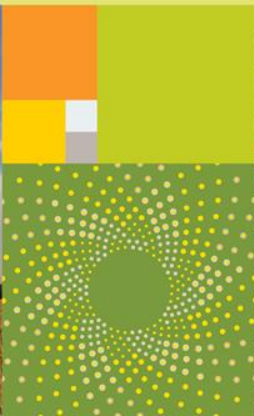




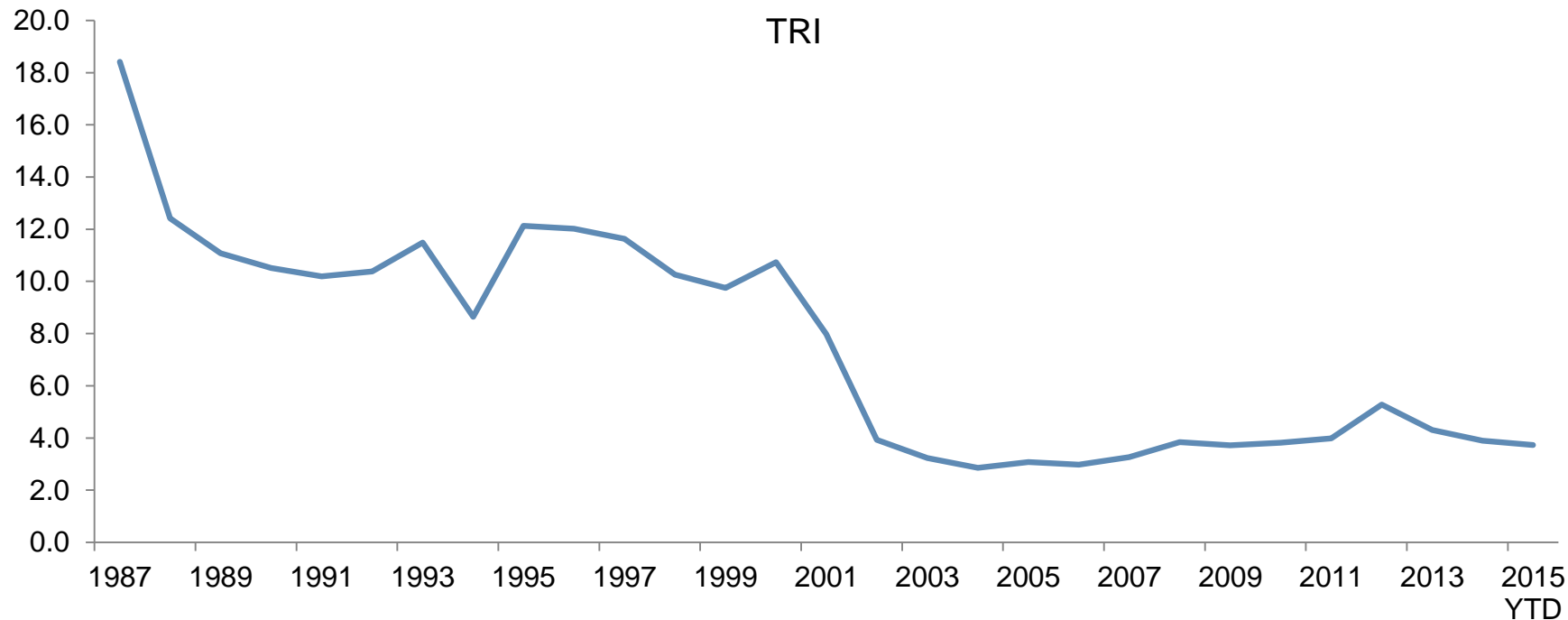
Knowledge grows

# Yara International ASA Third quarter results 2015

21 October 2015



# Safe operations is our first priority

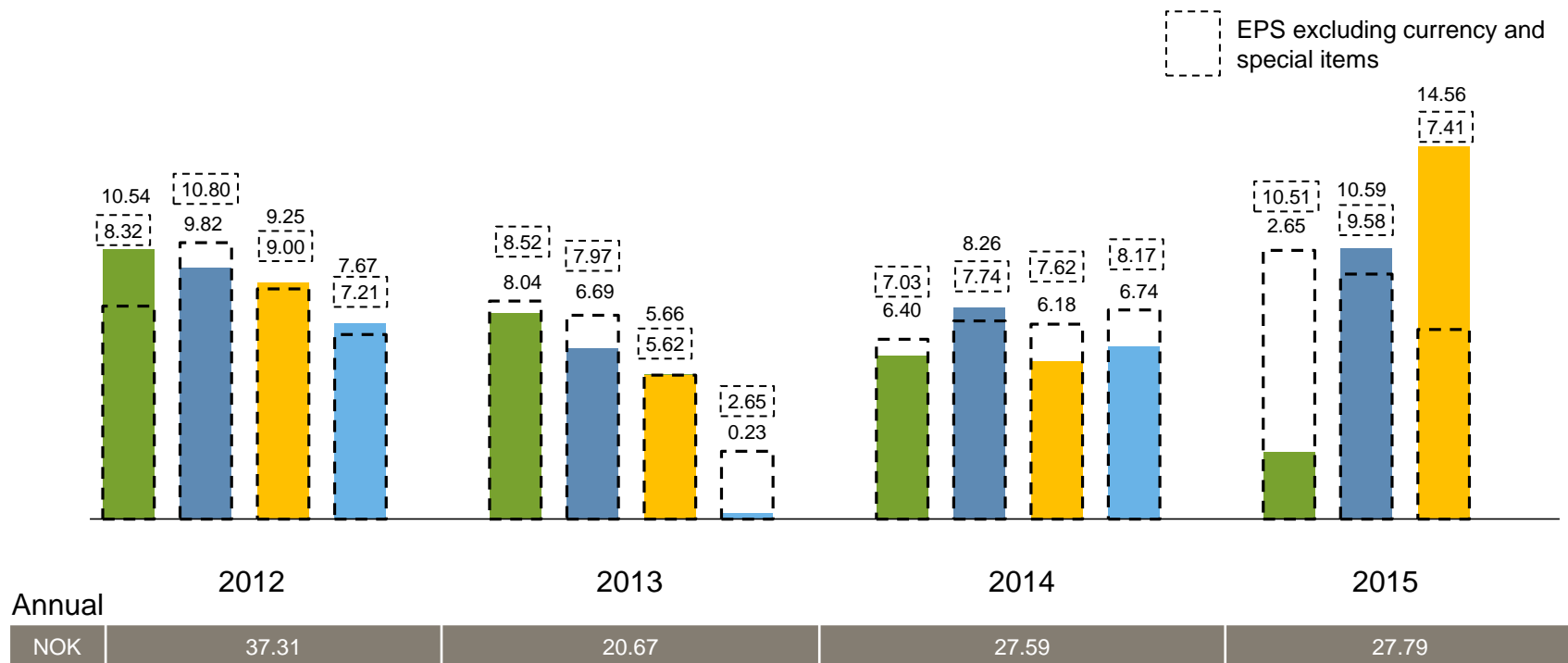


TRI: Total recordable injuries, lost time (absence from work), restricted work and medical treatment cases per one million work hours

# Summary third quarter

- 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

# Earnings per share\*



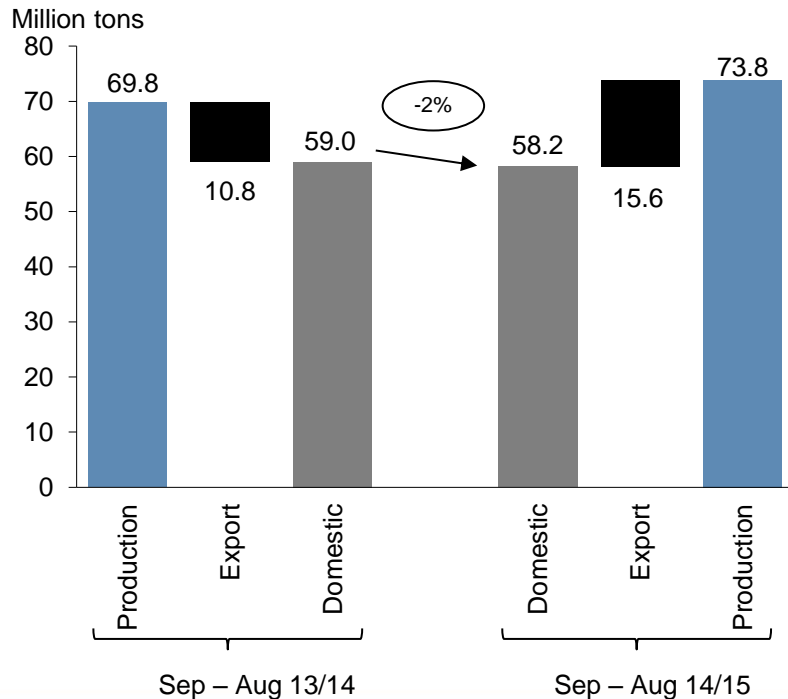
\*Average number of shares for 3Q 2015: 275.1 million (3Q 2014: 276.2 million).

# Market development

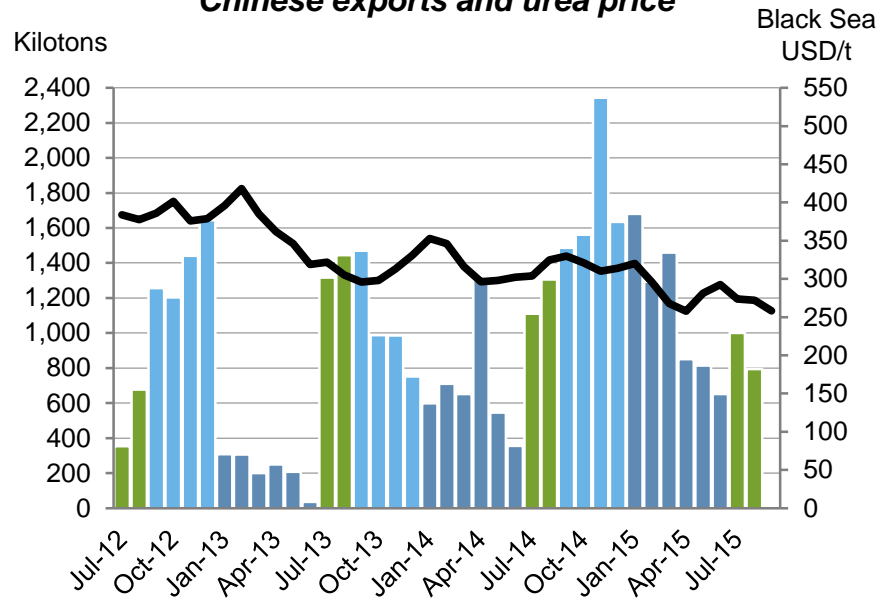
- Lower urea prices due to lower supply costs from China, and increased production capacity globally
- Western Europe nitrogen fertilizer industry deliveries down 5% on third quarter last year
- Brazil fertilizer industry deliveries in line with third quarter 2014; 6% lower year to date
- Strong demand for value-added fertilizer products

# Increased production and exports from China

## Chinese urea balance L12M

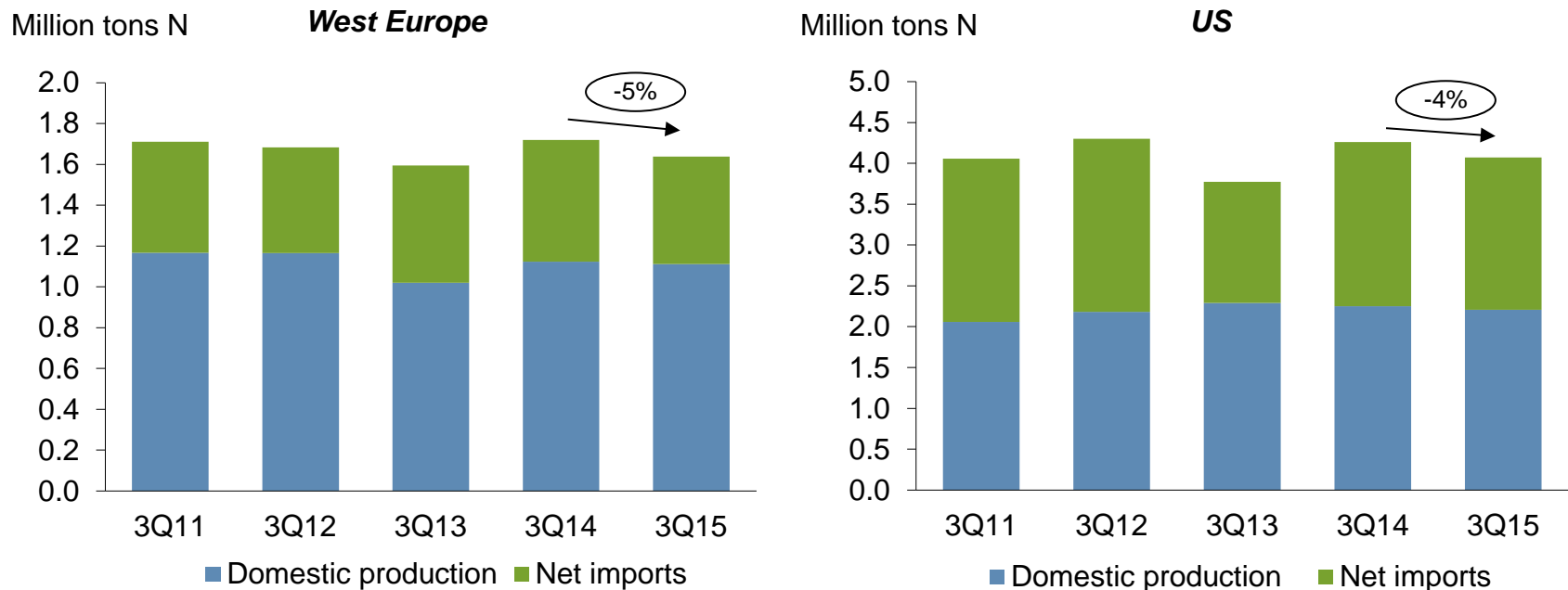


## Chinese exports and urea price



Source: BOABC, CFMW

# Normal deliveries in Europe and US



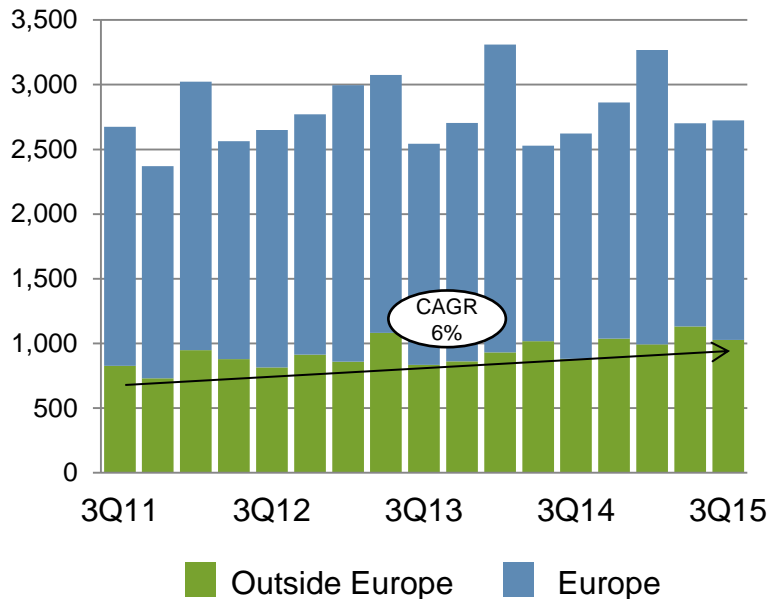
Source: Yara estimate for fertilizer deliveries to selected West European countries.

Total nitrogen deliveries based on TFI, US Trade Commission, Blue-Johnson and Yara estimates

# Continued growth for value-added fertilizer products

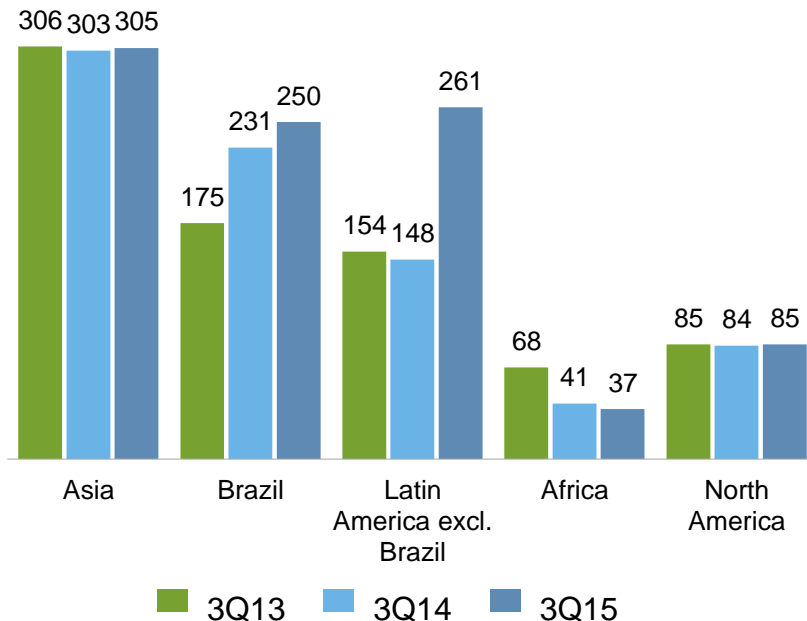
**Value-added fertilizer deliveries<sup>1</sup>**

Kilotons



**Value-added fertilizer deliveries<sup>1</sup>**

Kilotons

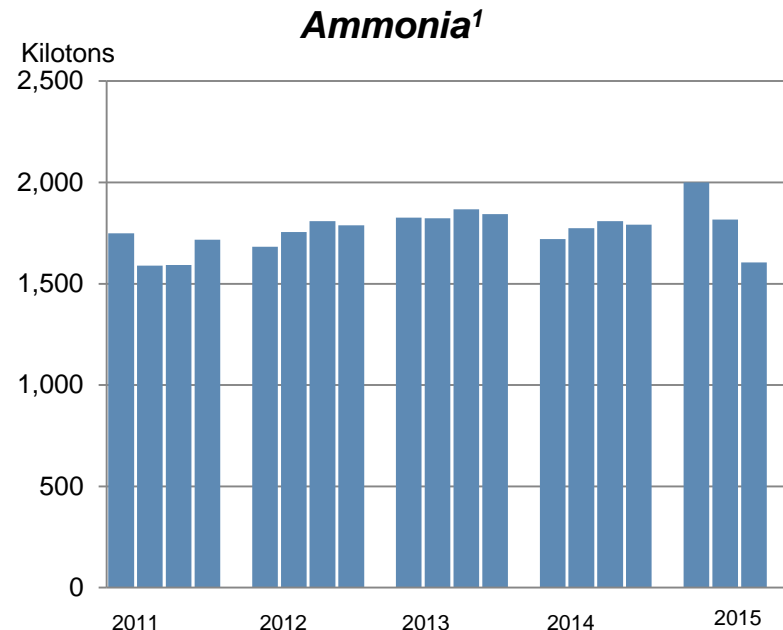
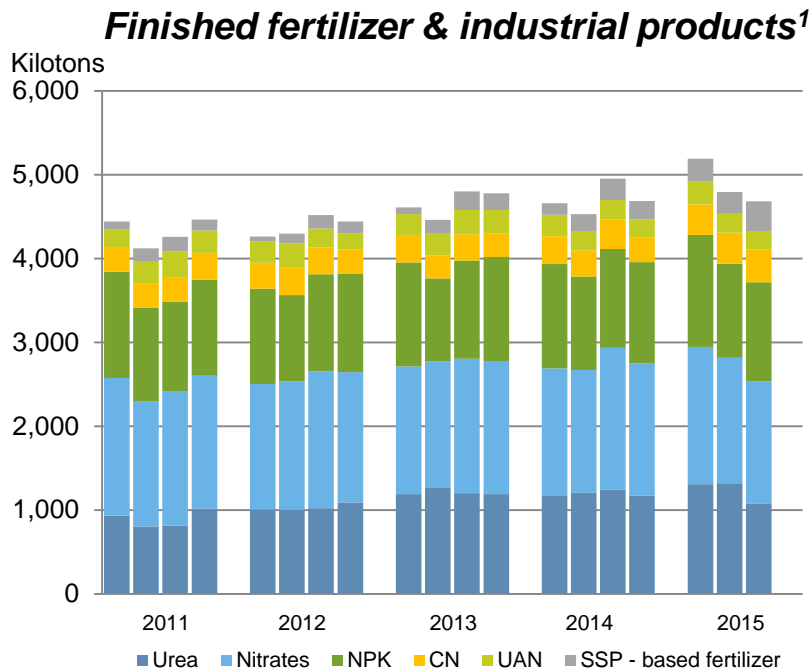


1) YaraBela, YaraMila and YaraLiva deliveries





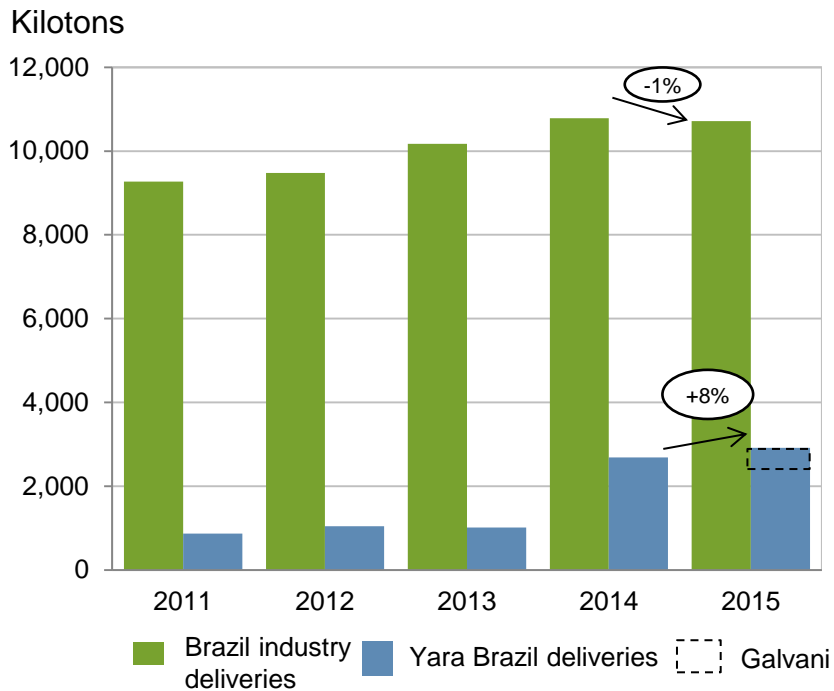
# Lower production mainly due to planned maintenance



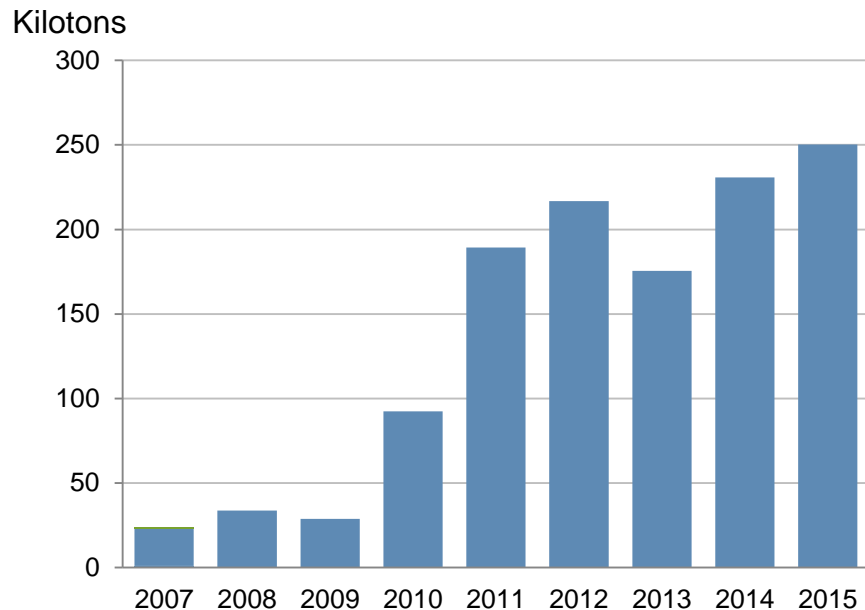
\* Including share of equity-accounted investees

# Brazil 3Q industry deliveries in line with last year; Yara prioritized margins in 3Q

### Brazil 3Q fertilizer deliveries



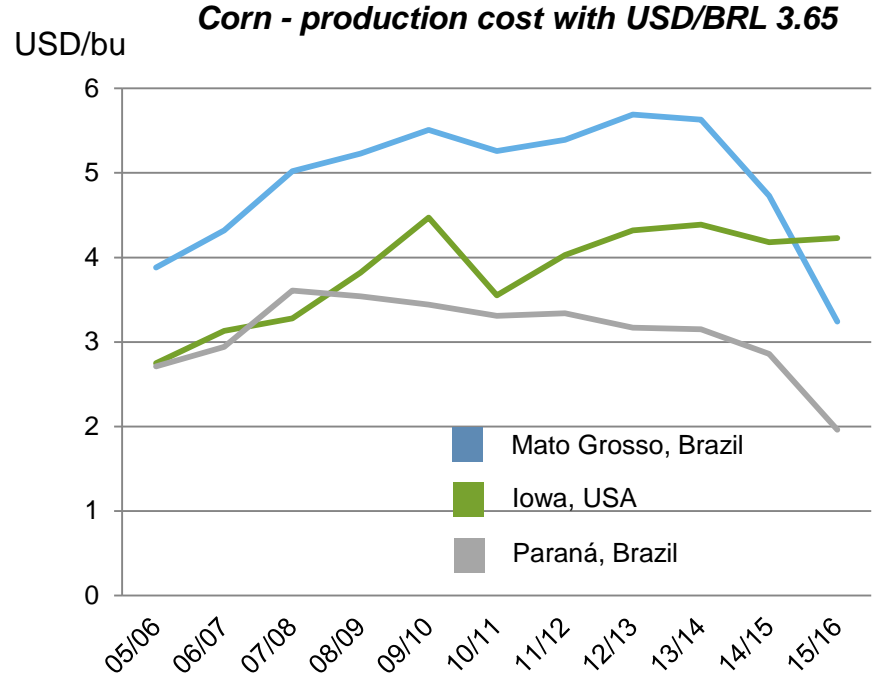
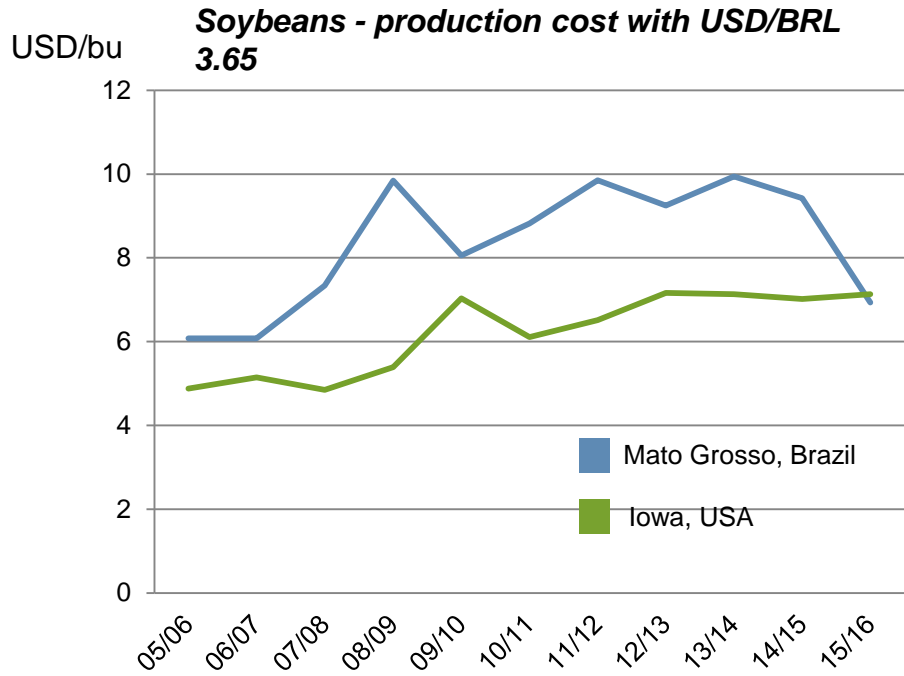
### Yara Brazil value-added product 3Q deliveries



Source: ANDA, Yara



# Brazilian soybean cost competitiveness significantly improved due to local currency depreciation

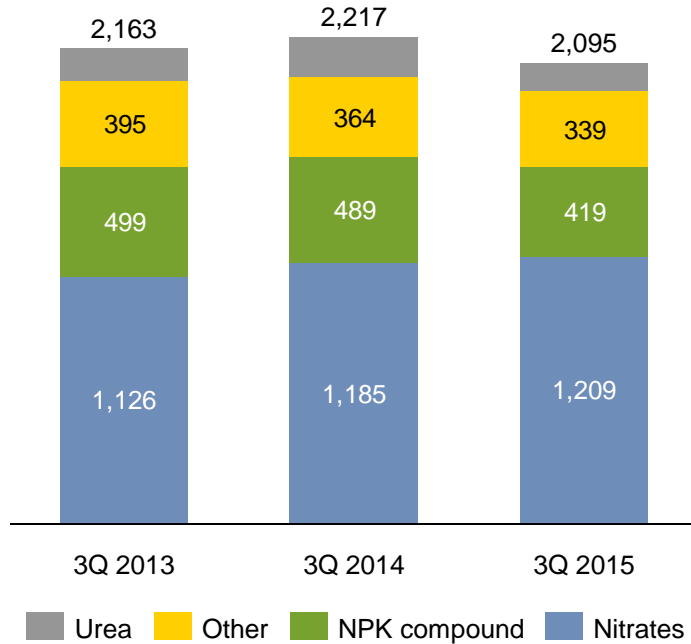


Source: USDA, AMS, AGROCONSULT. Prepared by: Agroconsult.



# European deliveries down 5%, but increase for nitrates

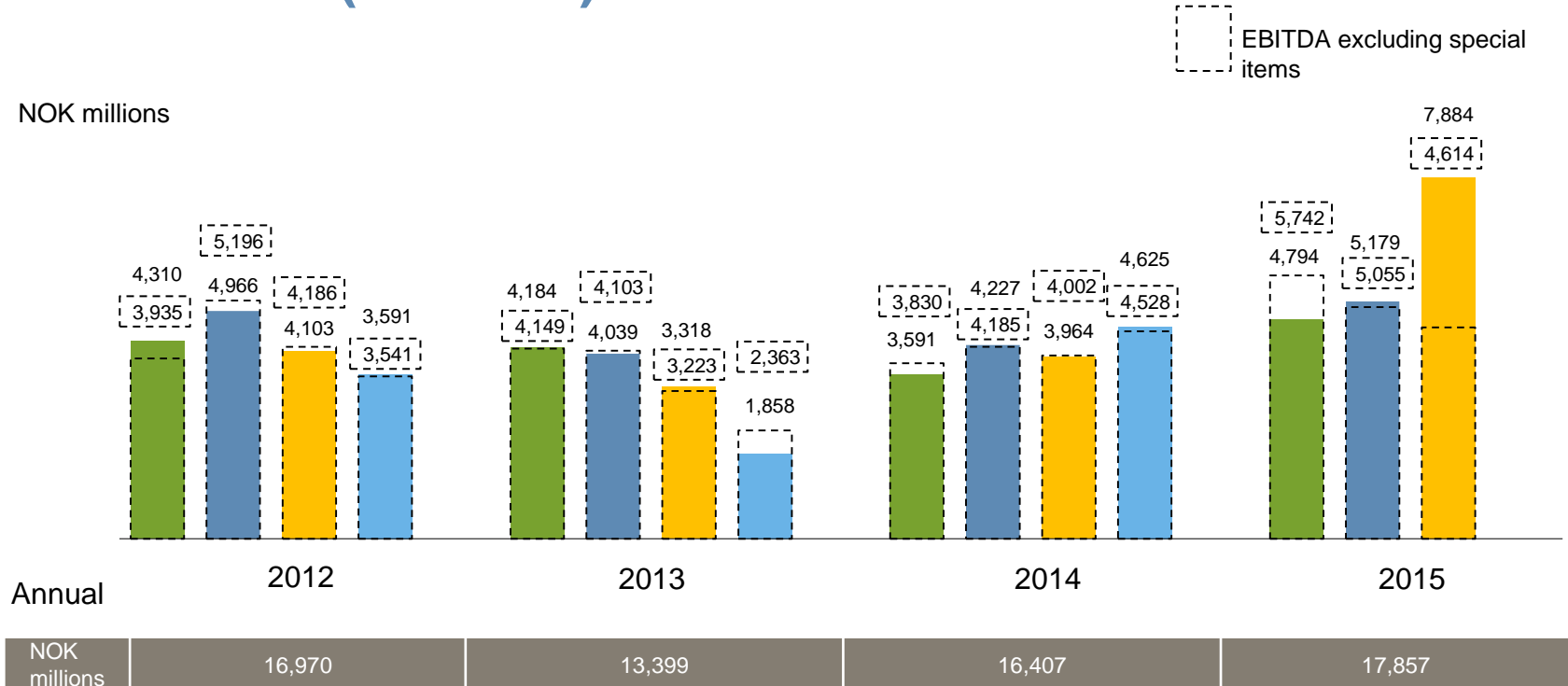
Kilotons



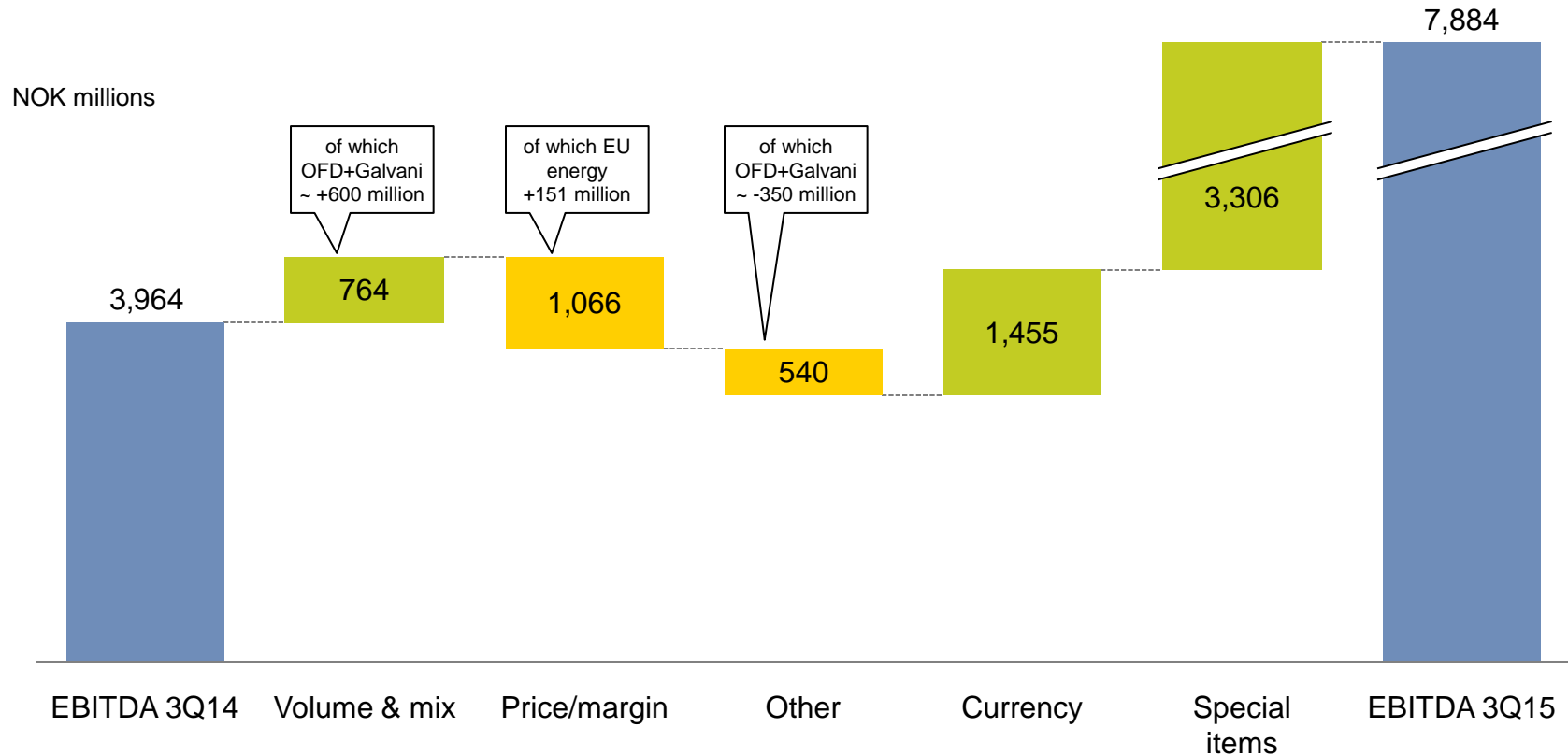
***Nitrate-based fertilizer is superior to urea both agronomically and environmentally***

- Higher crop yields and protein content
- Lower N-losses / higher N-efficiency
- Lower carbon footprint

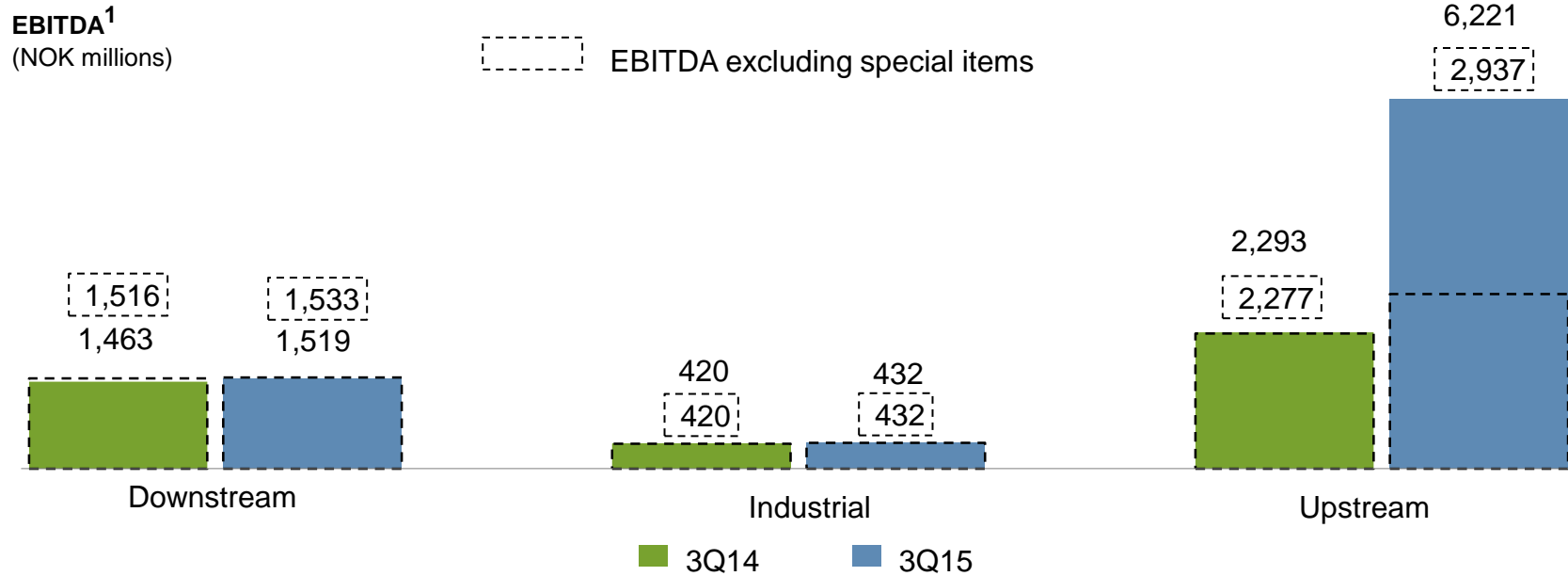
# Earnings before interest, tax, depreciation and amortization (EBITDA)



# EBITDA development



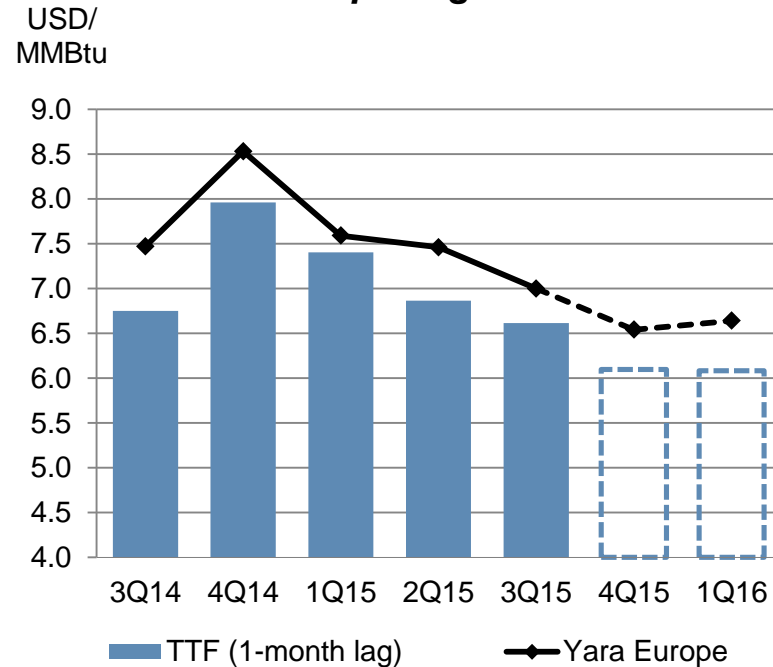
# Improved earnings in Upstream



1) 3Q 2015 result reflects new segment structure as described in note 3 of the financial report.

# Lower natural gas cost in Europe

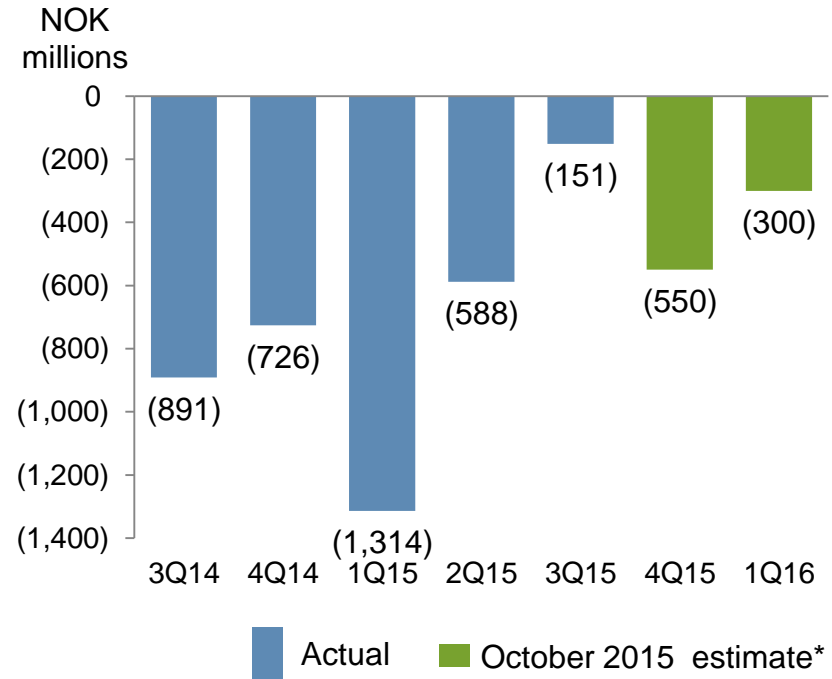
## Yara European gas & oil cost



\*Dotted lines denote forward prices as of 13 October 2015

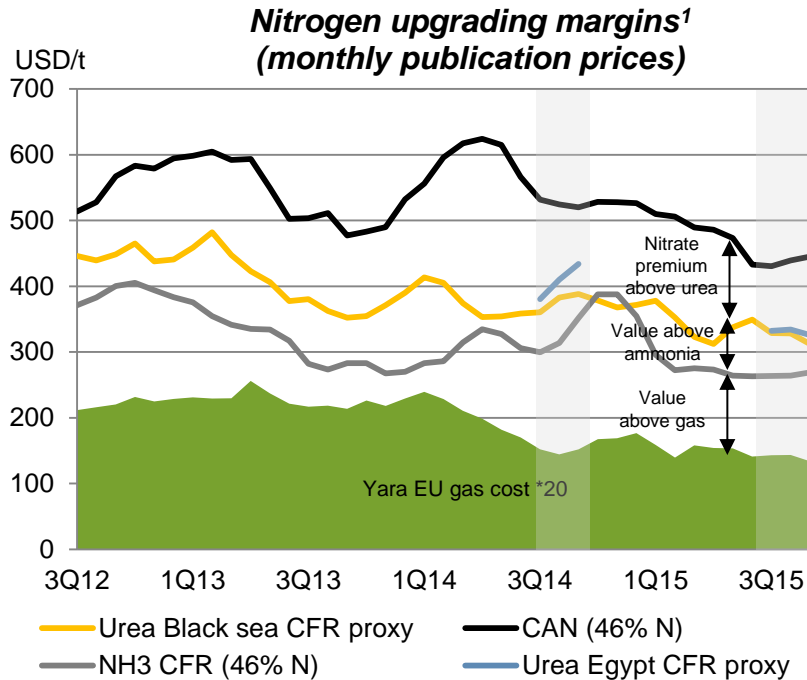
Source: Yara, World Bank, Argus/ICIS Heren

## Change in European energy cost

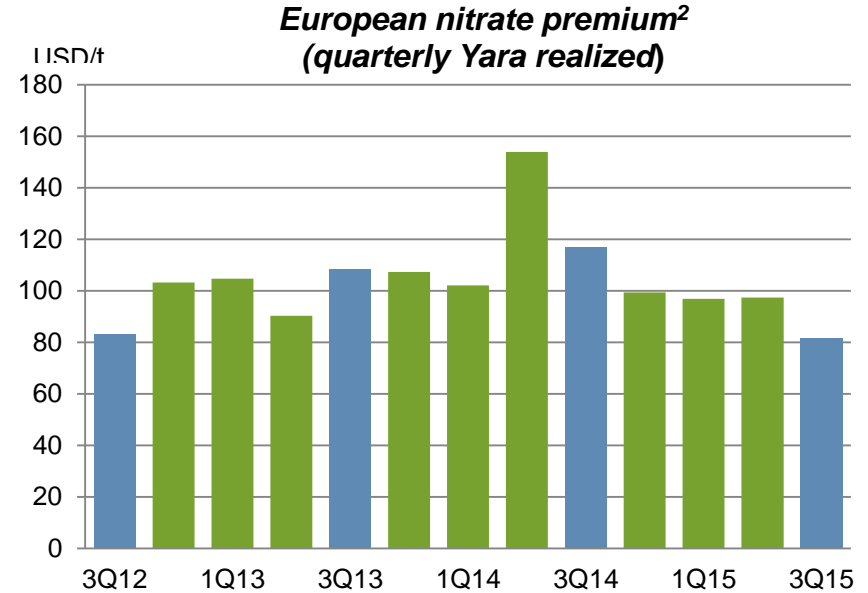




# Stable European nitrate premium

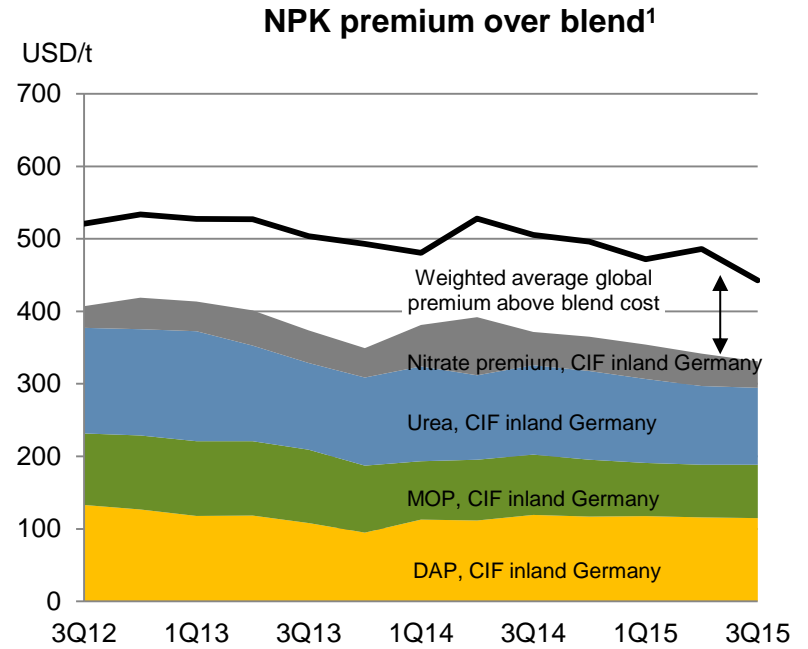
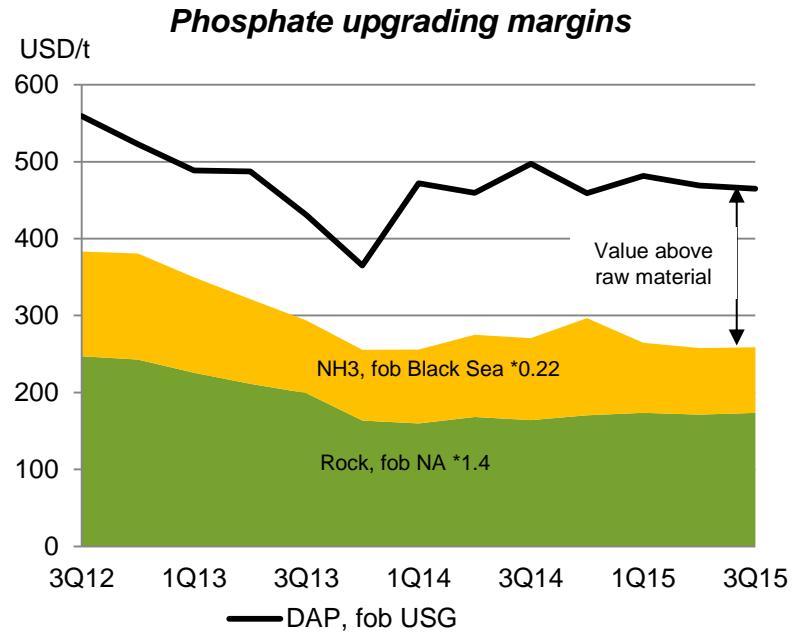


1) All prices in urea equivalents



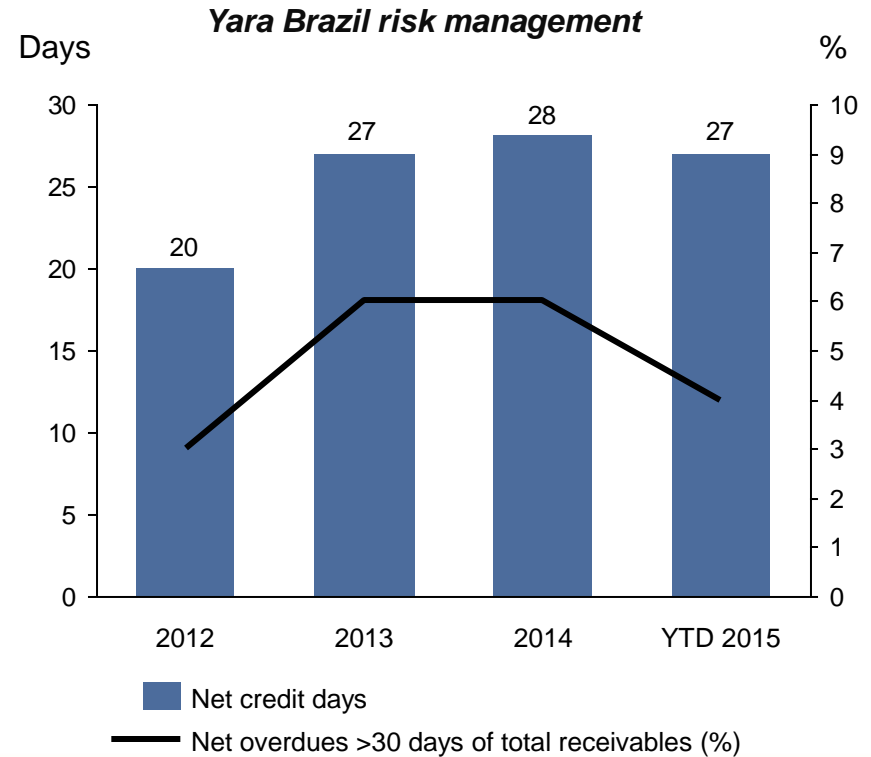
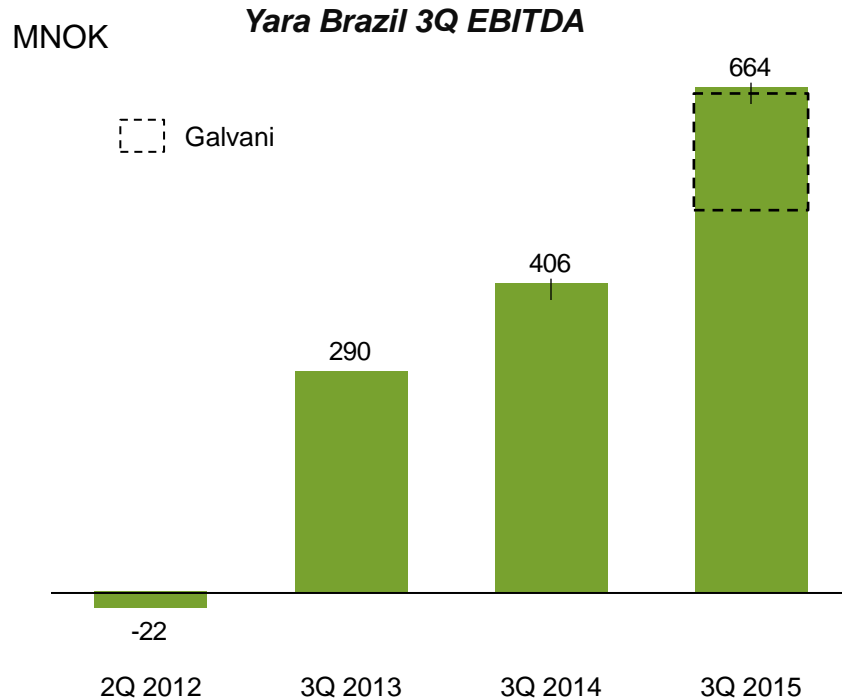
2) Yara European realized nitrate prices compared with urea publication prices with one month time lag. All numbers in USD per ton of CAN equivalents.

# Stable commodity phosphate margins and solid NPK compound premiums



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

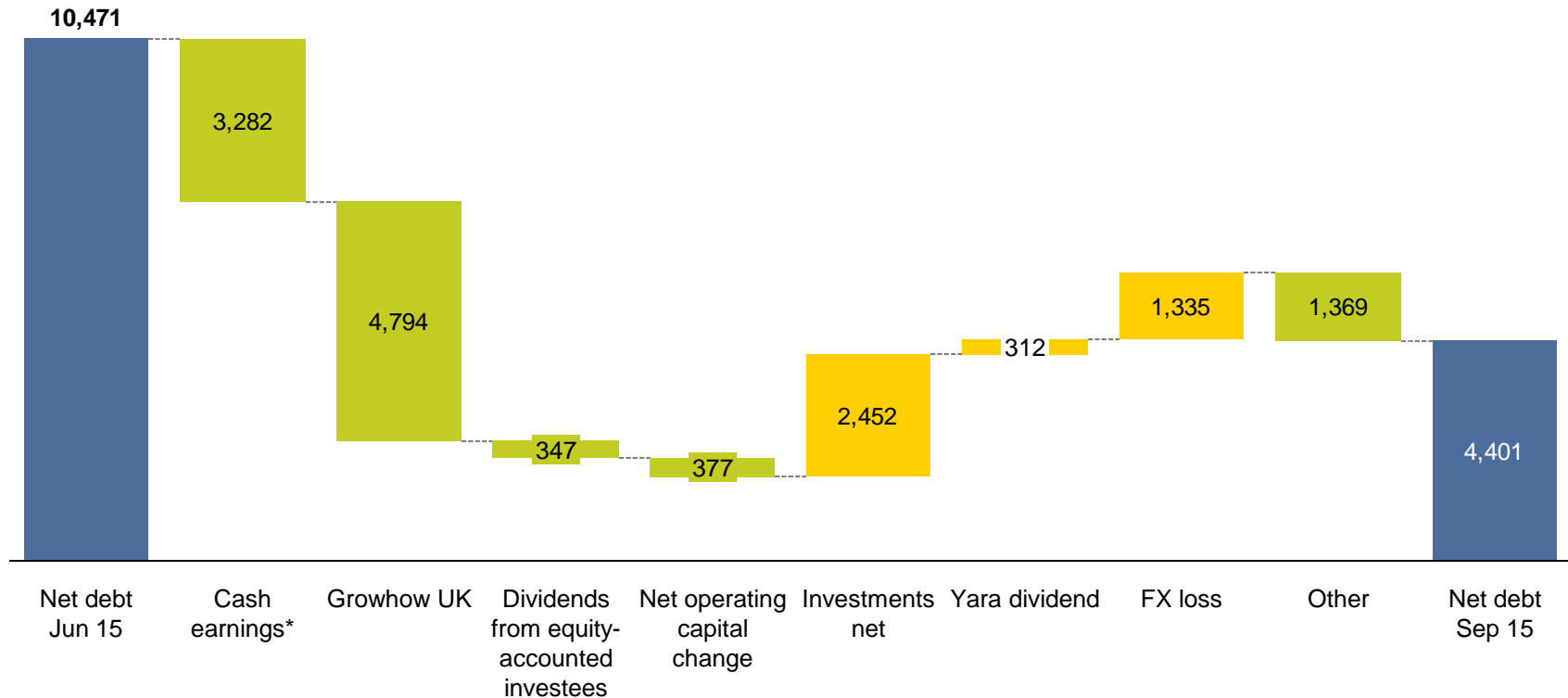
# Brazil: Improved profitability and risk management



Source: Yara

# Net interest-bearing debt development

NOK millions



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

# Prospects

- Positive farm margin outlook and fertilizer application incentives
- Chinese urea production and export costs remain key for global nitrogen pricing
- Good start to season in Europe; industry stocks and nitrate premium at normal levels
- Improved demand in Brazil, with increased competitiveness vs. other crop exporters
- Further NOK 850 million European gas cost saving expected next 2 quarters



Knowledge grows

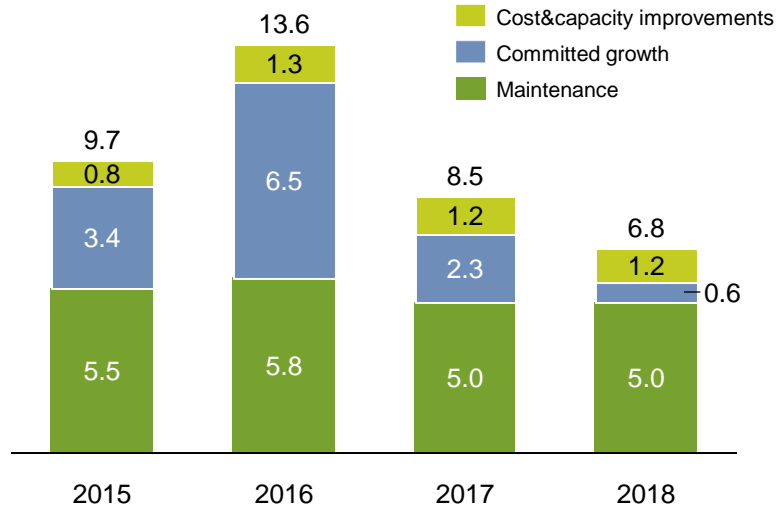
**Additional information**



# Capex status

## Capex plan

NOK bn



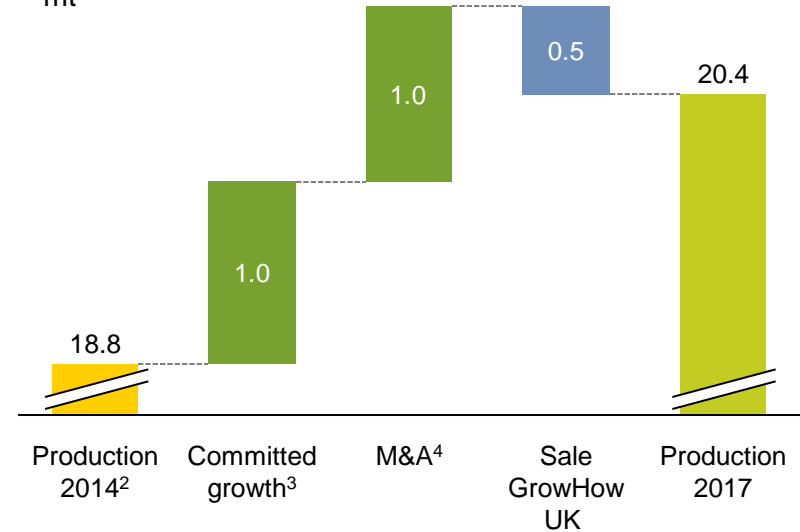
### Committed growth (NOKbn)<sup>1</sup>

	2015	2016	2017	2018
BASF JV	1.1	1.7	0.5	
TAN Pilbara	0.6			
Porsgrunn	0.6	1.2	0.3	
Köping	0.3	0.8	0.3	
Sluiskil	0.3	0.8	0.3	
Uusikapunki	0.3			
Ammonia vessels	0.2	1.4		
Other projects	0.2	0.6	0.8	0.6
<b>Total</b>	<b>3.4</b>	<b>6.5</b>	<b>2.3</b>	<b>0.6</b>

1) Yaras share of capex

## Production growth 2014-2017

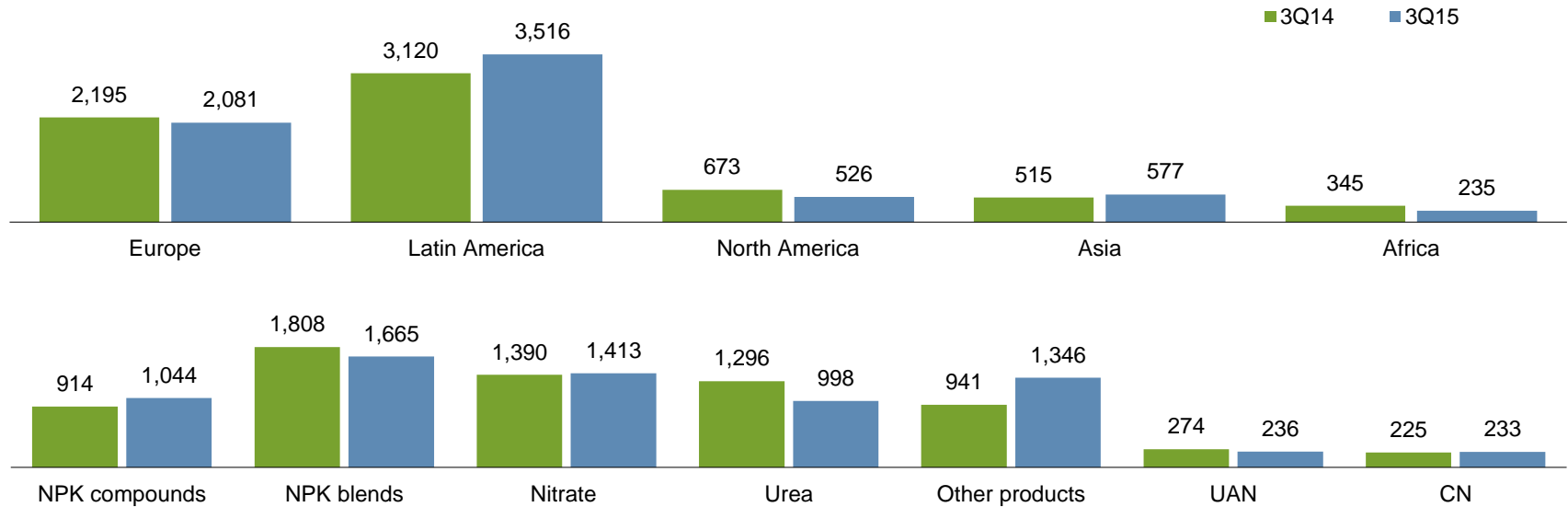
mt



- 2) Finished fertilizer and industrial products, excl. bulk blends
- 3) Committed projects only. TAN Pilbara: 160 kt (net 90kt), Porsgrunn: 250kt, Glomfjord: 185kt, Uusikapunki: 250kt, Köping: 90kt, Sluiskil: net 160kt
- 4) Full-year impact vs. 2014 of Galvani (60% of ~1 mill.- tons) and OFD: ~400kt higher than 2014

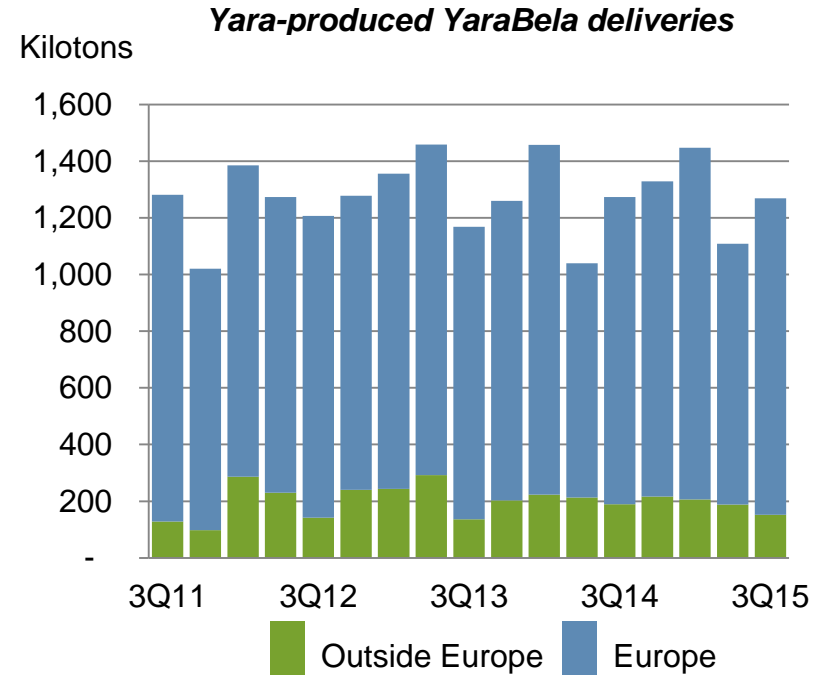
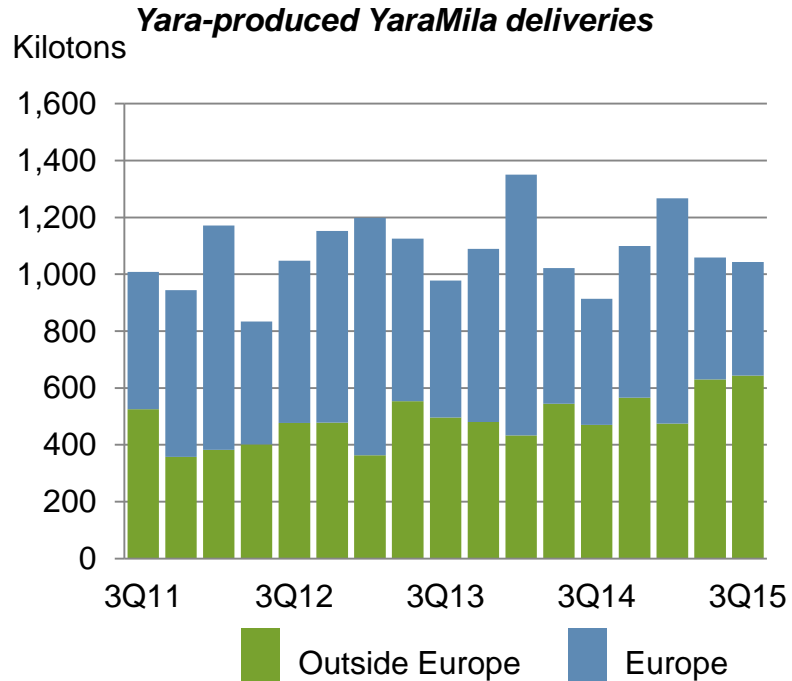
# Yara 3Q fertilizer sales by market and product

*Kilotons*





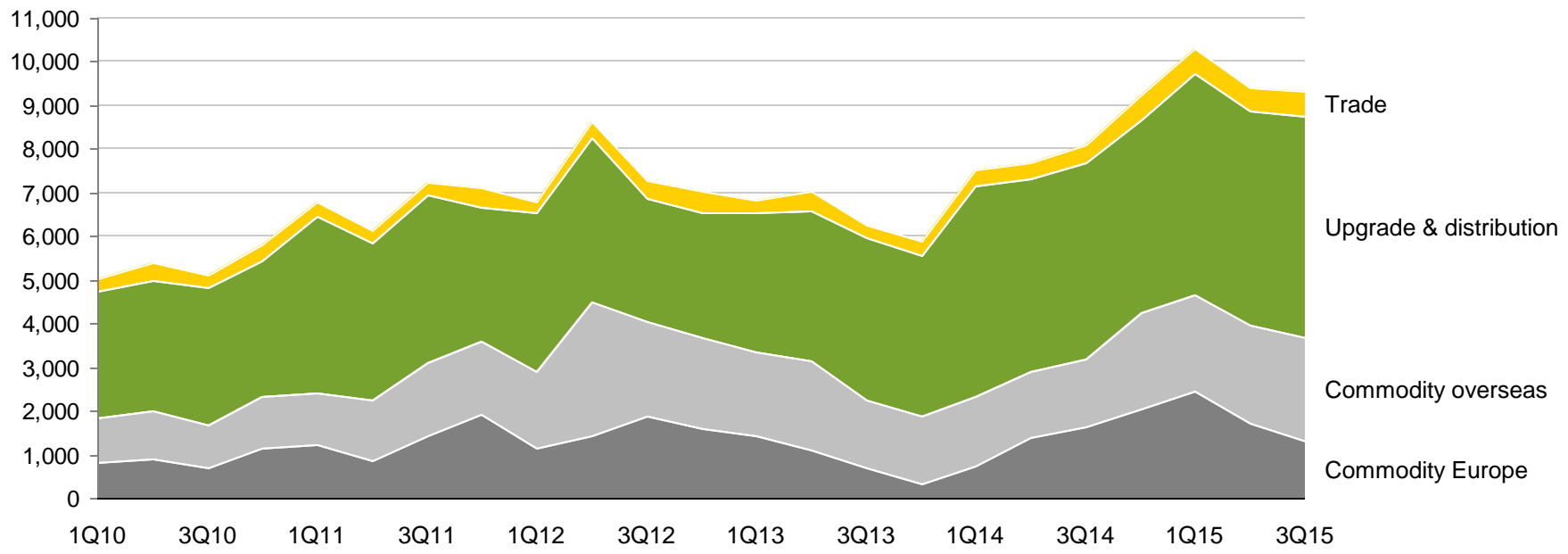
# YaraMila and YaraBela deliveries



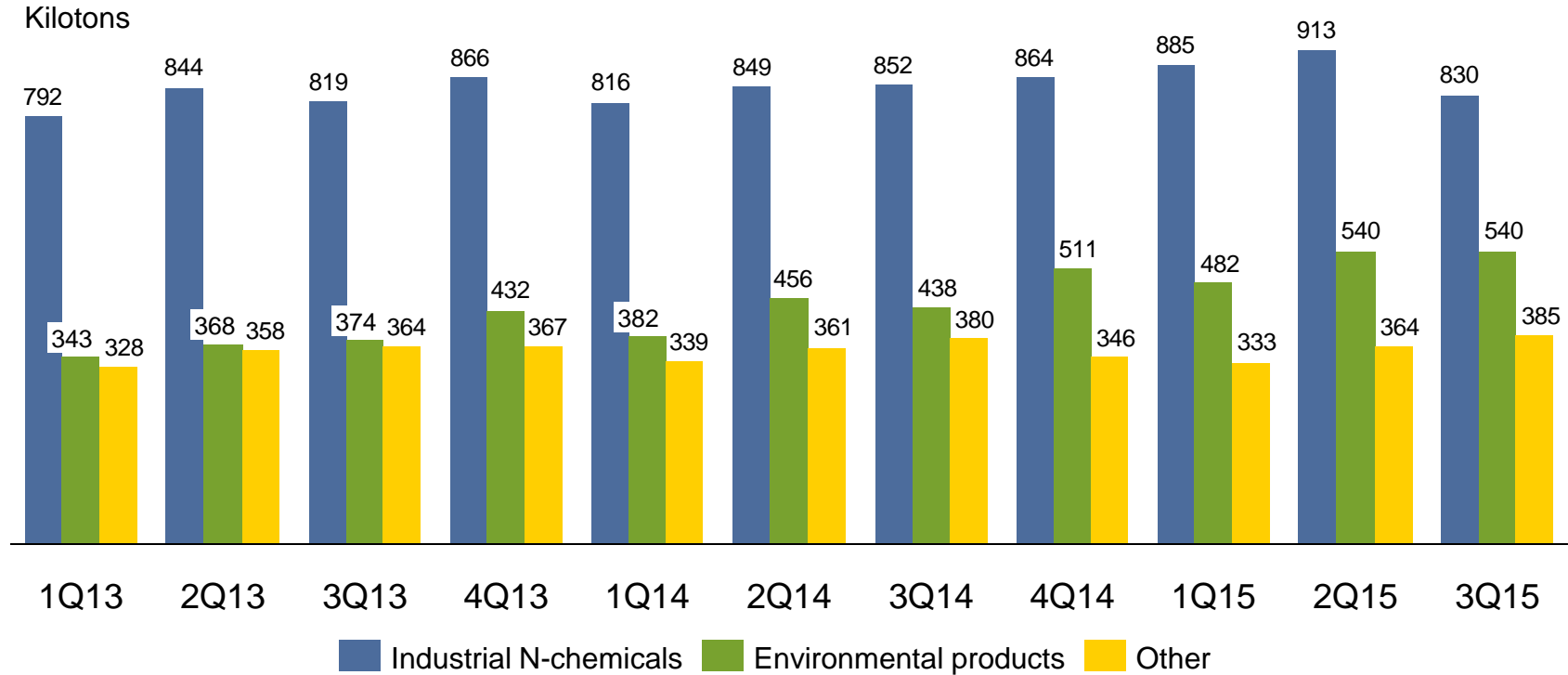
# Value-added and distribution make up larger part of Yaras contribution

**Total Yara contribution**

NOK millions

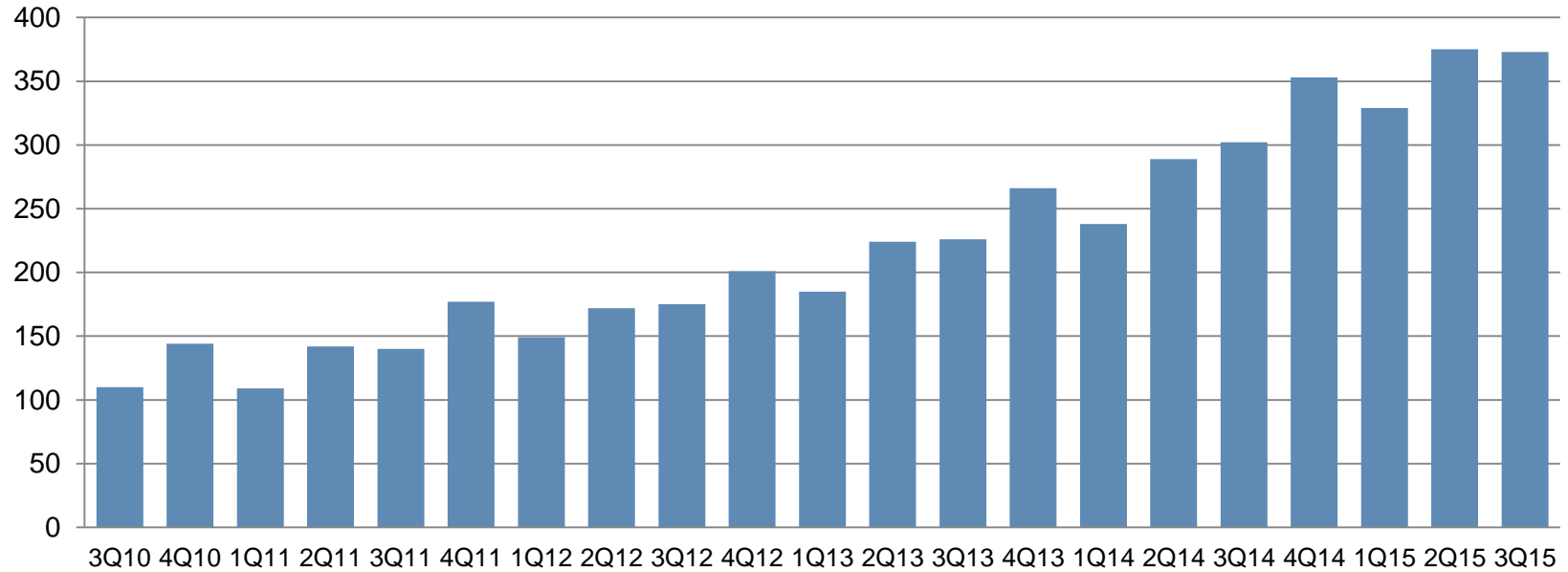


# Industrial volume development



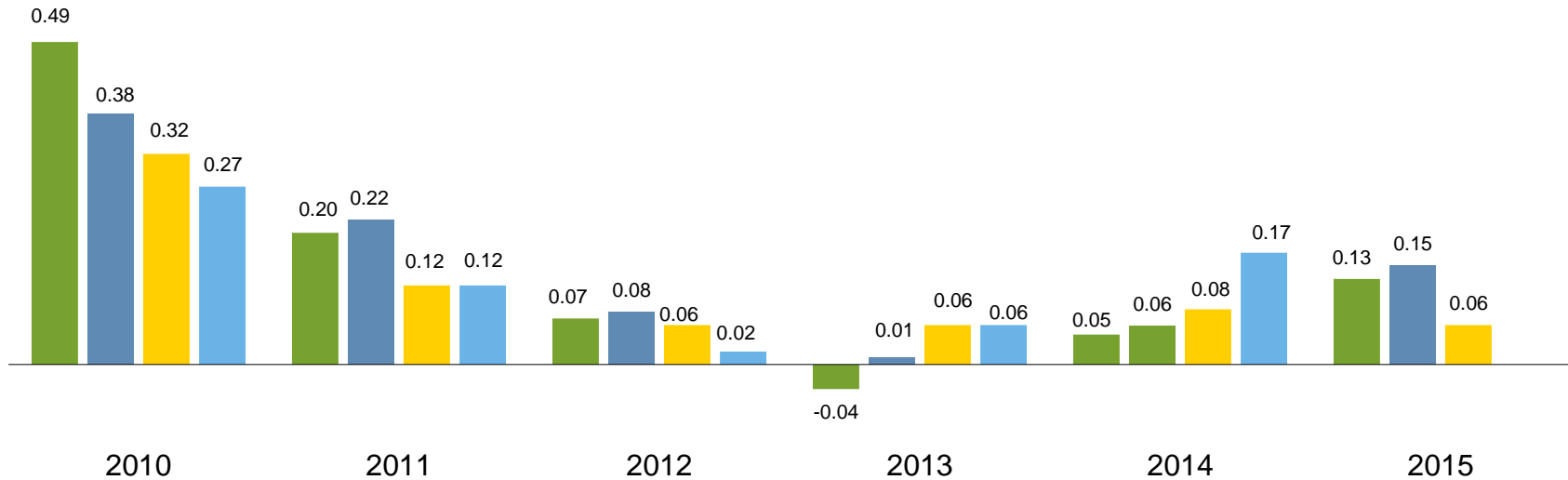
# AdBlue deliveries

Kilotons



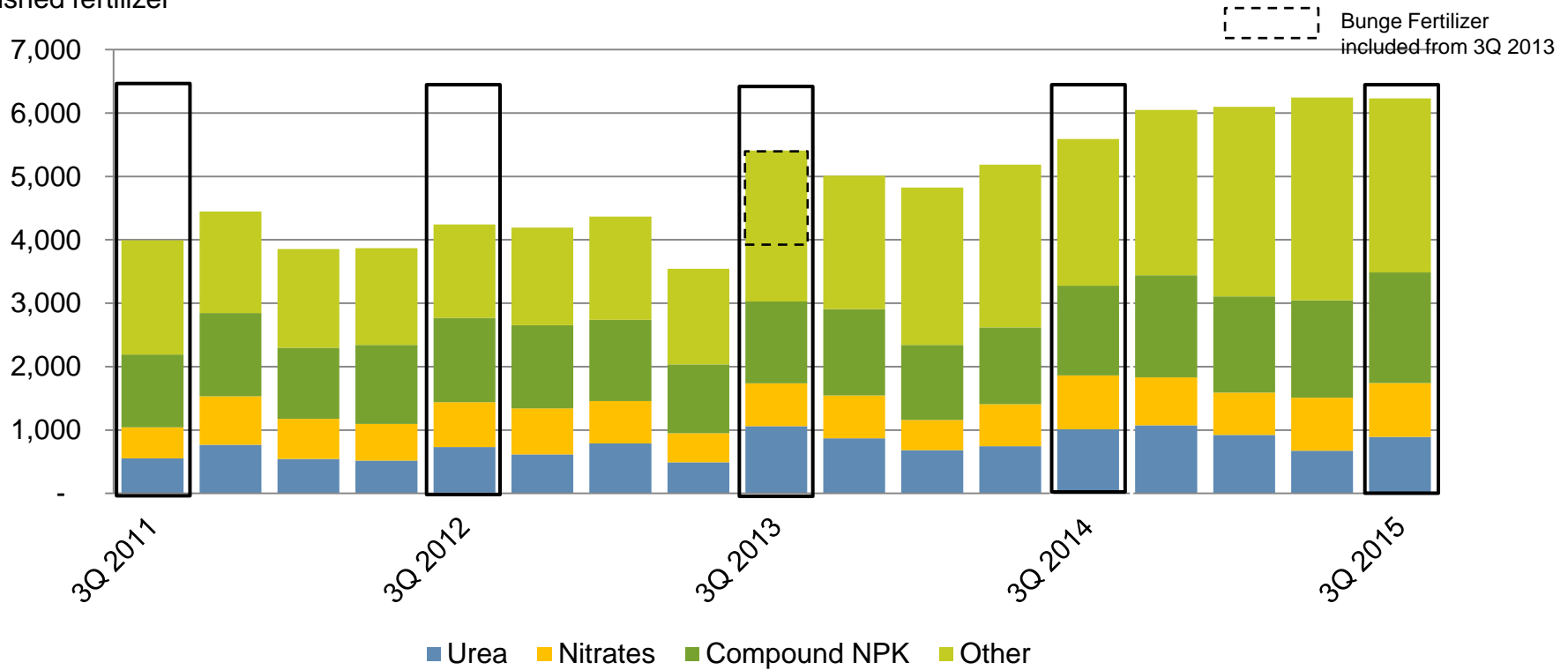
# Debt/equity ratio

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

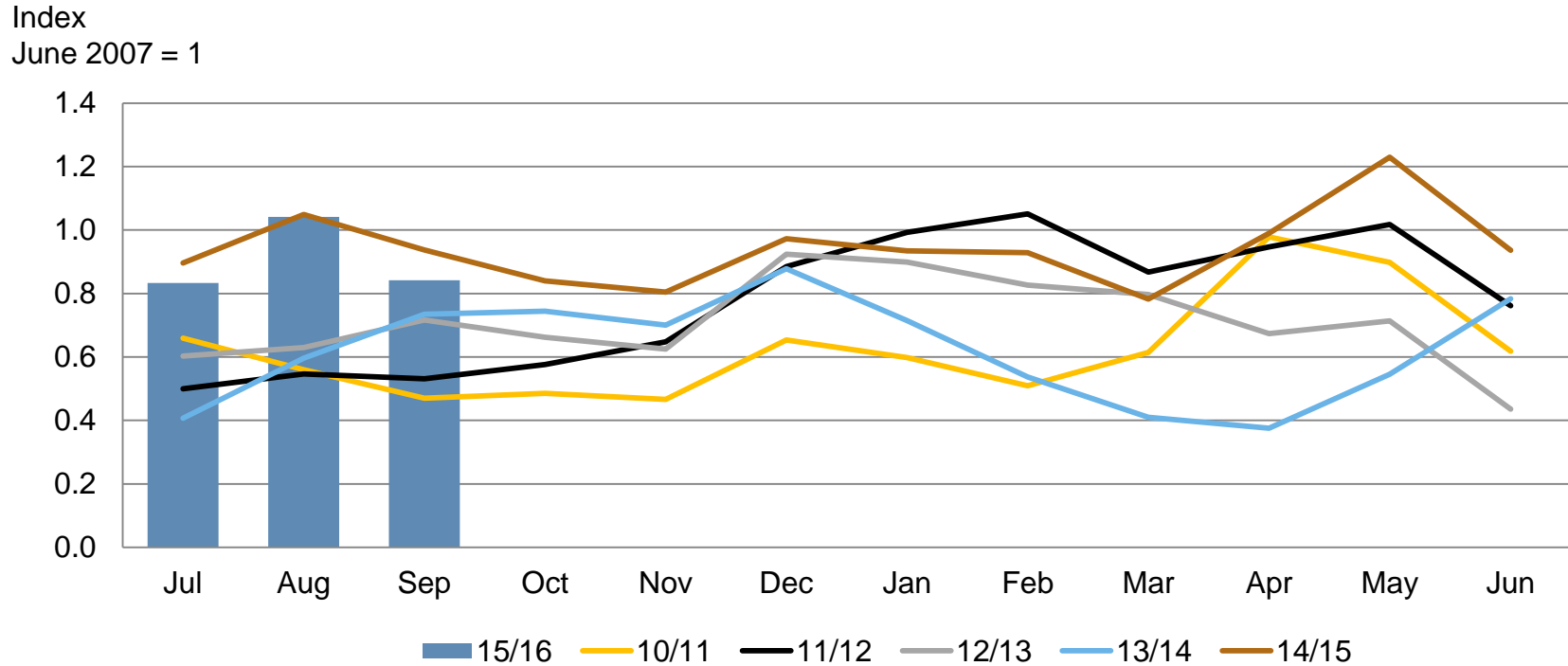


# Yara stocks

Kilotons  
Finished fertilizer



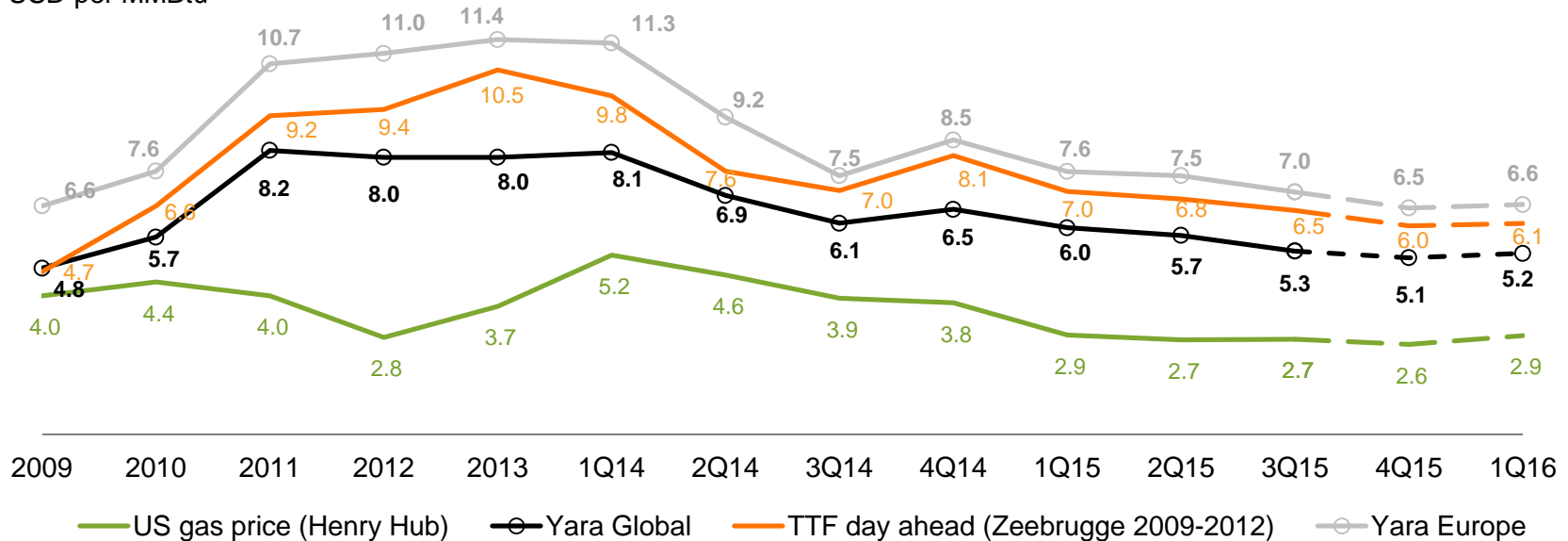
# European producers' nitrate stocks



Source: Fertilizers Europe, Yara estimate for September

# Energy cost

Yearly averages 2009 – 2013, quarterly averages for 2014-15 with forward prices\* for 4Q15 and 1Q16.  
USD per MMBtu



\*Dotted lines denote forward prices as of 13 October 2015

Source: Yara, World Bank, Platts/Argus/ICIS Heren



# Currency exposure affecting Profit & Loss

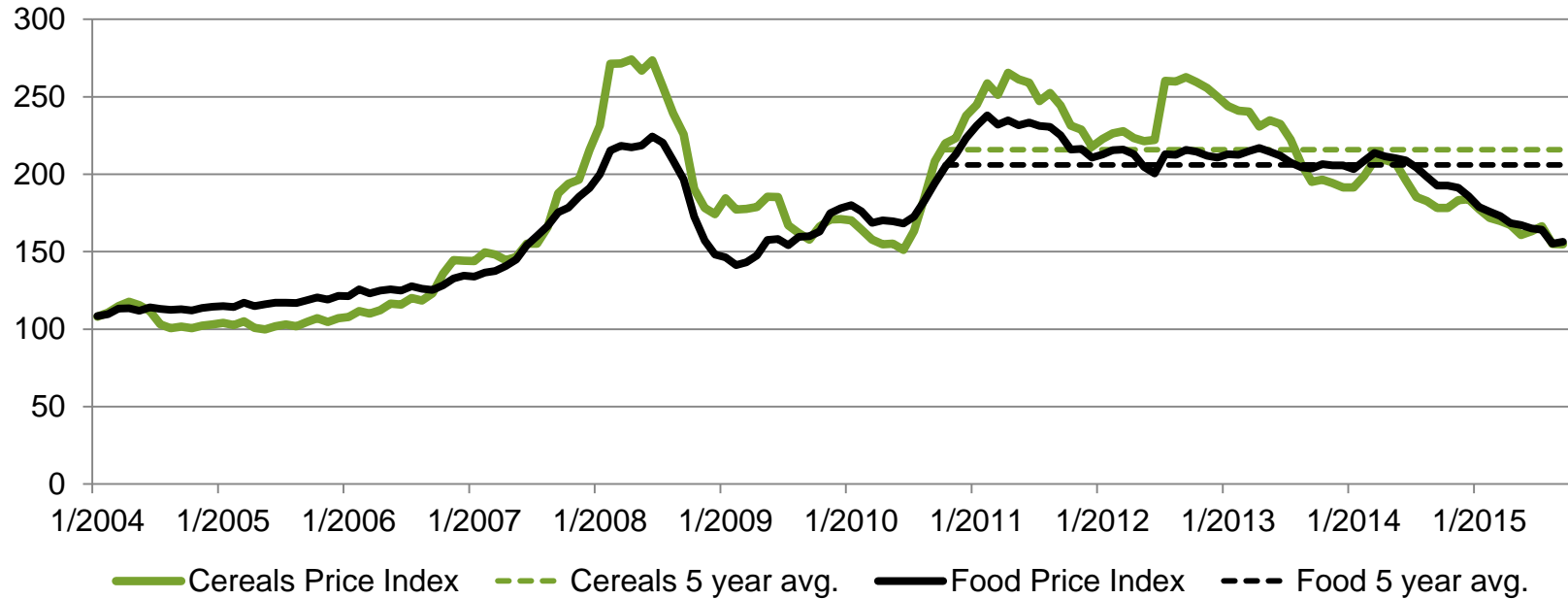
At the beginning of the fourth quarter 2015

1. The US dollar debt generating Profit & Loss exposure was USD 1,500 million
  - Kept as hedge of future earnings and to finance inventories in emerging markets
  - Fairly even split of exposure towards EUR, BRL and other emerging market currencies
  - The debt level in emerging markets will fluctuate with fertilizer seasons
2. Additional Profit & Loss exposure from internal currency positions vs. NOK
  - Payables mainly CAD (450 million)
  - Receivables mainly EUR (200 million)

# Farm economics support fertilizer demand, even in USD based economies

*FAO price index*

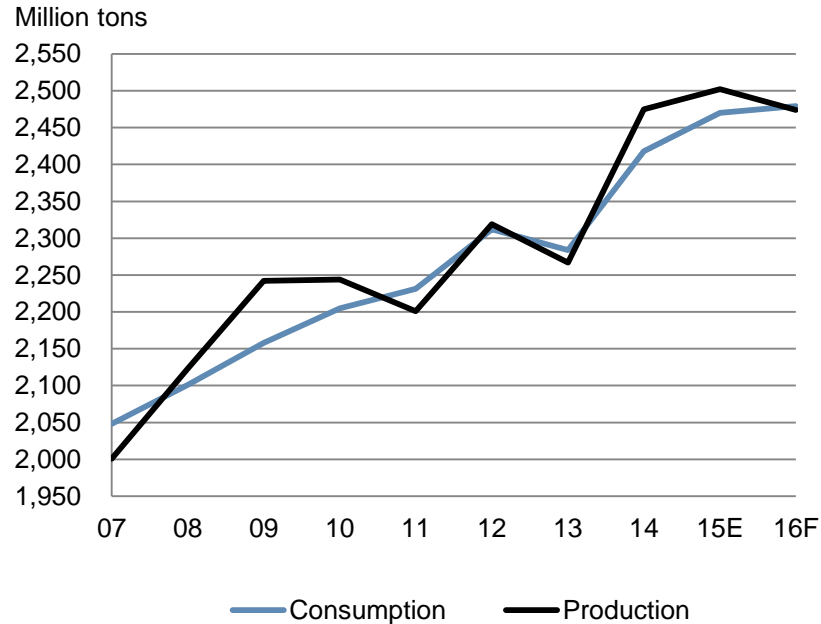
**Index**



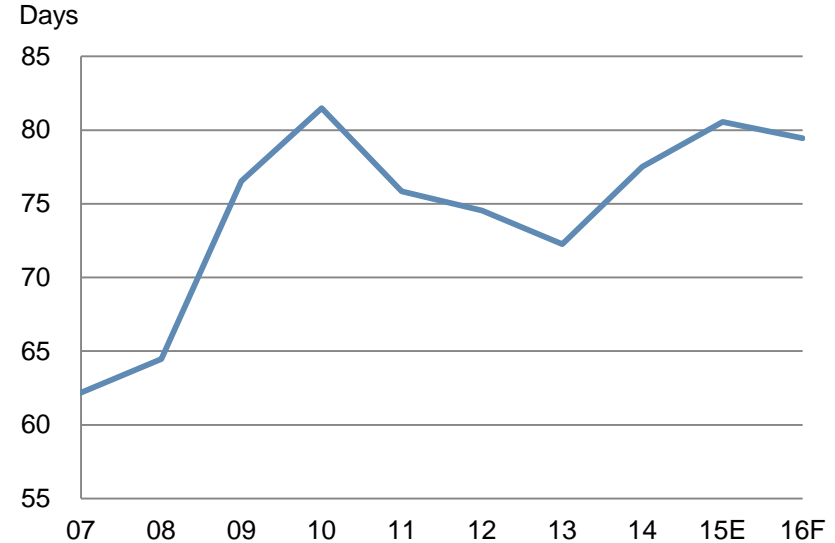
Source: FAO

# Global grain balance

## Grain consumption and production

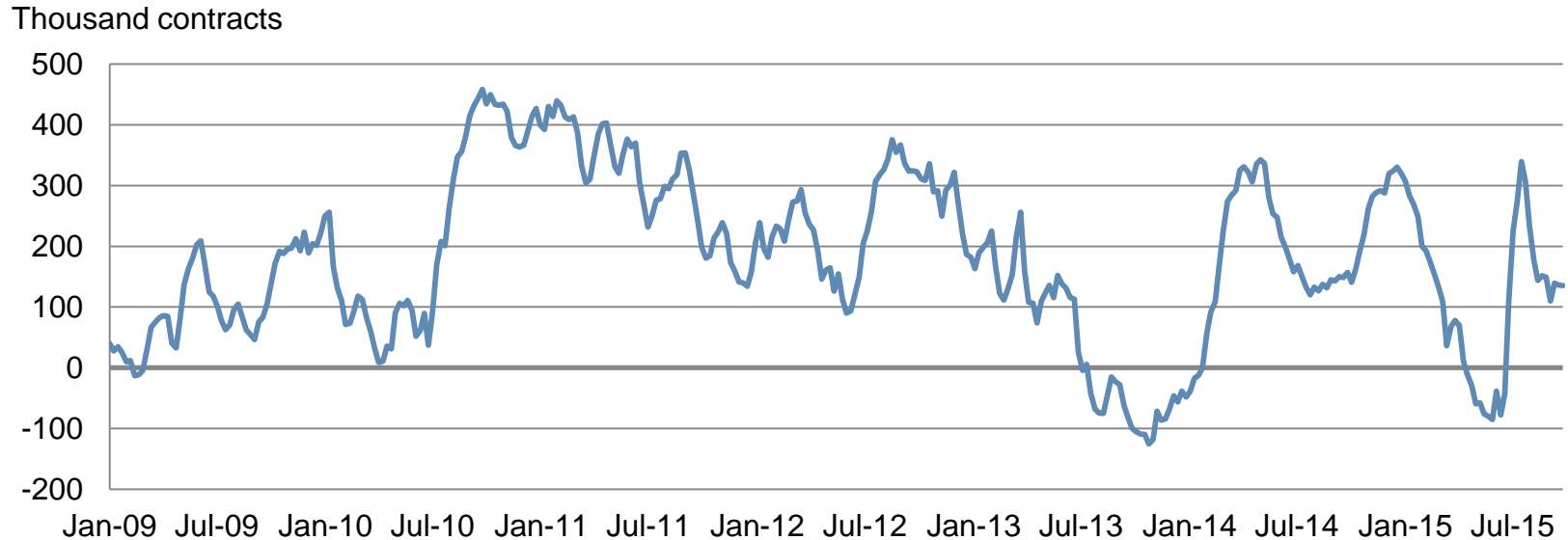


## Days of consumption in stocks



Source: USDA October 2015

# Non-commercials' net long position in corn



Source: US Commodity Futures Trading Commission

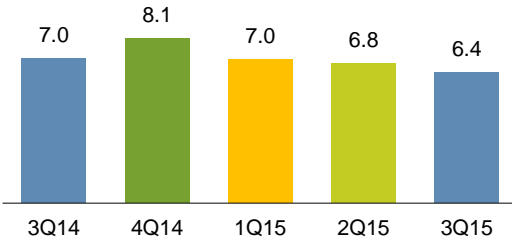
# Projected nitrogen capacity additions outside China

Year	Driving regions	Urea capacity growth relative to nitrogen capacity
	Excluding China	Excluding China
2015	Algeria 18% Iran 16%	2.6% (2.6%)
2016	USA 30% Algeria 15%	3.0% (3.3%)
2017	USA 44% Nigeria 15%	1.6% (2.3%)
2018	Nigeria 30% Russia 20%	1.5% (1.3%)
2019	Russia 34% Nigeria 34%	1.3%
<b>Gross annual addition 2015-2019</b>		<b>~2.0%</b>
Assumed annual closures		~0.5%
<b>Net annual addition 2015-2019</b>		<b>~1.5%</b>
<b>Trend consumption growth from 2003</b>		<b>2.0%</b>

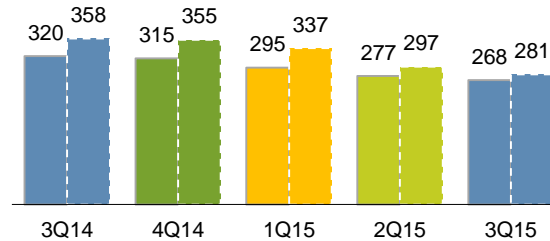
Source: CRU urea update September 2015 (June 2015 in brackets) . Consumption data source is IFA.

# Key value drivers – quarterly averages

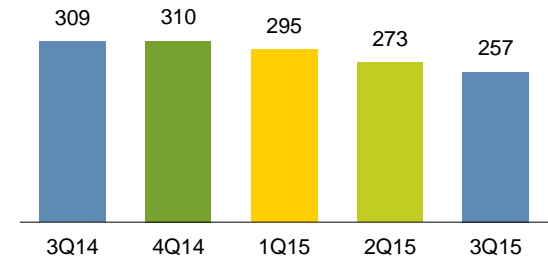
TTF day ahead (USD/MMBtu)



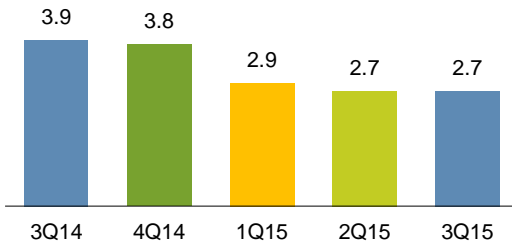
Urea prilled fob Black Sea (USD/t)/Urea granular fob Egypt (dotted line, USD/t)



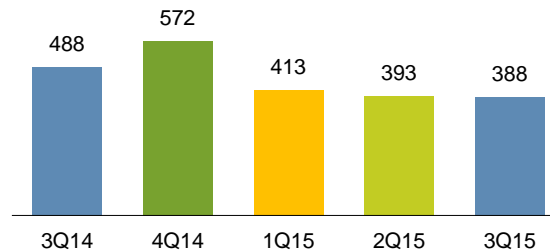
CAN cif Germany (USD/t)



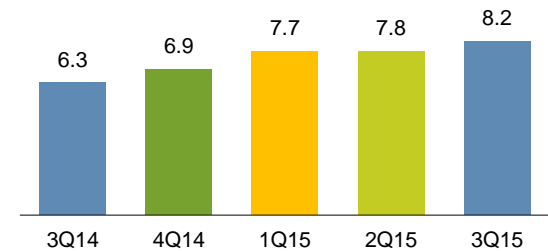
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)

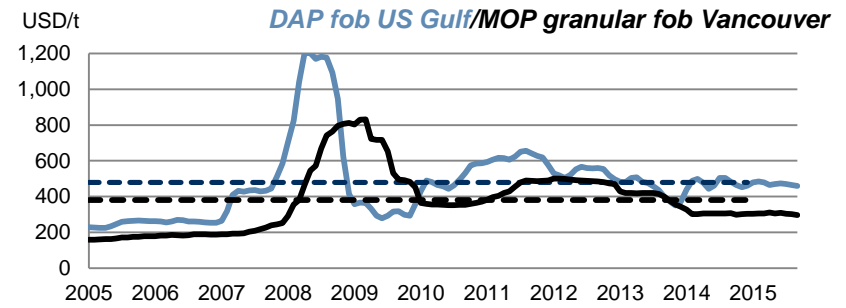
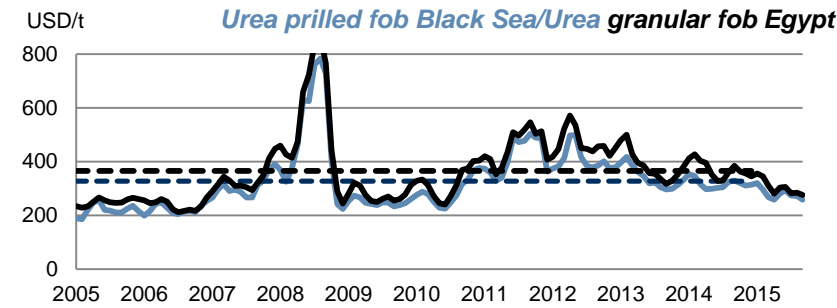
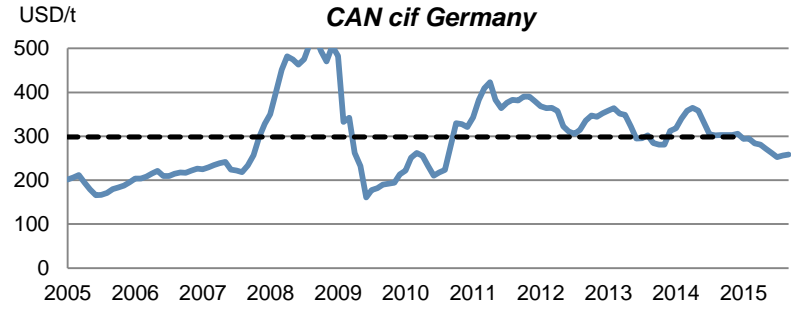
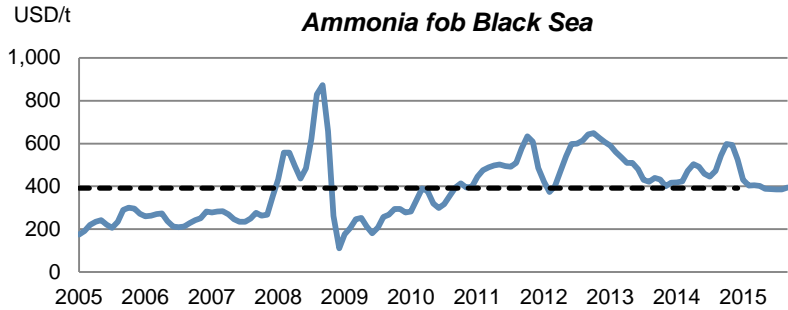


NOK/USD exchange rate



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

# 10-year fertilizer prices – monthly averages



Source: Average of international publications

--- Average prices 2005 - 2014