5,874	5,874	2,501	13,419	13,419	7,618	10,305
EBITDA							
Downstream	1,519	1,502	1,463	4,935	4,760	4,780	5,991
Industrial	432	418	420	1,181	1,194	1,151	1,385
Upstream	6,221	6,222	2,293	12,238	12,469	6,437	9,871
Other and eliminations	(289)	(259)	(212)	(497)	(567)	(586)	(840)
Total	7,884	7,884	3,964	17,857	17,857	11,782	16,407
Investments [2]							
Downstream	189		393	873		1,140	3,143
Industrial	60		197	160		587	766
Upstream	2,506		1,260	5,167		3,214	9,326
Other and eliminations	26		32	95		144	176
Total	2,781		1,882	6,295		5,085	13,411
Total Assets [3]							
Downstream	34,290			34,290		30,195	37,551
Industrial	6,427			6,427		5,735	6,860
Upstream	71,870			71,870		52,154	64,897
Other and eliminations	6,941			6,941		4,386	2,323
Total	119,527			119,527		92,470	111,632

1) With effect from 1. January 2015, Yara has moved plants in France, Germany, Italy, Sweden and Norway from the Downstream and Industrial segments to the Upstream segment. Figures for Q3 2015 and YTD 2015 are presented both according to the new segment structure and the previous segment structure. The figures presented as previous segment structure Q3 2015 and YTD 2015 are directly comparable to Q3 2014 and YTD 2014 figures respectively.

2) Investments comprise property, plant and equipment, intangible assets, equity-accounted investees and other equity investments. The figures presented are capitalized amounts, and may deviate from cash flow from investing activities due to timing of cash outflows.

3) Assets exclude internal cash accounts and accounts receivables related to group relief.

NOK millions	New segment structure 3Q 2015	Previous segment structure 3Q 2015 [1]	Previous segment structure 3Q 2014	New segment structure YTD 2015	Previous segment structure YTD 2015 [1]	Previous segment structure YTD 2014	Previous segment structure 2014
CROGI (12-month rolling average)							
Yara [2]				15.5%	15.5%	11.8%	13.3%
Downstream				17.4%	14.5%	17.8%	18.1%
Industrial				19.8%	15.5%	18.1%	16.9%
Upstream				13.8%	15.0%	9.3%	11.5%
ROCE (12-month rolling average)							
Yara [2]				16.0%	16.0%	11.1%	13.3%
Downstream				16.3%	13.6%	19.0%	18.5%
Industrial				21.6%	18.0%	23.4%	20.2%
Upstream				14.0%	15.5%	7.1%	10.8%
Reconciliation of EBITDA to Income before tax							
EBITDA	7,884	7,884	3,964	17,857	17,857	11,782	16,407
Depreciation, amortization and impairment loss [3]	(1,695)	(1,695)	(1,205)	(4,357)	(4,357)	(3,264)	(4,766)
Foreign exchange gain/(loss)	(1,335)	(1,335)	(549)	(2,825)	(2,825)	(347)	(698)
Interest expense and other financial items	(437)	(437)	(207)	(1,012)	(1,012)	(666)	(909)
Income before tax	4,417	4,417	2,003	9,663	9,663	7,505	10,035

1) With effect from 1. January 2015, Yara has moved plants in France, Germany, Italy, Sweden and Norway from the Downstream and Industrial segments to the Upstream segment. Figures for Q3 2015 and YTD 2105 are presented both according to the new segment structure and the previous segment structure. The figures presented as previous segment structure Q3 2015 and YTD 2015 are directly comparable to Q3 2014 and YTD 2014 figures respectively.

2) Cash and other liquid assets are inclucded 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 effect explain the variance in CROGI and ROCE between Yara and the segments. See page 10 "Definitions and variance analysis" for more information.

3) Including amortization of excess value in equity-accounted investees.

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
New segment structure 3Q 2015 [2]						
Downstream	1,236	11	105	1,352	167	1,519
Industrial	351	27	2	380	53	432
Upstream	4,612	127	33	4,772	1,449	6,221
Other and eliminations	(325)	-	10	(315)	26	(289)
Total	5,874	165	150	6,189	1,695	7,884
Previous segment structure 3Q 2015						
Downstream	1,120	11	105	1,237	266	1,502
Industrial	317	27	2	346	73	418
Upstream	4,732	127	33	4,892	1,330	6,222
Other and eliminations	(295)	-	10	(285)	26	(259)
Total	5,874	165	150	6,189	1,695	7,884
Previous segment structure 3Q 2014						
Downstream	1,164	21	81	1,266	197	1,463
Industrial	330	25	2	357	63	420
Upstream	1,256	114	2	1,372	921	2,293
Other and eliminations	(249)	-	14	(236)	24	(212)
Total	2,501	159	99	2,759	1,205	3,964
New segment structure YTD 2015 [2]						
Downstream	4,090	44	296	4,429	506	4,935
Industrial	953	72	5	1,030	151	1,181
Upstream	8,976	(439)	73	8,610	3,628	12,238
Other and eliminations	(599)	-	30	(570)	73	(497)
Total	13,419	(322)	402	13,499	4,357	17,857
Previous segment structure YTD 2015						
Downstream	3,628	44	295	3,967	793	4,760
Industrial	906	72	5	983	211	1,194
Upstream	9,555	(439)	73	9,189	3,280	12,469
Other and eliminations	(669)	-	30	(640)	73	(567)
Total	13,419	(322)	402	13,499	4,357	17,857
Previous segment structure YTD 2014						
Downstream	3,838	61	307	4,206	574	4,780
Industrial	897	69	5	972	179	1,151
Upstream	3,603	392	6	4,002	2,435	6,437
Other and eliminations	(721)	-	60	(662)	76	(586)
Total	7,618	521	379	8,518	3,264	11,782
Previous segment structure 2014						
Downstream	4,488	53	457	4,998	993	5,991
Industrial	973	96	8	1,076	309	1,385
Upstream	5,856	638	16	6,510	3,361	9,871
Other and eliminations	(1,011)	-	69	(942)	102	(840)
Total	10,305	786	550	11,642	4,766	16,407

1) Including amortization of excess value in equity-accounted investees.
2) With effect from 1. January 2015, Yara has moved plants in France, Germany, Italy, Sweden and Norway from the Downstream and Industrial segments to the Upstream segment. Figures for Q3 2015 in the table are presented both according to the new segment structure and the previous segment structure. The figures presented as previous segment structure Q3 2015 and YTG 2015 are directly comparable to Q3 2014 and YTD 2014 figures respectively.

Note 4 Business initiatives

NON-BINDING HEAD OF TERMS SIGNED TO SELL YARA'S EUROPEAN CO_2 BUSINESS

On 15 September 2015, Yara announced that it had signed a non-binding Heads of Terms with U.S.-based Praxair, Inc. to sell its European CO_2 business for EUR 218 million. The agreement also includes a sale of Yara's remaining 34% stake in the Yara Praxair Holding AS (Yara Praxair) joint venture to Praxair for an estimated EUR 94 million.

The proposed transaction is conditional upon final transaction agreements, obtaining necessary approvals from competition authorities, and other customary closing conditions. The transaction is expected to close in the first quarter of 2016, with a provisionally estimated post-tax gain of EUR 150 million including the sale of Yara Praxair.

In 2014, Yara's European CO_2 business sold more than 850 thousand metric tons of liquid CO_2 and 50 thousand metric tons of dry ice, delivering an EBITDA of EUR 21.5 million and revenues of EUR 112 million primarily from the food and beverage industry. The business operates 5 CO_2 liquefaction plants, 3 CO_2 ships, 7 ship terminals and 6 dry ice production facilities. Yara's carrying value of tangible and intangible assets is approximately EUR 100 million.

The equity-accounted investee, Yara Praxair, operating in Scandinavia and formed in 2007, had an EBITDA of EUR 35 million and revenues of EUR 145 million in 2014 (100% basis). The carrying value of Yara's investment in Yara Praxair at the end of third quarter 2015 is NOK 202 million and Yara's share of the net result is NOK 31 million on a year-to-date basis.

The Heads of Terms also includes an agreement for Yara to supply Praxair with raw CO_2, gas and continue to operate three of the CO_2 liquefaction units which are integrated within Yara's fertilizer plants.

SALE OF YARA'S STAKE IN GROWHOW UK

On 31 July 2015, Yara sold its 50% stake in GrowHow UK Group Limited to CF Industries. Yara and CF Industries have each owned 50% of GrowHow UK since 2007 and 2010 respectively. GrowHow UK has two production sites in Ince and Billingham with a total production capacity of approximately 0.8 million tons of ammonia, 1.1 million tons of ammonium nitrate and 0.5 million tons of compound NPK. With limited export possibilities, GrowHow UK primarily serves the UK fertilizer market. The investment in GrowHow UK has been accounted for based on the equity method. The sale generated a tax free gain reported as "other income" within operating income of NOK 3,199 million. This includes a cumulative foreign exchange gain of NOK 312 million recognized in other comprehensive income during the ownership period which have been recognized in the statement of income at closing. The gain is reported in the Upstream segment. The cash consideration received at closing was NOK 4,794 million and is presented on the line "Proceeds from sales of other long-term investments" within investing activities in the statement of cash flows.

The table below presents the impact of GrowHow UK on Yara's financial statements:

NOK millions	3Q 2015	3Q 2014	YTD 2015	YTD 2014	2014
Statement of income:					
Other income	3,199	-	3,199	-	-
Share of net income in equity-accounted investees	-	72	131	146	232
Statement of other comprehensive income					
Exchange differences on foreign operations disposed of in the year	(312)	-	(312)	-	-
Exchange differences on translation of foreign operations	64	(5)	180	64	248
Remeasurements of the net defined benefit pension liability for equity-accounted investees	-	3	11	-	(157)
Statement of changes in equity					
Translation of foreign operations (cumulative closing balance)			-	(53)	131
Statement of financial position:					
Equity-accounted investees	-	1,756	-	1,756	1,583
Statement of cash flows:					
Proceeds from sales of other long-term investments	4,794	-	4,794	-	-
Dividend from equity-accounted investees	-	-	-	-	285

CAPACITY EXPANSION AT YARA'S PLANT IN SLUISKIL

Yara announced on 29 July 2015 that it will be investing USD 263 million in Sluiskil, Netherlands to increase granulation capacity enabling increased production of granular urea with sulphur, and nitrates.

In 2011, Yara completed the construction of a new world scale urea solution plant in Sluiskil which partly feeds an old prilling unit producing 400,000 tons of urea annually. With this investment, the prilling unit will be replaced by a new urea granulator also designed for production of urea with sulphur, a product that is sold with a premium to regular urea. The new granulator will have an annual capacity of 660,000 tons of urea with sulphur. In parallel with increasing urea production, Sluiskil will reduce UAN production by approximately 230,000 tons per annum, freeing up nitric acid capacity enabling 130,000 tons per annum of additional CAN production.

The new plant will be based on technology developed by Yara. Construction will start in 2015, with completion expected in second half 2017.

JOINT VENTURE WITH BASF

On 19 February 2015, Yara announced that it has agreed with BASF to build a world scale ammonia plant in Texas. The ammonia plant is owned 68% by Yara and 32% by BASF. The plant will have a capacity of about 750,000 metric tons per year. Each party will off-take ammonia from the plant in accordance with its equity share. Total capital investment for the plant is estimated to USD 600 million. The feedstock contracts have take-or-pay clauses, partly supported by guarantees from Yara and BASF. The total take-or-pay commitment on Yara's share is USD 488 million (undiscounted). In addition, Yara is building an ammonia tank at the BASF terminal bringing Yara's total investments to USD 490 million. BASF will upgrade its current terminal and pipeline assets. The plant is expected to be completed by the end of 2017. Yara is managing the construction of the plant while BASF will operate the plant and the export terminal. The entity is classified as a joint operation and Yara accounts for the assets, liabilities, revenues and expenses relating to its 68% interest in the investment.

Note 5 Specifications to the condensed consolidated interim statement of income

Other income

During third quarter 2015, Yara sold its 50 % stake in GrowHow UK with a gain of NOK 3,199 million, see note 4 for more information. Yara also recognized insurance settlement related to the Tertre plant of NOK 34 million.

During second quarter 2015, Yara sold energy efficiency certificates in Italy with a gain of NOK 89 million and recognized an insurance settlement related to the Tertre plant of NOK 55 million.

The remaining amount of other income is mainly related to gain from sale of property, plant and equipment.

Depreciation, amortization and impairment loss

NOK millions	3Q 2015	3Q 2014	YTD 2015	YTD 2014	2014
Depreciation of property, plant and equipment	(1,185)	(928)	(3,386)	(2,695)	(3,738)
Impairment loss property, plant and equipment [1]	(13)	(39)	(71)	(39)	(222)
Reversal of impairment loss property, plant and equipment	9	-	21	-	12
Total depreciation and impairment loss property, plant and equipment	(1,189)	(966)	(3,435)	(2,733)	(3,948)
Amortization of intangible assets	(211)	(153)	(619)	(443)	(630)
Impairment loss intangible assets [2]	(268)	-	(267)	(1)	(109)
Total amortization and impairment loss intangible assets	(479)	(153)	(886)	(444)	(737)
Total depreciation, amortization and impairment loss	(1,668)	(1,120)	(4,322)	(3,178)	(4,678)

1) Included in impairment loss on property plant and equipment for second quarter 2015 is a NOK 31 million impairment of Yara's plant on Trinidiad.
2) Included in impairment loss on intangible assets for third quarter 2015 is a NOK 268 million impairment of mining projects. See note 6 for more information.

Note 6 Impairment of non-current assets

RECOGNIZED IMPAIRMENT WRITE-DOWN

During third quarter 2015, Yara recognized impairment of NOK 172 million relating to the Sokli mining project in Finland and NOK 95 million related to the Mine Arnaud phosphate project in Quebec, Canada. The Sokli impairment was triggered by the preliminary decision to halt development due to the anticipated profitability of the project below Yara's requirement. Yara decided to limit the participation in the further development of the Mine Arnaud phosphate project due to an estimated financial return below Yara's requirement. The effect of both impairments are included in the Upstream segment.

During second quarter 2015, Yara recognized an impairment write-down of property, plant and equipment related to its Upstream plant in Trinidad of NOK 31 million.

At the end of the first quarter 2015, Yara made an impairment write-down of its investment in the equity-accounted investee Lifeco of NOK 893 million and impaired its receivables against the same company of NOK 36 million, all reported within the Upstream segment. The impairments were triggered by the worsening security outlook in Libya and that Yara sees a high likelihood of a further deterioration in 2015 of Lifeco's operating ability. Yara is evaluating the operation of the plants on an on-going basis in cooperation with the other partners, in order to protect the employees as well as the assets. Lifeco produced at less than 50% capacity during the third quarter and Yara's share of net income was a negative NOK 3 million in the quarter and a negative NOK 114 million on a year-to-date basis. The impairment of the investment is reported under "Share of net income in equity-accounted investees" in the interim statement of income and Yara's remaining carrying value is NOK 93 million at the end of third quarter 2015. If and when Yara sees improvements to the political situation and outlook in Libya and to Lifeco's operating conditions, parts or the whole impairment will be reversed.

SENSITIVITY

Yara disclosed impairment sensitivity information in note 16 to the Annual Financial Report. All mandatory impairment testing for cash generating units with allocated goodwill or assets with indefinite life are performed during fourth quarter in line with practice in previous years. Yara also carries out testing on interim basis if there are impairment indicators. In addition to the cash generating units classified as sensitive for impairment at year end 2014, Yara now also regards its Upstream investment in the jointly controlled operation Yara Pilbara Nitrates as sensitive. This company is currently constructing a TAN plant in Pilbara, Australia, where the increased sensitivity is due to a weaker global TAN market. Total carrying value of Yara's share (55%) in property, plant and equipment is NOK 3,655 million at the end of third quarter 2015. The following changes in assumptions are used as basis for sensitivity:

- An increase of discount rate of 1% points (after tax)
- A reduction to management projected EBITDA of 10% each year in the forecast period
- A reduction of nominal growth after the forecast period of 1% points

With a combined change of all three assumptions, the impairment of Yara's investment in Yara Pilbara Nitrates would be approximately NOK 850 million. An isolated increase in the discount rate or a decrease to EBITDA would lead to impairment of NOK 450 million or NOK 250 million, respectively.

A full update of the impairment sensitivity will be provided as part of Yara's fourth quarter report for 2015.

Note 7 Inventories

NOK millions	30 Sep 2015	30 Sep 2014	31 Dec 2014
Finished goods	10,368	7,010	10,085
Work in progress	602	565	707
Raw materials	8,442	7,680	7,847
Total	19,412	15,255	18,639
Write-down			
Balance at 1 January	(92)	(103)	(103)
Reversal/(write-down), net	(8)	18	18
Foreign currency translation	(5)	2	(7)
Closing balance	(106)	(82)	(92)

Note 8 Long-term debt

Contractual payments on long-term debt

NOK millions	Debentures	Bank Loans	Capital lease and other LT loans	Total
2016	-	92	29	120
2017	-	146	48	195
2018	-	146	41	187
2019	6,411	132	40	6,583
Thereafter	1,328	507	305	2,140
Total	7,739	1,024	463	9,226

There have been no significant changes in Yara's long-term interest bearing debt profile during the third quarter. Two undrawn bank facilities of USD 485 million and USD 300 million have matured during the quarter and have not been renewed.

Note 9 Employee benefits

By the end of the second quarter 2015, the defined benefit obligations and plan assets were remeasured using revised financial assumptions in order to capture the main developments in the financial markets. There was no need to remeasure the defined benefit obligations by the end of third quarter 2015. Full actuarial valuations of all long-term employee benefit obligations will be recognized in the fourth quarter 2015.

Year-to-date reduction to the employee benefit liability is NOK 944 million and the positive effect in other comprehensive is NOK 726 million (after tax). The main reason for the reduced obligation is increased discount rates in the Euro zone and in the UK of approximately 0.5% points on a year-to-date basis.

Note 10 Contingencies

Yara is party to a number of lawsuits, environmental laws and regulations in various jurisdictions arising out of the conduct of its business. In August 2015, two suppliers commenced arbitration against Yara Norge AS before the Arbitration Institute of the Stockholm Chamber of Commerce. The claims are related to earlier contracts for the supply of apatite concentrate. The claim is in an amount of approximately USD 140 million. As the proceedings are at a very early stage, the timeline for the arbitration has not been set. However, Yara's current best estimate is of a period of written exchanges prior to a verbal hearing in late 2016, with a decision expected during 2017. Yara believes the claims are without merit and will defend them forcefully.

Note 11 Post balance sheet event

In October 2015, Yara agreed with one of the other shareholders in the equity accounted investment Abonos del Pacifico, Costa Rica/Panama, to sell its 34% stake and at the same time terminating Yara's supply agreement with the associate. The sale and the contractual settlement is expected to take place during fourth quarter with an expected cost in Downstream of approximately USD 14 million.

Quarterly historical information

EBITDA

NOK millions	New segment structure 3Q 2015	Previous segment structure 3Q 2015 [1]	New segment structure 2Q 2015	Previous segment structure 2Q 2015 [1]	New segment structure 1Q 2015	Previous segment structure 1Q 2015 [1]	Previous segment structure 4Q 2014	Previous segment structure 3Q 2014	Previous segment structure 2Q 2014	Previous segment structure 1Q 2014
Downstream	1,519	1,502	1,572	1,629	1,843	1,629	1,211	1,463	1,525	1,792
Industrial	432	418	335	367	414	409	235	420	365	365
Upstream	6,221	6,222	3,133	3,071	2,884	3,176	3,434	2,293	2,498	1,646
Other and eliminations	(289)	(259)	139	112	(347)	(419)	(254)	(212)	(162)	(213)
Total	7,884	7,884	5,179	5,179	4,794	4,794	4,625	3,964	4,227	3,591

1) As of 1 January 2015, Yara has moved plants in France, Germany, Italy, Sweden and Norway from the Downstream and Industrial segments to the Upstream segment. Figures for Q1, Q2 and Q3 2015 in the table are presented both according to the new segment structure and the previous segment structure. The figures presented as previous segment structure Q1, Q2 and Q3 2015 are comparable to Q1, Q2 and Q3 2014 figures.

RESULTS

NOK millions, except per share information	3Q 2015		2Q 2015		1Q 2015		4Q 2014	3Q 2014	2Q 2014	1Q 2014
Revenue and other income	30,479		27,929		27,767		26,230	24,095	23,309	21,709
Operating income	5,874		3,556		3,990		2,688	2,501	2,849	2,268
EBITDA	7,884		5,179		4,794		4,625	3,964	4,227	3,591
Net income after non-controlling interests	4,004		2,916		729		1,860	1,707	2,285	1,773
Earnings per share (NOK)	14.56		10.59		2.65		6.74	6.18	8.26	6.40

USD [1] millions, except per share information	3Q 2015		2Q 2015		1Q 2015		4Q 2014	3Q 2014	2Q 2014	1Q 2014
Revenue and other income	3,691		3,602		3,583		3,817	3,859	3,898	3,565
Operating income	712		458		514		392	401	477	373
EBITDA	955		667		622		671	635	708	590
Net income after non-controlling interests	486		373		99		233	274	383	292
Earnings per share (USD)	1.77		1.36		0.36		0.85	0.99	1.38	1.05

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

Notes

Notes

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