

Oslo, 21 October 2016: [Yara International ASA](#) delivered weaker third-quarter results compared with a year earlier. Underlying EBITDA was 35% lower, as weaker fertilizer prices were only partly offset by higher deliveries of Yara-produced products, lower energy cost and currency translation gains.

"Yara reports a weaker result than a year earlier, reflecting supply-driven prices for fertilizer globally. But although production margins were significantly lower, our Crop Nutrition and Industrial earnings were broadly stable, demonstrating the strength and resilience of Yara's integrated business model," said Svein Tore Holsether, President and Chief Executive Officer of Yara.

"The over-supply situation in our industry is expected to last for some time, underlining the need for the Yara Improvement Program which we have announced earlier. Parts of the program have entered the implementation phase, and we are confident we will deliver at least USD 500 million of annual EBITDA improvement by 2020," said Holsether.

Yara reports third-quarter net income after non-controlling interests of NOK 821 million (NOK 3.00 per share), compared with NOK 4,004 million (NOK 14.56 per share) a year earlier. Excluding net foreign exchange loss and special items, the result was NOK 3.46 per share compared with NOK 7.41 per share in third quarter 2015. Third-quarter EBITDA excluding special items was NOK 2,968 million compared with NOK 4,614 million a year earlier.

Global Yara fertilizer deliveries were 4% higher than in third quarter 2015, with deliveries of Yara-produced products up 10%, driven by continued strong growth in Brazil and higher deliveries of compound NPK in all regions.

In Europe, fertilizer deliveries were 1% higher than a year earlier, with deliveries of Yara-produced nitrates marginally lower than a year ago while compound NPK deliveries were up 16%. Adjusting for the divestment of Yara's CO₂ business (effective 1 June) Industrial segment deliveries were up 9%.

Yara's margins declined compared with third quarter last year, as sales prices fell more than input costs. Yara's average realized urea and nitrate prices decreased around 25%, while compound NPK premiums increased compared with a year ago as realized NPK prices decreased only 15%. Yara's average global gas costs were 25% lower than a year ago.

The global farm margin outlook and incentives for fertilizer application remains supportive overall, and while grain prices are lower, prices for several key crops like sugar, coffee and oils are higher than a year ago.

In Europe, pre-buying incentives are improved given significantly lower nitrogen prices and premiums, although some markets are impacted financially by poor harvests. In Brazil, fourth-quarter industry deliveries are expected to be broadly in line with a year earlier, but Yara sees continued growth longer term.

Yara is executing significant expansion activity, and based on today's market prices these are expected to generate approximately NOK 5 per share of incremental earnings by 2020 when fully operational.

Link to report and presentation:

http://www.yara.com/investor_relations/quarterly_report/index.aspx

Link to webcast 21 October at 09:30 CEST:

http://www.yara.com/investor_relations/financial_webcasts/index.aspx

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About Yara

Yara's knowledge, products and solutions grow farmers', distributors' and industrial customers' businesses profitably and responsibly, while protecting the earth's resources, food and environment.

Our fertilizers, crop nutrition programs and technologies increase yields, improve product quality and reduce the environmental impact of agricultural practices. Our industrial and environmental solutions improve air quality by reducing emissions from industry and transportation, and serve as key ingredients in the production of a wide range of goods. We foster a culture that promotes the safety of our employees, contractors and societies.

Founded in 1905 to solve emerging famine in Europe, today, Yara has a worldwide presence, with close to 13,000 employees and sales to more than 150 countries.

www.yara.com

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Source: [Yara International ASA](#) via Globenewswire