Knowledge grows

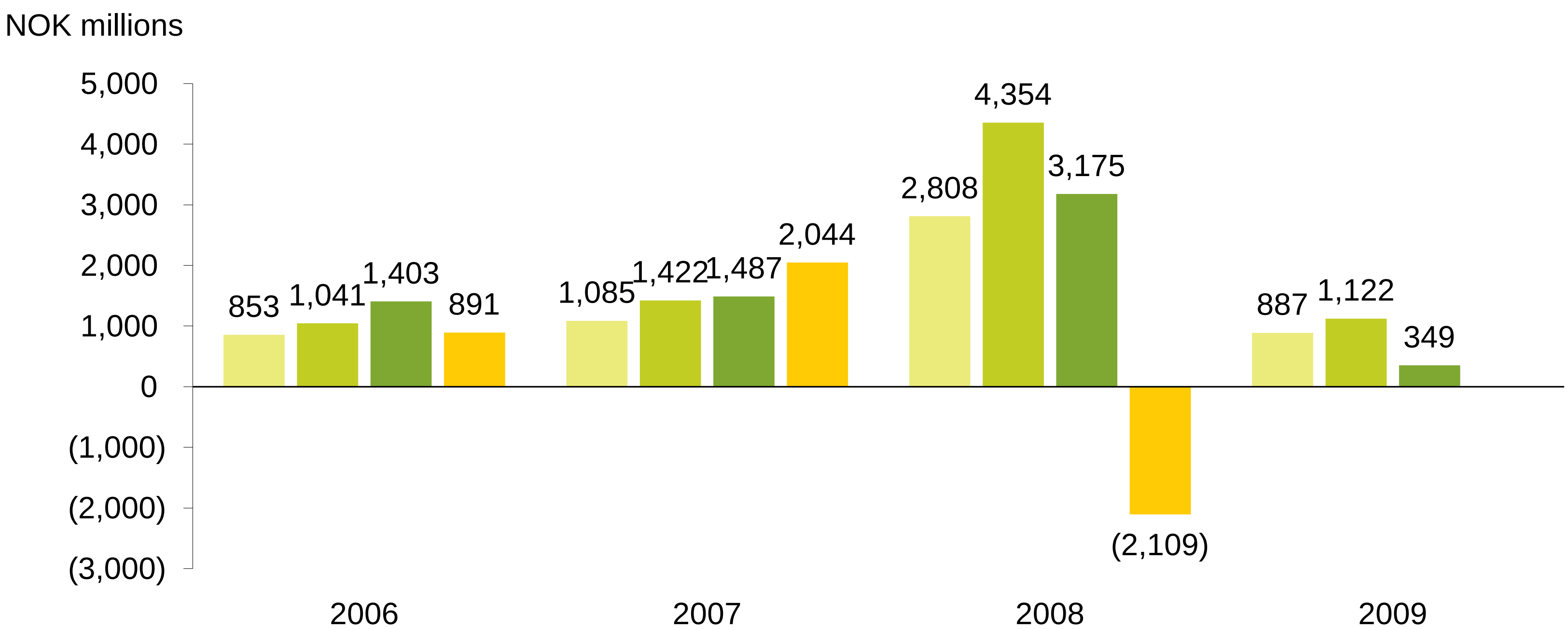
Yara International ASA
Third quarter results 2009

20 October 2009

Summary third quarter 2009

- Higher sales volumes for all main fertilizer products except NPK
- Non-satisfactory results
- Lower fertilizer margins
- Continued margin strength for Industrial segment
- Continued debt reduction

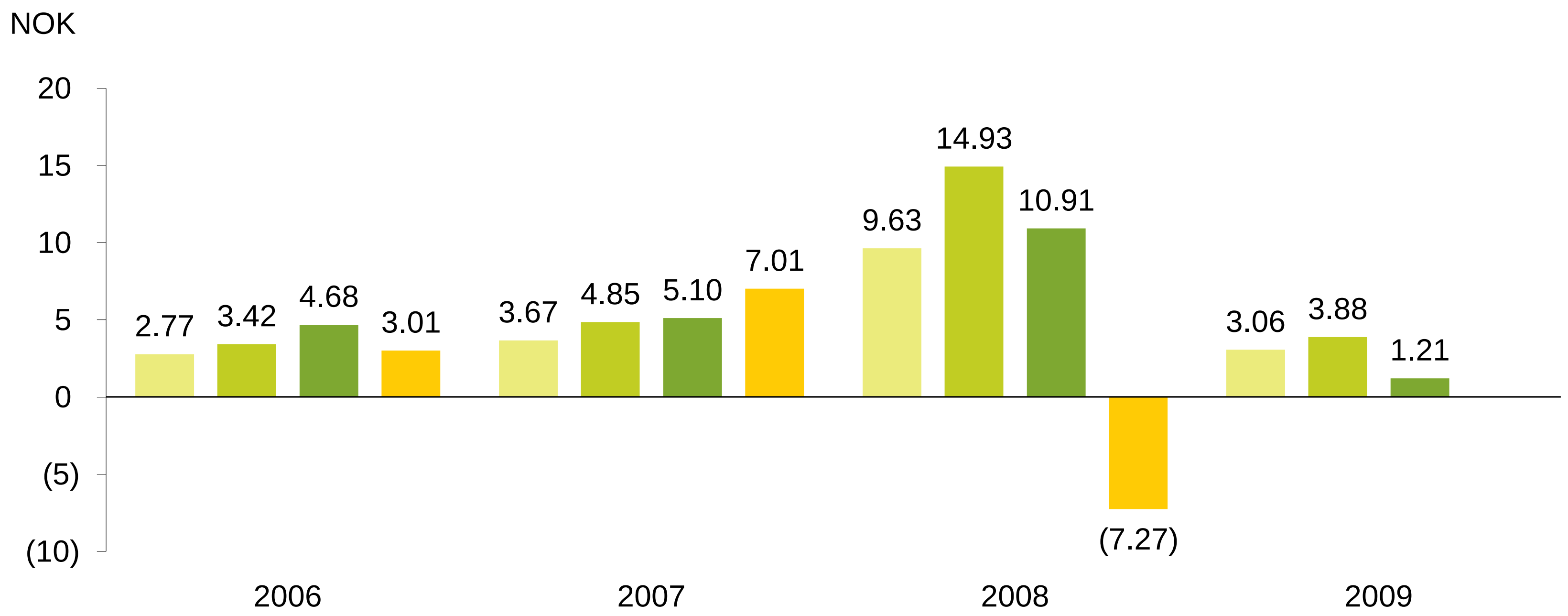
Net income after non-controlling interests



Accumulated

NOK mill	4,188	6,037	8,228	2,358

Earnings per share*

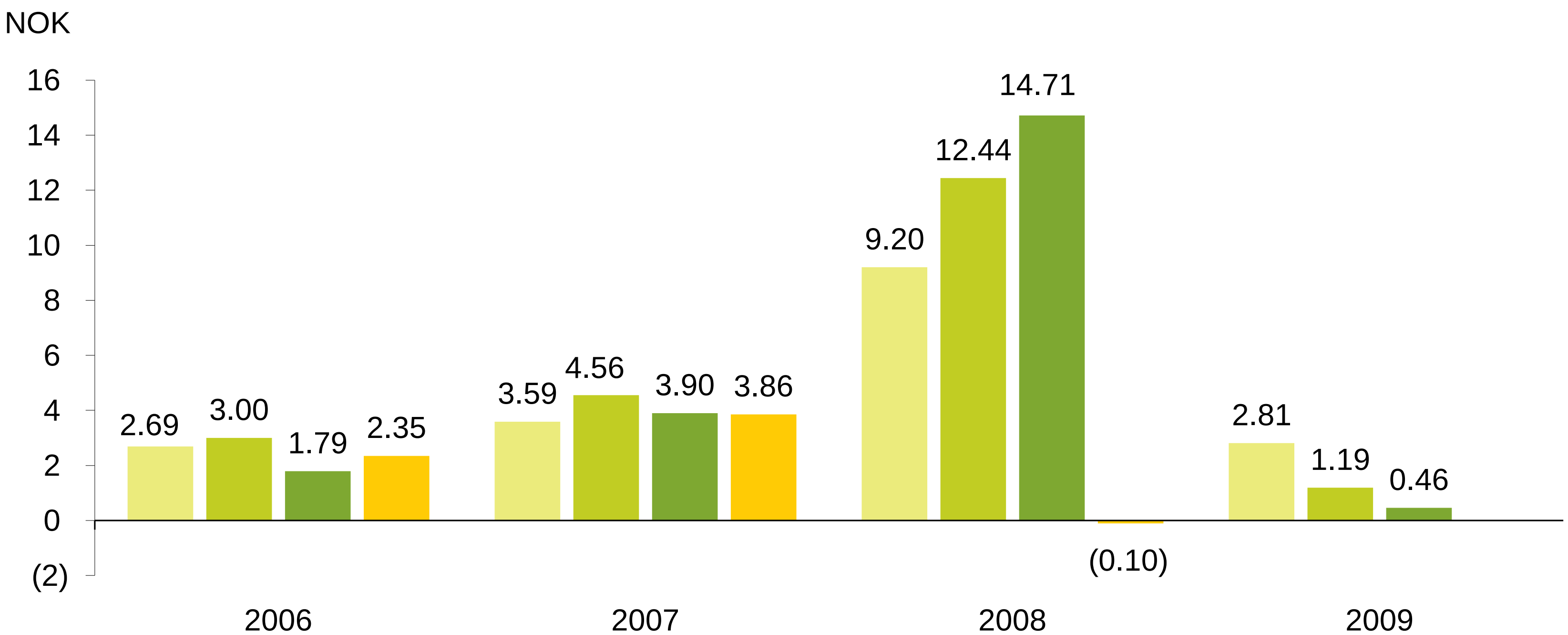


Accumulated

NOK	13.86	20.60	28.27	8.15

* Average number of shares for 3Q 2009: 288.8 million (3Q 2008: 291 million).

Earnings per share adjusted for foreign exchange gain/loss and special items*



Accumulated

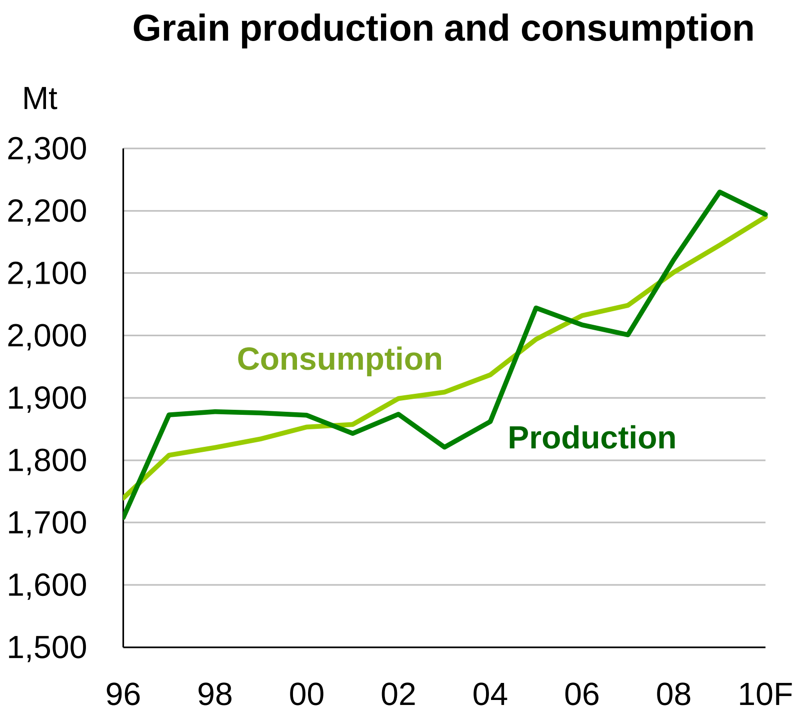
NOK	9.80	15.91	36.28	4.47

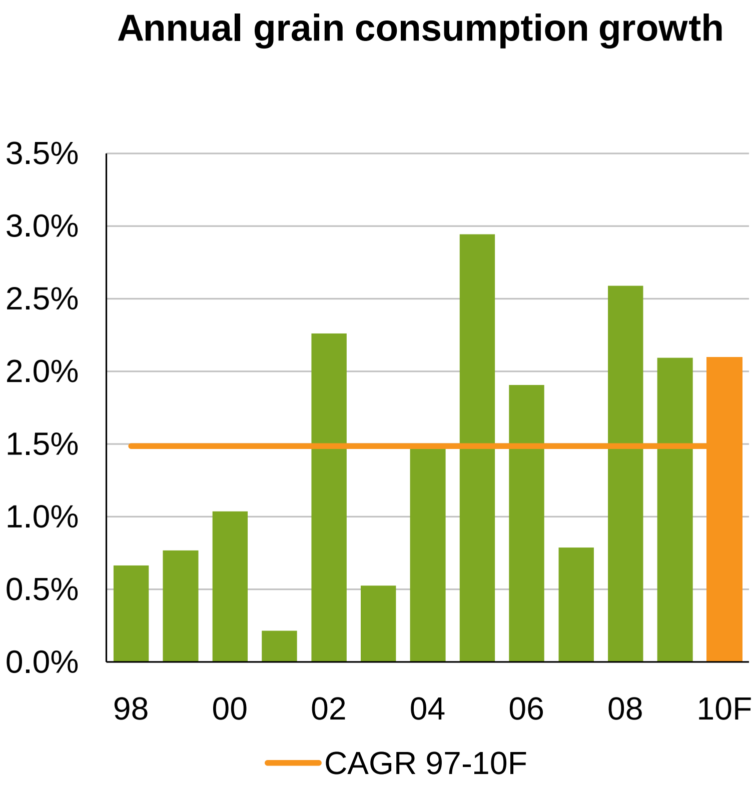
* After tax. Average number of shares for 3Q 2009: 288.8 million (3Q 2008: 291 million).

Overall fertilizer market development during quarter

- Improvement in global nitrogen demand
- Price effects limited by Chinese exports
- 6% decline in Western Europe nitrogen fertilizer sales, imports down 17%
- Buyers continued to avoid potash purchases due to high and declining prices
- Stronger ammonia market due to rebound in phosphate and industrial demand

Robust grain demand

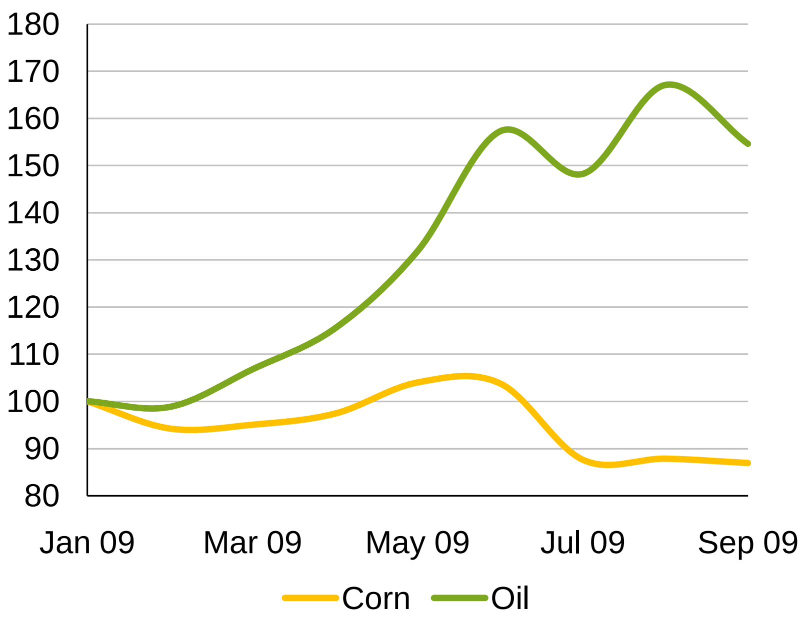




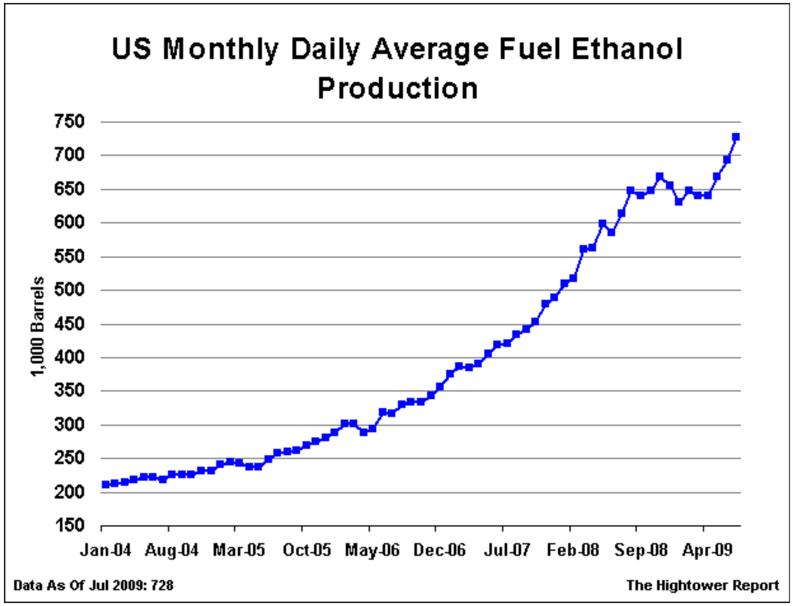
Source: USDA, October 2009

Biofuels growth increases hedge between energy, grain and fertilizer

Lower corn price and higher oil price

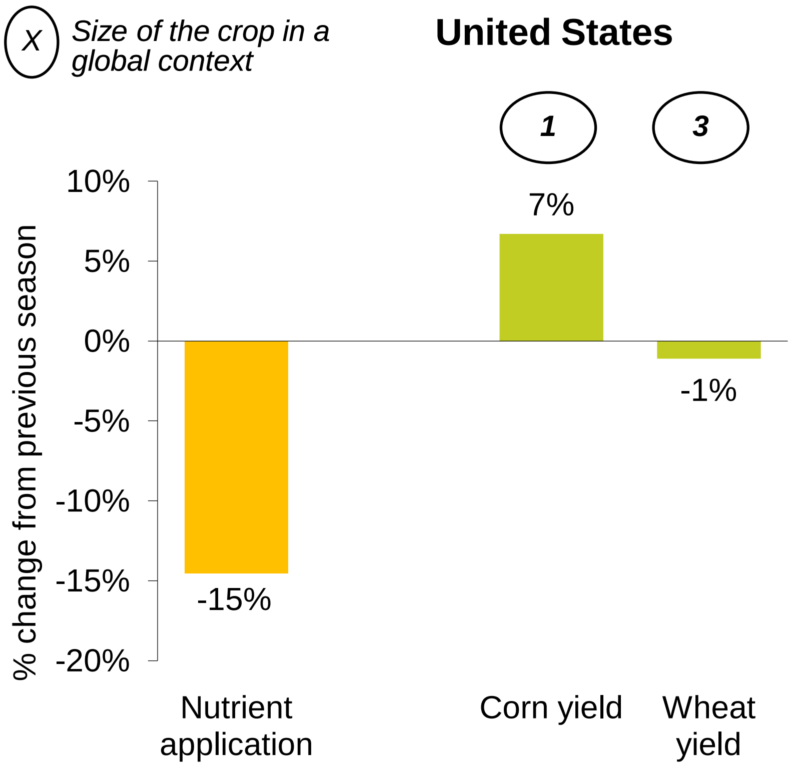


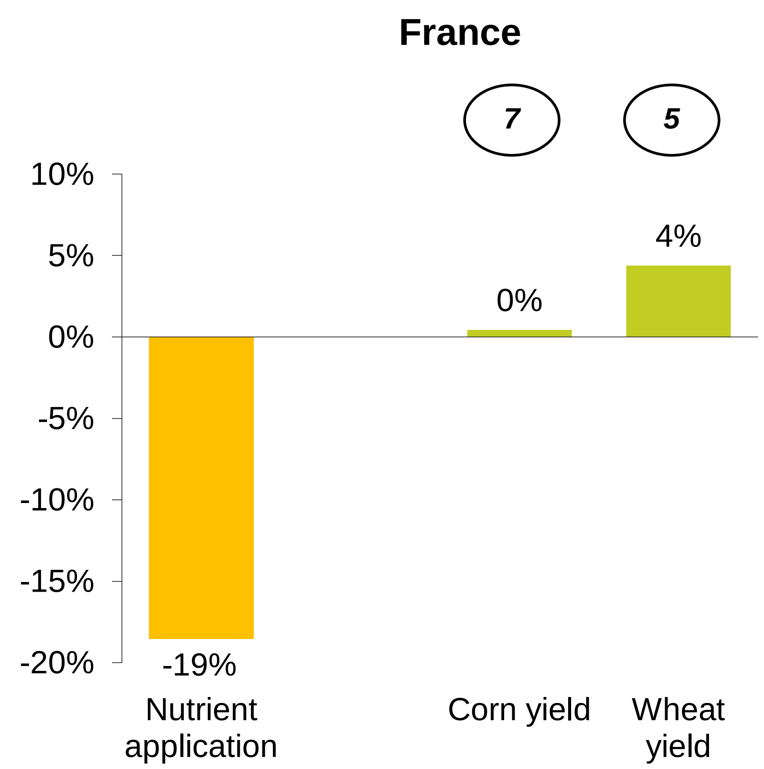
Increased ethanol production



Source: World Bank

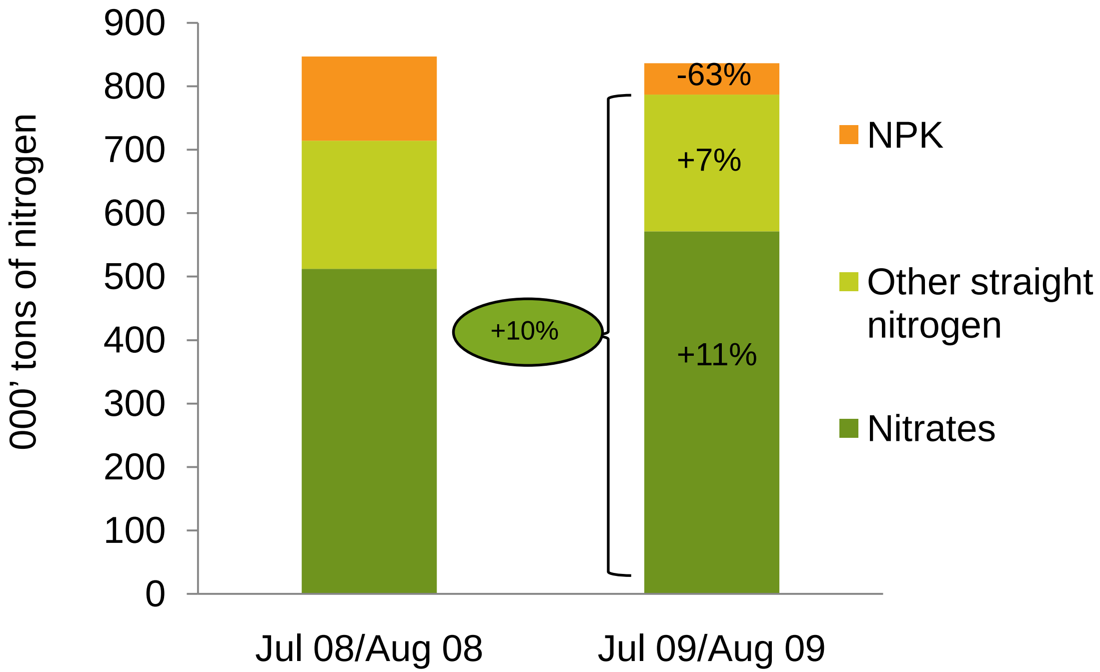
Strong grain yields





Source: IFA (May 2009), USDA (October 2009), Strategies grains (August 2009), FAO

Straight nitrogen deliveries in Europe higher than last year

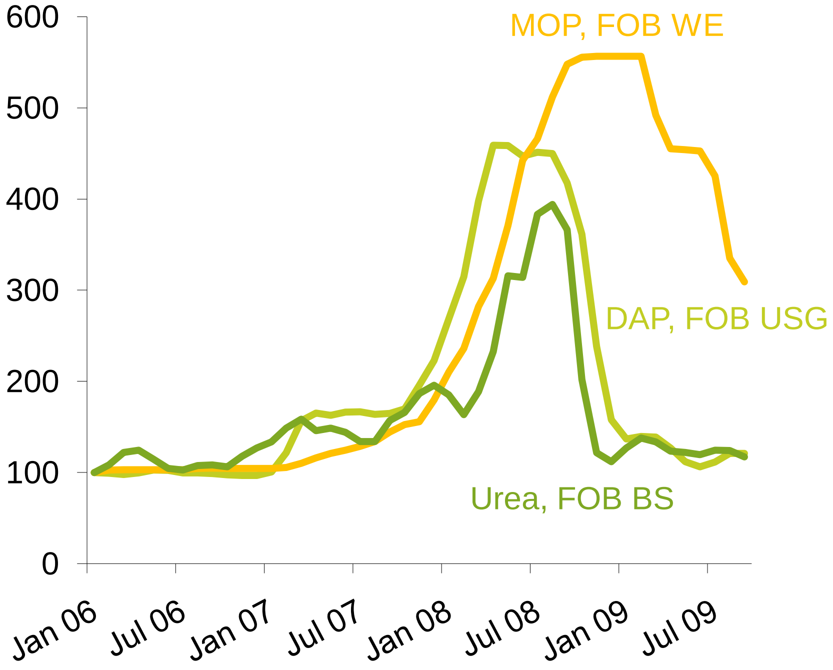


- Straigt nitrogen deliveries 10% higher
- Drop in total deliveries explained by 63% drop in nitrogen from NPK

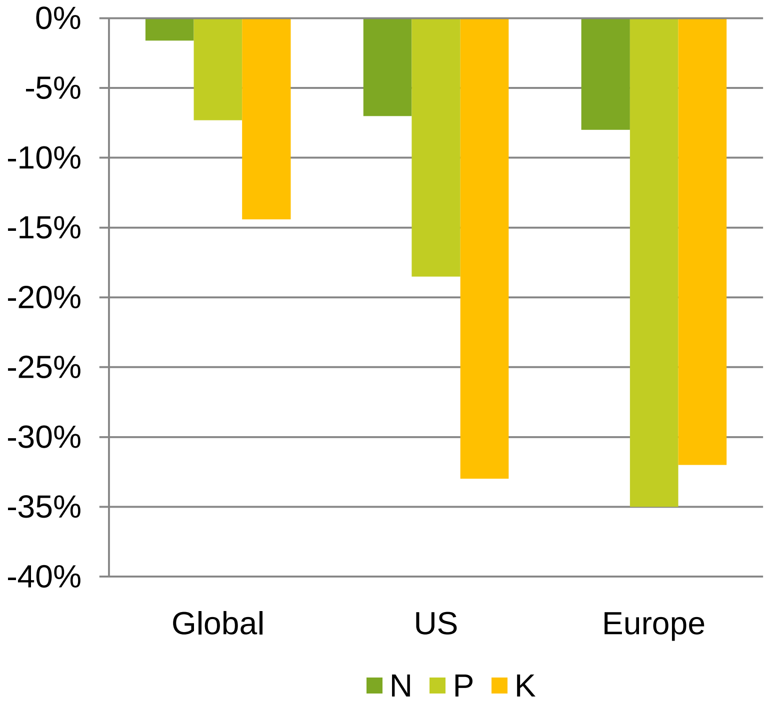
Source: EFMA

High and declining potash prices continue to hamper NPK sales

High and declining potash price

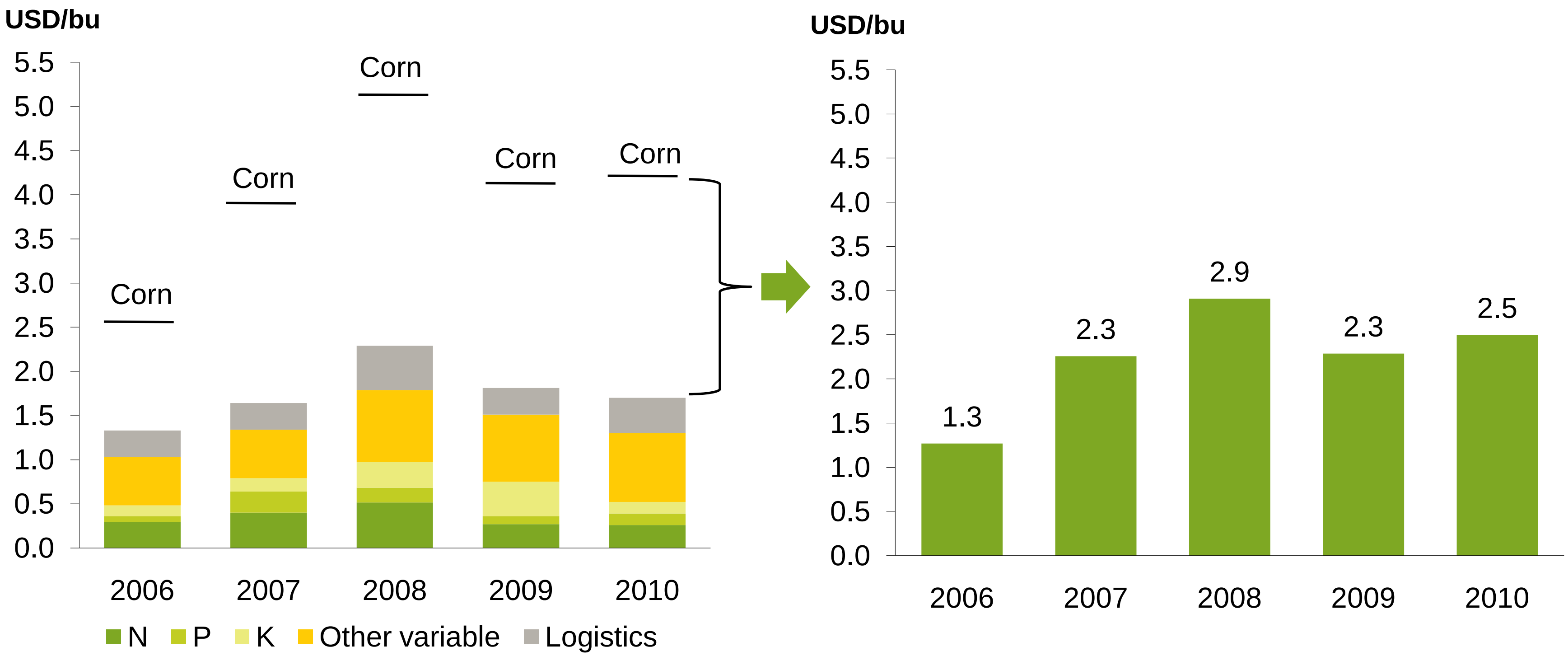


Consumption drop much larger for potash



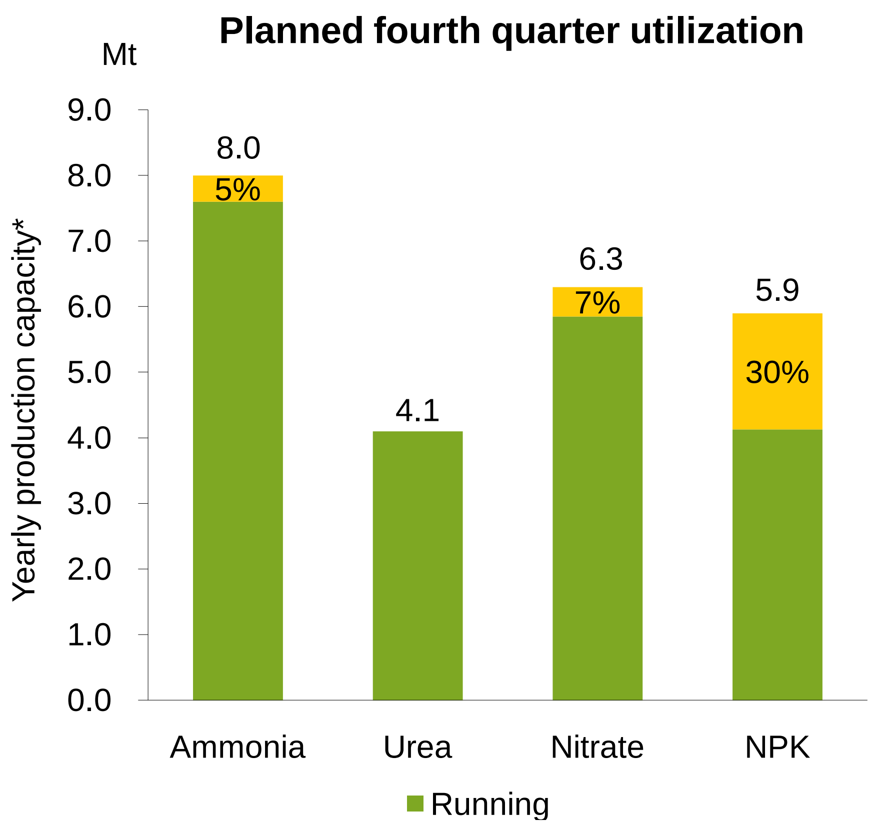
Source: Various market publications, IFA (May 09)

2010 US corn margin outlook second only to record 2008



Source: Yara estimates, fertilizer prices from Green Markets (9 February 2009 and October 9 2009), CBOT 17 April and October 13

Yara NPK production planned kept at 70% in the fourth quarter



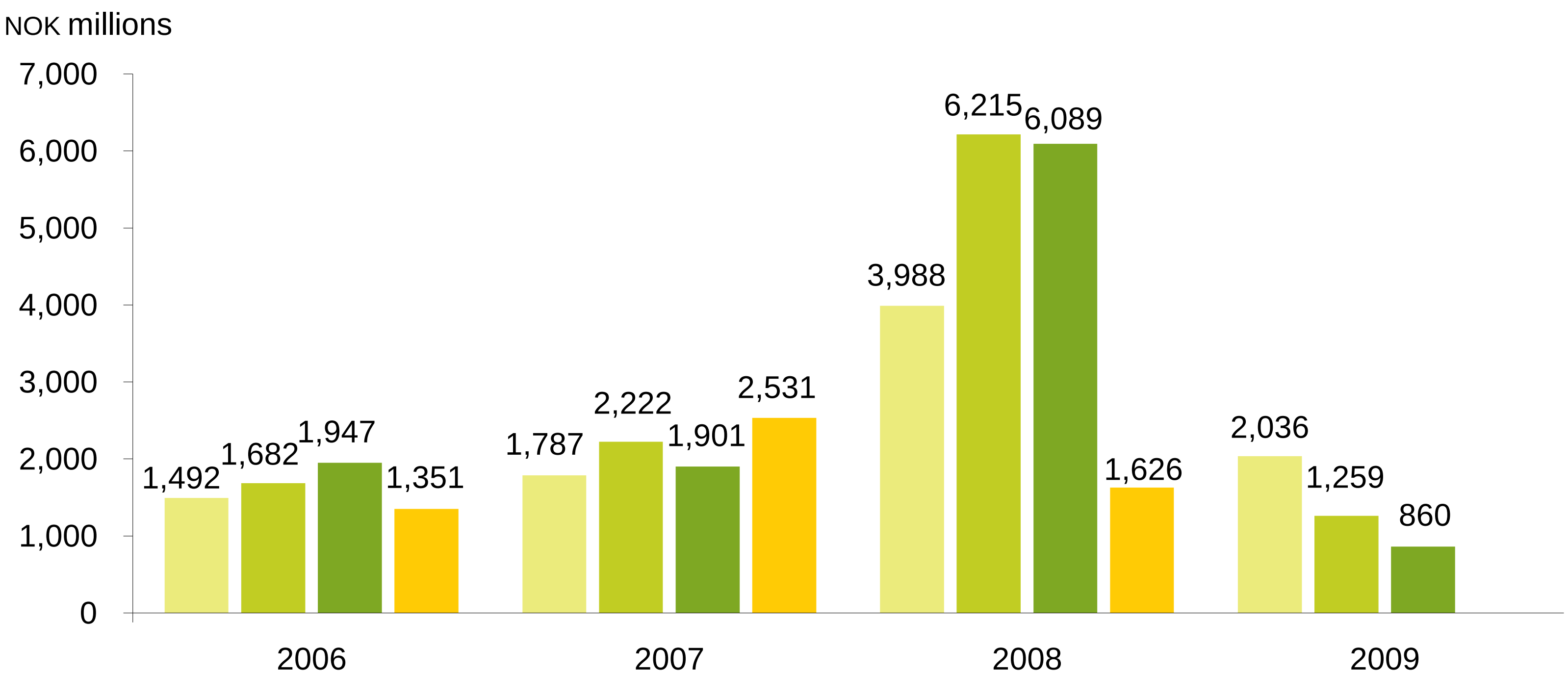
- NPK curtailments expected stable at 30% in 4Q
- Ammonia and nitrate except Tertre expected to run at full capacity

* Incl. share of joint venture plants

Qafco-6 expansion

- Letter of Intent signed for construction, total cost USD 610 million with completion 3Q 2012
- Additional 1.3 million tons urea based on surplus ammonia from ongoing Qafco-5 expansion
- Total annual site capacity will be 3.8 mill tons ammonia and 5.6 mill tons urea
- Investment cost synergies by same design and consortium as for ongoing Qafco-5
- 25-year gas contract secures competitive long-term energy supply
- Yara markets minimum 50% of Qafco urea

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



Accumulated

NOK mill	6,472	8,441	17,917	4,155

EBITDA and operating income before special items

(NOK millions)	EBITDA	Operating income
Yara total reported	**860**	**-117**
Downstream		
Bad debt in Africa	**-105**	-135
Closure cost France	**-26**	-49
Industrial		
Pardies closure cost (ammonia plant)	**-41**	-100
Upstream		
Contract derivatives	**-27**	-15
Yara total before special items	**1,059**	**182**

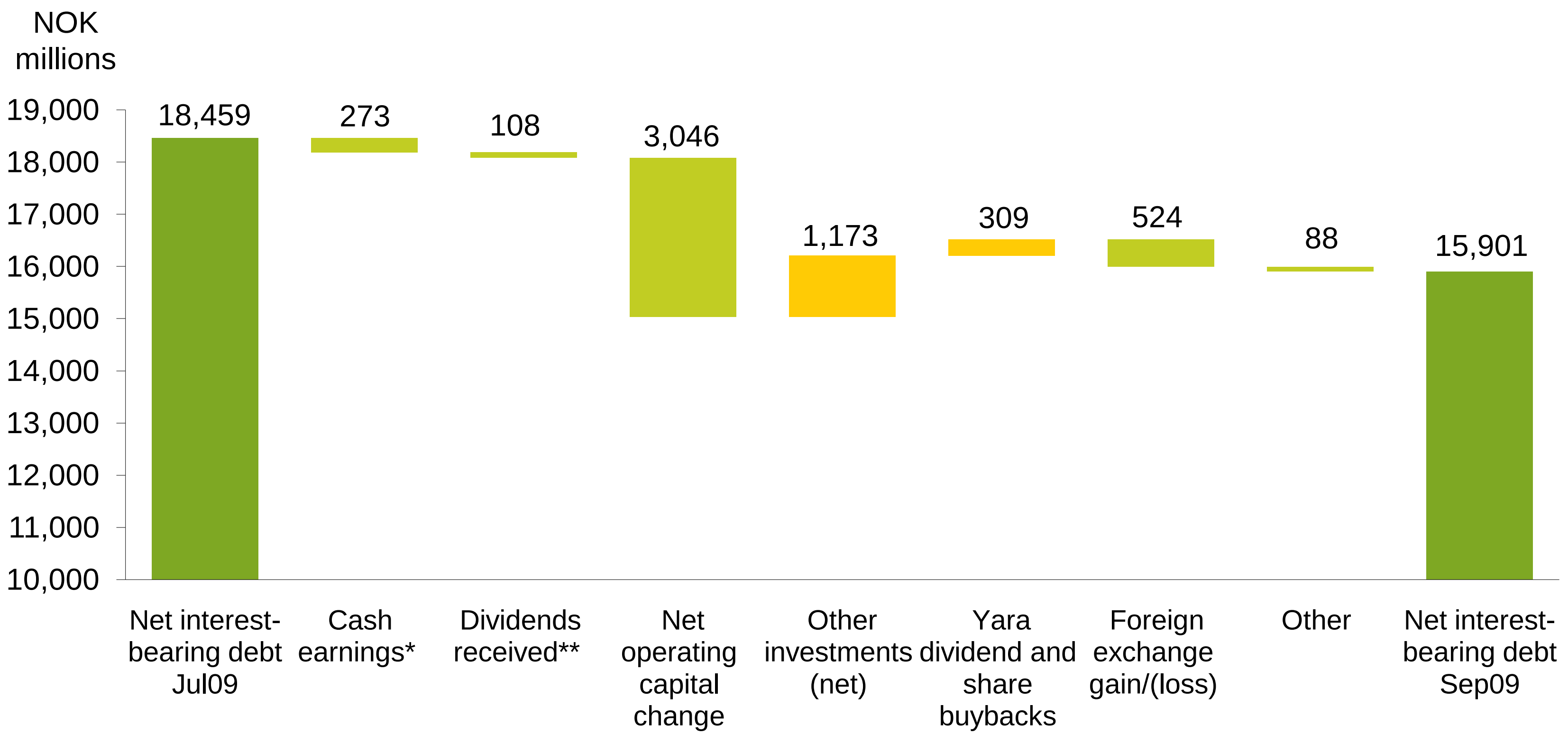
(NOK millions)	EBITDA	Operating income
Inventory write-downs	**149**	149

Variance analysis Yara group

NOK millions		3Q 2009
EBITDA 2009		860
EBITDA 2008		6,089
Variance EBITDA		(5,229)
Volume & mix		445
Price/Margin		(8,110)
of which write-down	212	
Oil & gas costs in Europe		1,431
Special items		(31)
Other		329
Conversion (NOK vs. USD)		707
Total variance explained		**(5,229)**

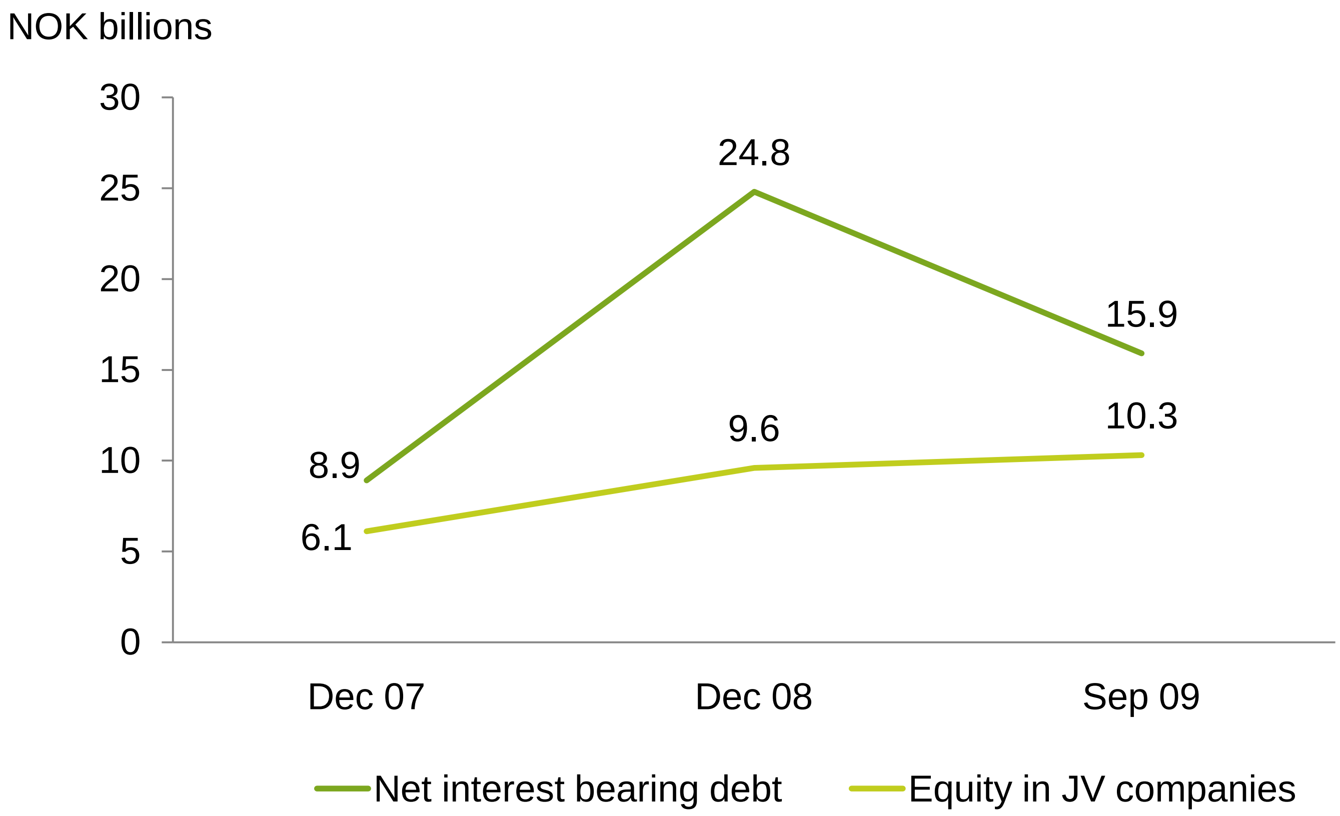
* Based on average NOK/USD rate for the quarter 2009: 6.04 (2008: 5.41)

Strong cash flow



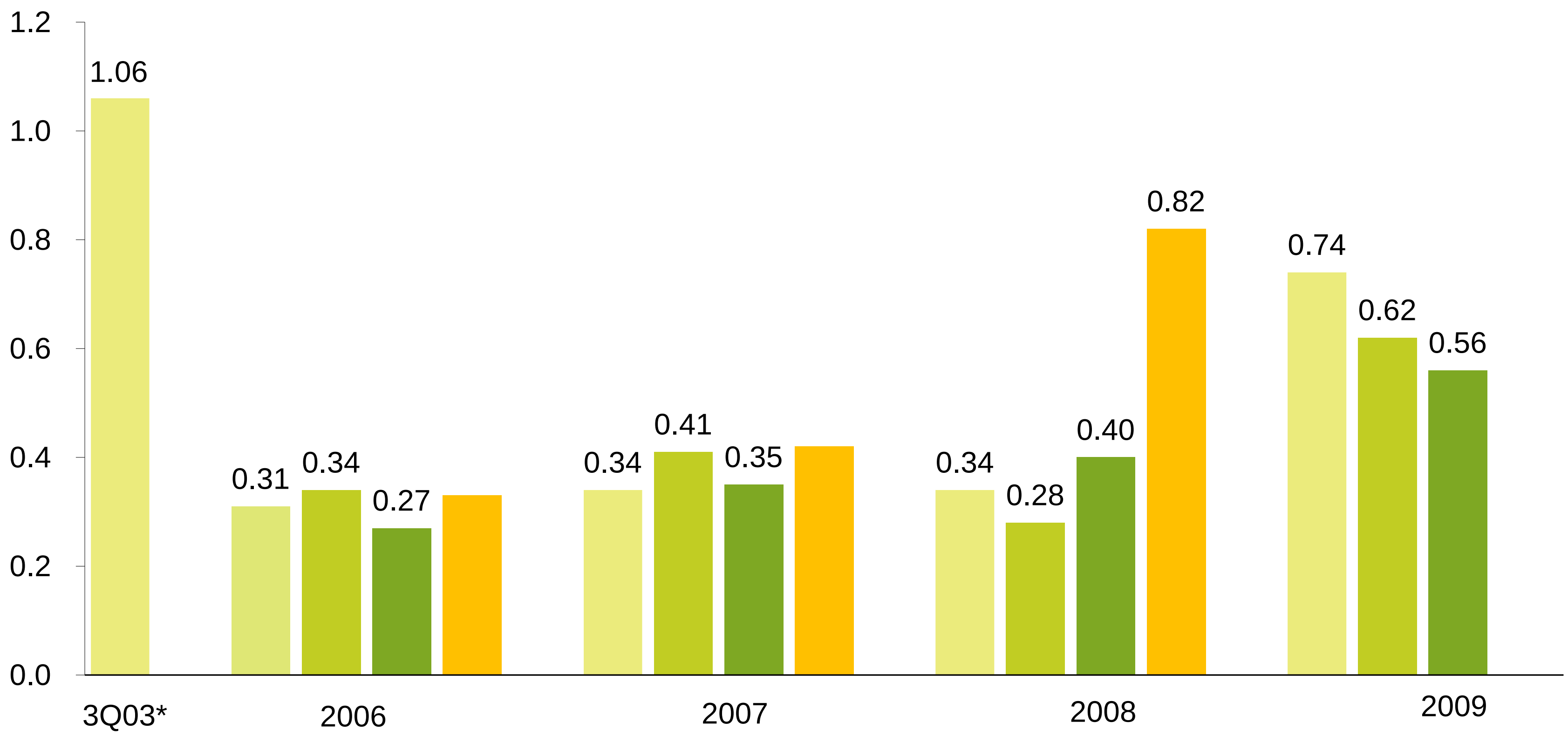
* Operating income plus depreciation and amortization, minus tax paid, net gain on disposals, net interest expense and bank charges
** Dividends received from equity-accounted investees

Strong Yara debt reduction and improved equity position of joint-venture companies



Balance sheet strengthened during quarter

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

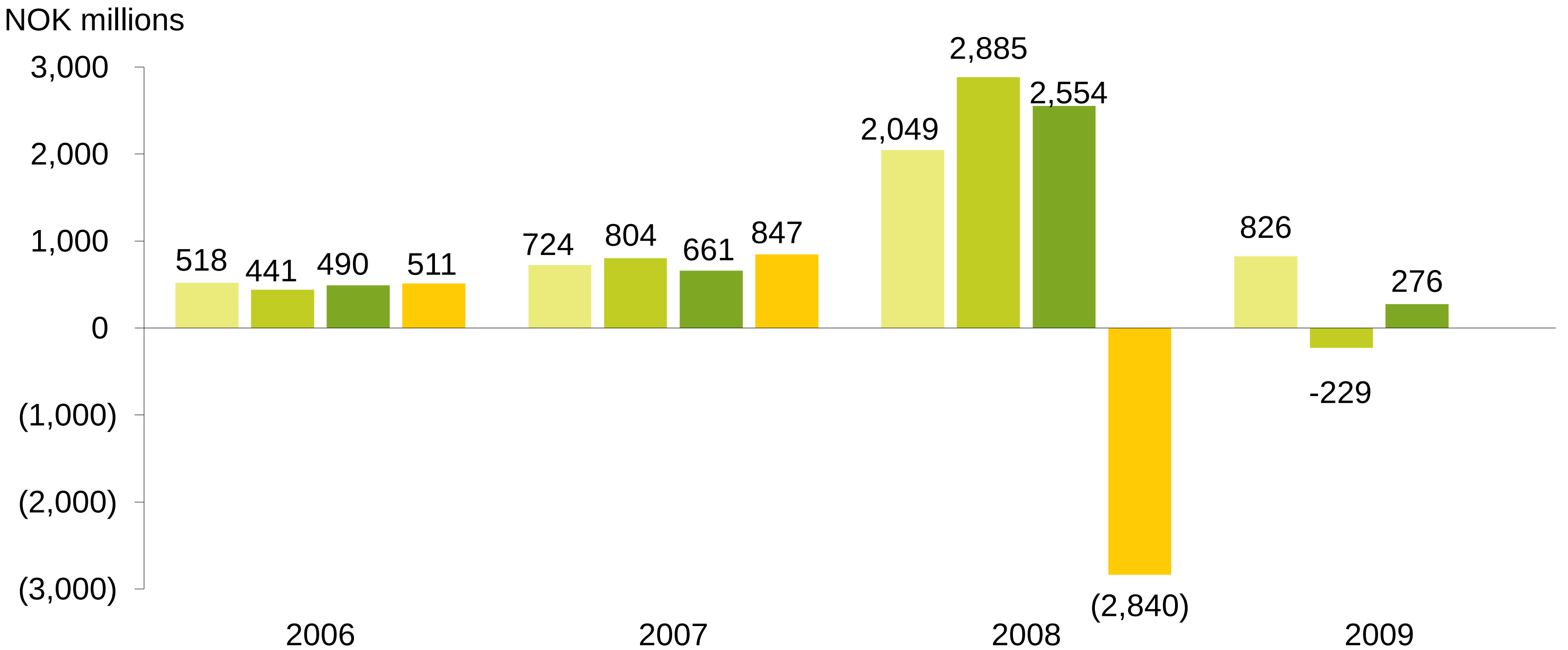


* Figure from Demerger Information Memorandum and Offering Memorandum

Downstream segment

- Lower margins due to declining prices
- Sales volumes up 10% as markets outside Europe pick up
- European nitrate sales up 8%, NPK sales still lagging

Downstream – EBITDA

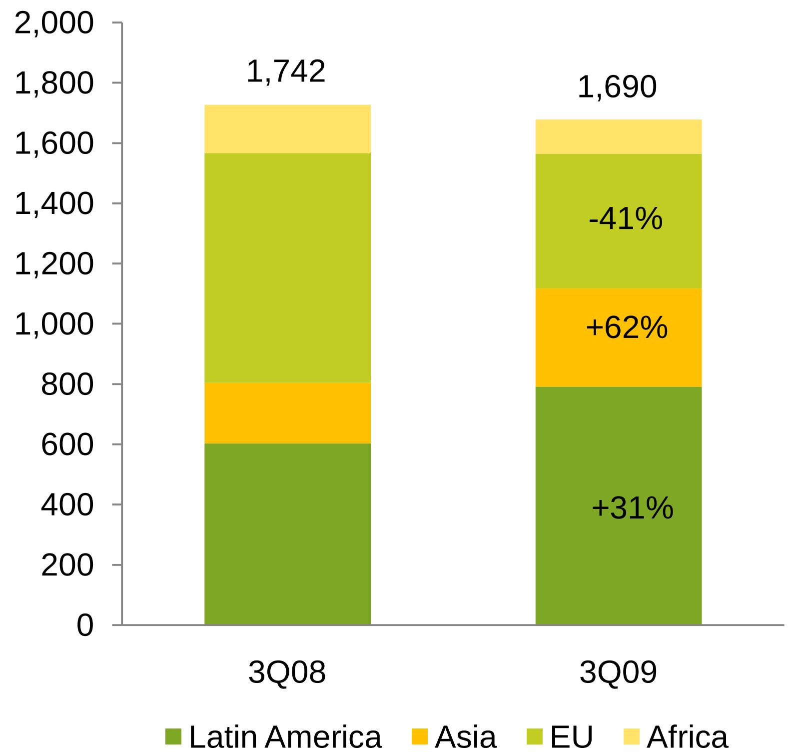


Accumulated

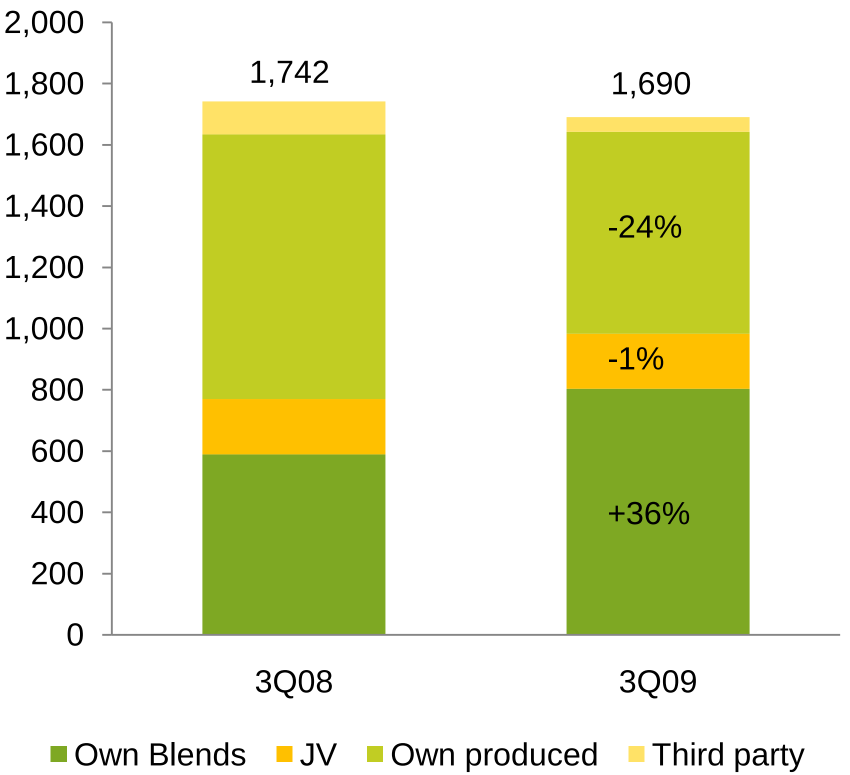
NOK mill	1,960	3,035	4,648	874

NPK sales in line with last year due to sales of own blends in Latin America

Growth in Latin America and Asia offset decline in Europe

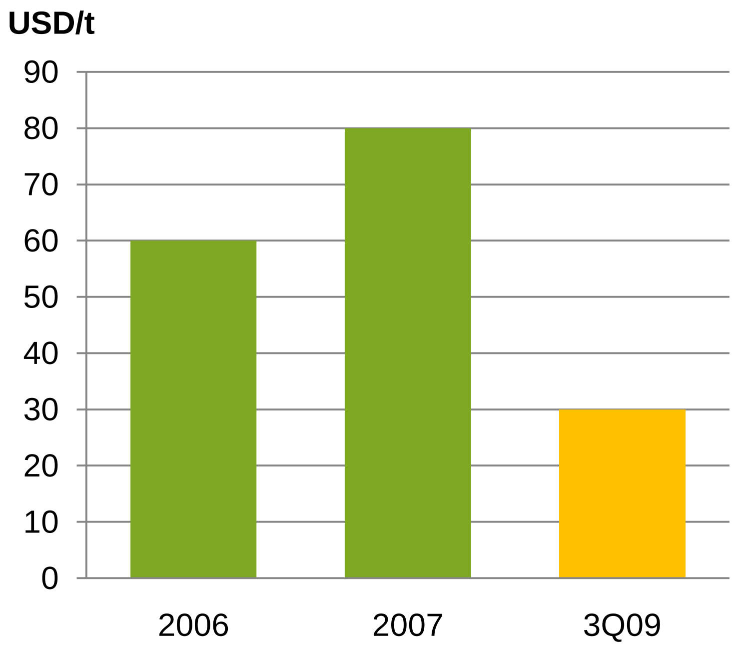


Growth in own blends

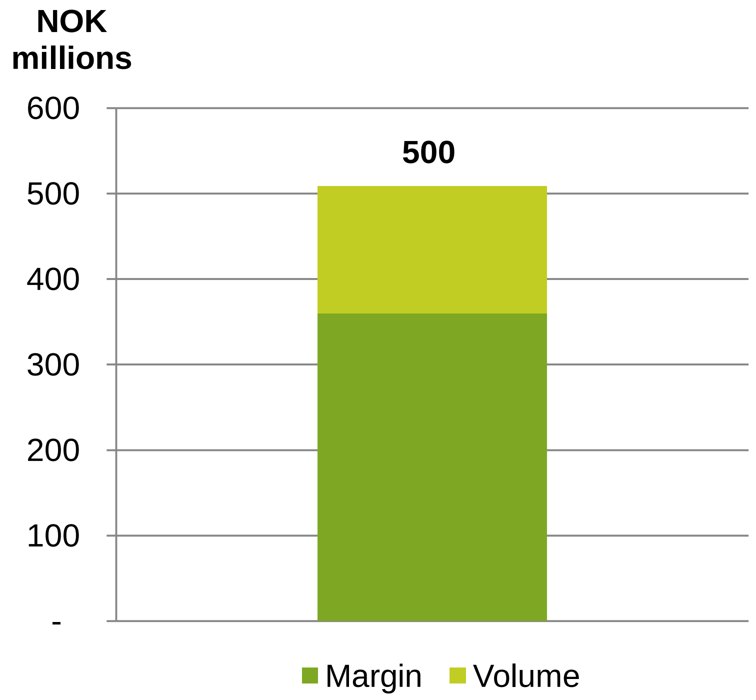


A historically ”normal” NPK market would have given NOK 500 millions in higher EBITDA

Margins in European* NPK plants



Effect on 3Q09 earnings assuming 06-07 margins and full capacity utilisation

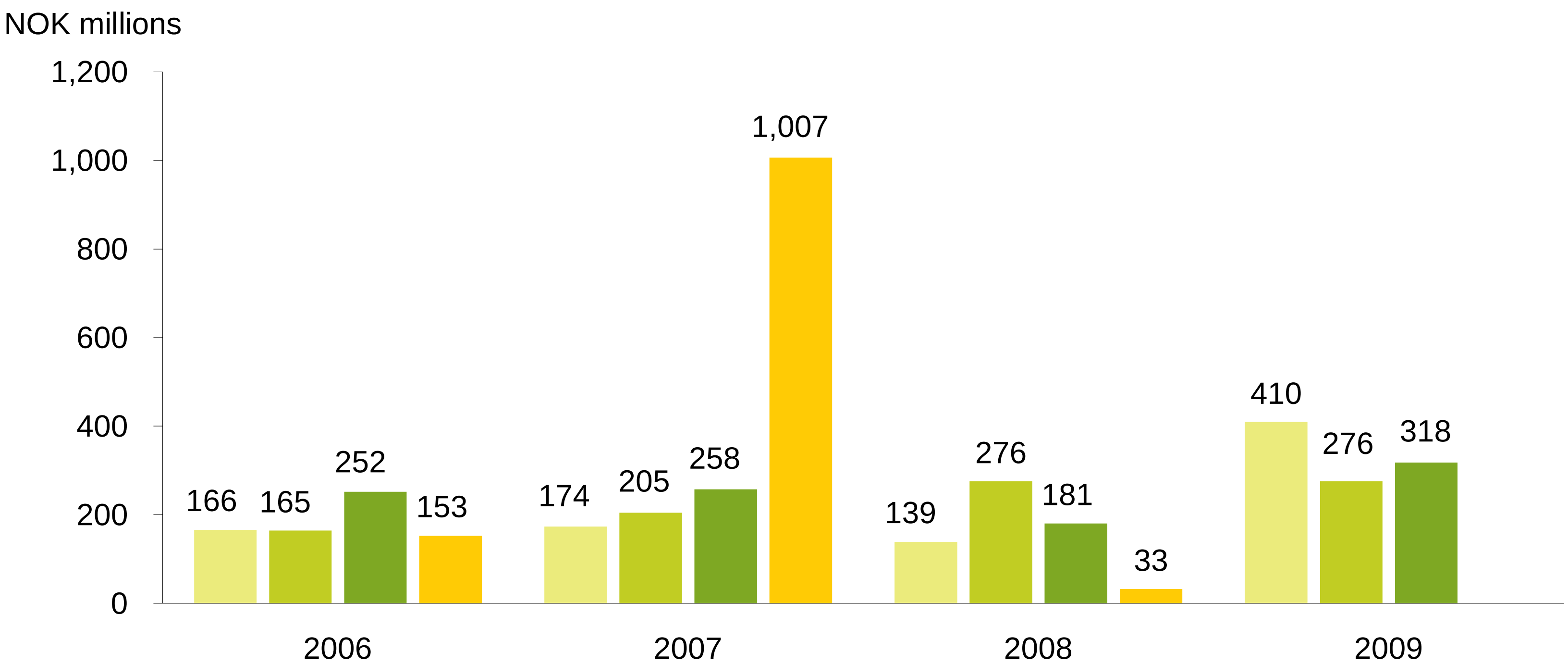


* Porsgrunn, Glomfjord, Ravenna and Montoir

Industrial segment

- Continued strong margins
- Volumes down 5% from last year
- Process chemical sales pick up from previous quarter

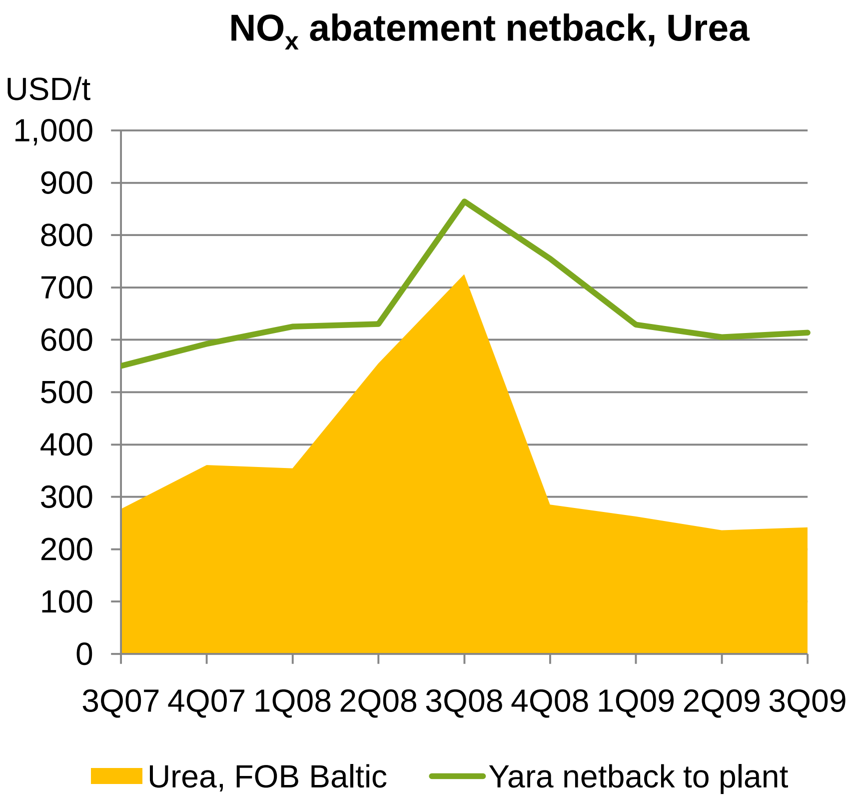
Industrial – EBITDA

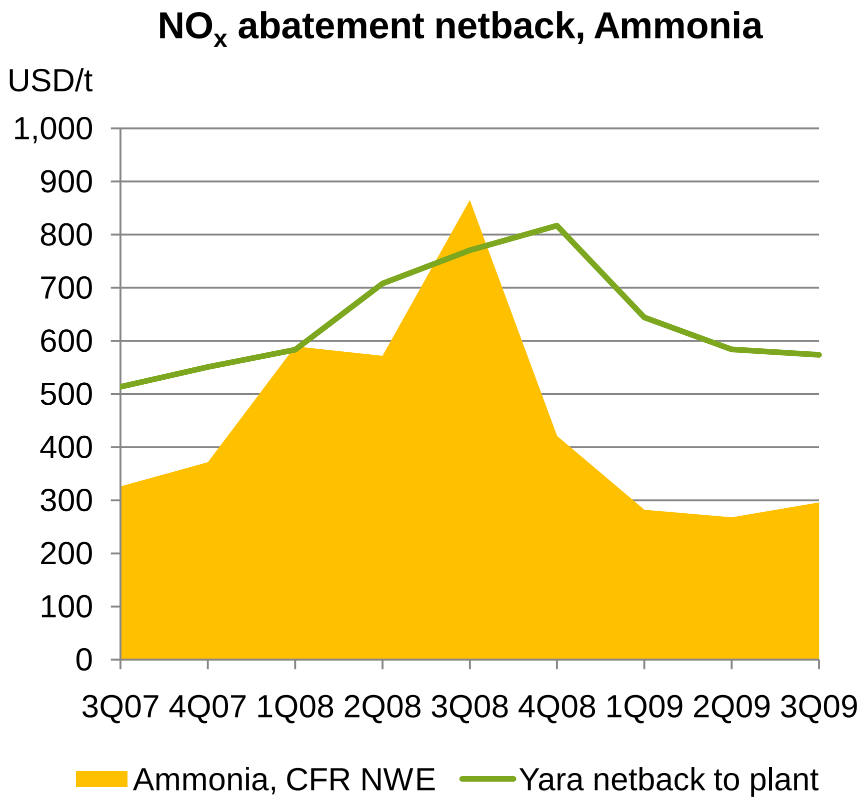


Accumulated

NOK mill	736	1,645	629	1,004

Strong commercial management



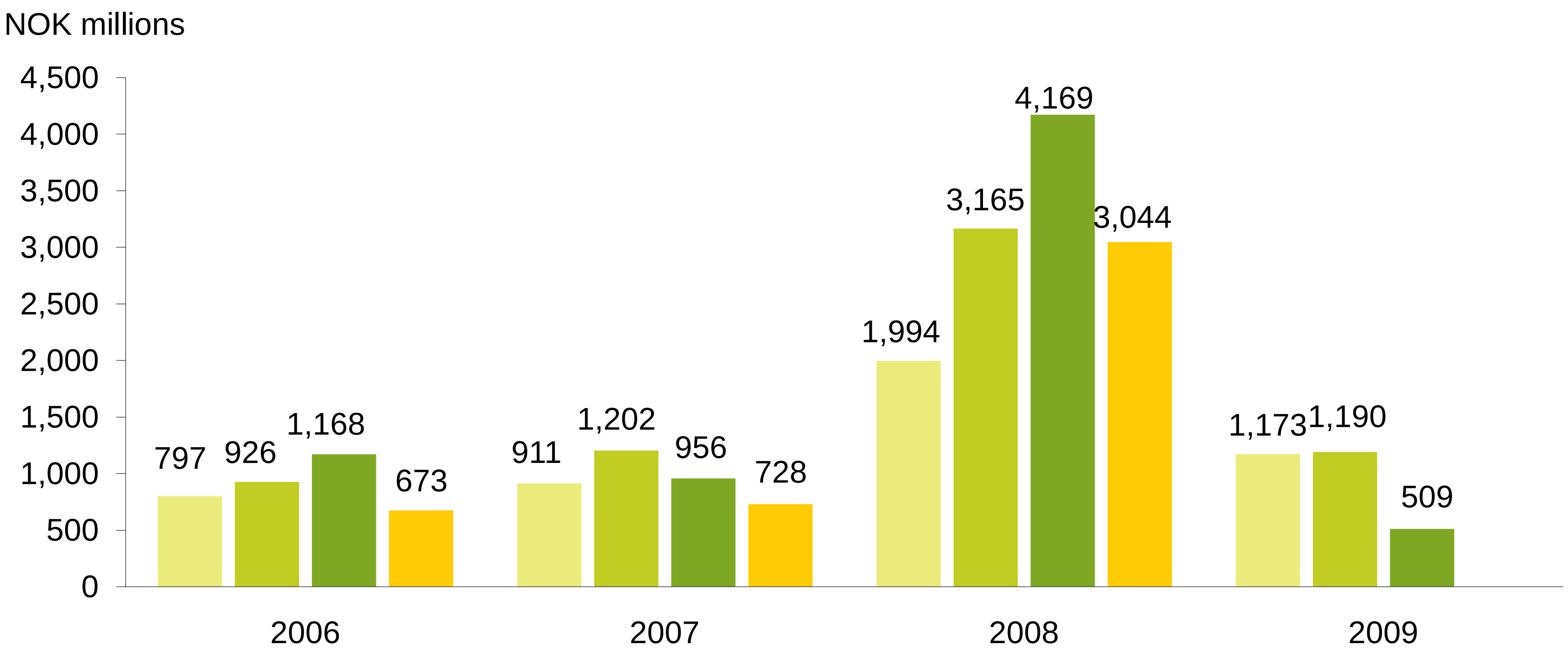


Source: Average of various market publications

Upstream segment

- Weak results, primarily due to NPK business
- Continued production curtailments for NPK, close to full nitrate utilization
- Turnaround and successful capacity expansion in Belle Plaine
- Substantial energy cost improvement

Upstream – EBITDA

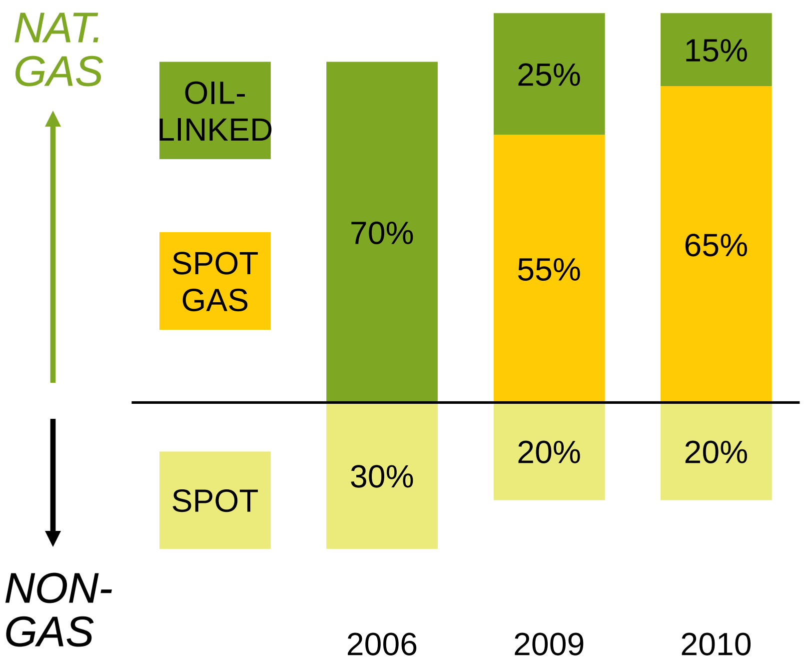


Accumulated

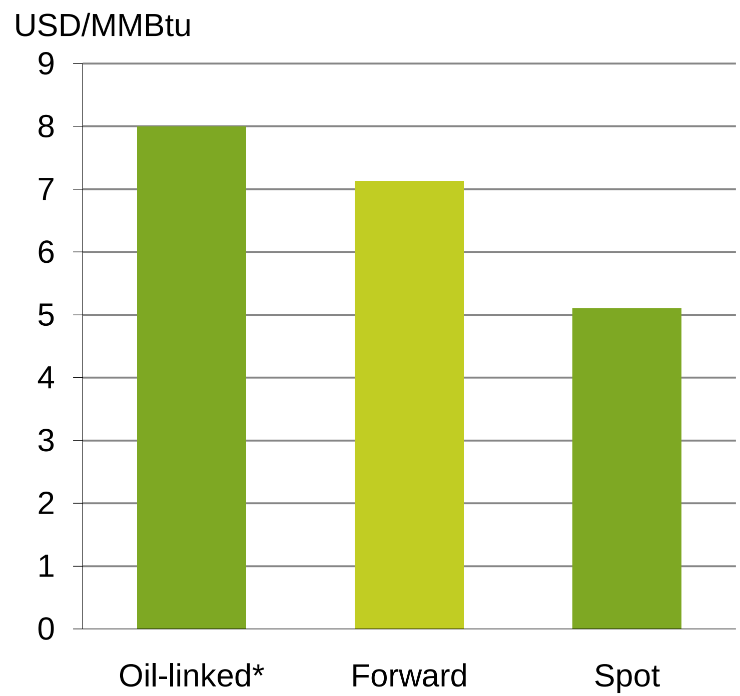
NOK mill	3,563	3,797	12,372	2,872

Highly profitable shift to hub and spot priced natural gas

Evolution of gas contract structure Europe



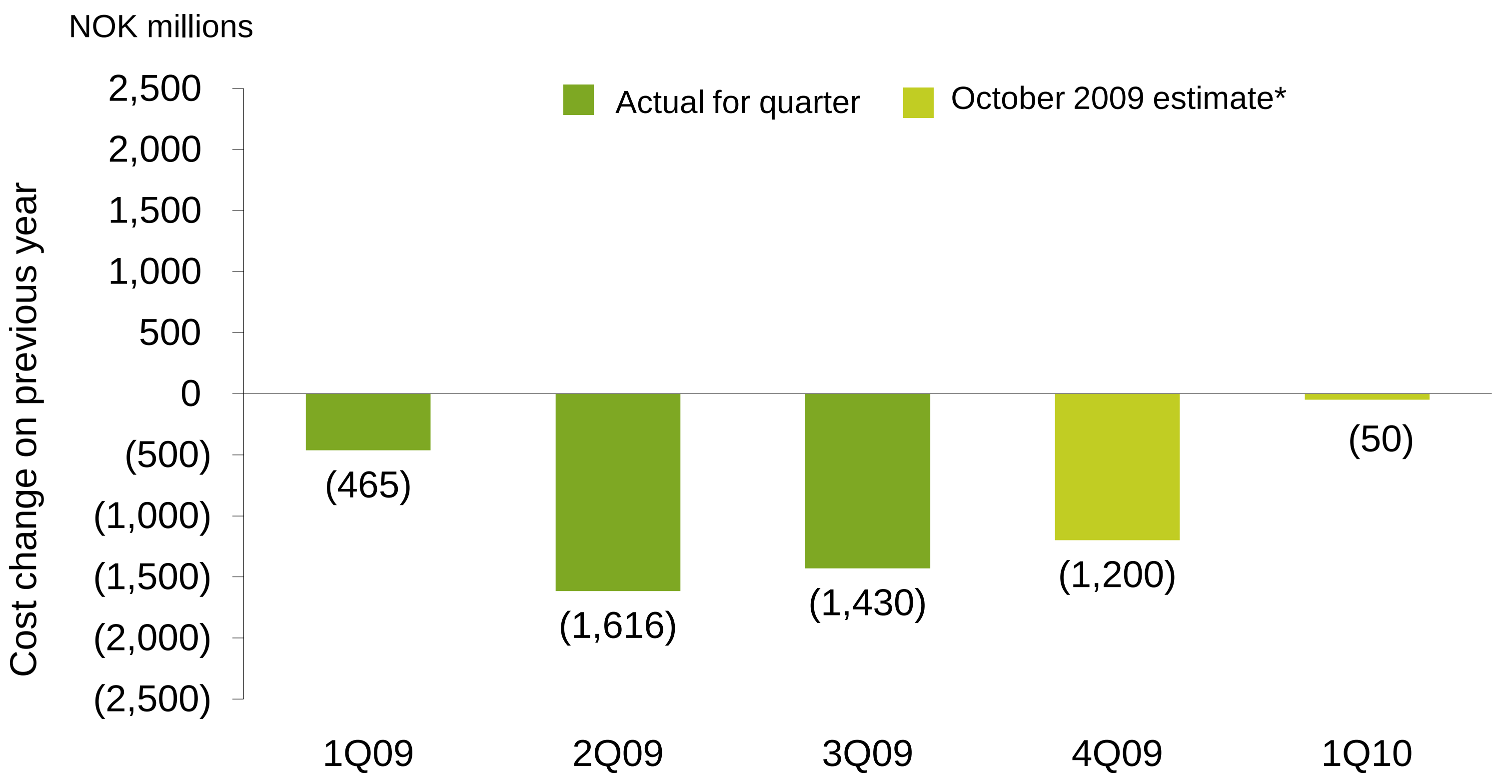
Yara's average European gas prices YTD



The strategy of switching to spot based contracts has yielded savings of more than 2 billion NOK in Europe last twelve month

* Ferrara, Brunsbüttel and Porsgrunn from January 2010

Estimated European energy cost



* Based on forward prices as of 12 October

Share of net income in equity-accounted investees

NOK millions	3Q 2009	3Q 2008
Qafco	**139**	510
Tringen	**23**	32
Rossosh	**(2)**	157
Burrup	**18**	(61)
GrowHow UK Ltd.	**57**	234
Other	**11**	142
Total	**246**	1,013

Prospects fourth quarter 2009

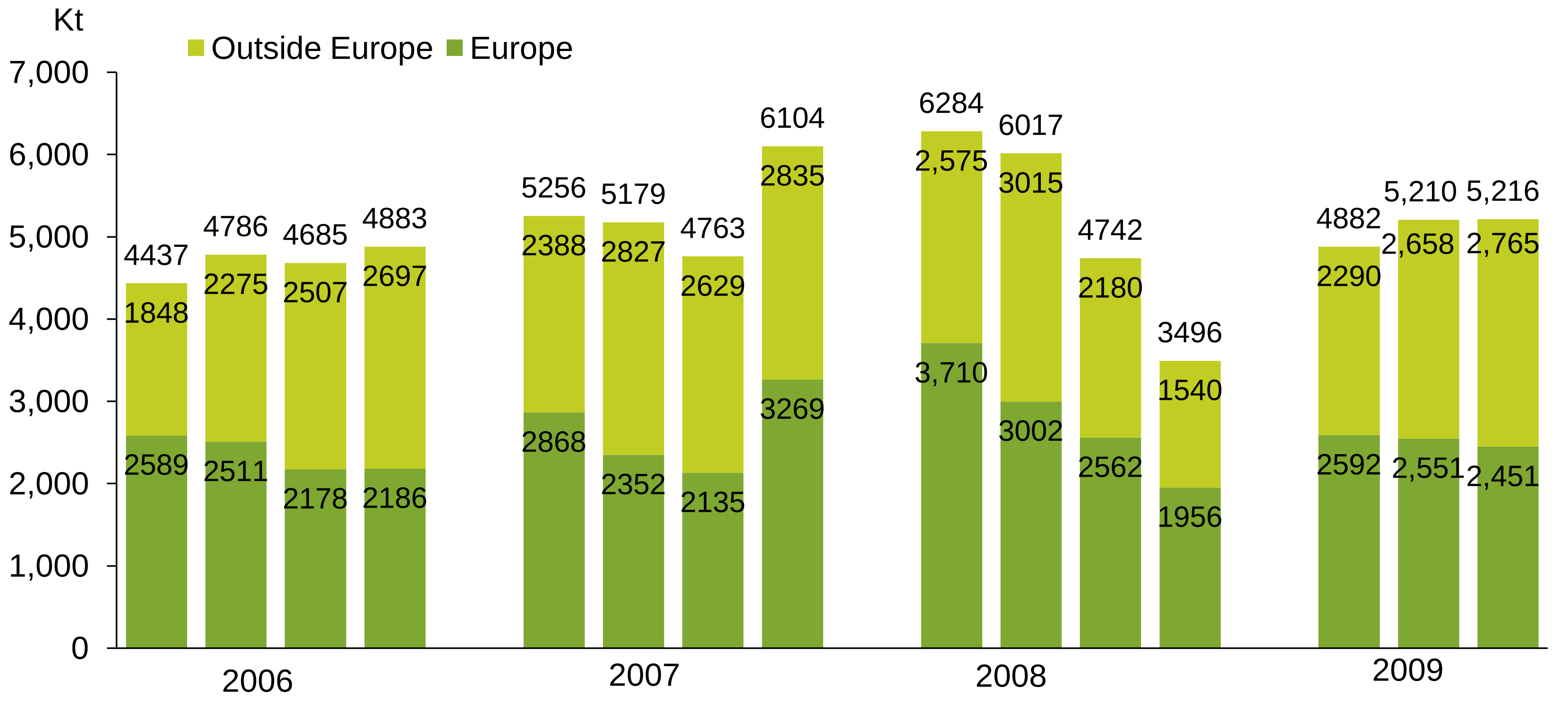
- Global N and P demand are picking up, but distributors in Europe and North America are reluctant to take positions
- Urea price floor set by Ukrainian gas price and soft ceiling set by Chinese export prices from November
- European nitrate premium reaching normal historical levels by USD depreciation vs Euro
- 30% NPK curtailment planned
- Nitrogen process chemicals to European industry starting to pick up
- Estimated European energy cost NOK 1.2 billion lower than 4Q08

Prospects next twelve months

- Robust growth in global grain demand requires continued increase in agriculture productivity
- Global nitrogen balance tight with only 1-3% of urea capacity outside China currently curtailed
- Impact of China's announced measures to limit export capacity for energy and capital intensive industries uncertain
- USD depreciation impacts earnings negatively, but with natural hedges
- Increased hub gas exposure in Europe reduces costs based on forward gas prices

Additional information

Fertilizer volumes up 10% from last year

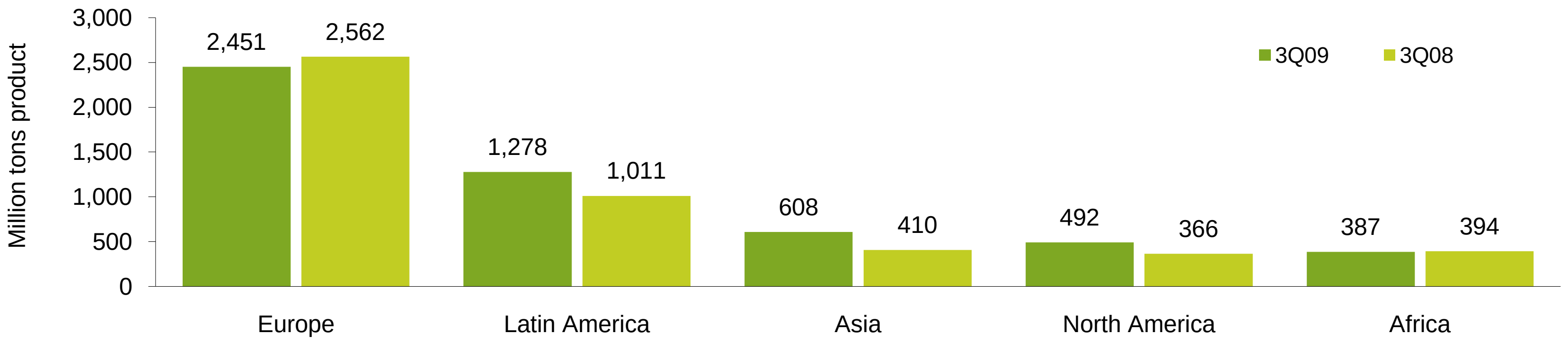


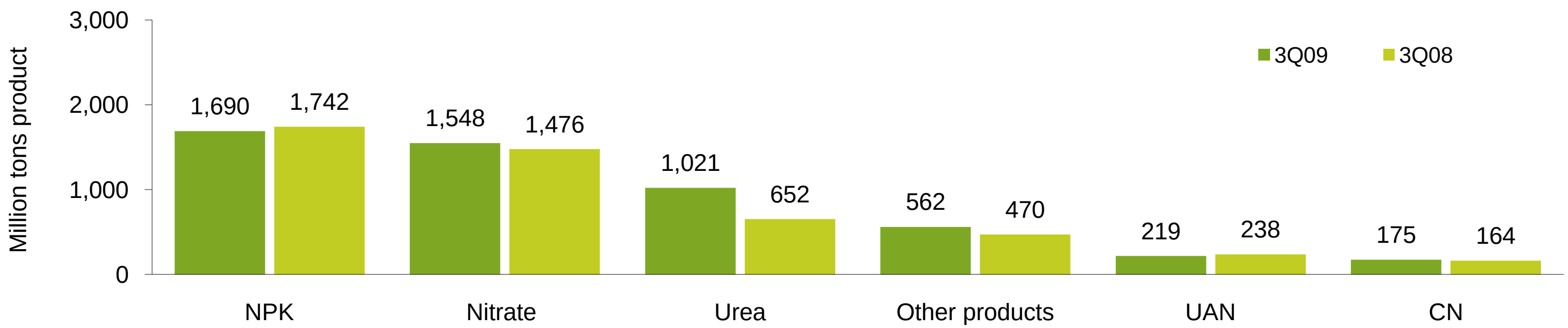
Accumulated, Kt

Fin. fertilizer	18,791	21,303	20,540	15,308

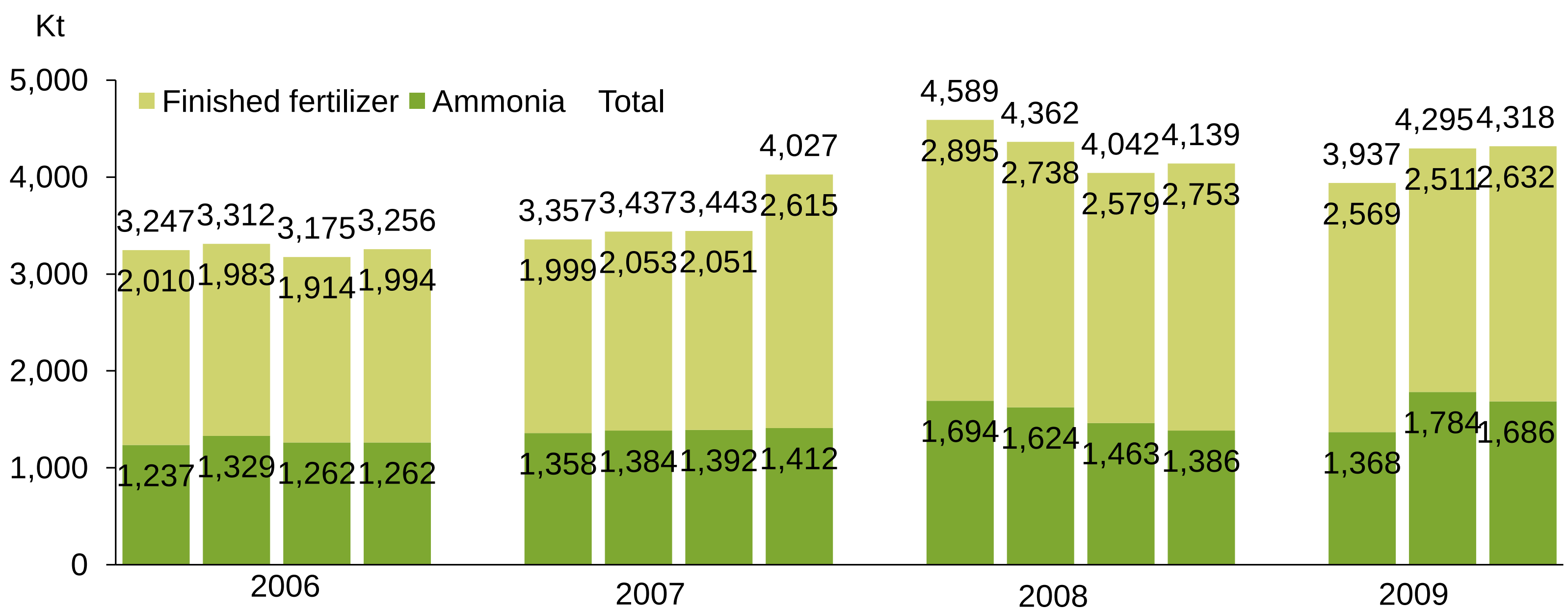
Yara 3Q fertilizer sales by market and product

2009: 5.2 million tons (2008: 4.7 million tons)





Upstream – production volume*



Accumulated

Ammonia	5,091	5,546	6,167	4,838
Fin. fertilizer	7,900	8,718	10,965	7,712

* Including share of equity accounted investees

EBITDA and operating income by segment

EBITDA (NOK millions)	3Q 2009	3Q 2008
Downstream	**276**	2,554
Industrial	**318**	181
Upstream	**509**	4,169
Other and eliminations	**(244)**	(816)
Yara total	**860**	6,089

Operating income (NOK millions)	3Q 2009	3Q 2008
Downstream	**101**	2,124
Industrial	**193**	120
Upstream	**(139)**	2,949
Other and eliminations	**(271)**	(844)
Yara total	**(117)**	4,350

Special items

EBITDA effect (NOK millions)	**3Q 2009**	3 Q 2008	**YTD 2009**	YTD 2008
Bad debt Africa	(105)	-	(105)	-
Closure cost France	(26)	-	(26)	-
Restructuring costs Kemira GrowHow	**-**	(4)	**-**	(49)
Sale of shares SQM	**-**	-	**-**	440
Downstream	**(131)**	(4)	**(131)**	391
Restructuring costs Kemira GrowHow	**-**	-	**-**	(6)
Sale of business to Brenntag	**-**	-	**-**	90
Contract derivatives	**-**	(17)	**-**	(10)
Pardies closure cost	(42)		(42)	-
Industrial	**(42)**	(17)	**(42)**	74
Sale of gas Tertre	**-**	-	**-**	(52)
Restructuring costs Kemira GrowHow	**-**	(11)	**-**	(86)
Sale of shares in China BlueChemical	**-**	-	**-**	80
Retroactive effect gas contract negotiation	**-**	-	**-**	27
Contract derivatives	(26)	(132)	(57)	(119)
Upstream	**(26)**	(143)	**(57)**	(149)
Restructuring costs Kemira GrowHow	**-**	(5)	**-**	(18)
Other and Eliminations	**-**	(5)	**-**	(18)
Yara	**(200)**	(169)	**(230)**	299

Net income only effects (NOK millions	**3Q 2009**	3Q 2008	**YTD 2009**	YTD 2008
Interest rate derivatives gain/(loss)	**-**	(67)	**323**	(107)

Income statement

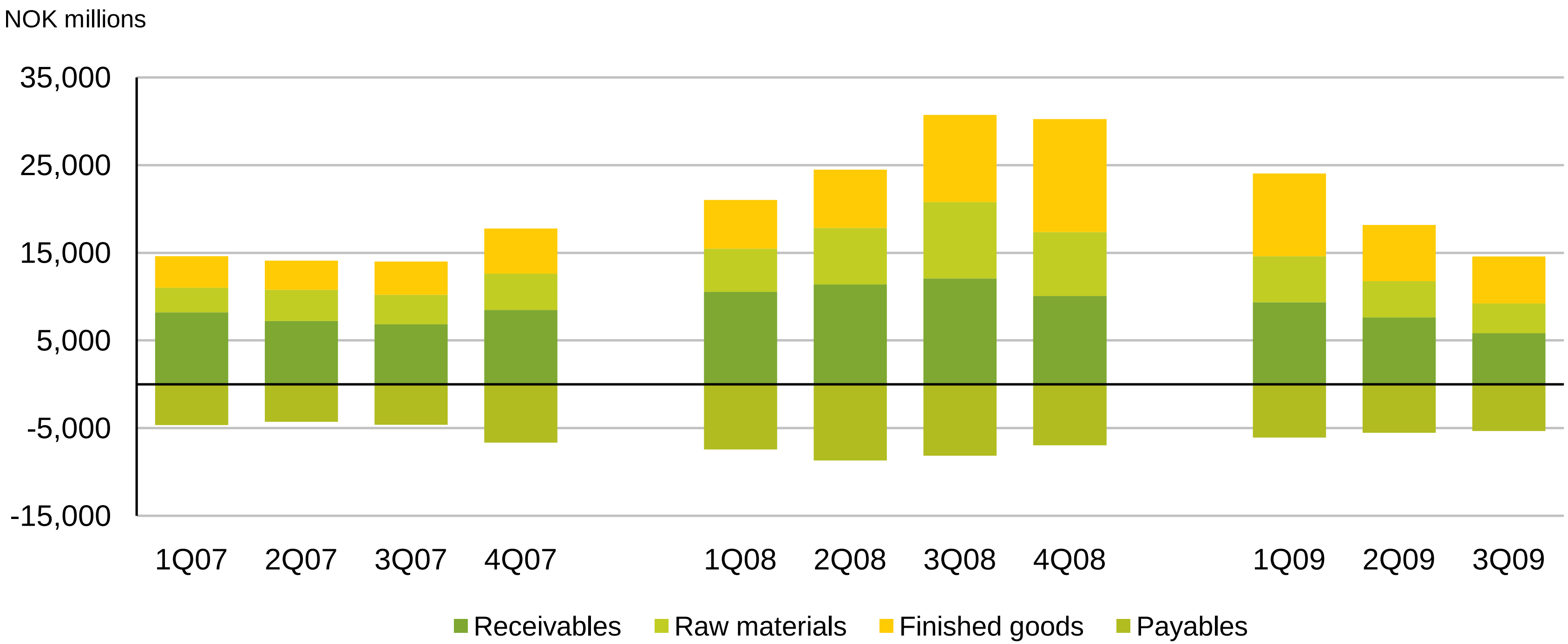
NOK millions	3Q 2009	3Q 2008
Revenue and other income	**14,379**	25,000
Operating income	**(117)**	4,350
Share of net income in equity accounted investees	**246**	1,013
Interest income and other financial income	**75**	235
Interest expense and other financial items	**(313)**	(243)
Foreign exchange gain (loss)	**524**	(1,366)
Income before tax and non-controlling interests	**415**	3,988
Income tax expense	**(63)**	(816)
Non-controlling interests	**(4)**	3
Net income attributable to shareholders of the parent	**349**	3,175
Earnings per share* - NOK	**1.21**	10.91

* Average number of shares for 3Q 2009: 288.8 million (3Q 2008: 291 million)

Consolidated balance sheet

NOK millions	30 September 2009	30 September 2008
Deferred tax assets	**2,802**	1,637
Property, plant and equipment	**21,374**	11,391
Intangible assets	**3,890**	1,764
Equity-accounted investees	**10,311**	8,972
Other non-current assets	**5,953**	5,468
Inventories	**8,755**	18,649
Receivables	**5,816**	12,061
Other current assets	**2,067**	3,221
Cash and cash equivalents	**1,036**	3,321
Total assets	**62,003**	66,482
Total equity attributable to shareholders of the parent	**28,048**	30,230
Non-controlling interests	**162**	226
Employee benefits	**2,208**	1,874
Deferred tax liabilities	**5,521**	2,865
Other long-term liabilities and provisions	**929**	952
Long-term interest-bearing debt	**11,423**	10,153
Short-term interest-bearing debt	**5,518**	5,251
Other current liabilities	**8,196**	14,932
Total equity and liabilities	**62,003**	66,482

Continued reduction of net operating capital

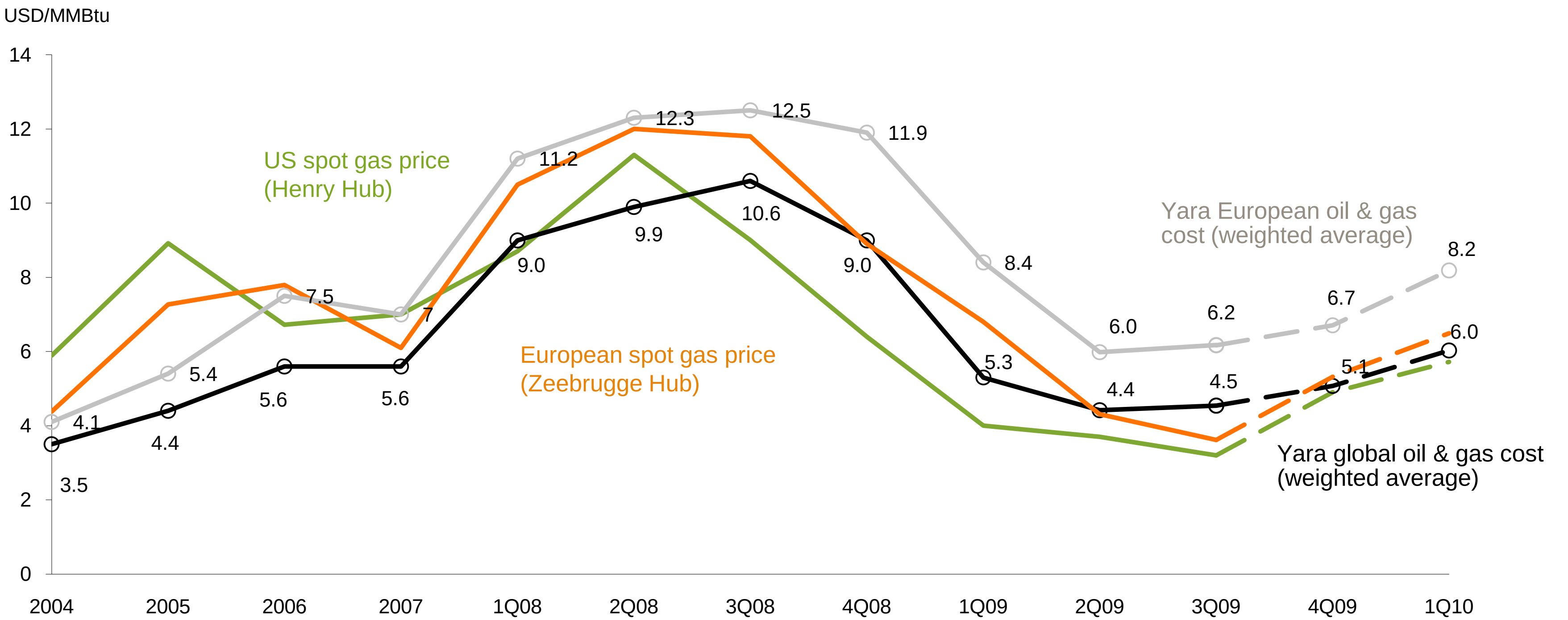


Accumulated

NOK mill	9,946	9,809	9,388	11,084	13,620	15,796	22,557	23,283	17,969	12,636	9,237

Spot natural gas versus Yara average*

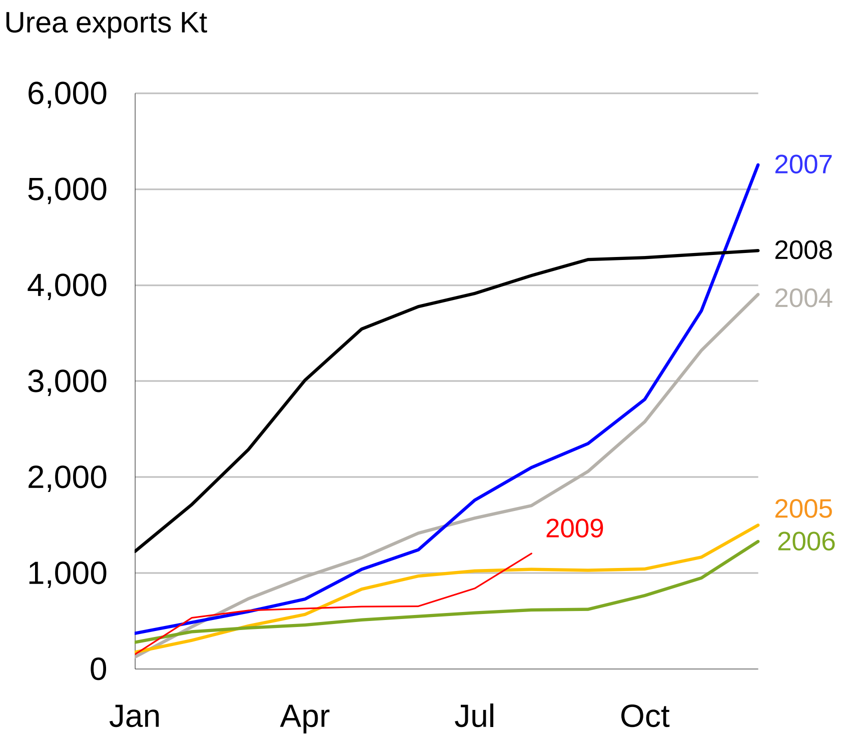
Yearly averages 2004 – 2007, quarterly averages for 2008 and 2009 with forward prices for 2009**

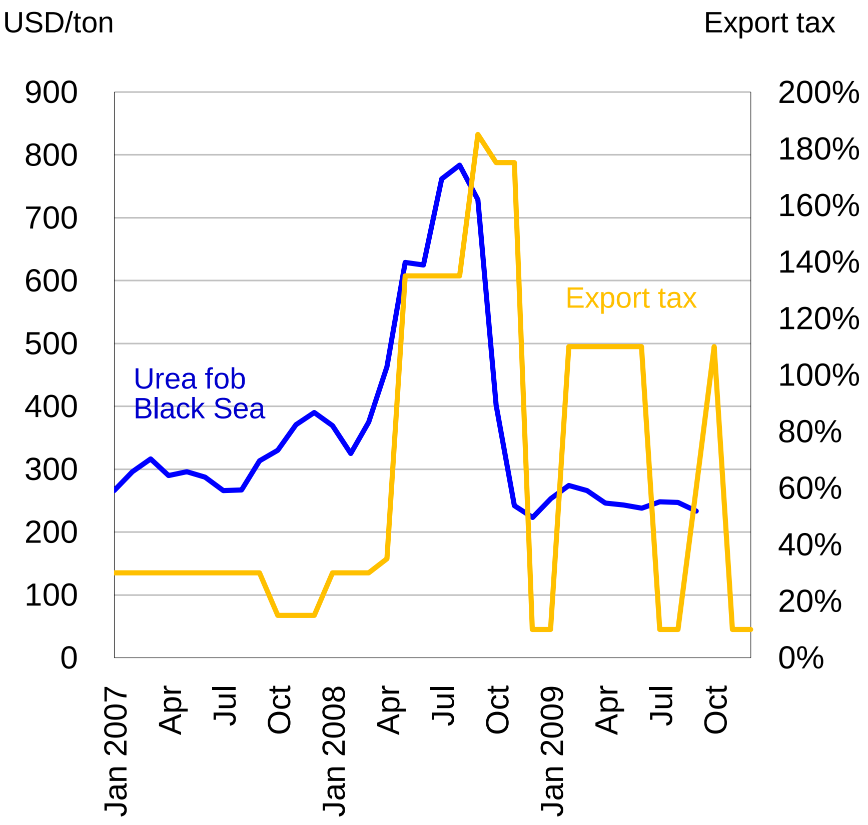


* Yara averages include Kemira GrowHow from 4Q 2007
**Dotted lines denote forward prices as of 12 October 2009

Source: Yara, World Bank, Platts

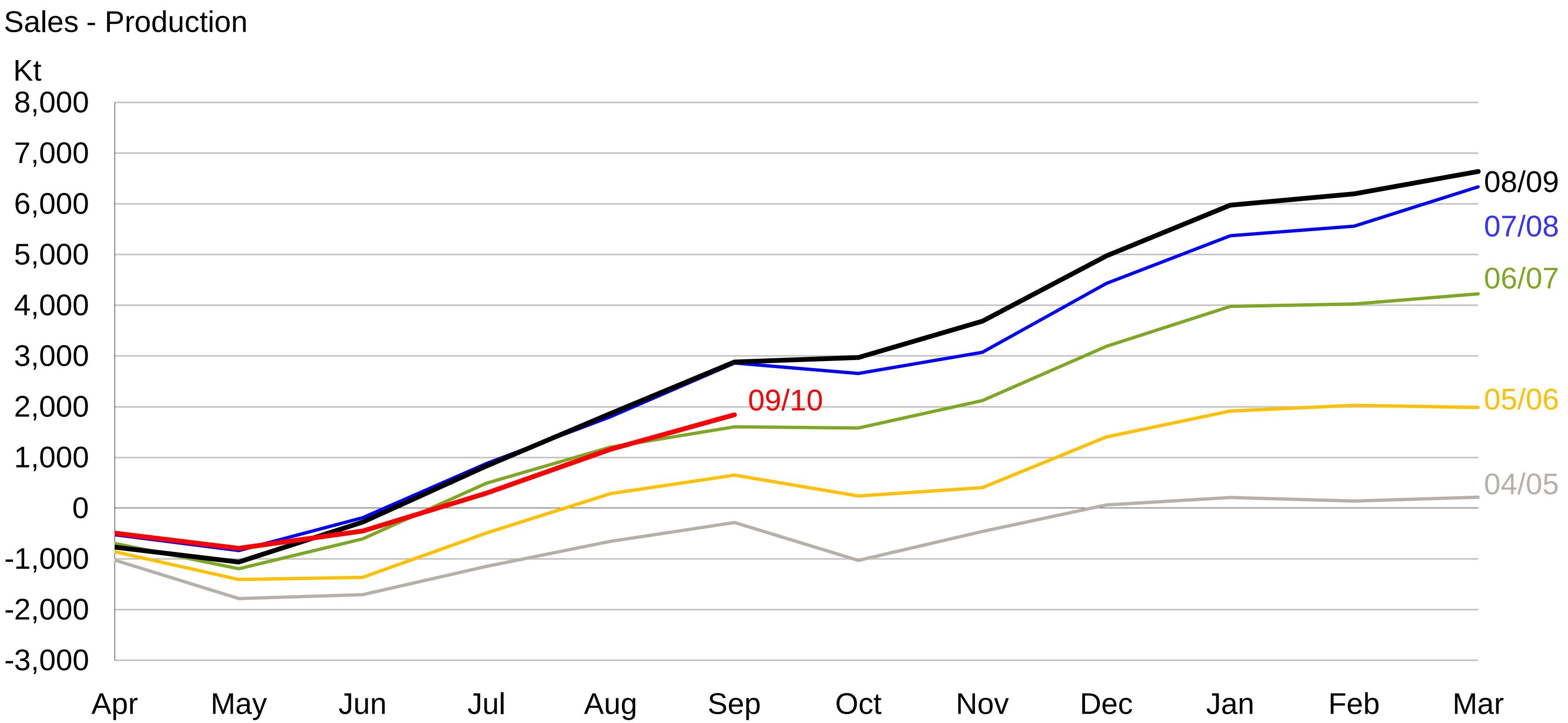
Chinese exports picked up in third quarter





Source: BOABC

Indian domestic urea deficit lagging last year, but imports stable



- Kharif (July planting) – imports Apr-Sep
- Rabi (November planting) – imports Oct-Jan

Source: Indian Statistics

Non-commercials net long position in corn at CBOT (futures and options)

Source: US Commodity Futures Trading Commission

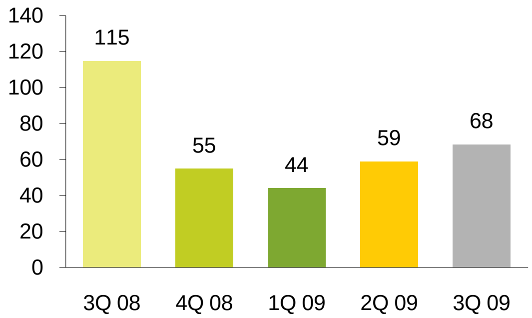
Will new capacity come on stream as planned?

Year	Global urea capacity growth estimate		Driving regions	
	World	**Excluding China**	**World**	**Excluding China**
2008	2.2% (2.2%)	1.6% (1.6%)	China 55% Iran 25%	Iran 56% Egypt 26%
2009	5.9% (6.3%)	2.2% (2.4%)	China 77% Oman 7%	Oman 30% Turkmenistan 17%
2010	7.6% (7.0%)	4.5% (4.7%)	China 65% Iran 8%	Iran 23% Pakistan 21%
2011	5.0% (5.1%)	2.8% (3.7%)	China 68% Qatar 12%	Qatar 37% Pakistan 21%
2012	3.9% (3.2%)	4.7% (3.7%)	China 32% Algeria 22%	Algeria 32% Vietnam 27%
Average urea consumption growth has been 4.8% last 5 years, 2.9% excluding China				

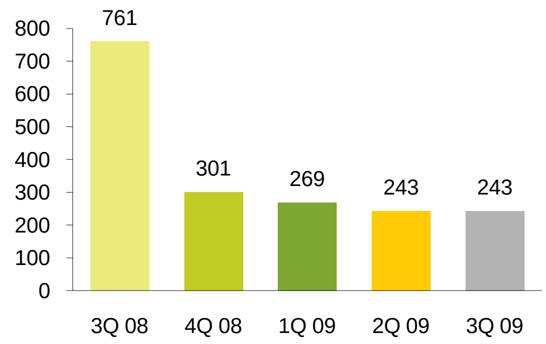
Source: Fertecon update September 2009

Key value drivers – quarterly averages

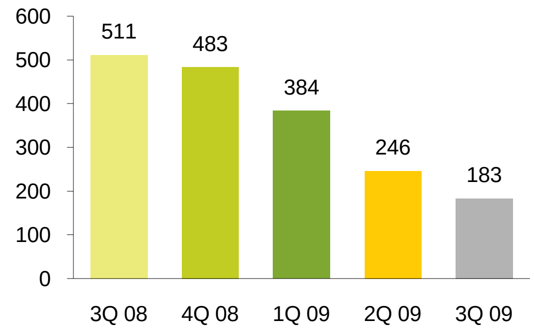
Oil Brent blend spot (USD/bbl)



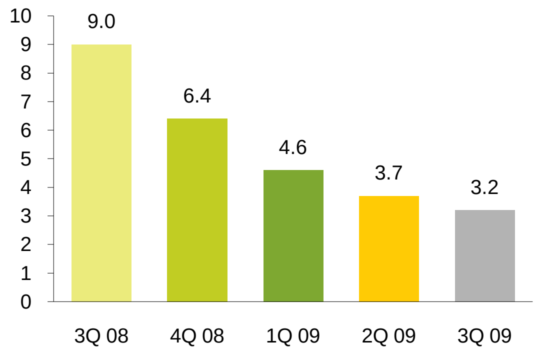
Urea prilled fob Black Sea (USD/t)



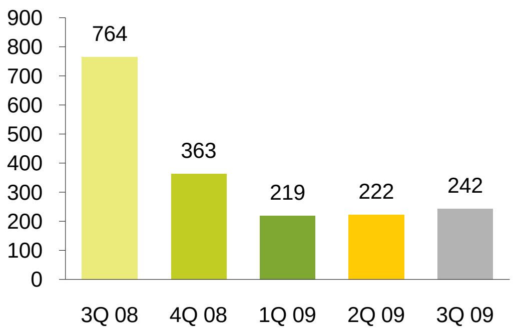
CAN cif Germany (USD/t)



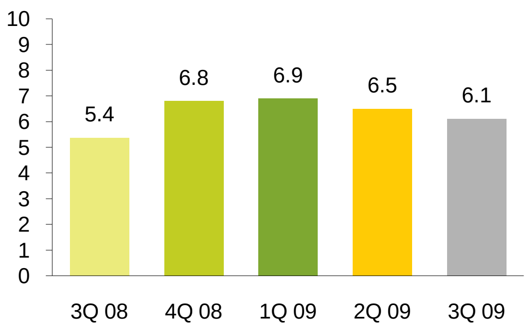
US gas price Henry Hub (USD/MMBtu)



Ammonia fob Black Sea (USD/t)



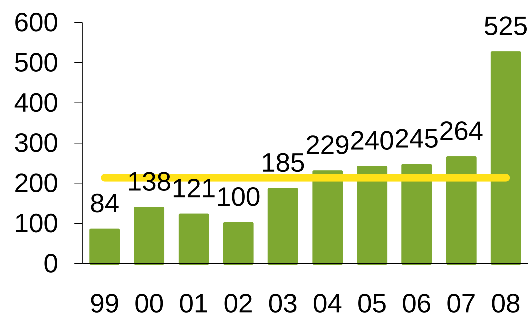
NOK/USD exchange rate



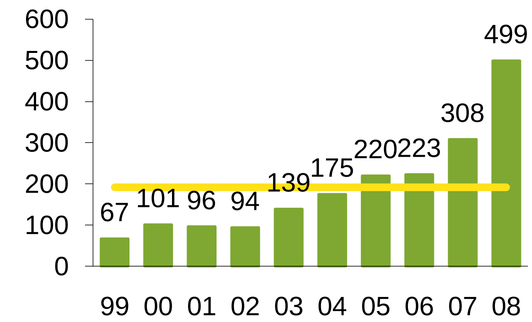
Source: The Market , CERA, World Bank, Norges Bank

Key value drivers – 10-year history

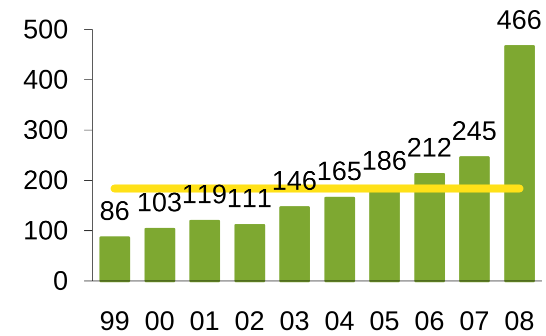
Ammonia fob Black Sea (USD/t)



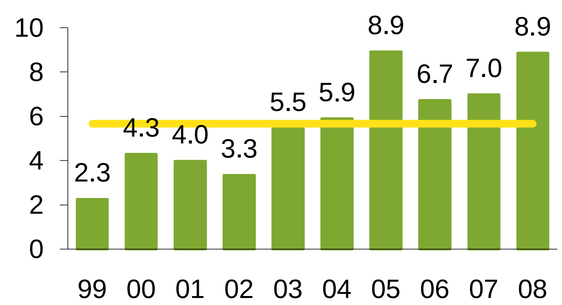
Urea prilled fob Black Sea (USD/t)



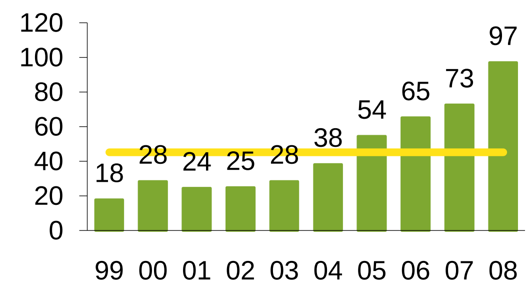
CAN cif Germany (USD/t)



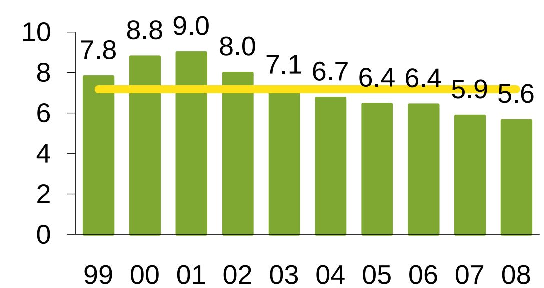
US gas price Henry Hub (USD/MMBtu)



Oil Brent blend spot (USD/bbl)



NOK/USD exchange rate

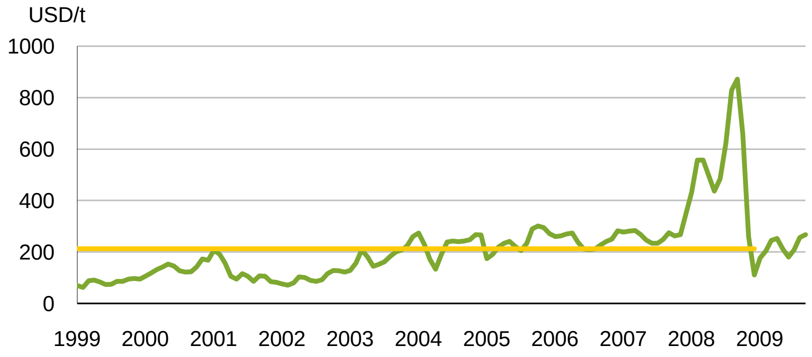


Average prices 1999 - 2008

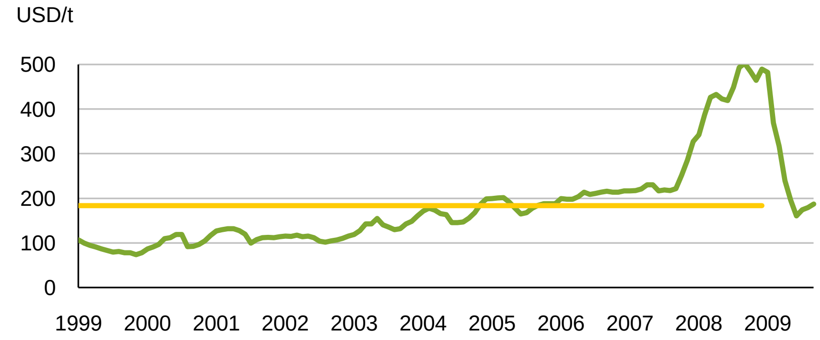
Source: The Market, CERA, Hydro, World Bank, Norges Bank

10-year fertilizer prices – monthly averages

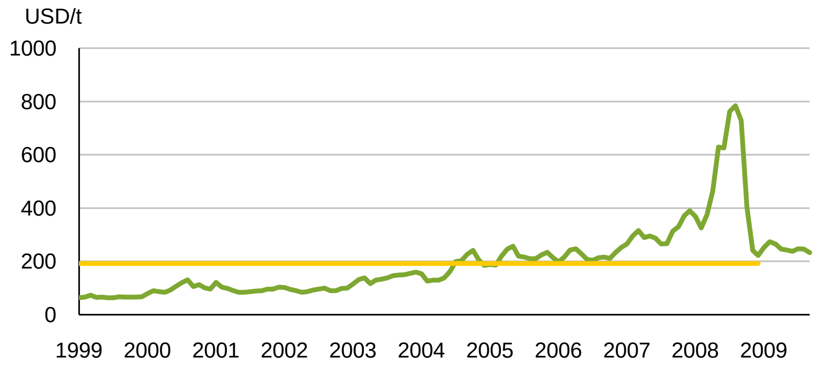
Ammonia fob Black Sea



CAN cif Germany



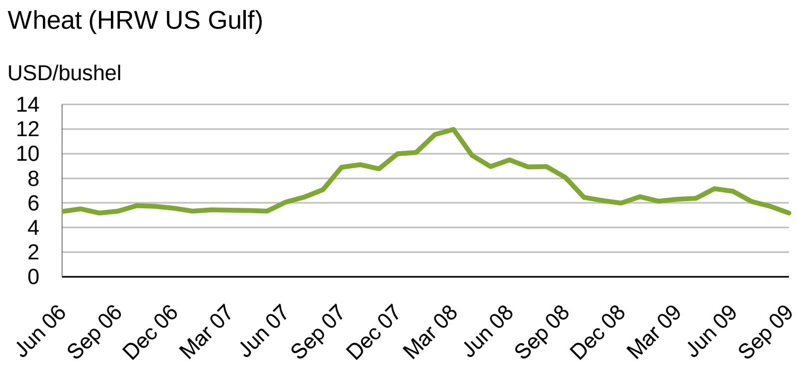
Urea prilled fob Black Sea

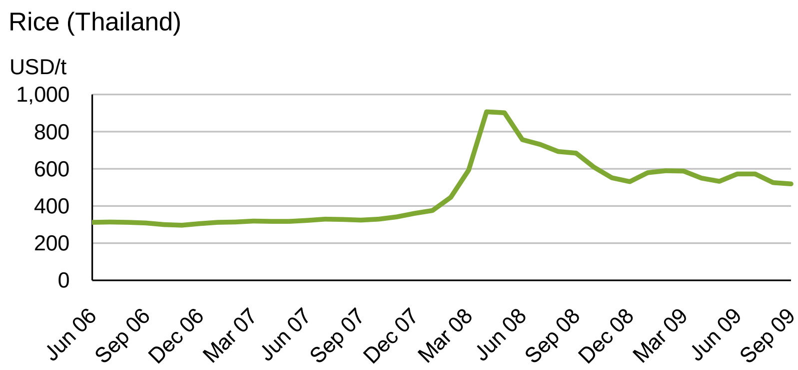


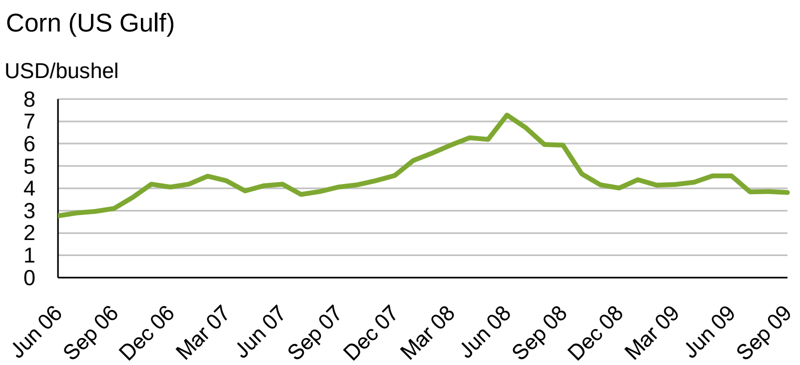
Average prices 1999 - 2008

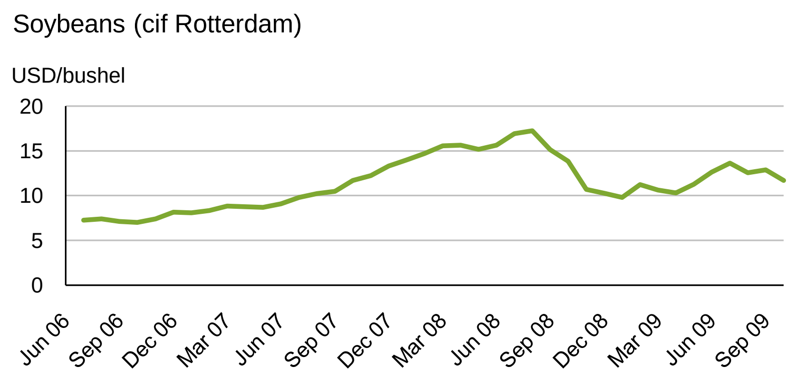
Source: Average of international publications

Agricultural commodity prices









Source: World Bank, October 2009