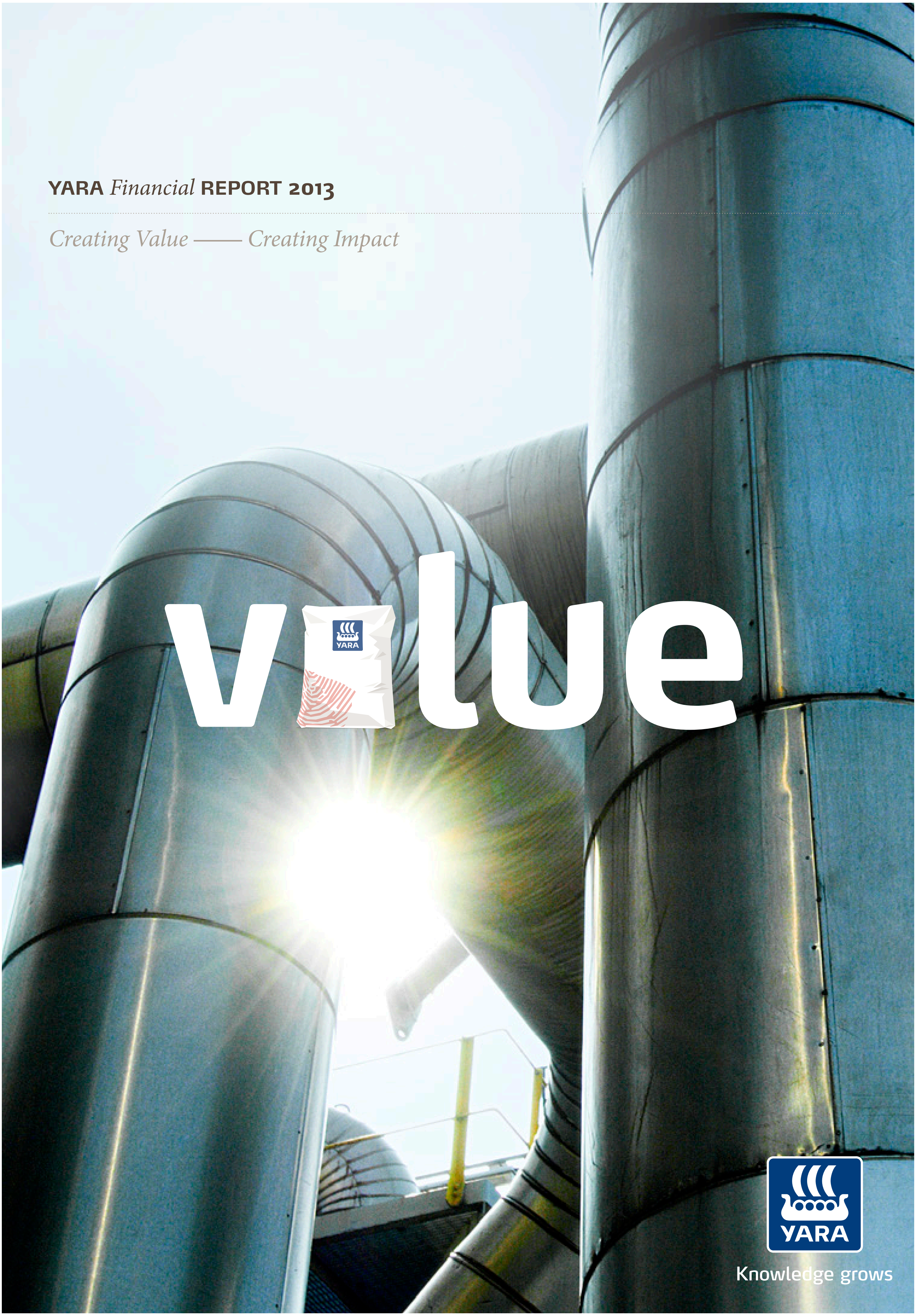
YARA *Financial* REPORT 2013

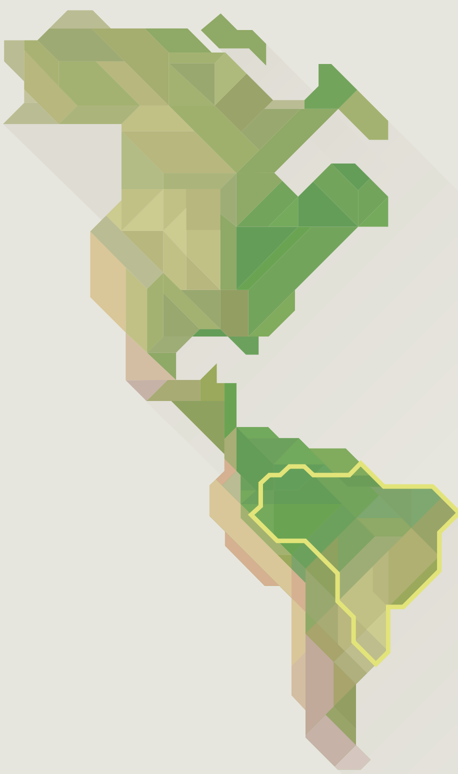
Creating Value —— Creating Impact



Knowledge grows

Growing in the Americas – *expanding in Brazil*

The Americas are a major *agricultural producer* – from the Canadian plains to the Argentinian pampas; from the citrus groves of Florida to the coffee plantations of Colombia. *Latin America* is a growing *agricultural market* for Yara's crop nutrition solutions, which are tailored to suit the needs of valuable cash crops as well as the vast volumes of staple crops. *Brazil* has emerged as a global *agricultural powerhouse* – and the region's main producer; improving productivity, covering domestic needs and supplying the world with food and feedstock.



Yara is a major actor in the continent's agriculture sector, extending our operations through major acquisitions in Latin America in 2013 (page 23–24), and complementing our investments in Brazil in 2012 (page 38–39).

We have established a particularly solid footprint in Brazil – our single largest market. Yara's *presence* covers a great part of the value chain, extending over large parts of this huge, world-leading farming country (page 6–7).

We are a partner with Brazil's agriculture sector, contributing to continued growth. Yara's *position* in Brazil allows us to collaborate with key actors in order to jointly develop improved growing methods (page 16–17).

We engage in Latin America's agriculture – true to our mission: 'Better yield'. Yara's *participation* in improving productivity and increasing production creates value – enabling us to create impact (page 34–35).

37%

SHARE OF YARA'S TOTAL REVENUES GENERATED IN THE AMERICAS

27%

SHARE OF YARA'S TOTAL FERTILIZER SALES – TO LATIN AMERICA

26%

SHARE OF YARA'S GLOBAL WORKFORCE EMPLOYED IN BRAZIL

Who *we are*

Yara delivers solutions for sustainable agriculture and the environment. Our fertilizers and crop nutrition programs help produce the food required for the growing world population. Our industrial products and solutions reduce emissions, improve air quality and support safe and efficient operations. Founded in Norway in 1905, Yara has a worldwide presence with sales to 150 countries. Safety is always our top priority.

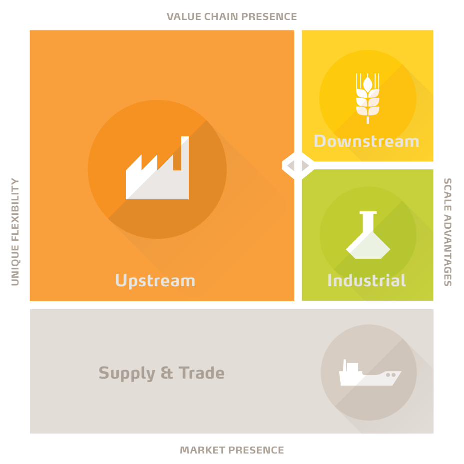
What *we do*

UPSTREAM is the backbone of Yara's manufacturing system. It includes mass production of ammonia, urea, nitrates and other nitrogen-based products as well as phosphoric acid.

DOWNSTREAM offers a complete fertilizer portfolio to growers worldwide. It provides knowledge and tools to secure the right nutrients and optimize application and yield with minimal environmental impact.

INDUSTRIAL is a reliable partner in chemical products. It enables innovative solutions based on ammonia production and knowledge, and helps customers reach compliance with environmental legislation.

SUPPLY AND TRADE is a global function responsible for optimization of energy and raw material purchases, ammonia trade and shipping, maritime logistics and third-party sourcing.



What *we offer*

INDUSTRIAL PRODUCTS
We offer a wide range of nitrogen and specialty chemicals in addition to CO_2, dry ice and civil explosives solutions.

ENVIRONMENTAL SOLUTIONS
We offer complete solutions for NO_X abatement, odor control, water treatment and corrosion prevention.

AGRICULTURAL PRODUCTS
We offer a complete portfolio of fertilizers covering all necessary nutrients for any crop.

1900 1910 1920 1930 1940 1950 1960 1970

1905
Norway
Norsk Hydro established; world's first nitrogen fertilizer produced

1907
Notodden
Regular production commenced

1911
Rjukan
New plant opened

1919
Denmark
Sales office in Copenhagen opened

1928
Notodden
First ammonia production

1929
Porsgrunn
New plant opened

1934
Heavy water
Production started, introducing the industrial products portfolio

1945
Sweden
Sales office in Stockholm opened

1949
Glomfjord
Ammonia production commenced

1949
USA
Marketing commenced

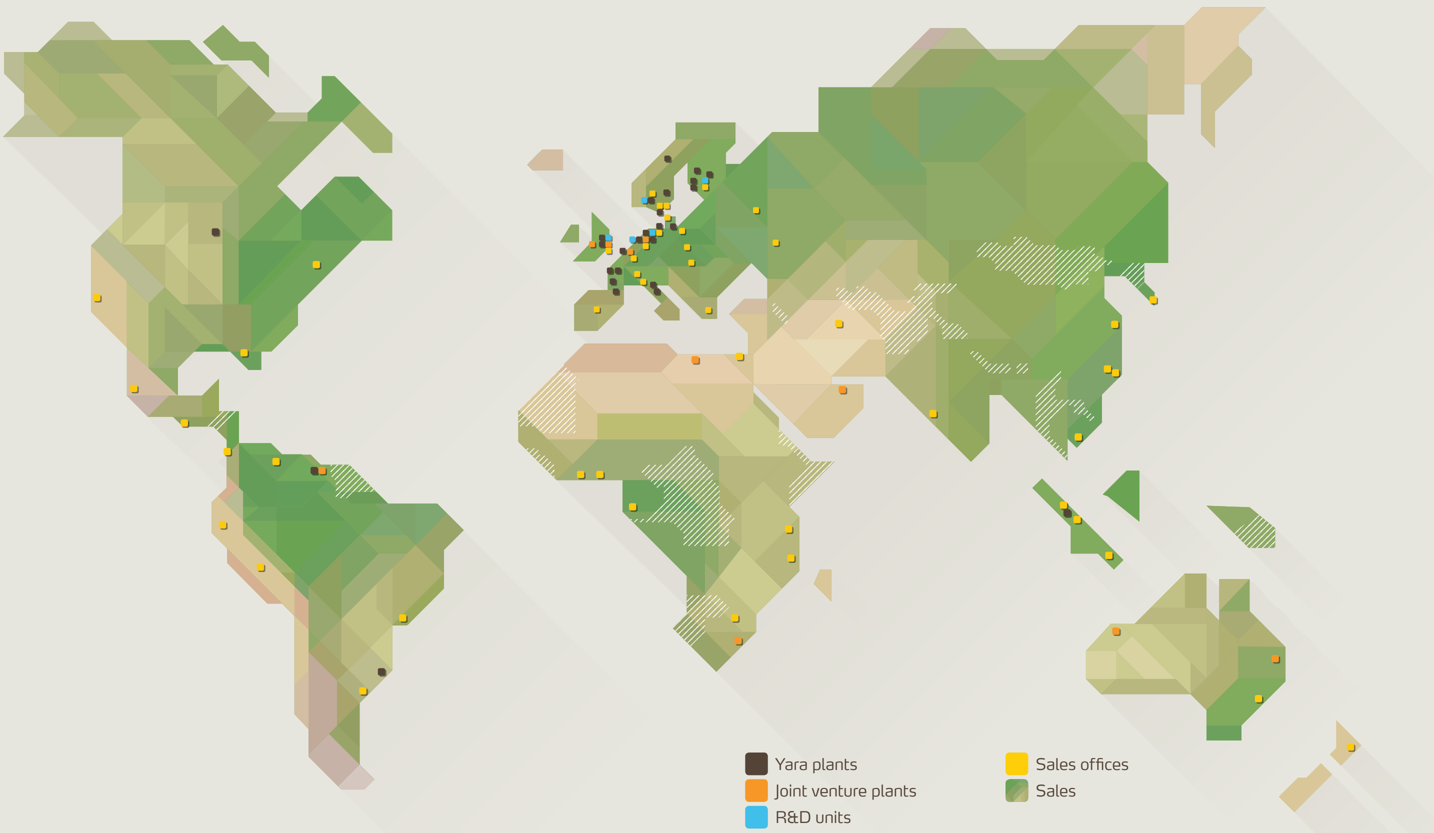
1969
Qatar
Qafco JV established

1972
CO_2 plants in Norway (1972), Sweden (1976) and Denmark (1978) acquired

Scandinavian *pioneer*
European *position*
Global *presence*

Where *we are*

As the industry's only global player, we have production on six continents, operations in 51 countries – and sales to about 150 countries.



1980
1990
2000

1977
Thailand
Sales partnership established

1977
Brazil
Sales office in Rio de Janeiro opened

1979
Netherlands
NSM acquired

1981
Sweden
Supra acquired

1982
China
Chiwan terminal opened

1982
UK
Acquisition of Fisons

1984
Germany
Ruhr Stickstoff acquired

1985
Zimbabwe
Regional office for southern Africa opened

1986
France
Cofaz acquired

1991
Trinidad
Tringen JV established

1991
Germany
DMW Rostock acquired

1994
Technology
N-Sensor tool introduced

1996
Italy
Enichem Agricoltura acquired

1997/ 2006
UK Phosyn acquired

2000
Brazil
Adubos Trevo acquired

Financial *report 2013*

"Extending our footprint in Latin America, we further strengthened our growth ambition"

Jørgen Ole Haslestad
President and CEO

Yara Reporting: *This Financial Report, together with the separate Impact Review, constitutes Yara's annual report 2013. Annual reports and supplementary corporate information are found on www.yara.com*

2010 2013 2020

2004
Technology
N_2O catalyst technology unveiled

2004
CO_2 plant opened in Germany

2005
Africa
program launched

2005
Australia
Burrup JV established

2005
AdBlue
Air1 brand launched

2006/2007
Brazil
Fertibras acquired

2006
Mexico
Olmeca acquired

2007
CO_2 Praxair JV established

2007
Finland
Kemira GrowHow acquired

2008
Canada
Saskferco acquired

2008
Innovation
Crop Nutrition Concept unveiled

2009
Libya
Lifeco JV established

2010
Climate
Carbon footprint guarantee launched

2010
DEF American market for Diesel Exhaust Fluid (DEF; AdBlue) entered

2011
Sweden
Petro Miljö acquired

2012
Australia
Controlling stake in Burrup Holdings gained

2012
Ethiopia
Controlling stake in Ethiopotash acquired

2012
Australia
JVs with Orica and Apache agreed

2012
Qatar
Qafco 5 and 6 expansions completed

2013
Brazil
Acquisition of Bunge's Brazilian fertilizer division

2013
Latin America
Acquisition of OFD Holding Inc agreed

2013
Technology
ZIM Plant Technology acquired

2013
Technology
Acquistion of H+H Umvelt- und Industrietechnik agreed

"Our business model mitigated effects *of lower commodity prices*"

JØRGEN OLE HASLESTAD
President and CEO

EARNINGS PER SHARE	TOTAL PRODUCTION VOLUME	TOTAL SALES VOLUME
20.63 NOK	**26.0** million tons	**30.8** million tons

2013 – *a year of challenges and opportunities*

REFLECTING ON 2013, Yara continued to execute its strategy of sustainable profitable growth, and delivered on its strategic ambition of Creating Impact. Our business model mitigated negative effects of lower commodity prices. Extending our footprint in Latin America, we further strengthened our growth ambition.

2013 was a year characterized by a supply driven market with higher fertilizer volumes shipped out of China. The result has been a more demanding market situation and lower prices globally. We also believe that North American gas supply will continue to influence prices in the future, as will lower coal prices in China.

Our competitive edge is reflected in our robust value-added premiums and strong deliveries. When commodity prices are challenged, we differentiate ourselves through high margins above commodity levels. This demonstrates that the importance of value added products increases in a supply driven market. This confirms our strategy and business model.

As part of our go-to-market strategy and our efforts towards distribution levels closer to farmers, we carried out a full integration of Bunge's fertilizer business in Brazil. I had the pleasure of welcoming 1,300 new employees to our Brazilian team when we began the integration process. The acquisition added both production volumes and downstream capacity. For Yara, Brazil holds the world's largest growth potential, and I believe the country's role as a global bread basket will increase over the years to come. Entering 2014, we are now the largest player in the Brazilian market. This market absorbs more than 30 million tons of fertilizer annually. The acquisition reduced our seasonal vulnerabilities, as we are equally positioned both north and south of the equator. Furthermore, we are also in the process of acquiring OFD Holding Inc., a company with production facilities in Colombia and distribution companies across Latin America. I am truly glad to see our presence in Latin America strengthen.

STRATEGY EXECUTION

In 2013 we increased our Downstream sales by 14% compared to 2012. We also followed up on our innovation platform, connected to improved technological solutions to advance sustainable agriculture. The acquisition of the German water sensor company ZIM Technology Plant GmbH confirms our commitment to contributing to a more efficient agricultural sector.

The Upstream segment is instrumental to our medium-term growth ambition of adding eight million tons of own-produced and joint-venture produced deliveries compared to a 2010 baseline. In 2013 we continued the project to increase NPK capacity by 300 kilotons at Yara Porsgrunn, Norway. In Australia we finalized the engineering and commenced construction of the 330 kilotons TAN project at Yara Pilbara. The Bunge acquisition in Brazil added two SSP plants with an annual production capacity of 300 kilotons, and we benefitted from the first full year of production after the Qafco 5 and 6 expansions in Qatar. Investing in our own plants increases the reliability of these production units and removes bottlenecks that hold us back, giving value in return as expected.

In 2013 the Industrial segment increased overall sales volumes by 5% compared to 2012. This was mainly due to the large increase in sales of NO_X abatement solutions to the transport sector, driven first and foremost by demand in North America. Our Industrial segment further strengthened its position by acquiring H+H, a leader in marine Selective Catalytic Reduction (SCR) technology. The move enables us to provide customers with a complete portfolio of NO_X reduction solutions.

Growth *facts*

YARA'S GROWTH STRATEGY has been consistently executed to create value, and to reinforce the company's global position as the world-leading provider of crop nutrition and environmental solutions.

Some financial and operational highlights, 2009–2013:

2009:
Yara reached its initial GHG emissions target; down 25% from 2004

2010:
Yara recorded its highest net income; at NOK 8,729 million

2011:
Yara recorded its highest earnings per share; at NOK 41.99

2012:
Yara recorded its highest production volume; 24,555 million tons

2013:
#1 supplier of fertilizers in Brazil, the third largest global food exporter

We have started a process to improve further in safety, based on the belief that every accident is preventable. Our goal is to have no injuries. To achieve this, we launched the company-wide Safe by Choice initiative in 2013, aiming to build a common safety culture across the entire organization. Looking back at our track record last year, I am pleased to say we are moving towards an improved safety culture.

In Yara, we commit to high standards for ethical conduct across all levels of the organisation and in relation to business partners, investors, regulatory authorities and society at large. We have zero tolerance for unethical behavior and violation of our Code of Conduct.

CREATING IMPACT

We have developed Creating Impact as a key framework for long-term business development and value creation. Our business connects with issues of global importance, like food security, preservation of the environment and climate change. Our operations directly address these mounting global challenges.

Yara continuously considers new profitable business opportunities and we explore and prepare for such opportunities by engaging our industrial expertise and agronomic experience.

We strongly believe in innovation and R&D as drivers for future, sustainable growth. This vision is reflected in our efforts in the area of technology development and knowledge sharing. We envision Precision Farming as a key to improving agricultural management practices. The concept helps farmers to add the specific nutrients needed for their crop, in exactly the right amount, at the right time – leading to an increase in farmers' yields and profits. Our Emission to Air innovation platform is an important factor that drives NO_X and SO_X reduction solutions.

We have a good cooperation with the World Economic Forum (WEF), where we contribute on issues of food and climate. At the 2013 and 2014 annual meetings we co-hosted sessions on the Grow Africa partnership. Also, we followed up on our engagement in the related New Vision for Agriculture, which catalyzed the new Grow Asia initiative in 2014.

We have an ambition of reducing agriculture's impact on climate change by employing an approach that saves resources, preserves the environment and contributes to maximizing yield. Subsequently we have increased our focus on nutrient use efficiency within our Resource Efficiency innovation platform. We believe Climate-Smart Agriculture is key to producing more food sustainably, feeding a growing population.

As a global company, we are exposed to global megatrends and major challenges influencing our operations. We remain determined to seize emerging business opportunities – and to create impact.

JØRGEN OLE HASLESTAD

President and CEO

How *we performed in 2013*

NOK millions		2013	2012
Financial performance			
Revenue and other income	NOK million	85,052	84,509
Operating income	NOK million	7,791	11,159
EBITDA [1]	NOK million	13,266	16,970
Net income after non-controlling interests	NOK million	5,748	10,552
Investments [2]	NOK million	7,729	10,415
Debt/equity ratio [3]	%	0.06	0.02
Cash flow from operations	NOK million	12,174	13,233
CROGI [4]	%	12.6	17.3
ROCE [5]	%	12.4	19.3
Earnings per share [6]	NOK	20.63	37.31
Total equity	NOK million	56,419	49,991
Share price on OSE	NOK at year-end	261.0	273.8
Social performance			
Employees	Number at year-end	9,759	8,052
TRI rate [7]	Per million hours worked	4.3	5
Environmental performance			
GHG emissions [8]	Million tons CO_2 eq.	9.8	11.4
Energy use [8]	Petajoules	263	258

Notes

[1] EBITDA: Earnings before Interest, Tax, Depreciation and Amortization

[2] Investment in property, plant and equipment, long-term securities, intangibles, long-term advances and investments in non-consolidated investees

[3] Net interest-bearing debt divided by shareholders' equity plus non-controlling interests

[4] CROGI: Cash Return on Gross Investment (12 month rolling average)

[5] ROCE: Return On Capital Employed (12 month rolling average)

[6] Yara currently has no share-based compensation program that results in a dilutive effect on earnings per share

[7] TRI: Total Recordable Injuries per million hours worked, Yara employees and contractors

[8] JV Lifeco not included

What *we did in 2013*

› Yara finalized the acquisition of Bunge's fertilizer business in Brazil in August, and entered into an agreement to acquire OFD Holding Inc. in December MORE ON PAGE *42*

› Yara commissioned two liquid CO_2 tanker vessels in April, and entered into contracts for the construction and delivery of two mid-size LPG carriers in December. MORE ON PAGE *43*

› Yara entered agreements to acquire the water sensor company ZIM Plant Technology GmbH and the NO_X abatement company H+H Umvelt- und Industrietechnik GmbH. MORE ON PAGE *43*

› Yara entered into a new collaborative agreement with Wilhelmsen Maritime Services in October, providing for a take-over of Yarwil's NO_X abatement technology. MORE ON PAGE *51*

› Yara initiated production of Air1 (DEF) at Yara Belle Plaine, Canada in June, after adding a new facility in Chesapeake, USA to the North American coast-to-coast network of DEF storage terminals. READ MORE PAGE *43*

› Yara awarded the Yara Prize for an African Green Revolution to Nnaemeka Ikegwuonu, CEO of the Smallholders Foundation in Nigeria, and Lindiwe Majele Sibanda, CEO of the Food, Agriculture and Natural Resources Policy Analysis Network, in September. MORE ON PAGE *46*

› Yara secured increased financial flexibility by signing a new USD 1,750 million dual-tranche Multi-currency Syndicated Revolving Credit Facility in July. MORE ON PAGE *115*

› Yara's Annual General Meeting in May approved a dividend of NOK 13.00 per share and a new power of attorney to the Board authorizing acquisition of up to 5% of the company's shares before the 2014 AGM. MORE ON PAGE *66*

What *we do in 2014*

› Yara delivers on its water scarcity innovation platform by integrating the water sensor technology of ZIM Plant Technology GmbH, after closing the acquisition in January. MORE ON PAGE *45*

› Yara strengthens its position in the market for Selective Catalytic Reduction (SCR) technology, integrating H+H Umvelt- und Industrietechnik GmbH, after acquiring the company in January. MORE ON PAGE *51*

› Yara enters into shipbuilding contracts for the construction and delivery of three handy-size semi-refrigerated LPG carriers in January. MORE ON PAGE *43*

› Yara's expansion of the blending unit in Porto Alegre, Brazil is expected to be operational in April. MORE ON PAGE *42*

› Yara and BASF continue evaluations of a possible joint investment in a world scale ammonia plant on the US Gulf Coast, entering discussions about exact location and capacity. MORE ON PAGE *82*

› Yara integrates the companies acquired from OFD Holding Inc upon the conclusion of due diligence and necessary approvals, with closing expected by mid-2014. MORE ON PAGE *82*

› Yara's expansion project in Porsgrunn, Norway continues along with the energy improvement project at JV Tringen 1, Trinidad, both scheduled for completion in 2014. MORE ON PAGE *53*

› Yara's new fertilizer terminal in Dar es Salaam, Tanzania, connected to the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) initiative, is due for completion in the latter part of 2014.

› The Yara Prize for an African Green Revolution is awarded in September, in connection with the African Green Revolution Forum in Addis Ababa, Ethiopia.

› Yara's Supply Chain Project continues towards completion and implementation, optimizing processes and strengthening the company's competitive edge. MORE ON PAGE *55*

Yara *in Brazil*

Brazil has become a leading global economy. Agriculture remains a key growth sector, representing a fast-growing market for mineral fertilizers.

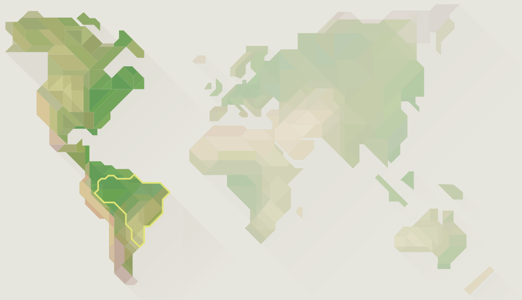
Yara has gained a strong position in Brazil. With a major acquisition in 2013 we extended our already strong market presence.

- *Brazil* consumes more than 30 million tons of mineral fertilizers a year; about 6% of the world total – and growth continues. *Yara* is the main provider of crop nutrition solutions to the Brazilian market. With the acquisition of Bunge Fertilizer completed, we deliver a substantial share of the country's total fertilizer consumption.

Section *01*

Report *of the Board of Directors*

Core content



- *Yara* is present throughout Brazil, covering a large part of the fertilizer value chain, including an extensive distribution network in cooperation with key partners. *Brazil* is the single largest market for our mineral fertilizers, and a growth area for our environmental solutions

5.8

MILLION TONS

YARA'S SALES OF CROP NUTRITION SOLUTIONS IN BRAZIL, 2013

25%

BRAZIL'S SHARE OF YARA'S TOTAL FERTILIZER SALES, 2013

Strong growth *and earnings*

IN 2013 YARA delivered continued strong earnings, with a cash return on gross investment of 12.6%. Production volumes and deliveries increased, while margins declined compared with 2012. Yara's safety performance improved in 2013, but further improvements are needed.

Yara's after-tax measure for return on capital, CROGI, was 12.6% for 2013, compared with a target of minimum 10% average over the business cycle, and down from 17.3% in 2012. Production volumes and deliveries increased, reflecting underlying growth, capacity expansions and acquisition growth. Margins declined compared with 2012 as global commodity fertilizer prices were lower, but premiums for value-added fertilizer products increased.

Significant progress was made during 2013 in terms of both developing and delivering on Yara's strategic objectives, including taking profitable and sustainable growth actions.

Performance *overview*

OPERATIONAL PERFORMANCE

Safety performance improved in 2013, with a Total Recordable Injury (TRI) rate per million hours worked of 4.3, down from 5.0 in 2012. However, despite its efforts to improve safety, Yara suffered a fatal accident during 2013, underlining the need for further efforts going forward.

Fertilizer deliveries were 14% higher than in 2012, with increased sales in all main product groups. The majority is explained by the acquisition of Bunge's fertilizer business in Brazil effective 8 August 2013. Excluding the Bunge volumes, global fertilizer deliveries increased by 5% compared with 2012. Industrial product deliveries were up 5% compared with 2012, with the strongest growth delivered by Air1 NO_X abatement products for automotive use, with a 30% increase.

Yara's ammonia production increased 5% compared with 2012, mainly due to the partial return of production in Libya, expanded Qafco volumes in Qatar and higher production in Pilbara, Australia. Finished fertilizer production increased by 6%, supported by high regularity in wholly-owned plants.

Yara's average realized urea prices were 17% lower than in 2012, while realized nitrate prices were 6% lower than in 2012, resulting in higher premiums over urea. NPK compound prices saw a decrease of 4%, as also NPK blend premiums improved. Industrial margins increased compared with 2012.

Operating segments

The Downstream segment delivered a 14% increase in fertilizer sales volumes, higher nitrate and NPK premiums, and an improved safety performance with a 14% TRI reduction

The Industrial segment delivered a 5% increase in sales volumes with higher margins. Three TRIs were incurred in 2013, representing an increase compared to only one TRI in 2012

The Upstream segment delivered a 5% increase in ammonia production, a 6% increase in finished fertilizer production and an improved safety performance with a 9% TRI reduction

» For detailed segment financial information, see note 4 / page 88

FINANCIAL PERFORMANCE

Market conditions

Demand for fertilizer and industrial nitrogen products remained strong overall in 2013, based on continued healthy farm margins and a modest recovery in the global economy. However, increased export supply from China saw commodity nitrogen fertilizer prices fall during the year, moving closer to supply-driven conditions, compared with strongly demand-driven pricing in 2012. Margins for most fertilizer products therefore declined in 2013, but higher-value fertilizer margins were more resilient, generating stronger premiums compared with commodity fertilizers.

Consolidated results

Yara delivered solid financial results in 2013, with net income after non-controlling interests at NOK 5,748 million. However, the result was almost halved compared with 2012, primarily reflecting lower commodity fertilizer prices. Earnings per share were NOK 20.63 in 2013, compared with NOK 37.31 in 2012. Operating income was NOK 7,791 million, down from NOK 11,159 million in 2012, while EBITDA was NOK 13,266 million, compared with NOK 16,970 million in 2012. Revenue and other income was NOK 85.1 billion in 2013, up from 84.5 billion in 2012.

Cash flow and financial position

Net cash from operating activities was NOK 12,174 million, reflecting strong earnings based on a continued strong market situation for Yara's products. Net cash from operating activities in 2012 was NOK 13,233 million. Net cash used for investing activities in 2013 was NOK 9,259 million, reflecting the acquisition of Bunge's fertilizer business in Brazil in addition to planned maintenance, continuity and organic growth investment activity.

Yara's financial position remained strong in 2013. The debt/equity ratio increased from 0.02 to 0.06, as strong cash inflows funded increased investing activities and cash returns to shareholders. Net interest-bearing debt at year-end was NOK 3,378 million, while total assets were NOK 88,980 million. Total equity attributable to shareholders of the parent company as of 31 December 2013 amounted to NOK 54,267 million. At the end of 2013 Yara had

NOK 6,819 million in cash and cash equivalents and approximately NOK 14,614 million in undrawn committed bank facilities. We consider the company's cash and financial position to be strong.

In the opinion of the Board of Directors, the consolidated financial statements provide a true and fair view of the group's financial performance during 2013 and financial position at 31 December 2013. According to section 3–3 of the Norwegian Accounting Act, we confirm that the consolidated financial statements and the financial statements of the parent company have been prepared based on the going concern assumption, and that it is appropriate to make that assumption.

Operating segments

The Downstream segment delivered an EBITDA of NOK 4,013 million and a CROGI of 14.5% in 2013, compared with respectively NOK 3,905 million and 15.3% in 2012. Fertilizer deliveries increased but special items reduced EBITDA by NOK 294 million. Margins were stable overall.

The Industrial segment delivered an EBITDA of NOK 1,096 million and a CROGI of 12.3% in 2013, compared with respectively NOK 1,111 million and 12.7% in 2012. Deliveries increased and margins were stable overall, however the 2012 result included positive special items of NOK 76 million.

The Upstream segment delivered an EBITDA of NOK 7,919 million and a CROGI of 11% in 2013, compared with respectively NOK 11,849 million and 16.2% in 2012. The Upstream result was impacted by a significantly year-over-year reduction in commodity nitrogen fertilizer prices, in addition to somewhat higher energy cost.

Yara International ASA

The parent company Yara International ASA is a holding company, with financial activities and non-material operations. Yara International ASA had negative net income of NOK 386 million in 2013, down from a positive NOK 4,656 million in 2012, after dividends and group relief from subsidiaries of NOK 731 million (NOK 4,053 million in 2012). The net foreign exchange loss was NOK 1,826 million compared with a gain of NOK 190 million in 2012.

Strategic *overview*

Yara continued to execute its strategy of profitable growth in 2013 and to deliver on its strategic ambition of Creating Impact, executing a major acquisition in Brazil and initiating a further acquisition in Colombia. Together with the continued development of Yara's product portfolio and innovation efforts, Yara's differentiated downstream position was further strengthened during the year.

CORPORATE STRATEGY

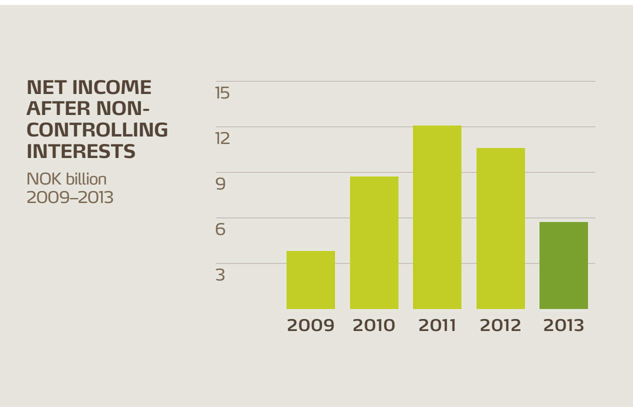
Yara has consistently executed its strategy of sustainable profitable growth, reinforcing its position as the world's leading provider of crop nutrition solutions. By leveraging our unique business model, our unrivaled global position and extensive global presence, we create a strong competitive edge allowing for the creation of long-term value for our shareholders, customers – and for society at large.

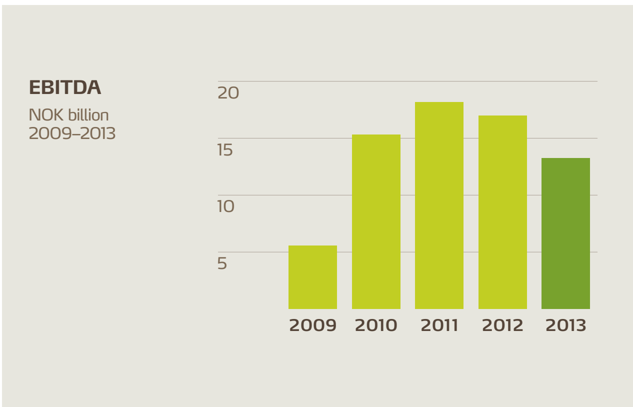
Business model

Yara is a company that focuses on the production, distribution and sale of nitrogen chemicals. The main application is fertilizers, while industrial uses are an important and faster growing segment. Yara employs its scale, flexibility and global presence to deliver reliable supplies of mineral fertilizer and related industrial products to customers worldwide. Yara is headquartered in Oslo, Norway and is listed on the Oslo Stock Exchange.

Yara has a unique, scalable business model enabling synergies as acquisitions and growth investments improve utilization of its marketing and distribution system. Since its launch as an independent company in 2004 Yara has built an industry-leading track record in profitable acquisitions and green/brownfield investments.

Yara has developed a global presence unrivaled in the fertilizer industry, with a distribution and marketing network including more than 200 terminals, warehouses, blending plants and bagging facilities located in more than 50 countries. Yara has built a knowledge margin in the market, based on its presence and insight into local markets, close customer relations, agronomic expertise and ability to develop new product offerings from its extensive production base.





Yara's global presence delivers industry-leading flexibility, both in terms of production assets and market presence, meaning that challenging conditions experienced by an individual plant or market can normally be mitigated through sourcing or sales arbitrage within the wider Yara system. The majority of Yara's operational cash costs are variable, as purchases and plants are adjustable at short notice in the event of delivery slowdowns. Increased energy costs in Europe can be mitigated by importing instead of producing ammonia as Yara is the global leader in ammonia trading and shipping and most of the company's European production facilities have access to deep-sea import/export terminals for ammonia. Yara also has the world's largest fertilizer storage capacity, allowing for building stocks ahead of peak demand periods, managing uneven delivery patterns and taking advantage of geographical arbitrage opportunities.

As the world's largest producer of ammonia, nitrates and complex NPK fertilizers, and trading approximately 20% of international ammonia, Yara benefits from scale. Historically, the majority of the company's production system has been located in Europe. However, growth initiatives in recent years have extended Yara's presence into other markets and regions around the world.

Growth strategy
Yara has consistently executed a strategy of profitable, sustainable growth. In 2013 Yara refined its medium-term growth ambition of adding eight million tons to its sales, emphasizing that the execution will be opportunity-driven and not driven by calendar year targets. Yara's growth ambitions are built on attractive long-term market fundamentals, a proven track record of profitable growth initiatives and a flexible and scalable business model. However, Yara will continue to be patient in pursuing growth, aiming to pick the best opportunities at the right time.

Yara's focus on growth opportunities will continue to be combined with strict valuation and capital discipline. When evaluating acquisition opportunities Yara will always start by assessing the synergies it can potentially realize. Market and business cycle assumptions are carefully considered and compared with estimates of the seller's and alternative buyers' views. Timing is essential in creating value from acquisitions, and Yara combines a continuous search for projects with patience and discipline in execution. Yara's growth initiatives focus on increasing the company's access to competitive raw materials, expanding its presence in high-growth markets and participating in consolidation in mature markets.

Creating impact
Creating Impact is the way Yara aligns its business operations with prevailing market conditions and mounting global challenges to create value for shareholders and customers, as well as for society at large.

Building on its core business, Yara is well positioned to develop solutions to global challenges, which also represent business opportunities. Creating value from existing operations and from emerging opportunities allows Yara to have an impact on global issues while also strengthening its competitiveness. Actively seeking business opportunities which also address global challenges provides a sustainable competitive edge for Yara.

The strategy model outlined in the MD&A section of this report shows that Yara has identified three focal areas where its business can make an impact; resources, food and the environment. Within these three areas Yara is positioned to exploit existing and expected market demand.

Yara develops its positioning within the focal areas by engaging in global processes and entering business partnerships. Partnering with other key stakeholders, especially within the food value chain, is a strategic approach to develop new solutions and deepen market relations; creating value and creating impact.

Growth initiatives
In 2013 Yara continued to grow both its sales and production capacity, through carry-over effects of 2012 expansions at the Qafco operation in Qatar, increased share in Yara Pilbara in Australia, the acquisition of Bunge's fertilizer activity in Brazil, the agreement to acquire OFD Holding Inc. in Colombia, and continued progress on several brownfield expansion projects, among other growth initiatives.

Yara has a 25% ownership share in the Qafco JV and markets approximately 50% of the company's urea production. The Qafco 5 and Qafco 6 expansions, which started in 2007 with the construction of two world-scale ammonia and urea plants, were completed at a total cost of USD 3.8 billion in mid-2012.

In Pilbara, Western Australia, Yara, together with Orica and Apache Energy, is constructing a technical ammonium nitrate (TAN) facility with an annual capacity of 330,000 tons adjacent to the existing Yara Pilbara ammonia plant. Yara and Orica each have a 45% share, while Apache has a 10% stake in the TAN facility, which is scheduled for completion in second half 2015 at a total cost of approximately USD 800 million.

In August 2013 Yara completed the acquisition of Bunge's fertilizer business in Brazil, comprising 22 blending units and 4.6 million tons of fertilizer deliveries in 2012. The acquisition significantly improves Yara's downstream footprint and platform for upstream growth in Brazil, and is targeted to deliver USD 50 million of annual synergies from 2014.

In December 2013 Yara announced an agreement to acquire OFD Holding Inc. in Colombia, with 1.1 million tons of fertilizer deliveries and 0.4 million tons of compound NPK and nitrate fertilizer production in 2012. The acquisition provides increased value-added fertilizer production capacity, further improves Yara's downstream footprint in Latin America, and is targeted to deliver USD 20 million of annual synergies following expected completion in mid 2014.

During 2013 Yara made further progress on brownfield expansion projects within Yara's existing asset base. In Porsgrunn, Norway, a NOK 300 million investment and de-bottlenecking program is in progress, to increase NPK capacity by approximately 300,000 tons by 2014. Further brownfield expansion projects targeting a

500,000 ton increase in Yara's Norwegian and Finnish NPK and CN production capacity are expected to be approved during 2014.

In October 2013 Yara announced it is in discussions with BASF to jointly construct a world-scale ammonia plant on the US Gulf coast.

Innovation initiatives

Building on its comprehensive knowledge base, Yara's innovation efforts reinforce its ability to find business opportunities based on meeting major global challenges in the areas of food production, resource shortages and environmental issues. Innovative solutions are needed to close the growing gap between food demand and supply, by sustainably improving agricultural productivity and food production.

Yara has established four innovation platforms to drive business development and launch solutions and services: Emissions to Air, Water Scarcity, Resource Efficiency and lastly, the Coffee & Cocoa platform launched during 2013.

Yara's research and development has created innovative crop nutrition solutions and environmental applications that position the company well in growing markets for these offerings. In 2013 Yara reorganized its R&D organization around three core competency communities: Product and Application Development; Process Research; and Catalyst Systems. During 2013 investments were made in new pilot plants for process development at the research center in Porsgrunn, and the crop trial facilities at the Center for Plant Nutrition, Hanninghof in Dülmen, were upgraded. In 2013 Yara's R&D costs were NOK 128 million, compared with NOK 110 million in 2012.

People development

Yara's People Strategy focuses on talent development, talent acquisition and performance culture – delivered through good people management. The strategy impacts four areas that are critical to driving business outcomes; performance, engagement, retention and attraction.

Over the past three years, Yara has implemented a number of people processes and tools. During 2013 we worked on expanding the reach and increasing the quality of these processes, to enhance the impact on individual and team performance, and thus also business performance.

Having both a performance culture and high engagement impacts business results. This is why we have an inclusive approach to our people processes, which are run globally and on all levels of the organization.

Increased retention in a competitive talent market has a strong and positive business impact. Key levers to achieve this include a distinct employee value proposition (EVP) and a performance culture, as well as tangible development and career opportunities for all.

Improved attractiveness as an employer leads to more and better talents to choose from when recruiting – and ultimately to better business results. In addition to a strong and differentiated EVP, Yara emphasizes proactive and innovative approaches to sourcing candidates and high attention to candidate care.

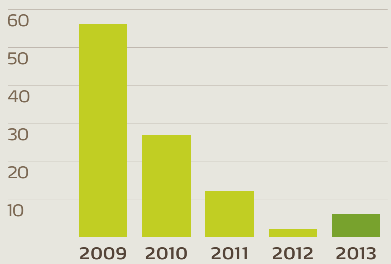
Yara is committed to promoting equal opportunities and fighting discrimination. The chemical industry is historically a male dominated industry and the share of women employed by Yara has been close to 20% in recent years. In 2013, Yara established short and medium term ambitions to increase the proportion of women in key management positions, aiming to increase the proportion from 20% in 2013 to 23% in 2017. In addition, key people processes like recruitment, succession planning and management reviews have been revised to ensure a stronger focus on diversity. Yara's geographic diversity is mirrored in the composition of the workforce in central functions in the company, where 24 nationalities are represented at our headquarter in Oslo and Technical Research Center in Porsgrunn, Norway.

At the end of 2013, Yara had 9,759 permanent employees worldwide, an increase of 1,707 (21%) compared to the previous year. The largest increase was in Brazil, due to the Bunge fertilizer acquisition.

Governance *review*

Proactive and transparent corporate governance is crucial for aligning the interests of shareholders, management, employees and other stakeholders. The Board of Directors believes that good corporate governance drives sustainable business conduct and long-term value creation. Yara's Board is committed to upholding high standards for ethical conduct across the organization, and has zero tolerance for unethical behavior and violations of Yara's Code of Conduct.

DEBT/EQUITY RATIO
Percent
2009–2013



EARNINGS PER SHARE
NOK
2009–2013

CORPORATE GOVERNACE

Principles and practice

The Board of Directors and Executive Management of Yara International ASA review the corporate governance principles annually, reporting in accordance with the Norwegian Accounting Act § 3–3b and the Norwegian Code of Practice for Corporate Governance, most recently updated dated 23 October 2012. The Code contains stricter requirements than mandated by Norwegian law.

» See corporate governance / page 22

Board and management

Yara's Board of Directors held nine meetings in 2013. The Board consists of five shareholder-elected members and three employee-elected members. The shareholder-elected members all have extensive line management experience from international industrial companies. Three of the eight members are women.

Yara has decided not to constitute a corporate assembly. Consequently, the Board of Directors is directly responsible to the General Meeting and the shareholders. A Compensation Committee was established in April 2004 and an Audit Committee was established in December 2006.

Yara's Executive Management was organized along the same lines as the previous year, with some changes, accounted for in the MD&A section of this Financial Report. Jørgen Ole Haslestad remained CEO throughout the year.

RISK MANAGEMENT

Corporate risks

Yara's Board of Directors and Executive Management conduct risk assessments relating to various dimensions and aspects of operations, to verify that adequate risk management systems are in place. Yara's global reach and the nature of its operations present a complex risk picture. Strategic and operational risk include political developments and financial conditions as well as compliance-related risks, including a risk of failure to comply with all applicable international standards and local legislation on issues such as human rights, labor rights and corruption.

Compliance risk management is done through training and education of employees, a central and regional Ethics and Compliance function, and a range of channels for dialogue on dilemmas, which include access to anonymous whistleblowing, available in 50 languages.

Yara has developed a Business Partner Code of Conduct that takes into account internationally recognized and endorsed standards in key areas such as international human rights, business ethics and labor conditions. Also incorporated in Yara's steering system is the Integrity Due Diligence process for business partners, identifying potential issues including environmental, human rights or corruption issues.

On a global and regional scale several global trends, not least population growth, resource scarcity and climate change, can be expected to affect Yara's business. At the same time, these challenges offer a range of business opportunities where Yara is well positioned to offer solutions that meet market demands. The development of fertilizers with a low carbon footprint and solutions for water-scarce agriculture are key examples of Yara's response to such global challenges.

Yara's most significant market risk is related to the margin between nitrogen fertilizer prices and natural gas prices. Although there is a positive long-term correlation between these prices, margins are influenced by the supply/demand balance for food relative to energy.

Yara's total risk exposure is analyzed and evaluated at corporate level. Risk evaluations are integrated in all business activities, both at corporate and business unit level, increasing Yara's ability to mitigate risk and take advantage of business opportunities.

The Board carries out annual reviews of the company's most important areas of exposure to risk and its internal control arrangements. Reference is made to pages 28–33 in this Financial Report for a more comprehensive description of Yara's risk management.

Investigation and corporate penalty

In 2011 Yara announced a suspected case of unacceptable business behavior in the company. An external Yara investigation launched by the Board of Directors looked into irregularities related to Yara's business conduct in Libya, India and its Swiss operations. Conducted by an external law firm, the investigation was completed and communicated in June 2012. It concluded that several unacceptable payments were offered or made by Yara. All documentation was made available and findings were shared with The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim). In January 2014 Yara acknowledged guilt and accepted a corporate fine of NOK 270 million and confiscation of NOK 25 million imposed by Økokrim. The fine is related to historical irregularities linked to the establishment of Lifeco (Libya), an unrealized project in India and contracts with a Russian supplier. The confiscation relates to earlier phosphate deliveries.

The compliance function in Yara has undergone a significant strengthening since 2009, starting with an increase in central compliance resources, the launch of a company-wide training program and a review of key commercial agreements. In response to the investigation findings described above, 2013 compliance activities continued to focus on a renewed and expanded employee training program, implementation of a comprehensive business partner integrity due diligence (IDD) system and close cooperation with other Yara functions such as the Strategy and Business Development team. Risk assessments, business partner IDDs and employee training remain key compliance focus areas for 2014.

CORPORATE RESPONSIBILITY

Health and safety

Operational safety, imperative to safeguard employees and contractors and uphold productivity and performance, has very high priority in Yara. It is Yara's belief that every accident is preventable, based on management commitment and active employee involvement in mapping and managing processes and behaviors that can cause harm. In 2013 Yara launched a new initiative, Safe by Choice, to lead the company to safety excellence. Safe by Choice is an all-encompassing and lasting journey to instill a common safety culture and a high level of standardization across all regions and levels of the organization.

Throughout 2013 Yara recorded positive developments in its safety performance, particularly among contractors. The TRI rate (total recordable injuries per million hours worked) ended at 4.3 for employees and contractors combined, an improvement from 5.0 in 2012, yet behind the target of a TRI rate below 3.5 – towards the ultimate goal of zero accidents. The increase from 2011 to 2012 is mostly explained by increased efforts to report all incidents. The TRI rate includes lost-time injuries, restricted work cases where employees and contractors were allowed to carry out work different from their normal duties, and medical treatment cases. Regrettably, Yara experienced a fatal accident at Yara Porsgrunn, Norway where a contractor suffered an electric shock during expansion work. This tragic accident underlines the importance of Yara's continued efforts to prevent undesired incidents and integrate safety into every part of its operations.

Yara has been a pioneer in developing and adapting the Fertilizers Europe Product Stewardship program. In January 2014 an independent audit confirmed that our operations in Europe are in full compliance with the program, which ensures the highest standard for safety and environmental performance throughout the value chain. We aim to have all our operations outside Europe certified to the IFA (International Fertilizer Industry Association) Protect & Sustain Initiative. Yara Brazil and Yara Vietnam achieved certification in 2013, following Yara North America (2012) and Yara Mexico (2011).

In 2013, Yara Industrial Germany was awarded the 2012 EIGA Peter Jackson Safety Award as well as the Yara Safety Award 2013 in honor of its excellence in safety and close to 2,000 days without recordable accidents.

Fertilizer manufacturing may pose a risk to local societies and natural habitats if improperly managed. Safety is Yara's top priority, and over time substantial investments have been made to improve operational excellence. Yara's HESQ Policy governs its approach to the issues of Health, Environment, Safety and Quality. On the operational level Yara has decided that all its major production sites shall be certified according to ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and OHSAS 18001 (Health & Safety Management) standards. At year-end 2013, 16 out of 20 sites were fully certified.

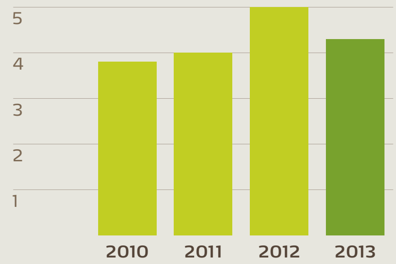
Yara's HESQ Policy providing the company's views on a range of topics, have been made available on Yara's website.

The environment

Yara works systematically to reduce the environmental impacts of its operations and to contribute to environmental improvements in agriculture and the transportation and industrial sectors. The company has adopted a life cycle approach to products and processes, and through targeted R&D activities Yara is continuously developing knowledge, tools and solutions to improve on-farm use of fertilizers, reducing environmental impact.

TRI RATE

Total Recordable Injuries per million hours worked 2009–2013



The company has made outstanding improvements in reducing N_2O (a greenhouse gas, GHG) emissions by more than 90% from our nitric acid plants by utilizing the benefits of Yara's N_2O catalyst technology. The total GHG emissions from all of our production have been reduced by more than 45% compared with a 2004 baseline, and Yara is well positioned to meet the new requirements for nitric acid plants under the EU Emissions Trading System (EU ETS). The company will continue investments in its ammonia plants, improving energy and cost efficiency as well as reducing emissions. The acidic emissions from our operations are continuously being reduced. In 2013 no major legal claim was made against Yara regarding environmental issues, except for a fine at Yara Porsgrunn, Norway related to dust emissions from unloading activity.

In 2013 Yara's total energy consumption in production was 263 million GJ. Almost 90% of the energy is consumed in ammonia production. The increase in energy consumption reflects an increase in ammonia and finished production volumes in 2013.

Yara has a number of facilities that have been operated for long periods of time or have been closed. These facilities may require remediation or generate liabilities under the laws of the jurisdictions in which the facilities are located. Yara examines such impacts where they are apparent, and executes remediation or containment procedures, in coordination with the appropriate authorities. For 2014 and beyond, accumulated provisions of NOK 169 million have been made for environmental clean-up of former activities in several locations, close to the provision level of NOK 164 million from one year before.

Commitments

By pursuing its strategy, Yara can have an indirect as well as direct impact on basic human needs, in particular food security. Apart from providing jobs for its employees, tax revenues and valuable inputs for farmers, Yara's strategy and innovative approach aim to trigger development and inclusive, green growth.

Sharing of knowledge and advice to promote best farming practice is bundled with innovative business models, not least in the context of Yara's partnerships through the New Vision for Agriculture of the World Economic Forum. Here, Yara and more than 30 other global companies have united to trigger 20% improvements per decade on agricultural productivity, rural poverty and greenhouse gas emissions.

Examples of Yara's partnership engagements include the Ghana Grains Partnership, the Southern Agricultural Growth Corridor of Tanzania and Yara's participation in both the Africa-led Grow Africa Partnership and the G8-based partnership New Alliance for Food Security and Nutrition. Contributing to improved local and regional environmental conditions, Yara's engagement towards the Baltic Sea provides a good example of how profitable farming and environmental concerns can be combined.

Yara is a signatory to the UN Global Compact (UNGC), embracing and implementing its principles covering the areas of human rights, labor rights, environment and anti-corruption. Yara has also been granted membership to the Global Compact LEAD, which was launched in 2011 to provide knowledge and inspiration on advanced aspects of corporate sustainability, and to provide leadership for global issue platforms. Furthermore, Yara is a member of the UNGC Caring for Climate initiative, and is committed to adhering to the FTSE4Good criteria.

For Yara's organization, human rights are mainly relevant in terms of labor rights for own employees and supply chain risks. Yara's Ethics and Compliance Integrity Due Diligence process is fully integrated in investment activities such as mergers and acquisitions, the establishment of joint ventures and other significant agreements. In 2013, none of our reporting countries have identified that the right to exercise freedom of association and collective bargaining may be at significant risk.

Yara's commitment to respecting human and labor rights is integrated in Yara's HESQ Policy and Code of Conduct, further operationalized in the Ethics Handbook and also incorporated in Yara's steering systems such as the Integrity Due Diligence process for business partners and Yara's Business Partner Code of Conduct. Support for the UNGC principles is anchored at the CEO level.

Transparency on management approach, measures and outcome relating to HESQ, Ethics & Compliance and related topics is secured through online GRI (Global Reporting Initiative) reporting.

Future *prospects*

MARKET PROSPECTS

Market developments

The Board of Directors believes the long-term fundamentals of fertilizer demand are strong, as a growing and increasingly prosperous world population continues to drive demand, and land available for agriculture becomes scarcer. More efficient and balanced fertilizer use globally is a crucial element of achieving sustainable improvement in agricultural productivity.

However, there is significant potential for high price volatility in the markets for agricultural commodities, where supply is limited and customers have a low sensitivity to price changes. Weather-related setbacks in agricultural production could further increase fertilizer demand, while a significant drop in agricultural prices, e.g. in the event of improved harvest prospects, could lead to a temporary slowdown in fertilizer deliveries. However, substantial harvest increases are required merely to avoid a future decline in inventories.

Developing the markets

More efficient and balanced fertilizer use globally will require a change of fertilizer product and application practices in many markets, implying a further increase in differentiation and tailoring of fertilizers and related technologies. However, the extent to which individual markets will embrace and achieve such efficiency improvements is likely to vary strongly, linked to the degree of deregulation and competition in their agricultural sectors.

OPERATIONAL PROSPECTS

Industry developments

The commodity nitrogen fertilizer supply in 2013 was significantly influenced by increased Chinese urea production and export capacity, in addition to a reduced urea export tax. According to official information the Chinese urea export tax is at RMB 40 per ton plus 15% until 1 July, after which it reduces to RMB 40 per ton until 1 November, when it returns to RMB 40 per ton plus 15%. Going forward, the price and availability of urea exports from China will be influenced by the price development for anthracite coal and other domestic cost elements such as labor and freight. In addition, port loading capacity can represent a bottleneck during peak export months.

There are limited greenfield nitrogen capacity additions scheduled for completion in the next two years outside China, apart from Algeria, where start-ups are planned but with unclear export volume implications amid natural gas, administrative and logistical bottlenecks.

Developing the company

With its global downstream presence, differentiated product portfolio and increasing innovation efforts, Yara intends to both promote and create profitable business opportunities from the needed increased emphasis on efficient fertilizer application. Yara aims to achieve this through downstream and upstream growth, technology and competence development.

FINANCIAL PROSPECTS

Capital management

Yara aims to maintain a long-term mid-investment grade rating level, i.e. BBB according to Standard & Poor's methodology and Baa2 according to Moody's methodology. This implies that the company should normally operate with a net debt below two times EBITDA, and that larger acquisitions would normally be accompanied by new equity issuance.

Investment intentions

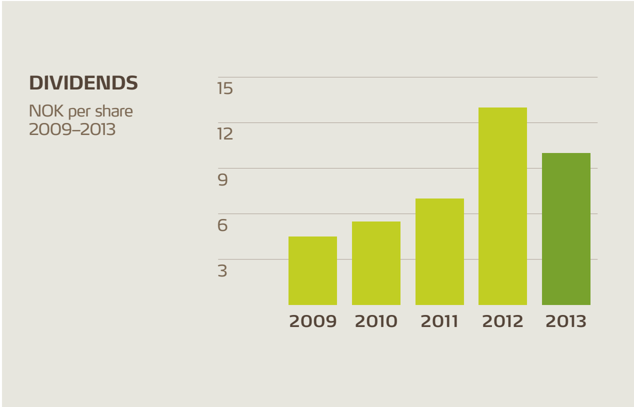
Yara's growth ambitions imply significant investments, through expansion of existing operations, new builds and acquisitions. The Board of Directors underlines that the focus on growth opportunities is combined with strict valuation and capital discipline, seeking opportunities where Yara has the best relative synergies, at the right time of the cycle.

Yara expects to invest a total of approximately NOK 13 billion during 2014. The investment level required to maintain current Yara production capacity and productivity is estimated to be approximately NOK 4 billion per year. Most of the remaining NOK 9 billion is linked to volume and/or margin growth predominantly within value-added product capacity and downstream activities:

- The OFD Holding Inc. acquisition, with expected completion in mid-2014, represents approximately NOK 3 billion including land investments
- NOK 2.5 billion is planned to be invested in brownfield plant expansions, smaller Downstream and Industrial acquisitions, ammonia ship investments and Downstream terminals and blending units
- A frame of NOK 1.4 billion is set aside for productivity and efficiency improvement projects in Yara's production plants
- An additional NOK 1.2 billion of maintenance investments are required in 2014 to further improve reliability and accommodate a higher than normal number of plant turnarounds
- The Yara Pilbara technical ammonium nitrate plant is scheduled for completion in 2015 with a total investment of USD 800 million, of which Yara's 45% share in 2014 is approximately NOK 800 million

Dividends and buy-backs

Yara's objective is to pay out an average 40-45% of net income in the form of dividends and share buy-backs. Within this objective, a minimum 30% of net income shall be paid in the form of dividends, while share buy-backs make up the balance and are deployed with greater flexibility.



Yara's Board will propose to the Annual General Meeting a dividend payment of NOK 10 per share for 2013, which represents 48% of net income after non-controlling interests, totaling a payment of NOK 2,771 million based on outstanding shares at the date this financial statement was authorized for issue. The above-target dividend is proposed to improve Yara's capital efficiency. Combined with the 2013 result for Yara International ASA and other effects, the proposed dividend results in a net reduction in equity of NOK 4,065 million.

In 2013 Yara paid out NOK 4,557 million in dividends and share buy-backs, representing approximately 43% of net income in 2013.

Yara executes share buy-back programs as an integral part of its shareholder policy. In 2013 Yara bought back and redeemed shares for a total of NOK 910 million. The Board intends to propose to the Annual General Meeting a new buy-back program along the lines of the existing one.

The Board of Directors of Yara International ASA
Oslo, 20 March 2014

Bernt Reitan
Chairperson

Hilde Merete Aasheim
Board member

Elisabeth Harstad
Board member

Geir Isaksen
Board member

Juha Rantanen
Board member

Rune Bratteberg
Board member

Guro Mauset
Board member

Geir O. Sundbø
Board member

Jørgen Ole Haslestad
President and CEO

Brazil *in the world*

Brazil has emerged as a global agricultural powerhouse by rapidly increasing its production. Long since self-sufficient, the country is a main exporter of several agricultural products.

Yara has been a partner to Brazilian agriculture since the 1970s, delivering crop nutrition. Sharing our crop knowledge, we also engage in agricultural research cooperation.

- *Brazil* is the world's sixth largest economy and the third biggest agricultural exporter – with the potential to increase its farmland and crop production. *Yara* is the world's leading provider of high-quality mineral fertilizer, and the main supplier of crop nutrition solutions to Brazil's agriculture.

#3

BRAZIL IS THE WORLD'S THIRD LARGEST AGRICULTURAL EXPORTER

#1

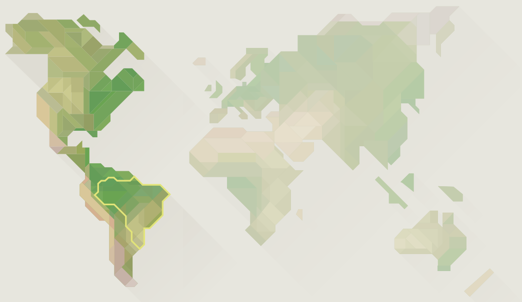
BRAZIL IS THE WORLD'S LARGEST PRODUCER OF COFFEE, SUGAR AND ORANGE JUICE CONCENTRATE

+40%

BRAZILIAN AGRICULTURE IS EXPECTED TO GROW BY 40 PERCENT BETWEEN 2010 AND 2019

15%

OF BRAZIL'S TOTAL EXPORTS ARE COMPRISED OF COFFEE BEANS, RAW SUGAR CANE AND SOYBEANS



▪ *Yara* delivers tailored crop nutrition solutions to all of Brazil's major crops, improving productivity and increasing profitability. *Brazil* has made great strides in agricultural research, which is a key to its success. Yara engages with Brazil's leading research institutions, within tropical agriculture.

≈300

MILLON HA

BRAZIL HAS BY FAR THE GREATEST RESERVE OF ARABLE LAND; ONLY 69 MILLION HA ARE BEING USED

40%

OF BRAZIL'S TOTAL EXPORTS DERIVE FROM AGRICULTURE

Section *02*

Governance *and risk management*

Core content

Board *of Directors*

2013

Name (year of birth)	**BERNT REITAN** (1948)	**ELISABETH HARSTAD** (1957)
Board roles:	Chairman of the Board since 2012, Chairman of the Compensation Committee	Member of the Board, Member of the Audit Committee
Elected by/year:	Shareholders, 2009	Shareholders, 2006
Position:	Retiree	EVP in DNV KEMA
Education:	M.Sc. in Civil Engineering	M.Sc. in Chemical Engineering
Experience:	Mr. Reitan was Executive Vice President (EVP) and member of Alcoa's Executive Council until he retired in 2010. Mr. Reitan had management responsibility for Alcoa's Global Primary Products Group and Alcoa's Materials Management (metal purchasing, trading and transportation). Prior to joining Alcoa, where he held several key management positions before being elected EVP in 2004, Mr. Reitan held a series of positions at Elkem ASA, Norway, including Corporate Management, 1988–2000, and Managing Director of Elkem Aluminum ANS from 1988.	Ms. Harstad has previously served as Managing Director of DNV Research & Innovation, Norway, 2006–2012 and COO of DNV Technology Services, 2002–2006. Prior to this, Ms. Harstad held several senior positions within DNV's oil, gas and process industry activities, 1993–2002.
Other assignments:	Member of the board Royal Caribbean Cruise Lines Ltd (RCCL); Co-Chair of the board of the American Scandinavian Foundation (ASF) in New York.	Member of the board of TGS-NOPEC.
Board meetings attendance:	9/9	9/9
Compensation Committee attendance:	6/6	-
Audit Committee attendance:	-	6/6
Shares owned at year-end 2013	12,000	0

Name (year of birth)	**GEIR ISAKSEN** (1954)	**GEIR O. SUNDBØ** (1963)
Board roles:	Member of the Board Member of the Compensation Committee	Member of the Board, Member of the Compensation Committee
Elected by/year:	Shareholders, 2013	Employees, 2010
Position:	CEO of Norwegian State Railways (NSB)	
Education:	Ph.D. in Agricultural Economics	Certified TQM supervisor
Experience:	Mr. Isaksen served as CEO of Cermaq ASA (previously Statkorn Holding ASA), 1995–2011, where he led the comprehensive restructuring and IPO of the company. Prior to this he was the Brussels representative of the Norwegian Farmers Association, 1993–1994; Trade Manager of AL Gartnerhallen, 1986–1993; Research Fellow of the Agricultural University of Norway (now NMBU), 1985–1986.	Mr. Sundbø has been a Yara (Hydro) employee since 1987. He has been actively engaged in union matters in the Porsgrunn plant since 1989. He is Chairman of the European Works Council (EWC) of Yara, Deputy Chairman of the local union chapter in Herøya Industripark Porsgrunn and union chairman of Yara Porsgrunn.
Other assignments:		Chairman of the audit committee of the National Trade Union of Industrial Energy since 2013; Member of the executive committee of the IndustriClusteret Grenland (ICG).
Board meetings attendance:	5/9 (joined May 2013)	9/9
Compensation Committee attendance:	1/6 (replacing Geir O. Sundbø)	5/6 (replaced by Geir Isaksen)
Audit Committee attendance:	-	-
Shares owned at year-end 2013	84	54

JUHA RANTANEN (1952)

Member of the Board,
Member of the Compensation Committee

Shareholders, 2012

Board professional

Master's degree in Economics; MBA

Mr. Rantanen served as CEO of Outokumpu Oyj, 2005–2011, leading a strategic realignment of the business and delivering significant operational improvements within the company. Prior to this Mr. Rantanen was CEO of A. Ahlstrom Corporation, 1998–2004. Mr. Rantanen served as CEO of Borealis A/S, 1994–1997, and held a number of leading positions in Neste Oyj, 1977–1993, serving as CFO during the last two years.

Vice-Chairman of the board of Stora Enso Oyj, Board Member of Onvest Oy

9/9

6/6

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100

HILDE MERETE AASHEIM (1958)

Member of the Board,
Chairperson of the Audit Committee

Shareholders, 2010

EVP Primary Metal, Hydro

Master's degree in Business Economics; accredited public accountant

Mrs. Aasheim joined Hydro in October 2005 as EVP for Leadership and Culture (human resources, health, environment, safety and corporate social responsibility). Mrs. Aasheim headed the integration process in the merger of Hydro's oil and gas activities with Statoil in 2007. Between 1986 and 2005 she held several senior positions in Elkem. Today she serves as EVP for Primary Metal in Hydro.

Member of the Board of Norsk Industri

9/9

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6/6

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RUNE BRATTEBERG (1960)

Member of the Board,
Member of the Audit Committee

Employees, 2012

Head of Chemical Compliance, Yara

Degree in Information Technology

Mr. Bratteberg has been a Yara/(Hydro) employee since 1986. He has held various IT and HESQ leadership positions within Hydro and Yara, serving as CIO, 2001–2009.

Bratteberg has been a member of the Chemical Industry Advisory Board to SAP AG 2004–2009, and Chairman of the Board at the Scandinavian School of Brussels 2009–2011.

9/9

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6/6

82

GURO MAUSET (1968)

Member of the Board

Employees, 2012

Group Coordinator, Yara Technology Center in Porsgrunn, Norway

M.Sc. in Chemical Engineering

Mrs. Mauset has been a Yara employee since 2009. She holds the position of Group Coordinator of the Process Technology and Support group in the Process Modeling and Control department at Yara Technology Center in Porsgrunn. Mrs. Mauset has been a board member of the Norwegian Society of Chartered Scientific and Academic Professionals (Tekna) in Yara since 2011.

8/9

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Executive *Management*

2013

Name (year of birth)	**JØRGEN OLE HASLESTAD** (1951)	**TORGEIR KVIDAL** (1965)
Position:	President and Chief Executive Officer	Chief Financial Officer
Time of appointment:	October 2008	May 2012
Employed:	2008 (Yara Board member 2004–08)	1991
Education:	M.Sc. in Mechanical Engineering	Master's degree in Economics and Business Administration
Experience:	Prior to joining Yara Mr. Haslestad held several senior management positions in Siemens AG, 1994–2008, most recently as CEO of the group's Industry Solutions Division, Germany. Before joining Siemens he served as Managing Director of Kongsberg Offshore AS, Norway, 1986–94; Project Engineer and Project Manager of the oil division, Kongsberg Vaapenfabrikk AS, Norway, 1980–86.	Mr. Kvidal has previously held several positions in the company. He served as Senior VP Head of Supply & Trade, 2011–2012; Head of Investor Relations, 2006–2011; CFO Industrial, 2005–2006; Head of Business Unit CO_2/Industrial Central Europe, 2000–05; VP Finance Hydrogas, 1997–1999; Corporate Controller Hydro Agri 1993–1997. He was employed by Hydro in 1991 as a trainee.
Shares owned at year-end 2013:	22,773	4,933

Name (year of birth)	**EGIL HOGNA** (1971)	**GERD LÖBBERT** (1957)
Position:	Senior VP and Head of Downstream	Senior VP and Head of Upstream
Time of appointment:	August 2009	December 2012
Employed:	1999	2012
Education:	M.Sc. in Industrial Management; MBA from INSEAD and the Harvard Business School AMP Program	Ph.D. in Chemistry
Experience:	Mr. Hogna has previously held several positions in the company. He served as Chief Financial Officer, 2008–09; Business Unit Manager South Europe/Mediterranean, 2007–08; SVP Business Intelligence, 2006–07; VP Investor Relations, 2004–06; VP of Hydro Aluminum Metal Products (responsible for Supply Chain & Performance Management), 2001–03; Corporate Controller Hydro Agri 1999–2001. Before joining Norsk Hydro Mr. Hogna was a consultant with McKinsey, 1994–99.	Dr. Löbbert served as EVP for Polyolefins in the Vienna-based Borealis Group, 2010–2011. He also held several managerial positions in the BASF Group, including Group Vice President, 2002–2009.
Shares owned at year-end 2013:	12,937	2,535

YVES BONTE (1961)

Senior VP and Head of Industrial

January 2010

2010

M.Sc in Civil Engineering; post-graduate degree in Business Management

Mr. Bonte worked for 17 years for the chemical company LyondellBasell and its predecessors, serving as Senior VP Polypropylene Business based in Germany and the Netherlands, 2007–09; Senior VP Sales & Marketing for Asia, Middle East/Africa and Latin America based in Hong Kong, 2002–06; Head of Strategic Marketing, 2000–01; several marketing, supply chain and manufacturing positions, 1992–99. Prior to this he worked five years for Exxon Chemical in Brussels.

6,796

ALVIN ROSVOLL (1957)

Head of Supply & Trade

June 2012

1981

M.Sc. in Chemical Engineering

Mr. Rosvoll has held several positions in the company, including Business Unit Manager North and East Europe, Commercial Director in the Downstream Segment, Deputy President Yara Industrial Gases. Prior to this, he held a number of commercial and management positions after joining the company in 1981.

3,890

BENTE G. H. SLAATTEN (1958)

Senior VP and Chief Communications and Branding Officer

October 2009

2008

Master's degree in Business Administration; Bachelor's degree in Nursing; degree in Business Administration

Mrs. Slaatten served as VP Corporate Communications, 2008–2009. Prior to joining Yara she was President of the Norwegian Nurses Organization, 1998–2007, and its Chief Negotiator and Director of the Department of Negotiation, 1995–98. Between 1984–95 she held various positions within the Norwegian Association of Local and Regional Authorities.

3,662

ELIN TVEDT (1961)

Senior VP Chief Human Resource Officer (acting)

January 2014

2010

Bachelor's degree in Finance and Economy

Mrs. Tvedt has served as acting Chief HR Officer since 1 Jan 2014. Prior to this she served as Head of Global HR Services, 2010–2013. Before joining Yara Mrs. Tvedt served as Manager Business Partnering in Aibel AS, 2008–2010. She also held various HR positions in Odfjell SE during a total of 20 years. She has worked both globally and locally within all HR areas.

1,302

TRYGVE FAKSVAAG (1966)

Senior VP Chief Legal Officer

May 2008

1996

Law degree from University of Oslo

Mr. Faksvaag has held several positions in the company. He served as Managing Director of Yara Switzerland Ltd., 2006–08; VP and general counsel of Yara North America, Inc., 2004–06; legal counsel and VP of Norsk Hydro Americas, Inc., 2001–03. Mr. Faksvaag joined Yara in 1996 from the Norwegian law firm Wikborg, Rein & Co.

6,432

Corporate *governance*

2013

PROACTIVE AND TRANSPARENT corporate governance is crucial for aligning the interests of shareholders, management, employees and other stakeholders. Yara's Board of Directors believes that good corporate governance drives sustainable business conduct and long-term value creation.

Yara's Board of Directors promotes and supports open and clear communication of the company's key governance and decision processes. Yara has chosen to comply with the Norwegian Code of Practice for Corporate Governance, last updated 23 October 2012. The Code contains stricter requirements than mandated by Norwegian law.

Yara's compliance with the Code is detailed in this report and section numbers refer to the Code's articles.

1. Implementation and reporting of corporate governance / *Compliant*

Yara complies with the recommendations of the Norwegian Code of Practice for Corporate Governance. Yara believes good corporate governance drives value creation and promotes sustainable business conduct. Yara is committed to transparency and accountability, with adherence to international agreements and national legislation where it operates.

» yara.com / Vision and strategy
» yara.com / Corporate governance
» yara.com / Sustainability commitment and policy

2. Business / *Compliant*

Yara is a company that focuses on the production, distribution and sale of nitrogen chemicals. The scope of Yara's business is defined in its Articles of Association, published in full at the company's website. Yara's objectives and strategies are presented in the Report of the Board of Directors.

» yara.com / Articles of assosiation
» Report of the Board of Directors / PAGE *8*
» Management discussion & analysis / PAGE *16*

3. Equity and dividends / *Compliant*

Yara's strong balance sheet is closely linked to the company's overall strategy, goals and risk position. The Yara dividend policy aims to provide predictability of the relative dividend payment level, while also delivering shareholder value through profitable growth investments.

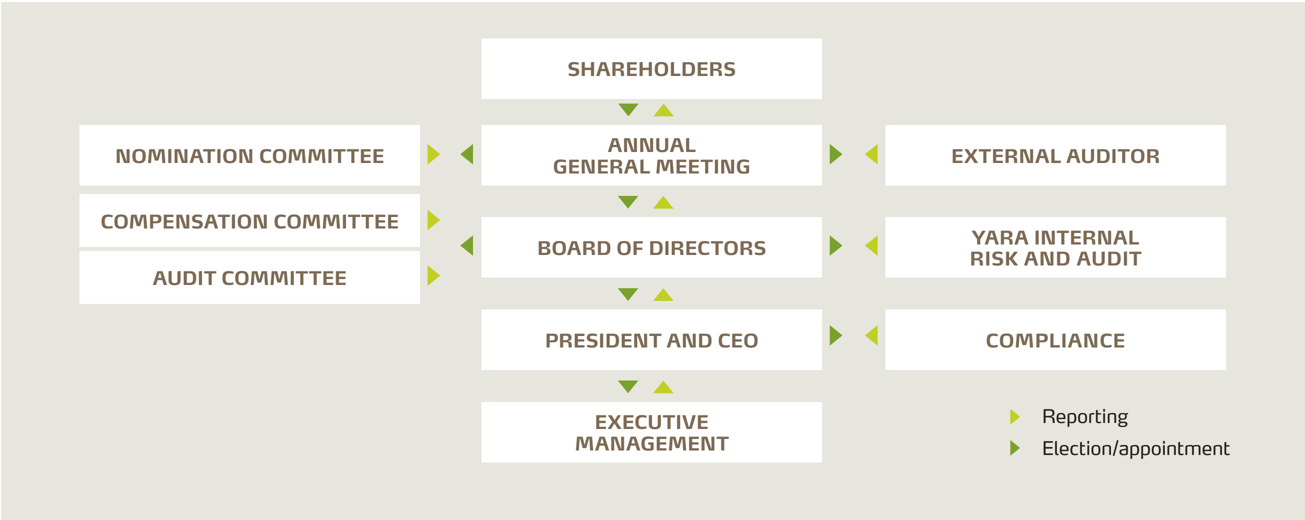
New equity will only be issued in connection with concrete step growth opportunities. No general mandate is granted to the Board of Directors to increase the company's share capital.

Yara's objective is to pay out 40-45% of net income in the form of dividends and share buybacks. Within this objective, a minimum 30% of net income shall be paid in the form of dividends, while share buy-backs make up the balance and are deployed with greater flexibility.

Yara executes share buy-back programs as an integral part of its shareholder policy. Every year since the company's IPO, Yara's Board has secured an authorization from the Annual General Meeting to buy back up to 5% of total shares in the company during the next year, for subsequent cancellation. A precondition for each annual program is that an agreement is entered into with the Norwegian State where the State commits to sell a proportional share of its holdings to leave the State's ownership (36.21%) unchanged. The mandates granted to the Board of Directors for the company to purchase its own shares are limited in time to the date of the next Annual General Meeting.

» Report of the Board of Directors / PAGE *8*
» The Yara Share / PAGE *65*

YARA CORPORATE GOVERNANCE STRUCTURE



4. Equal treatment of shareholders and transactions with close associates / *Compliant*

All Yara shareholders have equal rights and the company has one class of shares. Transactions involving the company's own shares, such as the share buy-back program, are normally executed via the stock exchange, or at prevailing stock exchange prices if carried out in any other way. Shares redeemed from the Norwegian State are also priced at market value.

In 2013 there were no significant transactions between the company and closely related parties, except for ordinary commercial transactions with subsidiaries and non-consolidated investees.

In addition to the mandatory regulations in the Norwegian Public Limited Companies Act (§§ 3–8 and 3–9), Yara uses IFRS rules to define related parties. The members of the Board of Directors and Management are required to disclose all entities that would be considered to be "related parties" under applicable laws and regulations. Transactions with such entities are subject to specific disclosure and approval requirements.

» Note 32 to the consolidated financial statements "Related parties" / PAGE *125*

5. Freely negotiable shares / *Compliant*

The company places no restrictions on the transferability of shares. There are no restrictions on the purchase or sale of shares by directors and executives, as long as insider regulations are adhered to. Certain management compensation programs, including the Yara Long-Term Incentive scheme, mandate the use of a portion of the funds received by management for the purchase of Yara shares and restrict the sale of such shares for varying periods following such purchase.

» Note 6 to the consolidated financial statements "Stock-based compensation" / PAGE *94*
» Note 32 to the consolidated financial statements "Related parties" / PAGE *125*

6. General meetings / *Compliant*

In accordance with Yara's Articles of Association and Norwegian corporate law, the Yara Annual General Meeting ranks at the top of the corporate governance structure. Yara's Articles of Association require the Annual General Meeting to be held every year before the end of June.

The annual meeting of shareholders elects the Nomination Committee and shareholders' representatives to the Board of Directors, and approves the annual accounts, the report of the Board of Directors and any proposed dividend payment. In accordance with Norwegian legislation, shareholders consider and vote on the appointment of the external auditor based on the Board's proposal and approve the remuneration to be paid to the external auditor.

The Chairperson of the Board, the CEO and CFO are present at the Annual General Meeting, along with the Nomination Committee and the Company Auditor. An independent, qualified person chairs the meeting. The protocol of the Annual General Meeting is published on the Yara website.

All shareholders are entitled to submit items to the Annual General Meeting agenda, to meet, speak and vote. In accordance with Norwegian corporate law, shareholders registered in the Norwegian Central Securities Depository (Verdipapirsentralen) can vote in person or by proxy on each agenda item and candidate put forward in the Annual General Meeting. Shareholders or their authorized representatives must be present in order to vote, and votes can be given only for shares registered in the owner's name.

Notice of the meeting and relevant documents, including the proposal of the Nomination Committee, are made available on Yara's website no later than three weeks in advance of the meeting. Notice of the meeting is sent to all shareholders individually, or to their depository banks, at least three weeks in advance of the meeting. The notice of meeting includes information regarding shareholders' rights and guidelines for registering and voting at the meeting.

» yara.com / Corporate governance / General meetings
» The Yara share / PAGE *65*

7. Nomination Committee / *Compliant*

Yara's Articles of Association state that the company shall have a Nomination Committee consisting of four members elected by the Annual General Meeting, and that the Annual General Meeting approves the procedure for the Nomination Committee. The Nomination Committee nominates the shareholders' representatives to the Board of Directors, including presenting relevant information about the candidates and an evaluation of their independence, and proposes the remuneration of the Directors to the Annual General Meeting. Members of the committee are elected for two-year terms. The Nomination Committee in Yara International ASA consists of the following members, all of whom are independent of the Board and Management:

- Eva Lystad, chair
- Thorunn Kathrine Bakke
- Anne Carine Tanum
- Ann Kristin Brautaset

In 2013 the Nomination Committee held 12 meetings. The members of the Nomination Committee received remuneration in 2013 of NOK 5,100 per meeting prior to the Annual General Meeting and thereafter NOK 5,300 per meeting.

» yara.com / Nomination Committee procedure

8. Corporate assembly and Board of Directors: Composition and independence / *Compliant*

In accordance with an agreement between Yara and its employees, Yara does not have a corporate assembly. Yara believes this supports more direct communication between shareholders and management, increases accountability and improves the speed and quality of decision making in the company.

Yara's Board of Directors normally consists of eight members, with five shareholder-elected Board members including the chairperson elected for two-year terms by the Annual General Meeting. The remaining three Board members are employee-elected, typically for two-year terms.

The shareholder-elected members of the Board are independent of the company's management, main shareholders and material business contracts. The same is valid for the employee representative Board members, other than their employee contracts. Three of the Directors are women.

» yara.com / Corporate governance
» Board of Directors / PAGE *8*
» Note 32 to the consolidated financial statements "Related parties" / PAGE *125*

9. The work of the Board of Directors / *Compliant*

The Board's work follows an annual plan, and it conducts an annual self-evaluation of its performance and expertise, which is presented to the Nomination Committee.

The Board has established written instructions for its work and the work of the Audit Committee, Compensation Committee and Executive Management.

In 2013 the Board of Directors held 9 meetings. Board members Geir Isaksen and Guro Mauset were each absent from one meeting, while the remaining members attended all Board meetings in 2013.

In the case of the Chairperson's absence, the Board elects a Board member to chair the meeting. If the chairman of the Board is, or has been, personally involved in matters of material significance to the Company, the Board's review of such matters will be chaired by another member of the Board.

All shareholder-elected Board members are independent of the Management and the main shareholders. Neither the President and CEO, nor any other member of the Executive Management, is a Director of the Board.

Compensation Committee
Yara's Compensation Committee reviews the performance of, and proposes terms and compensation for, the CEO to the Board of Directors. The committee also reviews and proposes guidelines for executive remuneration and material employment matters. The Compensation Committee consists of three members elected by the Board, from its own members. In September 2013, the Board replaced Geir Sundbø with Geir Isaksen in the Compensation Committee, against the employee-elected board members' votes. The reason for the change was that the employee-elected board members are not considered independent of, nor regarded as not affiliated with, the executive management. The Compensation Committee held 6 meetings in 2013.

Audit Committee
Yara's Audit Committee assists the Board of Directors in assessing the integrity of the company's financial statements, financial reporting processes and internal controls, risk management and performance of the external auditor. The Audit Committee further evaluates plans and internal audits performed by the Internal Risk and Audit department within the areas of financial reporting and control. The Committee conducts an annual self-evaluation according to its mandate. Yara's Audit Committee consists of three members of the Board, of whom two are independent of the company. The Chairperson of the Audit Committee is not the Chairperson of the Board. The Audit Committee held 6 meetings in 2013.

The Yara Internal Risk and Audit function assists Yara Executive Management and the Board of Directors with a systematic, disciplined approach to evaluating governance, risk management and internal control.

10. Risk management / *Compliant*

Yara's risk management and internal control activities are integrated with the corporate strategy and business planning processes, based on the principle that risk evaluation is an integral part of all business activities. While risk management is a centrally governed process, the responsibility for day-to-day risk management activities is placed with the business segments and expert organizations.

The Yara Board of Directors and Executive Management have during 2013 jointly been engaged in reevaluating and defining risk appetite across key operational and strategic dimensions. The main objective for a more systematic and comprehensive assessment of risk appetite is to align boundaries for risk which will guide efficient resource allocation. Defining risk appetite is also a prerequisite for setting optimal risk tolerance with supporting controls.

The Board believes that expressing Yara's risk appetite within important areas of its business activity helps to convey to investors, customers and society at large how the company approaches and evaluates risk.

The Board carries out separate annual reviews of the company's most important risk exposures and internal control systems.

The Audit Committee performs ongoing evaluations of risk and control related to financial reporting. Yara Internal Risk and Audit supports Yara Management and the Board of Directors in terms of evaluating the effectiveness and efficiency of internal controls and gives an independent view on risk management.

Yara Internal Risk and Audit performs independent audits both at subsidiary and group level, as well as audits and reviews of specialist functions involved in business operations, financial reporting and risk management. The Chief Internal Risk and Audit Executive reports functionally to the Board of Directors and administratively to the Chief Financial Officer. Yara Internal Risk and Audit has no direct operational responsibility or authority over any of the activities it reviews. The unit has unrestricted access to all functions, records, physical properties, and personnel relevant to the performance of its tasks. It also has full and free access to Yara Executive Management, the Board of Directors and the Audit Committee.

The external auditor provides a description of the main elements in the audit, including opinions on Yara internal control related to the Financial Reporting process, to the Audit Committee.

Yara has adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) integrated framework for internal control. The five framework components are: control environment, risk assessment, control activities, information and communication, and monitoring. The content of the different elements are described below.

Control Environment
Yara's corporate social responsibility policy and Code of Conduct are integrated in its risk management and internal control systems, through global employee training programs, and an Integrity Due Diligence process which covers both existing business partners and forward-looking business development activities.

Yara's Steering System is one of the pillars of Yara's internal control system. It aims to ensure that all Yara employees act in a consistent manner and in line with quality standards and business needs. All Yara employees are encouraged to raise questions or issues about such matters with line management and through alternative channels, including a whistle-blowing system.

Risk Assessment
The Corporate Risk Management unit is the key facilitator of the internal risk management system and shall assist management with implementing and maintaining an appropriate risk management framework to support identification, analysis, management and reporting of all types of risk. The unit further coordinates risk management activities within Yara and consolidates reporting on risks.

Control Activities
Yara's Group Accounting is responsible for the preparation of the Financial Statement and to ensure that the Financial Statement is reported according to applicable laws and regulations and in accordance with adopted accounting policies.

The Controller function is responsible for the Board of Directors and Management reporting as well as planning and coordinating the business plan process.

The Internal Control function regulates the governance structure for Internal Control over Financial Reporting (ICFR) as well as manages and controls the systematic risk related to financial reporting.

The Audit Committee performs reviews of the quarterly and annual financial statements with special focus on transaction types, which includes judgments, estimates or issues with major impact on the Financial Statement. The internal and external auditors participate in these meetings. In additional to the quarterly and annual reporting, the Board of Directors receives pre-quarterly reporting per segment, business unit and product area.

Information and communication
The Steering System provides all employees with an overview of the prevailing corporate policies and procedures. Yara's Accounting Manual describes corporate accounting policies and is continuously updated and revised for any changes related to IFRS and Yara's Accounting Policies.

Monitoring
All bodies and functions described above monitor and and perform judgments for any need of corrective actions related to financial and operational risk within their area of responsibility.

» Risk management / PAGE *28*
» yara.com / Corporate social responsibility policy and Code of Conduct
» yara.com / Ethics handbook

11. Remuneration of the Board of Directors / *Compliant*

The remuneration of the Board of Directors is proposed by the Nomination Committee and approved by the Annual General Meeting, and is not linked to the company's performance. Board members are not granted share options, and shareholder-elected Board members do not have specific assignments for the company in addition to their duties as Board members.

In 2013 the Chairperson of the Board of Directors received a fixed compensation of NOK 463,000 per annum prior to the Annual General meeting, increasing to NOK 482,000 per annum thereafter. The other Board members received NOK 266,000 per annum prior to the Annual General Meeting and NOK 277,000 per annum thereafter. Board members resident outside Scandinavia received a meeting allowance of NOK 10,000 per meeting prior to the Annual General Meeting and NOK 10,400 per meeting thereafter.

The Chairperson of the Audit Committee received a fixed compensation in 2012 of NOK 97,000 per annum prior to the Annual General Meeting, increasing to NOK 123,500 per annum thereafter. The other Audit Committee members received NOK 80,000 per annum prior to the Annual General Meeting and NOK 83,000 per annum thereafter. Members of the Compensation Committee received NOK 6,200 per meeting prior to the Annual General Meeting and NOK 6,400 per meeting thereafter.

The actual compensation to Board members in 2013 is disclosed in note 32 in the consolidated financial statements.

» Note 32 to the consolidated financial statements "Related parties" / PAGE *125*

12. Remuneration of executive personnel / *Compliant*

The Board of Directors determines the remuneration of the President and CEO based on a proposal from the Compensation Committee and approves the general terms of the company's incentive plans for Executive Management and other key employees. The President and CEO determines the compensation to other members of Yara's Executive Management.

The Board of Directors prepares guidelines for the remuneration of executive personnel being communicated to the Annual General Meeting. The guidelines to be presented at the Annual General Meeting 5 May 2014 are disclosed in note 32 in the consolidated financial statements.

In accordance with the Norwegian Public Limited Companies Act § 6-16 a, the Board of Directors prepares a separate statement related to the determination of salary and other benefits for Executive Management. The statement will be presented for the Annual General Meeting for voting. The guidelines for the coming accounting year are unchanged from the previous year and the remuneration to Executive Management has been in accordance with these guidelines.

Yara's policy concerning remuneration of the CEO and other members of Yara's Executive Management is to provide remuneration opportunities which:

- Are competitive to recruit and retain executives
- Reward the executives' performance, measured as their contribution to the overall success of Yara
- Support the creation of sustainable shareholder value

Yara's remuneration of the Executive Management group consists of the following elements: Base pay, an annual incentive bonus, a retirement plan, death and disability coverage and other components such as car, phone expenses, etc. In addition, executives on expatriate contracts have various other costs covered by the company. The annual salary adjustment for employees in Yara International ASA and Norwegian subsidiaries forms the basis for the Yara Executive Management salary development. Members of Yara Executive Management do not receive separate remuneration for board membership in Yara subsidiaries.

The annual incentive bonus represents performance-driven variable compensation components based on financial and non-financial performance, such as profitability and HES (Health, Environment and Safety) results, at company and/or segment level. The specific performance components vary by unit and position and are set individually on an annual basis. The annual incentive bonus is not linked to the Yara share price, but is conditional on Yara's CROGI (cash return on gross investment). The CROGI range for 2013 was from 7%, with progressively higher payout levels up to a maximum level when CROGI exceeds 17%. The maximum pay-out shall not exceed 50% of annual base salary.

For the 2014 annual incentive bonus the CEO has the following variable compensation components which are equally weighted, subject to the Yara CROGI performance:

- Safety
- Sales volume
- Ethics and compliance, growth initiatives, innovation and overall performance

To increase the alignment between Executive and Shareholder interests and to ensure retention of key talent in the company, a Long Term Incentive plan has been approved by the Board. This program provides a fixed cash amount to eligible executives, who are required to invest the net amount after tax in Yara shares within a period of one month after grant. The acquired shares are locked in for a period of three years after the purchase. After this period executives are free to keep or sell the shares at their discretion. The annual amount granted under the Long Term Incentive plan is not linked to Yara's financial results, and shall not exceed 30% of annual base salary. The amount granted is linked to individual position and is determined annually by the CEO.

All new pension plans in Yara shall be Defined Contribution plans. All Executives on Norwegian employment contracts are part of the defined contribution retirement plan. The normal retirement age for employees in Yara International ASA and Norwegian subsidiaries is 67 with the option for early retirement from the age of 62.

For information on salary and other benefits earned in 2013 see note 32 in the consolidated financial statements. For additional information about existing pension plans see note 22 in the consolidated financial statements.

» Note 32 to the consolidated financial statements "Related parties" / PAGE *125*

13. Information and communication / *Compliant*

Communication with the financial markets is based on the principles of openness and equal treatment of all shareholders. Yara's website (www.yara.com) contains an updated financial calendar, financial reports and other investor-related information. Yara's Board of Directors receives regular updates from the Executive Management detailing the manner in which the company is perceived by the financial markets.

Yara has received several awards for its investor communication and financial reporting.

» yara.com / Investor relations

14. Take-overs / *Compliant*

The Board of Directors will not seek to hinder or obstruct take-over bids. The Board will ensure that shareholders are given sufficient information and time to form an opinion on an offer. If a take-over offer is made, the Board will issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board will arrange a valuation from an independent expert that shall be made public no later than the disclosure of the Board's recommendation.

The Norwegian Securities Act regulates takeover attempts. Shareholders at the Annual General Meeting will, according to law, make the decision on any potential take-over bid.

15. External audit / *Compliant*

The external auditor shall provide to the Audit Committee a description of the main elements of the audit of the preceding financial year, including in particular any material weaknesses uncovered related to internal controls of the financial reporting process. The external auditor shall also:

- annually confirm its independence
- disclose any services besides statutory audit services which have been provided to the company during the financial year
- disclose any threats to its independence and document measures taken to mitigate such threats

The external auditor participates in the meetings of the Audit Committee and in the Board meeting that approves financial statements.

In addition, the external auditor meets with the Board, without Yara Executive Management being present, at least once per year. Norwegian laws and regulations stipulate the type of non-audit services that external auditors can perform for Yara. Remuneration to Yara's external auditor is disclosed in note 33 to the consolidated financial statements.

The Board of Directors of Yara International ASA
Oslo, 20 March 2014

Bernt Reitan
Chairperson

Hilde Merete Aasheim
Board member

Elisabeth Harstad
Board member

Geir Isaksen
Board member

Juha Rantanen
Board member

Rune Bratteberg
Board member

Guro Mauset
Board member

Geir O. Sundbø
Board member

Jørgen Ole Haslestad
President and CEO

Risk *management*

YARA IS COMMITTED to proactive and effective risk management to mitigate adverse effects on our operations and to identify and explore business opportunities. Ultimately, risk management contributes to achieving our long-term strategies and short-term goals.

Yara's risk management system aims to identify, assess and manage risk factors that could affect the performance of any parts of the company's operation. To this end, we have implemented a continuous and systematic process to mitigate potential damages and losses, and to capitalize on business opportunities.

RISK RESPONSIBILITIES

Yara's Board of Directors is responsible for defining risk appetite for all main risk categories relevant to the company. The Board oversees the risk management process and carries out annual reviews of the company's most important risk categories and internal control arrangements.

Yara's Executive Management is responsible for operationalizing the defined risk appetite by maintaining an enterprise-wide system for risk management. The Executive Management performs risk assessments and actively monitors the development of top risks and initiates actions accordingly. Risk assessments performed by the operating segments and expert organizations are reviewed periodically.

While risk management is a centrally controlled process, risk evaluation is an integral part of all our business activities. The operating segments and expert organizations are the risk owners and regularly perform risk assessments based on established procedures to identify, assess and manage the risks that affect their business and analyze how these risks influence performance.

The corporate Risk Management function resides within Yara's controlling unit reporting to the Chief Financial Officer.

FRAMEWORK AND PROCEDURES

Yara has implemented a framework with clear policies and procedures to facilitate risk management across the organization. This creates a stable environment within which we can deliver on our strategic and operational objectives, and systematically identify and capture business opportunities.

Our framework is inspired by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM framework and the ISO 31000 risk management standard as the best practice benchmarks for assessing the soundness, efficiency and effectiveness of our risk management.

The materiality of different risk factors is determined by developing individual risk profiles assessing the likelihood and consequence of each risk. In this appraisal, a combination of qualitative and quantitative risk assessment techniques is deployed. Each risk is evaluated to determine whether the level is acceptable or unacceptable and to prioritize those that have the greatest potential impact on our performance. We also monitor the total risk exposure within each of our main risk categories.

We implement mitigating strategies and operational controls to ensure that each risk is optimally managed. Risk mitigation plans are based on evaluations of the cost of control and potential impacts relative to the benefits of reducing the risk. Our operating segments and expert organizations are responsible for making business continuity planning part of their key risk management activities and preparing contingency plans for high-impact, low-likelihood risks.

Once primary risks are managed, we continually monitor residual risks to ensure that they remain at an acceptable level and that events are properly addressed and managed. The risk profile is reviewed and updated at least annually, with more frequent updates if new opportunities or risks are identified. The risk mitigation plan is reviewed and updated on a quarterly basis to reflect the current status of risks and action plans, and is communicated to the Executive Management during quarterly business review meetings.

Risk *appetite*

Risk appetite is broadly defined as the level of risk an entity deems acceptable in the pursuit of overall goals. Responsibility for defining Yara's risk appetite rests with Yara's Board of Directors. In 2013 the Board and the Executive Management jointly evaluated and defined risk appetite across key operational and strategic dimensions, arriving at a set of practical guidance statements on key risks. These risk appetite statements set boundaries for strategic initiatives, guide resource allocation and aid in decision-making within the company. Furthermore, they convey the way we approach and evaluate risk to our investors, customers and society at large.

HEALTH AND SAFETY
We aim to minimize the exposure of workers and contractors to conditions that could negatively affect their health and safety. Securing safe and healthy working conditions is our highest priority.

ETHICS AND COMPLIANCE
We are committed to upholding high standards for ethical conduct across the organization in relation to business partners, investors, regulatory authorities and society at large. We have zero tolerance for unethical behavior and violation of our Code of Conduct.

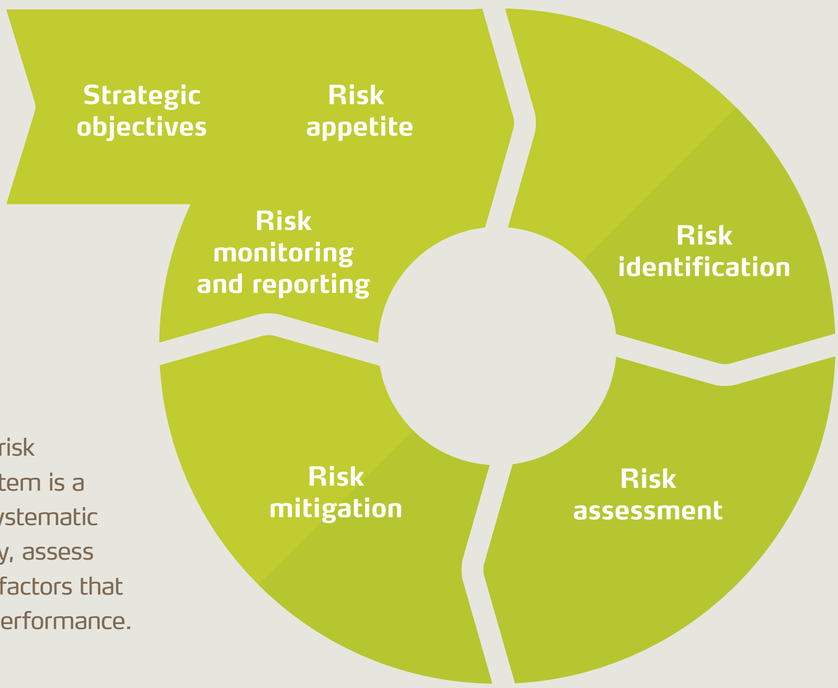
GOVERNANCE
We are dedicated to maintaining an effective and efficient governance structure with appropriate control of key risks and have a low risk appetite for entering into joint ventures without adequate control.

GROWTH
We believe in profitable risk taking, in terms of pursuing investments and operations in selected growth markets given a sound understanding and mitigation of controllable risk.

FINANCE
We have a low risk appetite for risk of a downgrade to below mid-investment grade. We believe a solid financial base is the foundation for pursuit of sound growth opportunities. We have a low risk appetite for exposure related to financial risk not derived from the underlying business.

PRODUCT PRICES
We optimize our business model by accepting exposure to volatility in international energy and market prices for own produced products. We have a lower risk appetite for open positions on third party products (TPP).

ENERGY
Securing access to and stable supplies of favorably priced natural gas is imperative to our operations and competitiveness. In regions with a competitive gas market, we will have a risk appetite for spot gas contracts, while we generally seek to secure gas supply through long-term contracts in regions with a less competitive gas market.



Yara's structured risk management system is a continuous and systematic process to identify, assess and mitigate risk factors that could affect our performance.

Risk *factors*

YARA IS EXPOSED to a number of strategic, operational, financial, hazard and compliance risks that could have an adverse material effect on the company's business, reputation, operating results or financial condition. Several inherent business risks also represent business opportunities, underlining the need for systematic risk management of our operational and financial performance.

The Executive Management currently considers the following risk areas and factors to be the most relevant to Yara's business:

Strategic *risks*

Yara's business is closely interlinked with the major global challenges of resource scarcity, food insecurity and global warming. Execution of our strategy for sustainable, profitable growth depends on our ability to manage strategically important risk and opportunities relevant to our industry and arising from our business environment.

FERTILIZER PRICES

FACTOR
A large part of our business consists of sales of fertilizer products used in agriculture. While a growing world population, economic growth and changing dietary patterns are driving overall demand for food and fertilizer, swings in agricultural prices along with changes in global and regional fertilizer production capacity could significantly impact our profitability.

MITIGATION
Yara's business model, with a mix of own produced (OPP) and third party products (TPP) marketed by our global downstream organization, offers flexibility to adjust to supply and demand fluctuations. We increasingly focus on expanding sales of differentiated products where pricing and demand will be less volatile. Yara also conducts global optimization with risk reduction in mind, e.g. prioritizing a global presence, counter-seasonality and market flexibility in addition to short-term profitability.

RAW MATERIALS

FACTOR
Yara relies on third parties for a range of raw materials for fertilizer production, not least phosphate and potash. We are vulnerable to terminations, material change or failure of delivery in these arrangements. Potash operations are not vertically integrated, which represents a risk for the NPK business at times when potash prices are high.

MITIGATION
With respect to raw materials, as the world's third biggest buyer of phosphate and potash we benefit from scale advantages in sourcing. By upgrading our NPK plants and adding diversified sourcing capabilities, we have increased our flexibility and reduced dependence on phosphate imports from third parties. To further reduce our phosphate dependency, we aim for long-term relationships with a wide network of suppliers, work continuously to optimize the phosphate balance, and aim to strengthen the company's degree of self-sufficiency in P and K through our mining organization.

GAS PRICES

FACTOR
Due to natural gas being a key raw material in the production of nitrogen-based chemicals and fertilizer products, the pricing and availability of natural gas across regions is a strategic factor to Yara. Securing access to and stable supplies of favorably priced natural gas is imperative to our operations and competitiveness.

MITIGATION
Yara's risk exposure towards energy sourcing is minimized through global purchasing activities, based on our energy strategy. Executing this strategy, we are continuously monitoring options for additional and alternative sources of favorably priced natural gas in existing and new areas of production. In recent years we have switched a significant percentage of our European gas sourcing from oil-linked to hub-based contracts, and we are well positioned to cover the risk of spot exposure. We have the operational flexibility to reduce gas purchases and import ammonia for fertilizer production if gas prices peak, and we benefit from a natural hedge in the high correlation between nitrogen fertilizer prices and global energy prices.

» STRATEGIC RISKS CONTINUED

CLIMATE CHANGE

FACTOR
Climate change is affecting growers in most parts of the world, threatening farm productivity and profitability, and potentially leading to fluctuations in demand that could impact adversely on Yara. At the same time, climate change offers business opportunities for companies able to adapt to new realities.

MITIGATION
Yara develops solutions for reducing greenhouse gas emissions from agriculture. These include low-carbon nitrate fertilizer and solutions to increase productivity on existing farmland, thereby reducing the need for land use change. We invest in solutions for water-scarce agriculture and increased nutrient use efficiency, and our global network of agronomists assist growers in overcoming local challenges. On the global level we engage in multilateral processes setting and shaping the global agenda, especially related to the food–climate–water–energy nexus.

INVESTMENTS AND INTEGRATION

FACTOR
Yara has an ambition to grow profitably, both organically and through step growth initiatives. The profitability of future growth initiatives relies on long-term price assumptions and future operational performance. Integration of new companies poses a risk of not being able to capture operational and financial synergies.

MITIGATION
Yara has a well-defined capital value process for project identification, feasibility and verification at specific decision gates. A comprehensive, annual Strategy Development Process has been created. This includes key knowledge updates, such as energy and global pricing, as well as strategic assessments of specific opportunities or concerns. Integration of new businesses is managed and monitored based on accumulated learning from several large, successful business integrations completed during recent years.

Operational *risks*

We put substantial resources and efforts into minimizing potential risk of loss from inadequate or failed internal processes, people and systems, or from external events. We do so through preventative controls and indicators. Our focus is on managing the causes and mitigating their potential impacts through detective controls and actions.

HEALTH AND SAFETY

FACTOR
Every step of our value chain, from the sourcing of products and raw materials, through production, to storage and transportation has associated risks that could negatively impact the health and safety of our employees and contractors. Despite our commitment to make safety our priority, our operations and production facilities are exposed to undesired incidents.

MITIGATION
Yara has a strong health and safety track record based on a number of programs and activities to mitigate risks in our operations and protect employees, contractors and third parties from harm. In 2013 we launched the company-wide, culture-shaping Safe by Choice initiative to train and encourage staff to always act and react in accordance with the best safety standards. Training and reinforcement of strict safety guidelines promotes risk awareness on the job and in private life.

PRODUCTION RELIABILITY

FACTOR
Production unreliability and irregularities may result in lost volumes and contribution. Increased plant reliability, however, is a key driver of organic growth in our production system.

MITIGATION
We actively seek to increase plant reliability and minimize irregularities by developing and implementing company-wide technical and operational standards along with best practices for maintenance and turnarounds, and through continuous investments in process safety. Specific critical equipment design and operations are given special attention. Employees undergo extensive training and risk awareness programs, and process safety and efficiency are subject to frequent and regular audits.

HUMAN CAPITAL

FACTOR
Yara's ability to compete effectively and meet market demands depends heavily on the competence, experience and performance of its employees. Qualified, diverse and skilled staff is essential for Yara's business to be successful.

MITIGATION
People management in Yara is geared towards optimizing workforce performance, attracting and developing talents and building a highly valued work culture in which employees have the possibility to develop their potential. We look to nurture an innovation culture that encourages the search for future growth opportunities to drive business development. Facing an increasingly competitive talent market, particularly in more remote locations, we have strengthened our employee value proposition to further improve our employer branding.

» OPERATIONAL RISKS CONTINUED

SUPPLY CHAIN

FACTOR
We face internal and external risks, both upstream and downstream in the supply chain. Bottlenecks and inefficiencies in the planning, procurement, transport, handling or delivery of products may affect our ability to honor our commitments and could negatively impact our performance.

MITIGATION
Internal supply chain risks are within our direct control and provide better opportunities for mitigation than external. Contingency plans to meet unexpected events are in place. In 2013 we continued the Supply Chain Project, targeting a new company-wide supply chain model that streamlines processes and systems to strengthen our competitive edge.

PRICE RISK ON INVENTORY

FACTOR
We operate in an industry with price cyclicality on finished products and raw materials. With increasing volumes this could impact negatively on our cost, particularly in times of high and volatile prices.

MITIGATION
The risk is primarily mitigated by flexibility on sourcing of TPP as well as proactive global optimization following up and challenging markets with high stocks. TPP exposure limits and follow-up have been established for the most TPP intensive countries.

Financial *risks*

Due to its global operation Yara is exposed to various financial risks. Yara has in place, and is constantly developing, comprehensive policies, procedures and tools to manage these risks. In some cases Yara may utilize derivative instruments, such as forwards, options and swaps, to reduce financial risk exposures.

FINANCING RISK

FACTOR
Refinancing of maturing loans or establishment of new financing may be difficult or costly to arrange. Adverse financial market conditions could lead to higher funding costs and postponement of projects.

MITIGATION
Yara's strategy for mitigating financing risk is to maintain a solid financial position with a strong credit rating. This is achieved by flexibility in capital expenditures. Yara reduces the refinancing risk by basing its long-term funding on a variety of sources to avoid dependency on individual markets; and by timing the maturity dates of large facilities to avoid them turning due at the same time. Committed liquidity reserves are maintained to meet unforeseen costs. Yara has access to sufficient funding and borrowing facilities to meet currently foreseeable requirements, combined with a large cash position that covers short-term needs.

CREDIT RISK

FACTOR
Credit risk represents exposure to potential losses deriving from non-performance of counterparties.

MITIGATION
Credit risk is monitored and managed by the business units and expert organizations on the basis of standard Yara policy, procedures and regular reporting. Yara has a well-established system for credit management, with defined exposure limits at customer, financial institution and country level. A number of instruments, such as credit insurance, letters of credit and bank guarantees, are deployed to mitigate credit risk. Yara's geographically diversified portfolio reduces the overall credit risk of the group.

CURRENCY RISK

FACTOR
As the fertilizer business is essentially a US dollar business, prices of Yara's most important products and raw materials are either directly denominated or determined in US dollars. In markets outside the USA, local prices will generally adjust to fluctuations in the US dollar exchange rate, with a certain time lag.

MITIGATION
Yara keeps a major part of its debt in US dollars in order to reduce overall economic currency exposure. Yara also utilizes derivative instruments to manage foreign currency exchange rate risks. A well-established system for currency risk management is in place, with defined currency exposure limits. Yara's geographically diversified portfolio reduces the company's overall currency risk.

INTEREST RATE RISK

FACTOR
Interest rates on different currencies vary dependent on the economy and political actions, which will influence Yara's funding cost over time. However, the overall exposure of our business to interest rate fluctuations is considered low.

MITIGATION
Interest rate risk is managed on an assessment of the financial markets and macroeconomic development, in relation to the expected impact an interest change will have on Yara's financial performance. As a risk mitigation measure, Yara keeps part of the long-term debt portfolio in fixed interest rate agreements. Yara also utilizes derivative instruments to manage interest rate risks.

Hazard and compliance-related *risks*

Yara is exposed to a range of risks driven by changing political and economic conditions in the countries, regions and markets where we operate. National or regional conflicts may impede operations. Terrorism has increasingly emerged as a potential threat also to industrial operations.

POLITICAL RISK

FACTOR
Our investments and operations may be affected as a result of changes in political leadership, policies and regulations as well as political and social instability in a country or region. Such changes could represent threats as well as opportunities for Yara.

MITIGATION
Country and currency credit limits are defined, to ensure that the company's exposure is controlled. These measures are also used to assess the risk profile of new projects, as part of the capital expenditure approval process.

ANTI-CORRUPTION RISK

FACTOR
We have zero tolerance for corruption and unethical behavior of all employees, vendors, service providers, agents and other intermediaries; yet unacceptable incidents cannot be ruled out.

MITIGATION
Our zero tolerance stance on anti-corruption has been systematically implemented and communicated throughout our organization and to business partners. Yara's Ethics and Compliance Department coordinates and oversees the company's ethics and compliance work, including policy development, training, advisory services, internal investigations and reporting. An Integrity Due Diligence process is defined to map risks related to business partners on various topics, including Corruption, Human Rights and Labor Rights. Our external, whistle-blowing channel allows employees, consultants and third parties to raise concerns anonymously.

ETHICS RISK

FACTOR
Failure, real or perceived, to abide by our ethical principles and comply with international standards e.g. on labor relations, human rights and environmental footprint, will have a damaging effect on our brand and reputation. It can also negatively affect our relationship with current and future business partners, and both legal sanctions and financial loss can occur. In positive terms, demonstrating a commitment to good ethical conduct and awareness of environmental and social responsibility can be leveraged to create competitive edge and create value for business partners, employees and society at large.

MITIGATION
Business conduct performance and reporting are set at high standards, reflecting Yara's commitments. Our reporting is based on the Global Reporting Initiative (GRI) G3.1 reporting framework and we submit a Communication on Progress (COP) to the UN Global Compact initiative on an annual basis. Social impact assessments are obligatory parts of larger expansions and greenfield projects. Yara has developed a Business Partner Code of Conduct that takes into account internationally recognized and endorsed standards in key areas such as universal human and labor rights, and business ethics.

LEGAL COMPLIANCE RISK

FACTOR
Operating a global business involves a risk of mistakes and failure to comply with all applicable local and international laws regulating our activities.

MITIGATION
Our policies, procedures and international accords are monitored, communicated, followed and integrated into the way we do business. We strive continuously to improve our internal business systems by formalizing and documenting our policies, procedures and steering systems. Extensive training throughout the organization has been given, to ensure we develop and ensure compliance with all applicable laws and regulations. We have a low risk appetite for entering into joint ventures without having a controlling stake and adequate control of key risk.

PERSONNEL SECURITY RISK

FACTOR
Our global activities may be exposed to national or regional conflicts and acts of terrorism, which could impede our operations and represent a threat to personnel security.

MITIGATION
We continuously assess and manage regional and local threats to our personnel. In 2013 we established the new position of Personnel Security Officer, in charge of overseeing personnel security activities, maintaining corporate guidelines and initiating appropriate mitigation actions in response to potential threats.

NATURAL DISASTERS

FACTOR
Our production and logistics operations could be directly or indirectly affected by natural disasters.

MITIGATION
We have implemented specific precautionary measures for operations located in areas more likely to be affected by extreme weather conditions and natural disasters. Significant efforts are also put into crisis management training and scenario planning, to minimize potential threats to security, health and operational assets.

Impact *on society*

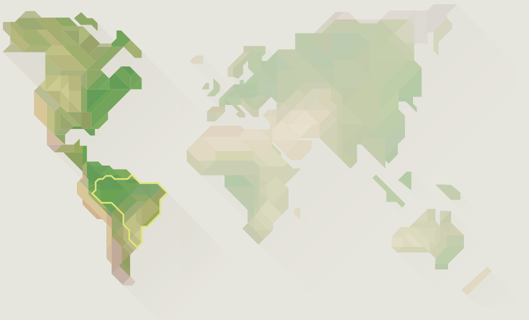
Brazil is an emerging global economy, with vast resources. The country's growing global impact is due to its size and economic strength – and ecosystems of world importance.

Yara is a leading international company, committed to creating impact. We engage in global issues, offering our solutions in the international arena and in Brazil; creating value, enabling us to create impact.

- *Brazil* harbors a great potential to improve its agricultural productivity and increase yields – in ways minimizing environmental impacts. *Yara* has agronomic solutions and fertilizer products – Programas nutricionais – to improve productivity, and environmental solutions – Soluções industriais – to combat air pollution.

BRAZIL EMPLOYS SCIENCE AS A KEY TO AGRICULTURAL SUCCESS.
YARA ENGAGES IN INNOVATION; CREATING COMPETITIVE EDGE.

YARA OFFERS SOLUTIONS THAT IMPROVE PRODUCTIVITY AND PROFITABILITY: SUPPORTING SUSTAINABLE AGRICULTURE, CREATING VALUE.



- *Yara* creates considerable impact through improving the resource use efficiency of Brazilian agriculture, notably by sharing crop knowledge, supporting precision farming, and supplying sustainable solutions, including fertigation. *Brazil* invests greatly in agricultural research and development, and Yara has engaged in innovation partnerships with Brazil's scientific community – to improve efficiency and reduce emissions.

YARA IN BRAZIL – AND BRAZIL WITH YARA – INCREASE FOOD PRODUCTION WHILE REDUCING AGRICULTURE'S CARBON FOOTPRINT: CREATING IMPACT.

Section *03*

Management *discussion & analysis*

Core content

Sustainable future, *continued growth*

YARA CONTINUED TO EXECUTE its strategy of profitable growth in 2013, and delivered on its strategic ambition of Creating Impact. We extended our footprint in Latin America, following our growth ambition. Our innovation efforts reinforced Yara's competitive edge, positioning ourselves to seize future opportunities.

OPERATIONAL REVIEW

Business *overview*

COMPANY

Yara is the world leader in providing crop nutrition solutions, offering a comprehensive range of quality products catering for most commercially grown crops. Advising growers to apply the right amount of the right nutrients at the right time, we help improve agricultural productivity and resource use efficiency, thereby supporting sustainable agriculture and green growth. Yara is also a world leader in providing industrial environmental solutions, offering products used to reduce toxic emissions from transportation and industrial plants. We help improve air and water quality, providing a healthy and safe living environment, and prevent bad odor from spreading, especially in urban areas. Our technologies, chemicals and gases support cleaner and more efficient industrial processes.

We pioneered mineral fertilizers more than one hundred years ago. Now, we leverage our unique business model and unrivaled market presence to create competitive edge and deliver better yield. Employing our agricultural expertise and industrial experience, we offer crop nutrition and environmental solutions to the world market.

Yara International ASA is headquartered in Oslo, Norway and has been listed on the Oslo Stock Exchange since demerging from Norsk Hydro in 2004.

» The Yara share / PAGES *65–67*

OPERATION

Yara's global activities range from phosphate mining and ammonia production, through commodity trade and large-scale energy sourcing, to building local market knowledge and developing customer relationships across the world. Extensive ammonia and fertilizer production in Europe constitute the backbone of our operations, while capacity has been added in regions with supplies of natural gas at competitive costs.

Yara's fertilizer and industrial products share a common platform, utilizing our knowledge and leadership position in the production and distribution of ammonia, nitrates, NPK and urea. They also share a common market approach, in which we utilize our experience and expertise to provide complete solutions that meet the needs of customers and deliver real added value to their businesses.

In 2013 we operated with a direct presence in more than 50 countries, with production in 15 countries and sales to about 150.

ORGANIZATION

Yara International ASA is a global company headquartered in Oslo, Norway. Yara is organized with three operating segments; Downstream, Industrial and Upstream, supported by the global Supply & Trade function. At year-end 2013, 9,759 people were permanently employed by Yara worldwide, an increase of 21% compared to 2012.

» The Yara segments / PAGES *47–55*

Jørgen Ole Haslestad served as President and CEO of Yara International ASA throughout 2013, after taking up the position in 2008; prior to that he was a member of the Board of Directors (from 2004). There were no changes in the executive management team in 2013; with effect from January 2014, Håkon Hallén left his position as Chief Human Resource Officer and was replaced by Mrs. Elin Tvedt as acting CHRO.

» The Yara management / PAGES *20–21*

INDUSTRY

The mineral fertilizer industry is global, connected to the availability of key resources, notably minerals and hydrocarbons. The market is segmented into three main crop nutrients: nitrogen (N), phosphorus (P) and potassium (K). Of these, nitrogen is the most important crop nutrient and the largest industry segment, accounting for more than 60% of global crop nutrition consumption.

The fertilizer industry has historically been divided into nutrient-specific sub-sectors. A number of companies serve national markets or sub-regional markets. Only a handful operate on a global scale, of which Yara is the largest. The N fertilizer industry is less consolidated than the P and K industries, a fragmentation that offers growth opportunities for Yara. The industry has historically been subject to extensive government involvement and ownership.

» Outlook, risks and opportunities / PAGES *60–61*

MARKET
The mineral fertilizer market is global, due to the transportability of finished products and globalization easing international investments and trade. With our global presence, we reach customers worldwide. Our business platform allows for the production of crop nutrition as well as industrial products, including environmental solutions. Traditionally, our main market for mineral fertilizers has been Western Europe; in recent years Latin America has become a major market, with Brazil being our single largest market. Driven by environmental consciousness and regulation, the demand for industrial solutions has grown in several markets, particularly in Europe and North America, as well as in Brazil and some countries in Asia.

Business *environment*

As a global company offering solutions to a global market, Yara is influenced by a number of external factors. The global economic and political environments impact on our business, whereas environmental issues, in particular climate change and water scarcity, challenge the way we run our operations and our ability to adapt to – and explore – new market needs.

The interconnected issues of food security and climate change, along with resource use efficiency, have become prominent on the global agenda and are key factors in our business environment. With scientific works and policy initiatives increasingly converging with our views, we want to take part in shaping the fertilizer industry and promoting sustainable productivity improvements in agriculture. We intend to use our market knowledge, industrial capability and agronomic competence to take advantage of business opportunities arising from global challenges and policy developments.

ECONOMIC ENVIRONMENT
The global economy recovered slightly in 2013, with prospects for further growth in 2014–16, positively influencing investments in agricultural technologies. In January 2014 the World Bank (WB), in its 'Global Economic Prospects' report, noted a turning point after a period of recession. The WB projected world economy to strengthen in 2014 and beyond, with growth picking up in developing countries, bolstered by accelerated growth in high-income countries affected by five years of financial crisis, and sustained by continued strong growth in China. Among high-income economies, the recovery is most advanced in the USA and in the Euro area, both major Yara markets. The Bank also projects modest growth in our largest market, Brazil and Latin America, albeit with the 2013 slow-down still impacting the Brazilian economy. The WB report also projects global trade to grow. In December 2013 the World Trade Organization (WTO) finalized an agreement intended to boost global trade by up to USD 1 trillion, by simplifying procedures for doing business across borders.

POLITICAL ENVIROMENT
Global policy attention in 2013 was strongly geared towards sustainable agriculture and green growth as common denominators to the interconnected challenges of food security, climate change and resource scarcity; topics embraced by the three focal areas of Yara's Creative Impact approach (see page 39). Facing these global challenges, Yara – in line with international expertise and policy recommendations – advocates the application of technologies for improving resource use efficiency.

Food
Improved agricultural productivity has been broadly accepted as the key to future food security. This approach is entirely consistent with Yara's Crop Nutrition Concept – built on nutrient use efficiency rather than fertilizer volumes. In its joint 'Agricultural Outlook 2013–2022', the Organization for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO) anticipate slower production growth for commodities covered, at 1.5% annually, down from 2.1% the previous decade. The decline is ascribed to rising costs, growing resource constraints, and increasing environmental pressures.

Global food production has to increase by an estimated 70%, and total agricultural output has to double by 2050, in order to meet the demand of a projected 9.6 billion world population. In its 2013 'Global Agricultural Productivity Report', the Global Harvest Initiative (GHI) strongly argues the case of a consistent and increasing rate of global agricultural productivity, requiring improved agricultural methods. Yara is well positioned to deliver solutions for precision farming, a key approach to increase yields. Increased productivity is required throughout the world; the gap is most significant in Sub-Saharan Africa.

Resources
Food production is challenged by resource scarcity, particularly limited availability of water and land, and deteriorating soil quality. With its Crop Nutrition Concept, Yara addresses the combined challenges of agricultural productivity and resource scarcity. By offering application knowledge as an integral part of our solutions, we argue – based on solid scientific knowledge – that the use of mineral fertilizers should be tailored to crop needs and soil conditions, avoiding excessive use and a waste of valuable nutrients.

Nutrient use efficiency (NUE) has long been high on Yara's agenda, and has become so globally. In its 2013 report 'Our Nutrient World', prepared by the Global Partnership on Nutrient Management (GPNM) and the International Nitrogen Initiative (INI), the concept 'The Nutrient Nexus' is used to describe the challenge of reducing nutrient losses and improving efficiency, especially that of nitrogen (N) and phosphorous (P), while simultaneously providing the foundation for a greener economy to produce more food and energy with less environmental pollution. While there is an excessive use of fertilizers in parts of the world, increased application of crop nutrients, combining organic residues and

> "I am asking all [...] to bring bold and new announcements and action.
> I am asking them to bring their big ideas."
>
> » Ban Ki-Moon *UN Secretary-General on the need for action on climate change*

mineral fertilizers, is necessary to improve yield. In both cases Yara offers relevant solutions based on our crop knowledge, including advanced technology tools such as our N-Sensor.

The OECD expects total water demand to grow by 55% between 2000 and 2050. At the 2013 World Water Week in Stockholm, Sweden, 'The Stockholm Statement' was adopted, calling for a doubling of global water productivity by 2030. Shortages will drive the use of irrigation – and that of fertigation, the combined application of water and fertilizers. Water scarcity is a key innovation driver within Yara, and water management is a priority area in which we strive to lead development and technology innovation. We already offer a range of semi-soluble fertilizers and fertigation products, and are ready to meet the increasing demand for solutions that reduce the water footprint of agriculture. In 2013 we integrated a leading crop water sensor technology, mostly used in high-precision irrigation systems to improve yields and water use efficiency, into our crop nutrition solutions.

In addition to increasing productivity on existing farmland, the interim 'World Resources Report' points out that more land is needed to meet future demand for agricultural products. Published by the World Resources Institute (WRI), the World Bank (WB), the United Nations Environment Programme (UNEP) and the United Nations Development Programme (UNDP), the report finds that crop yields over the next four decades would need to increase by 32% more than they did the previous four in order to avoid more land clearing; an increase it considers unlikely. One key recommendation is to improve soil and water management.

Environment

Global concern regarding climate change remained high in 2013, with reinforced scientific warnings regarding the effects of global warming on society in general and agriculture in particular. Yara has for several years linked food production and climate change, arguing the vital mitigating potential of agriculture, and the need to improve agricultural productivity to ease pressure on land use change that results in increased emissions of greenhouse gases (GHG), driving global warming.

In November UNEP published its 'Emissions Gap Report 2013', highlighting the role of farming, noting that even simple changes in agriculture practices could cut emissions by up to four gigatons. Climate change will affect agriculture in most regions, more often negatively. Global warming will largely have a negative impact in tropical areas, but will – in the longer run – also impede farming in the northern hemisphere. In a 2013 report, 'Climate Change and Agriculture in the United States', the US Department of Agriculture (USDA) argued that global warming could have a drastic and harmful effect on the country's food production, with productivity less predictable.

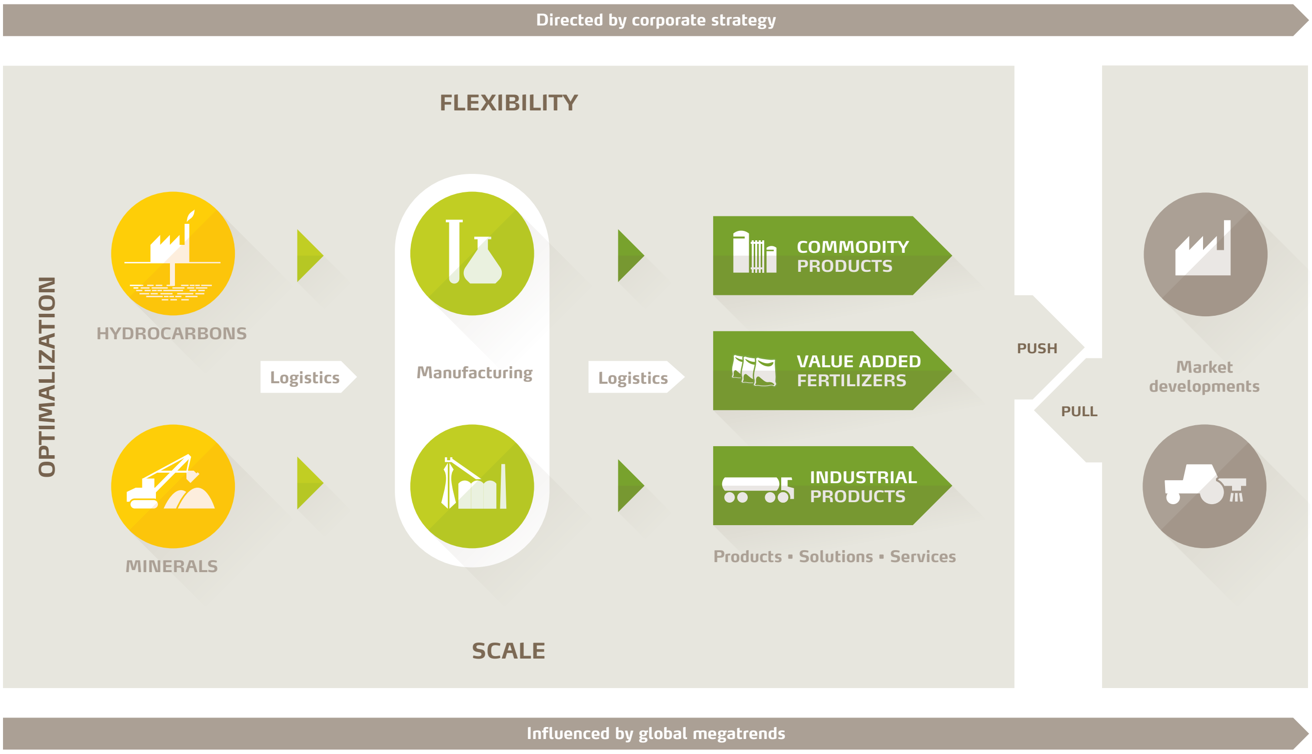
According to the UNEP report, boosting agricultural productivity through improved management practices based on sustainable agriculture presents opportunities to dramatically reduce emissions. Entering 2014, the Secretary-General of the United Nations Ban Ki-Moon announced that the year should be one of climate action – turning the greatest collective challenge facing humankind into the greatest opportunity for common progress towards a sustainable future. In so doing, he pointed to Climate-Smart Agriculture already delivering benefits. At the 2014 World Economic Forum annual meeting in Davos this was underlined also by the World Bank president noting climate-smart agriculture - improving yields to feed a growing population while reducing emissions and adding carbon storage - as one of the UN's five key areas of action.

GLOBAL TRENDS

To summarize, Yara is fundamentally influenced by a set of global megatrends that impact business environments and market conditions. Some drive demand for mineral fertilizer and industrial products, others affect the way business is conducted.

- *Global growth* increases the demand for food, fiber and fuel. Economic growth stimulates dietary change, which alongside population growth increases demand for agricultural produce. Growth also drives overall consumption and demand for transportation and energy, leading to large emissions of air pollutants. Consequently, global growth increases demand for Yara's crop nutrition solutions and knowledge, as well as for its environmental solutions.
- *Resource scarcity* influences the way business is done. With increased pressure on limited resources, there is a growing need for improved solutions, resource efficiency and innovation.
- *Climate change* impacts the world economy in general, and agriculture in particular. Global warming is anticipated to affect crop yields negatively, increasing the need for productivity gains. Climate change can also be mitigated by agriculture, increasing demand for Yara's crop nutrition solutions.
- *Urbanization* affects Yara by impacting its customers and markets for crop nutrition solutions, and by increasing demand for its industrial products and environmental solutions. Urbanization transforms people's lives – where they live and how they live, including production in rural areas and consumption in urban areas.
- *Globalization* affects Yara as a global company engaged in production and partnerships, trade and sales in international markets. Globalization has harmonized regulations and standards, not least affecting agricultural commodities, and eased access to markets.

BUSINESS MODEL



Corporate *strategy*

STRATEGY OVERVIEW

Yara has consistently executed its strategy of sustainable profitable growth, reinforcing its position as the world's leading provider of crop nutrition solutions. By leveraging our distinctive business model, and extensive global presence, we create a strong competitive edge allowing for the creation of long-term value for our shareholders, customers – and for society at large.

We have developed Creating Impact as a key strategic ambition. With Creating Impact we integrate and align our business operations with prevailing market conditions and mounting global challenges, to add a sustainable competitive edge.

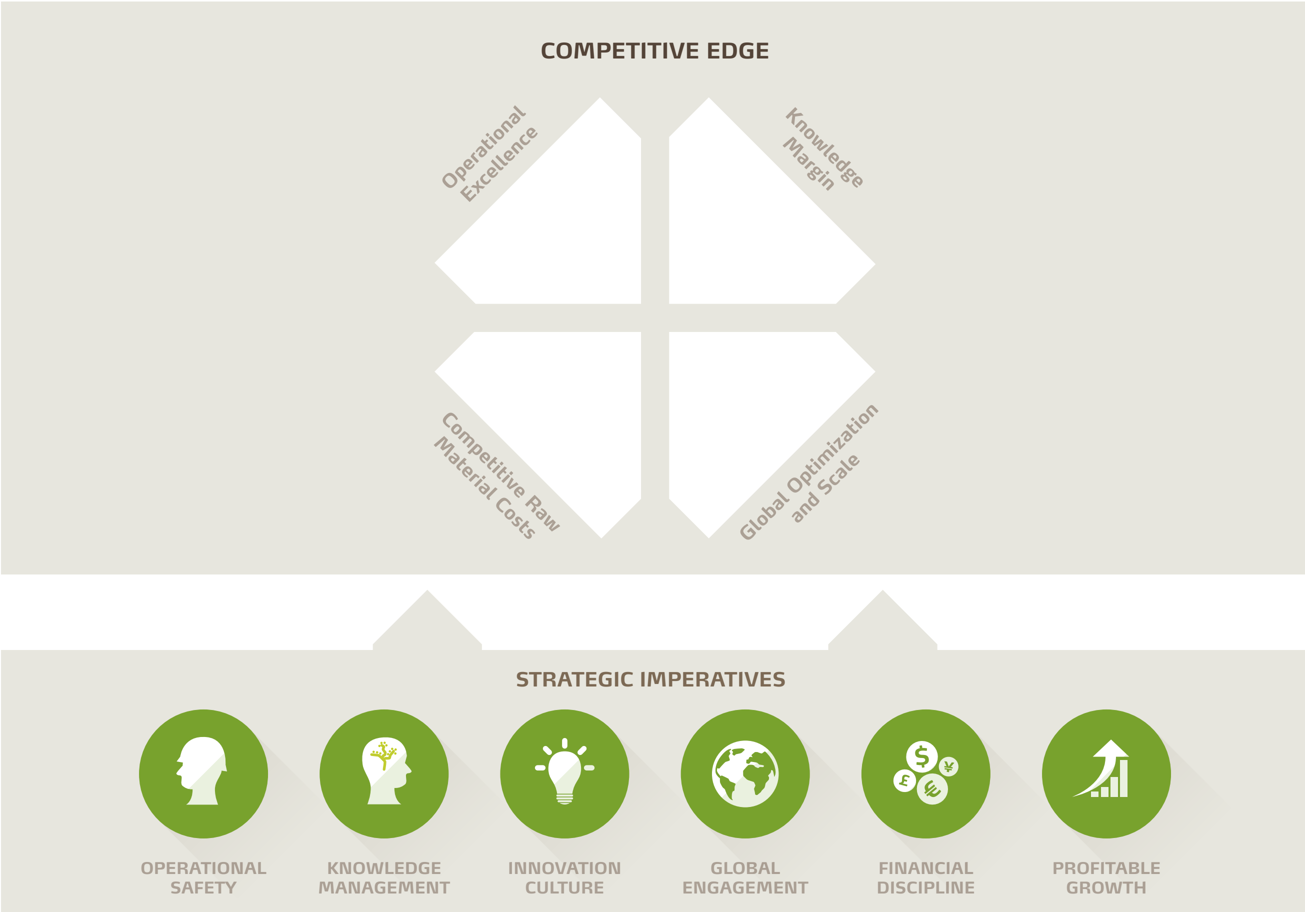
New business opportunities are emerging from global challenges. We explore and prepare for such opportunities by engaging our extensive industrial expertise and agronomic experience, and aligning our strategic outlook with global megatrends influencing industry and market.

Yara continuously seeks value creating investment opportunities. As the world-leading producer and provider of nitrogen fertilizers, we reiterate our readiness to grow profitably through acquisitions and joint ventures. Integrating new acquisitions into our global logistical and marketing system – our extensive value chain – we achieve synergies and add value by leveraging our business model.

BUSINESS MODEL

Yara's long-term strategy rests on the unique business model and global market presence, giving us a strong position for profitable growth. The business model provides scale advantages, extensive flexibility and global optimization to create a platform for business expansion and margin improvements along three main avenues: commodity products, value added fertilizers, and industrial products. We see potential for further growth and future opportunities within all three.

Our stakes in the value chain, including our role in supply and trade, support Yara's ability to deliver with reliability and quality. Our strong value chain presence reinforces our capacity to handle market risks and cyclicality, reducing potential downsides, and improving margins. The business model has built-in flexibility to enable quick response to changing market conditions.



COMPETITIVE EDGE

Yara has identified a sustainable competitive edge that constitute the center-point of our strategy. We continuously work to strengthen our competitive edge through pursuing our strategic imperatives:

Operational Excellence

Yara applies operational excellence throughout the company, perfecting operations and tuning our business model as the platform for profitable growth. We aim for the highest level of reliability and productivity in our production assets, maximizing resource and raw material efficiency, and optimizing the supply chain, from sourcing to distribution. Safety is a top priority, and we work systematically to minimize environmental impacts from our operations. Our operational excellence creates value by reducing loss and ensuring reliable deliveries of high quality products.

Knowledge Margin

Our accumulated knowledge margin within agronomy and industrial products is a key differentiator. Through innovation, superior agronomic knowledge and premium fertilizers we offer the farmer optimal crop nutrition to increase yield and ensure sustainable application to the soil. Our industrial portfolio includes technology and service concepts within environmental solutions that are continuously being developed – in response to global challenges, e.g., within NO_X abatement applications.

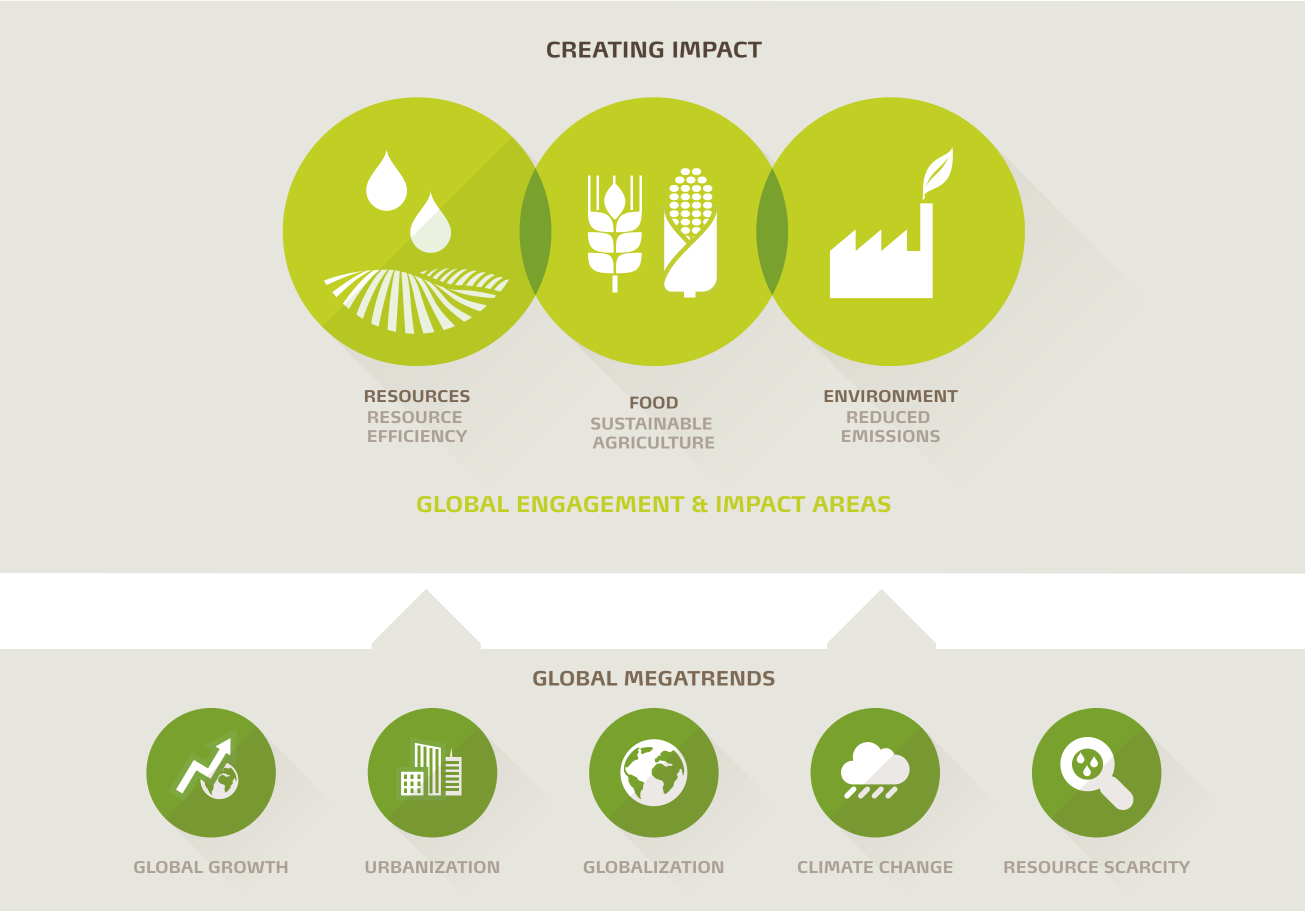
Global Optimization and Scale

Yara constantly pursues scale advantages as the world's largest producer of nitrogen fertilizers, nitrate-based NPKs, and through our significant position within industrial nitrogen applications. We also exploit opportunities for optimization arising from our unrivaled presence in global markets; our extensive value chain involvement, intimate market knowledge and business intelligence. Taking advantage of our scale, we also profit from a sizeable global ammonia trade. Through our extensive logistics and distribution systems as well as the built-in flexibility of the business model, we create value by increasing efficiency and reducing costs throughout the value chain. We continue to implement an improved supply chain process in order to further strengthen Yara's competitive edge.

Competitive Raw Material Cost

Yara is continually securing access to reliable and competitively priced supplies of raw materials, and we are able to benefit from scale advantages in our sourcing. We are the largest industrial buyer in Europe and capitalize on favorable hub-based pricing in the spot market after switching a significant share of our European gas sourcing from oil-linked to hub-based contracts in recent years. As the world's second largest buyer of potash and third largest buyer of phosphate, we also build on our competitive edge in sourcing other key raw materials. Securing access to low cost raw materials remains an imperative in our growth strategy.

The combined competitive edge, executed through our strategic imperatives, is the key to creating value.



CREATING IMPACT

Yara is a global company and as the world's largest producer of mineral fertilizer, we have the ambition, ability and determination to contribute sustainable solutions towards some of the major global challenges of our time, particularly resource scarcity, food security, and global warming. With our knowledge and solutions we are well positioned to create impact within these areas. Consequently, we have identified three focal areas as our main avenues to create profound impact: resources, food, and the environment.

Responding to these challenging global issues corresponds closely with Yara's core business, with our operations and offerings – and our business strategy. By leveraging our industrial expertise we have innovated new technologies and upgraded our production processes, thereby greatly reducing greenhouse gas (GHG) and other emissions to air. By employing our agronomic experience we have developed comprehensive crop nutrition solutions that improve agricultural productivity, thereby increasing production and improving food security while reducing pressure to convert forests and wetlands into farmland – a main source of GHG emissions. At the same time we have developed solutions that improve resource use efficiency, in particular by reducing the amounts of fertilizers and water needed to sustain productivity and profitability. Thus, we contribute towards a more sustainable agriculture, while sustaining profitability for our company and customers.

We have institutionalized Creating Impact as our fundamental way of thinking and a key strategic ambition. Creating Impact provides direction in pursuing strategic goals and delivering on our mission of better yield. Serving as the platform for aligning our business operations with mounting global challenges, Creating Impact generates value for shareholders and customers – as well as for society at large.

By adopting a long-term perspective, we engage in global processes and drive innovation programs to identify solutions, develop competitive business models and seize emerging business opportunities arising from global challenges relevant to our operation. Consciously considering our dispositions within the context of these challenges and related to our defined focal areas, we are able to strengthen our competitive edge in a sustainable manner, supporting Climate-Smart Agriculture and green growth. Thus, we constantly reinforce our positive impact within a virtuous circle.

» More on Creating Impact / SEE *www.yara.com/creatingimpact*

Strategy *excecution*

MARKET DEVELOPMENT

Global market developments are influenced by a variety of factors, including global megatrends such as economic growth, climate change and resource scarcity. In the short and medium term, the mineral fertilizer market is particularly driven by food commodity prices impacting on the ability and willingness of growers to invest in plant nutrients, and the availability of fertilizers on the world market. Food prices have remained high since the international price hike in 2008, with the 2013 level higher than in 2008 – albeit with a decline for grains towards the end of the year.

Yara has a strong position in value-added nitrogen fertilizer products, where we are able to differentiate ourselves through robust value-added premiums and strong deliveries. High-value premium offerings constitute a growing share of our total mineral fertilizer deliveries. In 2013 more than half of our crop nutrition portfolio consisted of differentiated and specialty products, while pure urea now accounts for approximately 25% of sales volumes. By combining our leading market insight, agricultural know-how and marketing system, and offering knowledge-based crop nutrition solutions, we have established a competitive edge and a solid growth platform in the global fertilizer market.

STRATEGIC IMPERATIVES

Yara's business strategy is executed through six strategic imperatives: an integrated framework of priority areas for targeted resource allocation and operational execution.

Profitable growth

Yara's strategy is one of sustainable, profitable growth. In 2011 we defined a medium-term growth ambition of adding 8 million tons of deliveries – an increase of 40%, to 32.5 million tons – compared to a 2010 baseline of 24.5 million tons. The target volume includes own-produced (OPP) as well as joint venture product sales, with a continuous shift towards a greater share of OPP. This growth ambition remains firm, and we continued to deliver growth through 2013. Increased production was the combined result of capacity expansion and optimization in existing operations, along with capacity added from new acquisitions – most notably in Latin America, a key growth market.

Since establishing the 2010 baseline, we have added approximately 1.5 millions tons capacity through the Qafco 5 and 6 expansions in Qatar, the new Urea 7 plant at Yara Sluiskil in the Netherlands and the acquisition of Bunge Fertilizer in Brazil.

A number of capacity expansions in value-added products are ongoing. At Yara's plant in Porsgrunn, Norway, an investment of approximately NOK 300 million is being made to increase NPK capacity by 300,000 tons, with completion expected in 2014. The 330,000 tons Yara Pilbara ammonium nitrate plant project in Australia progressed according to plan in 2013, and commissioning is anticipated in second half 2015. Furthermore, the acquisition of OFD Holdings Inc. (see below), will add another 500,000 tons value-added products capacity. Altogether, capacity additions in commodity and value-added products combined amount to about 2.6 million tons since 2010 when including ongoing projects and the OFD transaction, bringing total capacity to 27.1 million tons.

Yara has been present in the Brazilian market since 1977, and we made our first investments in local production capacity in 2000. In 2013 we greatly improved our position in this agricultural growth market by acquiring Bunge's 22 blending units and two SSP (Single Super Phosphate) plants (see map on page 6). The acquisition was closed in August 2013 following approval by Brazilian authorities. Yara will realize annual synergies of minimum USD 50 million following the integration. Yara is completing the construction of a new blending unit in Sumaré in the state of Sâo Paolo in July 2014 as well as finishing an expansion of the blending unit in Porto Alegre in March 2014. Brazil is also a growth market for Yara's environmental solutions, such as AdBlue, marketed as 'ARLA 32' in the Brazilian market

In 2013 Yara cont inued its strategic expansion in Latin America by entering into an agreement in December to acquire OFD Holding Inc. (OFD) from Omimex Resources Inc., for an enterprise value of USD 425 million. The company comprises production facilities in Colombia and distribution companies across Latin America; mainly Abocol (Colombia), Misti (Peru), Omagro (Mexico), Fertitec (Costa Rica and Panama), Cafesa (Costa Rica) and Norsa (Bolivia). Added upstream fertilizer capacity amounts to about half a million tons a year. The annual synergy potential is estimated at USD 20 million. The transaction further strengthens our downstream footprint and growth platform in Latin America, and is highly complementary to the acquisition of Bunge's fertilizer business in Brazil. Yara is well positioned in Latin America, where we expect continued strong growth.

For three decades, we have maintained a corporate presence in Africa. Several African countries have recorded high economic growth in recent years, and the continent and individual markets represent growth potential in a longer perspective. Since 2005 we have engaged in the African green revolution, including public-private partnerships within crop production and fertilizer distribution through the Yara-initiated growth corridor concept in East Africa. The construction of our terminal in Dar es Salaam, Tanzania commenced in 2012 and is expected to open in the second half of 2014. After regaining legal control of our assets in the Côte d'Ivoire, the revitalization of the operation there continued through 2013. Yara Côte d'Ivoire is of strategic value not only for the local market, re-emerging after the civil war, but also for our regional ambitions in West Africa. Abidjan is one of our three regional hubs, together with Tema, Ghana and Douala, Cameroon.

In North Africa our JV Lifeco plant in Marsa el-Brega, Libya, gradually recommenced production in the latter part of 2012, after one and a half years suspension of operation. The plant achieved production at both urea units at the end of January 2013, running close to full capacity. Capacity utilization continued to be challenged by unstable power and utilities, as well as security conditions following the Libya war.

Yara offers its Crop Nutrition Concept to improve agricultural productivity.
By delivering solutions for best agricultural practice we support sustainable agriculture.

» Crop nutrition solutions: *www.yara.com/cropnutrition*

Looking at a future increased presence in the USA, Yara, together with BASF, announced in October the joint intention to look into the establishment of a world-scale ammonia plant on the US Gulf Coast.

In March–April we successively launched two liquid CO_2 tanker vessels, Yara Embla and Yara Froya. With a loading capacity of 1,800 tons each, they double the carrying capacity of the ships they replaced. A third, older ship, Yara Gas III, remains in service. The three vessels connect Yara's eight liquid CO_2 plants and seven terminals, serve as additional mobile back-up storage bolstering Yara's unique supply concept, and support continued growth in CO_2 deliveries. In December Yara entered into shipbuilding contracts for the construction and delivery of two mid-size LPG carriers to cover part of its long-term transport requirements at attractive rates, simultaneously meeting stricter environmental regulations and maintaining flexibility to serve the company's production system. Yara has a base ammonia transport requirement of approximately four million tons per annum to serve its European plants and long-term take-off agreements in Australia and Trinidad.

In December Yara entered into a new collaborative agreement on emissions to air in the maritime sector with Wilhelmsen Maritime Services (WMS). The agreement provides for a takeover and further development of the NO_X abatement technology for Selective Catalytic Reduction (SCR) offered by Yarwil – a JV established by Yara and WMS in 2007, offering NO_X abatement solutions under the NOxCare brand. The market for this environmental technology is rapidly increasing as commercial vessels are adopting SCR systems to reduce NO_X emissions to air. In January 2014, our position in the area of NO_X emissions control systems was strengthened when we acquired H+H Umwelt- und Industrietechnik GmbH, a leader in marine SCR technology, further building our comprehensive portfolio of NO_X reduction systems.

The international market for Diesel Exhaust Fluid (DEF; known as AdBlue in Europe) continued to grow through 2013 and Yara increased its production of DEF in North America by launching a new plant at Belle Plaine, Canada, with the first shipment in June. The plant increases our capacity to supply fleets, retailers and distributors in Canada, as well as strategic areas in the USA. This followed a strengthening of our presence in the North American DEF market with the opening of a new storage facility in Chesapeake, Virginia and a terminal outside Montreal, Canada.

In 2013 Yara completed the transformation of its ammonia and urea plant at Brunsbüttel, Germany, achieving a considerable reduction of environmental emissions. Starting in 2010, a technical conversion created flexibility in feedstock, allowing the ammonia plant to run on either oil or natural gas, according to availability and cost. Emissions have been strongly reduced by the alterations, and the plant's profitability significantly increased. Already, Brunsbüttel has reduced emissions of CO_2 by about 25%, NO_X by about 54% and SO_2 by about 67%. Reduced emissions of CO_2 alone amount to 450,000 tons a year.

During 2013 we pursued our ambition to become the leader within agricultural water use efficiency, including through our Water Scarcity innovation platform. Following this strategic path, we acquired the German water sensor company ZIM Plant Technology GmbH in November, thereby adding advanced water sensor technology for high-precision irrigation to our technological tools. The acquisition strengthened our leadership position within the growing fertigation segment. Over 50,000 sensor system sales are anticipated over the next decade, triggering additional sales – potentially to the tune of 300,000 tons – of water soluble and liquid fertilizers over the same time period.

To further enhance the flexibility of our business model, we have initiated a Supply Chain Project. It will improve logistics and prepare for further optimization of processes, thus reducing cost and getting ready for increased production volumes in accordance with our growth ambitions.

Raw materials sourcing

Continued capitalization on Yara's scale by securing deliveries of key raw materials at competitive terms is a lever for future growth ambitions. Yara is the biggest industrial buyer of natural gas in Europe, and the third single biggest purchaser of phosphate and potash globally, thus providing scale and potential to source materials at competitive prices.

In Europe, only two of Yara's ammonia plants are still using non-gas feedstock, and since July 2013 the largest of these – Brunsbüttel in Germany – has been refitted to use 80% natural gas, thereby reducing its feedstock cost. The use of natural gas improves energy efficiency and reduces emissions. Likewise, an energy improvement project at our JV plant in Trinidad will reduce energy consumption at Tringen I by 15%, and annual capacity will increase by about 26,000 tons by 2014.

Since 2006 Yara has reduced its European energy exposure by growing outside Europe. Additionally, we have shifted European energy contracts from oil-indexed to hub-based pricing, keeping spot exposure rather than forward buying. With the Brunsbüttel conversion completed in 2013 and the Ferrara gas contract renegotiated in 2012, oil price exposure has been further reduced, accounting for only 12% of total energy consumption in the

European operation in 2013, and an expected 9% in 2014. Spot pricing has proven very profitable, as spot prices since 2006 on average have been 7% lower than the forward price, although it was slightly higher in 2013, due to weather conditions. Of Yara's total energy consumption in 2013 about 45% was sourced outside Europe, compared to only 30% in 2007 – which has partly offset the effect of increased feedstock prices in Europe. Despite relatively high feedstock prices in Europe in 2013, we remained the region's cost leader in ammonia as well as nitrate production. In Europe we have a high degree of ammonia sourcing flexibility due to the location of our nitrate and NPK production plants, close to ports. This is part of the strength built into our business model, sustaining our competitive edge.

In addition to procuring minerals from several external sources, we extract phosphate rock from our own mine in Finland. Feasibility studies on raw materials supply projects were carried out throughout 2013.

Financial discipline

Yara's strategy of profitable, sustainable growth has a medium-term targeted volume growth of adding 8 millions tons of deliveries compared to 2010. This growth is partly built on improving our operational performance, and in particular on acquiring productive assets – based on capital discipline and opportunity-driven timing. During 2013 we maintained a strong financial position – allowing us to seize attractive growth opportunities, particularly with the acquisitions in Latin America.

The financial structure of Yara provides the necessary flexibility to capture industrial opportunities when they arise. As such opportunities typically materialize in periods characterized by industry margins and earnings below peak levels, we will seek to maintain adequate financial capacity throughout the business cycle. We aim to maintain a long-term mid investment grade rating level, i.e. minimum BBB according to Standard & Poor's methodology and Baa2 according to Moody's methodology. During 2013, we maintained the BBB and Baa2 rating levels, respectively.

In June 2013 we announced our decision to postpone the planned expansion project at our production plant in Belle Plaine, Canada, originally aimed to add an annual output of 1.3 million tons of urea. The postponement was made in view of prevailing market conditions and construction costs, along with the risk of future nitrogen over-supply in North America resulting from new project initiatives. Future expansion at Belle Plaine remains an option, provided the construction cost situation improves. The development of tar oil resources in Canada and shale gas resources in the USA has contributed to the pressure on the construction market in the region.

In July Yara secured increased financial flexibility for its operations by signing a new USD 1,750 million dual-tranche Multicurrency Syndicated Revolving Credit Facility, comprising a USD 1,250 million tranche A with a tenor of 5+1+1 years, and a USD 500 million tranche B with a tenor of 1+1 years. Competitive market terms were achieved. The new facility replaced existing revolving credit facilities, providing financial flexibility for general corporate purposes.

Knowledge management

Yara's operations require highly specialized knowledge, and successful execution of our business strategy relies on having a qualified workforce. Knowledge being a differentiating factor in global industries, we need to attract, develop and retain critical talent and competencies. As a company with global operations we also aim to develop synergies from integration and interaction. With employees in a number of countries and from many cultures, we are devoted to developing shared attitudes and common practices throughout the organization, not least with regards to compliance in the areas of safety and ethics.

In line with our need for talent and knowledge, Yara's People Strategy is designed to address the key areas of performance, engagement, retention and attraction. The main focus in 2013 was on increasing the quality and extending the scope of our people processes, and good people management is central to achieve this. In addition to our emphasis on developing the people management skills of our current managers, we also focus on developing the next generation of Yara leaders.

In 2013 we launched YaraLearning, an online portal for learning activities. Contents include a wide range of training material and tools, from e-learning and videos to more traditional classroom training. The curriculum will be further developed based on the needs and priorities of the business, in order to equip our employees with the skills and competencies needed for successful strategy execution.

Knowledge assets

At the end of 2013 Yara had 9,759 permanent employees worldwide, an increase of 1,707 (21%) compared to the previous year. The largest increase was in Brazil, due to the Bunge acquisition. The share of women employed by Yara has remained close to 20% in recent years.

Diversity being a goal, in 2013 we defined ambitions to increase the number of women in key management positions, aiming to increase the proportion from 20% in 2014 to 23% in 2017. Our program for young high potentials has been extended to a 3-year program and currently includes 38 participants, 10 women and 28 men, with 16 nationalities from all continents. This is in line with our commitment to maintain a highly skilled and diverse workforce.

In addition to new employees from acquisitions, we hired 982 external candidates in 2013. Over the next few years we anticipate an increase in hiring, due to more people retiring. Since we are also facing an increasingly competitive talent market, we have developed a strong and differentiated employee value proposition that will help our employer branding.

The integration of the Bunge acquisition in Brazil has included planning and implementation of a new organizational structure for Yara Brazil, as well as extensive change management activities. More than 1,300 former Bunge employees have been trained in Yara policies, procedures and systems. Compensation and benefits plans have been harmonized for the whole new Yara Brazil organization of 2,500 employees. Communication activities, migration of systems and training will continue in 2014.

Innovation culture

Yara employs its tradition of innovation to nurture a culture that encourages the search for improved methods and the development of new solutions – to explore and seize future growth opportunities, and to drive business development. In this respect we develop and utilize our comprehensive, combined industrial and agronomic knowledge base, which we consider to be a major asset, contributing to our competitive edge.

Identifying business opportunities arising from global challenges and employing our core competencies to develop and offer solutions lie at the core of Yara's corporate strategy – making innovation a main business driver. During 2013 we continued to expand our innovation approach, which contains a robust project pipeline. Innovation is particularly geared towards creating opportunities within the three focal areas of our strategic approach of creating impact: Resources, Food and the Environment.

Innovation platforms

In 2011 we established three innovation platforms as the framework for driving business development and launching solutions and services. Within these we coordinate prioritized projects, closely connected to our core business, enabling a holistic approach giving us the opportunity to exploit value in the most resource efficient way. In 2013 a fourth platform – on coffee and cocoa – was launched.

Within our *Emissions to Air innovation platform* we explore opportunities arising from air pollution, for example from cleaner technologies. Yara has a leading position in abating hazardous NO_X emissions, and we target innovation that develops applications and solutions for a growing global market. In 2013 the integration of Yarwil activities and the key steps for the H+H acquisition led to undisputed leadership position in the growing maritime segment.

Within our *Water Scarcity innovation platform* we explore opportunities related to water shortages challenging agriculture. Yara has a leading position in fertigation solutions reducing water use, and innovation targets increasing agriculture's water use efficiency. The water sensor technology acquired in 2013 complements our nitrogen sensor tools.

Within our *Resource Efficiency innovation platform* we explore ways to improve the use of scarce resources other than water, notably land and phosphate. Yara has a leading knowledge position with the Crop Nutrition Concept furthering nutrient use efficiency, and we explore opportunities to increase the efficiency of phosphate use as well as ways to improve processing technologies.

With our new *Coffee & Cocoa innovation platform* we combine crop specific nutrition knowledge with recent experiences from public private partnerships and value chain approaches, such as participating in the Coffee Task Force in Vietnam. The new platform was endorsed by Yara's Innovation board at the end of 2013, to be rolled out in 2014.

Research & Development

In 2013 we reorganized our R&D organization to work more effectively and meet the company's strategic ambitions. The new structure is made up of three core competency communities: Product and Application Development; Process Research; and Catalyst Systems. During 2013 investments were made in new pilot plants for process development at the research center in Porsgrunn, Norway and the trial facilities at the Center for Plant Nutrition, Hanninghof in Dülmen, Germany were upgraded.

In addition to a reinforcement of internal capabilities, we established a systematic approach to open innovation through partnerships. A series of collaboration with universities, institutes or companies supplements internal capacity in support of specific projects. In 2013 the cooperation with Empresa Brasileira de Pesquisa Agropecuária (Embrapa), Brazil's chief research organization, established joint trials to investigate the economic and environmental benefits of Yara fertilizers in tropical sites.

Innovation is also carried out through global engagements and partnerships, such as the Sahara Forest Project. In 2013 the pilot facility outside Doha, Qatar confirmed the concept of successful year round greenhouse production of cucumbers in the desert, based entirely on renewable energy.

Birkeland Prize

In 2013 Yara's prize for academic achievement in the fields of Physics and Chemistry, the Birkeland Prize, was awarded to Jonathan M. Polfus from the University of Oslo, for his chemistry doctoral thesis 'Nitrogen in Oxides – Electrical Characterization and Computational Studies of Defect Equilibria and Electronic Structure'. According to the prize jury, his research may lead to more environmentally friendly ammonia production and more effective water purification systems. Named after Yara's co-founder, the physicist Dr. Kristian Birkeland, the Prize was established to honor his spirit of vision, ambition and innovative entrepreneurship.

Operational safety

Operational safety, imperative to safeguard employees and contractors and uphold productivity and performance, has high priority in Yara. We have a strong safety track record and are among the top safety performers in the fertilizer industry. Yet, in 2012 we embarked on a journey to improve further in safety, based on the belief that every accident is preventable and with a common goal of no injuries or incidents. To this end, we launched the company-wide *Safe by Choice* initiative in 2013, aiming to instill a common safety culture and high level of standardization across all regions and levels of the organization. Safe by Choice continues into 2014 and beyond.

For 2013 we achieved a TRI rate (total recordable injuries per million hours worked) of 4.3 for employees and contractors combined, down from 5.0 in 2012, yet higher than our 2011 level (4.0). We also experienced a fatal accident at Yara Porsgrunn, Norway where a contractor suffered an electric shock while doing expansion work in the plant. Apart from this tragic incident, we saw an overall positive development in our safety performance during 2013, particularly among contractors. In 2013 we continued our investments and efforts to further improve process safety and plant reliability in our operational segments.

In 2013 we established the new position of Personnel Security Officer, a corporate function that will manage and oversee personnel security activities for our global business. The appointment entails an overall strengthening of our management of security issues with a new corporate security program, and developing and sustaining a high security awareness culture.

Yara's operations are guided by the principles of product stewardship throughout the value chain. In Europe we are strongly involved in the development of the 'Products Stewardship Program' of the industry association Fertilizers Europe, and all our operations comply with and are regularly audited to its principles. In 2013 we played an instrumental role in a revision of the security protocols of this program. Security protocol amendments are also ongoing in the 'Protect & Sustain Initiative', a process of the International Fertilizer Industry Association (IFA) in which Yara is providing leadership. In 2013 we continued the rollout of certifications to this initiative among our operations outside Europe, achieving certification for Yara Brazil and Yara Vietnam. Yara Mexico achieved this in 2011; Yara North America in 2012.

Global engagement

Yara aims to create value for all stakeholders as well as for society at large. Consequently, cooperating in business development as well as engaging in key global dialogues where private business and public interest intersect is a strategic imperative. We have for several years taken an active part in shaping the global agenda, especially regarding food security and climate change, as well as resource use efficiency – participating in key global arenas and in major policy processes. We have also entered into several public-private partnerships, among others, through the New Vision for Agriculture and Grow Africa, which Yara has helped launch. Through our global engagement, including membership and participation in industry associations, we help shape a business environment enabling new initiatives, creating value.

In 2013 senior representatives from Yara took part in a number of high-level meetings and key policy processes, among others on food security and nutrition in connection with the UN General Assembly in New York, USA, and on sustainable agriculture at the 3rd Global Green Growth Forum in Copenhagen, Denmark. During the year, we participated in the ongoing United Nations process on designing a Post–2015 Development Agenda, and in the UN Global Compact's process on developing Sustainable Agriculture Business Principles. At the Clinton Global Initiative meeting in New York we presented our Creating Impact strategic approach, and made commitments, including continued engagement in creating a cleaner Baltic Sea.

Yara takes an active part in the annual meetings of the World Economic Forum in Davos, Switzerland as well as its regional meetings. One key topic for our engagement at the 2013 meeting was the New Vison for Agriculture, connecting food and agriculture, and promoting the Grow Africa partnership, which was an issue also at the 2014 meeting. The latter is part of our long-term Africa engagement, which in 2013 included the awarding of the Yara Prize for an African Green Revolution to Nnaemeka Ikegwuonu, CEO of the Smallholders Foundation in Nigeria, and Lindiwe Majele Sibanda, CEO of the Food, Agriculture and Natural Resources Policy Analysis Network. The event took place in Maputo, Mozambique, during the African Green Revolution Forum, which we co-hosted.

Value chain partnerships

Yara has entered several public-private partnerships, combining our global engagement to improve food security and our business engagement of increasing sales. Several partnership initiatives focus on crop value chains that aim to improve agricultural productivity by mobilizing smallholders, such as the Ghana Grains Partnership in Ghana, which has received international attention. We also continued our value chain partnerships with major food companies, such as Nestlé in Vietnam (coffee), and PepsiCo in the USA (oranges) and the UK (potatoes), and we looked into establishing new partnerships, building on accumulated experience.

Through Grow Africa we have signed Letters of Intent with the governments of Burkina Faso, Ethiopia, Ghana and Tanzania, which were followed up in 2013 with, among other things, the construction of a fertilizer terminal in Dar es Salaam, Tanzania. Here, we also engaged in the Last Mile Alliance, an initiative through which input partners develop crucial distribution networks to reach agro-dealers and smallholder farmers with high-quality products and best practice knowledge, supporting inclusive green growth.

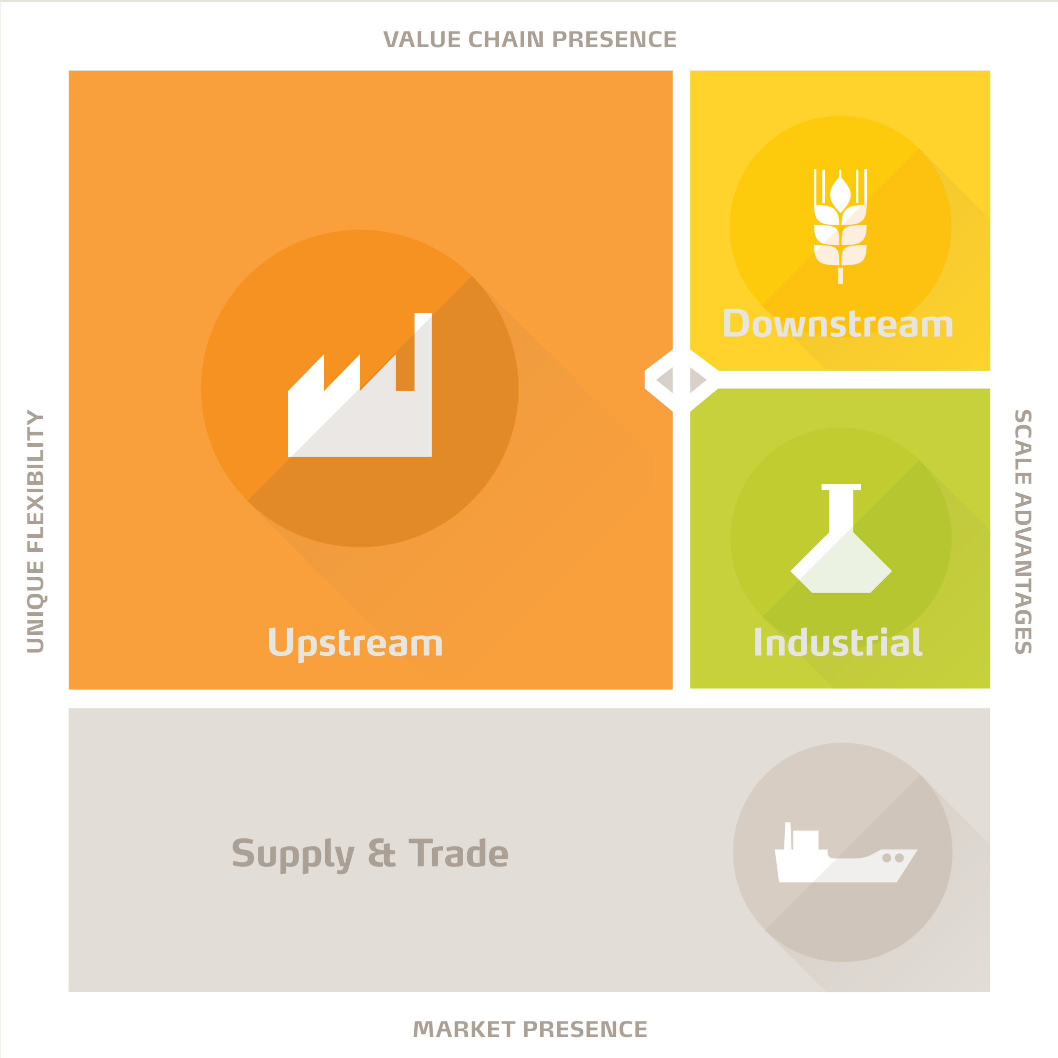
Yara promotes and improves sustainable practices through scientific cooperation and industry collaboration. In 2013 we engaged in several key events regarding nutrient use efficiency, including the 6th International Nitrogen Conference in Kampala, Uganda. We also entered into field trials on nitrogen in the tropics, in Brazil. Yara scientists have pioneered the development and use of life cycle assessment (LCA) methodology in agriculture, aimed at increased transparency and reduced carbon footprint. In 2013 the new World Food LCA Database (WFLDB) was launched; developed with the support of Yara.

This adds to our work on product stewardship and innovation in reducing greenhouse gas emissions from the production as well as use of mineral fertilizers, allowing us to strengthen our position in a growing market for fertilizers and food with a documented, reduced carbon footprint.

» More on engagement / SEE *www.yara.com/engagements*

Business platform *and operating segments*

Yara's operations are based on efficient conversion of energy, natural minerals and nitrogen from the air into essential products for agriculture and industry. Four integrated segments cover the value chain, from raw materials to a complete offering of products, solutions, technologies and knowledge.



Upstream
Large-scale production of nitrogen-based products, the starting point for our fertilizer and industrial solutions

Downstream
Worldwide sales, marketing and distribution of a complete range of fertilizer and crop nutrition programs

Industrial
Development and sales of environmental solutions and essential products for industrial applications

Supply & Trade
Global optimization of energy, raw materials and third party sourcing; ammonia trade; shipping and logistics

Q&A

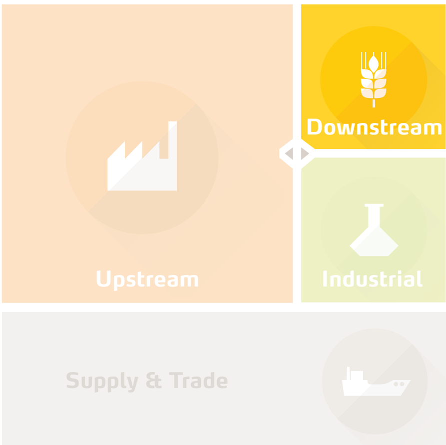
Head of Downstream: *Egil Hogna*

Egil Hogna has degrees in Industrial Management and Business Administration, and joined Yara (Hydro) in 1999. He has been Head of Downstream since 2009.

Q: What were the main investments in 2013?
A: The acquisition of OFD Holding Inc., with its collection of companies in Latin America, including distribution companies across the continent. With this investment, which we expect to close in 2014, we will greatly increase our footprint in an important growth area and nicely complement our acquisition of Bunge Fertilizer in Brazil.

Q: Which areas of innovation are prioritized?
A: The water scarcity issue has spurred dedicated innovation efforts, seeking new solutions to help reduce the water footprint of agriculture. With our unique water sensor technology and fertigation offerings we have taken a lead position in the industry, complementing our innovation efforts in precision farming.

Q: What are the main impact areas?
A: The productivity improvements due to our crop nutrition solutions, which combine high-quality mineral fertilizers and expert crop knowledge, create substantial impact, economically and environmentally. This allows for higher yields on existing farmland, which reduces resource pressure on forests, reduces harmful emissions, and at the same time improves food security.

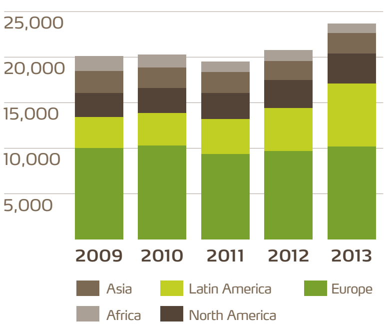


Downstream *creating competitive edge*

Downstream is the operational segment responsible for Yara's global fertilizer distribution, marketing and sales organization, as well as innovation processes.

- Downstream plays a crucial role in providing Yara its global presence, with sales offices in about 50 countries and sales to over 120. It offers the industry's most comprehensive product portfolio, and has a strong position in specialty fertilizers.
- Downstream creates competitive edge for Yara chiefly by its unrivaled presence and strong position. With Yara's unique agronomic expertise, it tailors crop nutrition concepts to specific crops, achieving competitiveness – and a knowledge margin.

FERTILIZER VOLUMES BY REGION
Thousand tons, 2009–2013



Downstream *key facts and figures 2013*

- Leading supplier of crop nutrition solutions for cash crops
- Leading supplier of fertigation solutions
- Sales offices in 50 countries
- Sales to more than 120 countries
- Employees: 3,664
- EBITDA: NOK 4,013 million
- Investments: NOK 3,515 million
- 23.7 million tons in total fertilizer sales
- 14% increase in fertilizer deliveries
- 76% increase in NPK blends
- 5% increase in deliveries outside Brazil

OPERATING SEGMENT: DOWNSTREAM

Extended global footprint *for further growth*

BUSINESS DEVELOPMENT

Downstream continued to expand the company's global footprint, with extensive marketing and sales activities in 2013. Responsible for innovation in Yara, we also followed up on key growth initiatives connected to improved technological solutions to advance sustainable agriculture.

In 2013, in a highly competitive global market, we continued to advance our position in major growth markets, particularly in Latin America. Following up on our acquisition of the fertilizer business of Bunge in Brazil, in December 2013 we entered into an agreement to acquire OFD Holding Inc. (OFD). The transaction, at a cost of USD 425 million, adds distribution assets in six countries, complementing our acquisition of Bunge.

Our presence in Africa, like Latin America, dates back to the 1970s, giving us a platform for extending Yara's footprint in Sub-Saharan Africa. Having regained control of our assets in the Côte d'lvoire in 2012, we revitalized our operation there in 2013 – complementing our activities in neighboring Ghana. We also followed up on our commitment to look into establishing a rice value chain in Burkina Faso. In East Africa, our engagement in the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) included the construction of a fertilizer terminal in Dar es Salaam, which is expected to open in late 2014.

Downstream continued to follow up on its innovation platforms, particularly on strengthening our position as a market leader in water scarce agriculture. Through the acquisition of the water sensor company ZIM Plant Technology GmbH, we took a strategic step into a new segment of the precision farming business.

OPERATIONAL PERFORMANCE

In 2013 we increased our sales by 14% compared to the previous year, reaching a volume of 23.7 million tons. The strongest growth was for NPK blends, with a 76% increase, reflecting the integration of Bunge in our operation. Excluding the Bunge volumes, our total deliveries were up 5% over 2012. Sales growth of own-produced compound NPKs was 4%, driven by Asia, but also Africa. Deliveries of urea to the European market increased by 5%. During 2013 we continued to drive our portfolio towards greater differentiation, with more than 50% made up of high-value products. Efforts include optimization of our NPK portfolio towards higher value segments.

Responsible for the company's innovation, we delivered on several initiatives. In late 2013 Yara's innovation board endorsed our Coffee & Cocoa innovation platform, which incorporates experience from public-private partnerships within the coffee sector in Vietnam. Synergies with the cocoa sector are explored and put to use in the Côte d'Ivoire and Ghana.

Throughout 2013 we continued our cooperation with the Brazilian research institution Embrapa to generate data on the advantages of nitrate fertilizers in tropical acid soils. In Canada we started testing a new variety of YaraVera Amidas, a granular urea product with sulfur, improving nitrogen use efficiency.

We have developed a range of technology tools and mobile apps for precision agriculture. In 2013 we developed the Yara DiscoverIT app to help farmers choose the right fertilizer and make sure they buy an authentic Yara product. Authentication to combat counterfeit fertilizer is an issue in certain markets. To this end, we launched a traceability program in China in 2013 – the same year we celebrated 100 years of presence in the country.

STRATEGIC FOCUS

Downstream is set to capitalize on global trends driving market demand. The mounting challenges regarding food security as well as rising environmental concerns strongly underpin opportunities for our knowledge-based crop nutrition solutions supporting sustainable agriculture.

Improved agricultural productivity is the main answer to increasing food demand. Our approach is to help farmers optimize yields rather than to increase sales to the individual grower, providing high-quality, high-value crop nutrition and supporting a shift toward precision farming and Climate-Smart Agriculture. By further increasing the share of nitrate-based differentiated and specialty fertilizer, we add value for our customers, improve our margins and maintain Yara's competitive edge.

Pressure on limited water resources has spurred demand for solutions suited for water scarce agriculture. Our ambition is to be the leading supplier in this segment, building on our already strong position in fertigation. With our 2013 acquisition of the water sensor company ZIM Plant Technology GmbH we took another strategic step towards realizing this ambition.

In 2012–13 we further strengthened our position in Latin America, with Brazil as the main growth market. There is an increasing demand for our high-quality fertilizers, also to reap the potential of better yield for a second season crop. The openening of our new blending units in Porto Alegre and Sumaré in 2014 will further expand our capacity for growth.

While also extending our footprint in Africa and Asia, we continuously reinforce our position in the traditional main markets of Europe and North America, not least by offering products with the market's most favorable environmental footprint.

Q&A

Head of Industrial: *Yves Bonte*

Yves Bonte, a civil engineer with a degree in Business Management, has been the Head of Industrial since 2010.

Q: What were the main investments in 2013?
A: The commissioning of two dedicated liquid CO_2 vessels bolsters our unique CO_2 supply concept. Furthermore, we strengthened our position in the marine emissions to air market by taking over ownership of Yarwil's NO_X abatement technology and by acquiring H+H, a NO_X abatement company based in Hagensheim, Germany.

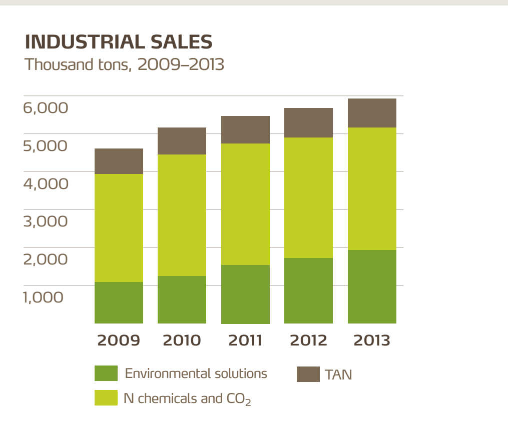
Q: Which areas of innovation are prioritized?
A: Our emission to air abatement platform is progressing well. We are expanding the technology offering for NO_X abatement to different industry segments and the maritime sector, building on the PetroMiljö acquisition in 2011. We are also in the process of developing new application niches for calcium nitrate.

Q: What are the main impact areas?
A: The NO_X abatement solutions are making tangible impacts across the world. Our technology systems and reagents resulted in customers cutting more than one million tons of NO_X emissions in 2013, equivalent to annual NO_X emissions from France.

Industrial *creating competitive edge*

Industrial offers a range of products and solutions related to emissions abatement, waste water treatment, process chemicals and CO_2.

- Industrial creates value over and above commodity nitrogen-based chemicals by developing solutions and applications to non-agricultural industries. It has a leading position in nitrogen applications, based on a Total Service Provider approach.
- Industrial leverages Yara's global distribution network to offer reliable deliveries of safe and cost-efficient solutions worldwide. The growing portfolio of environmental solutions caters to customer needs to meet tougher environmental legislation.



Industrial *key facts and figures 2013*

- Leading position in nitrogen applications
- World #1 producer of AdBlue urea for NO_X abatement
- Sales to about 30 countries
- Strong position in Europe and North America
- Expanding activities in Latin America, Asia and Australia
- Employees: 660
- EBITDA: NOK 1,096 million
- 6 million tons in total sales volume, including CO_2
- 5% increase in total sales volume
- 30% increase in Air1 sales
- 2% increase in sales of stationary NO_X abatement
- 2% increase in sales of chemicals

OPERATING SEGMENT: INDUSTRIAL

Leadership position *in emissions abatement*

BUSINESS DEVELOPMENT

In 2013 we took three new major steps to meet the growing demand for Diesel Exhaust Fuel (DEF; known as AdBlue in Europe) in North America. Firstly, we completed a new 17,500 cubic meter storage tank at Yara Sluiskil, the Netherlands. Secondly, we opened a new storage terminal in Virginia, USA, strategically located to serve the market on the east coast, and joining our coast-to-coast network of storage terminals in North America. Finally, we opened a terminal close to Montreal, Canada and initiated production and distribution of DEF at Yara Belle Plaine, Canada in June, increasing our capacity in this country as well as in strategic areas in the USA.

We continued to invest in our Emissions to Air innovation platform during 2013. One major step was the collaborative agreement with Wilhelmsen Maritime Services (WMS), by which we took over the NO_X abatement technology for commercial vessels from the joint venture Yarwil. The agreement broadens our technology platform, and provides for a lean and cost efficient sales and distribution organization based on the worldwide network of WMS. Our capacity in the emission to air abatement market was further strengthened by the acquisition of H+H Umwelt- und Industrietechnik GmbH in January 2014.

In 2013 we also demonstrated our ambition to continue growing our CO_2 business, launching two new liquid CO_2 tanker vessels (see also p. 55). These dedicated ships, along with a third and older vessel, are instrumental in our unique supply concept, offering continuous, just-in-time deliveries of food grade CO_2 recovered from our ammonia plants to customers in Europe. Both new vessels are retrofitted with our NO_X abatement technology.

OPERATIONAL PERFORMANCE

In 2013 Industrial increased overall sales volumes by 5% compared to 2012. This was mainly due to the large increase in sales of NO_X abatement solutions to the transport sector: Air1 sales increased by 30%, driven first and foremost by demand in North America, where sales increased by 48%. Sales of Air1 in Europe and Latin America ended 18% and 163% above 2012, respectively. Growth also continued for stationary NO_X abatement products, with sales increasing by 2% from 2012 to 2013.

While the mining industry in Australia took a downward turn in 2013, we were able to divert sales of TAN to Latin America. In 2013 total volumes delivered ended only 3% below those of 2012, thanks to the flexibility and strength of our global distribution network. The Yara Pilbara TAN project, a joint venture with Orica and Apache Energy in Australia, proceeded on track. Construction is managed by the Yara Project Office within Upstream and is scheduled to add 330,000 tons to our capacity in the heart of Australia's iron ore market by 2015.

Recovering economies in Europe to increasing demand for raw materials in the European process industry, driving a 2% increase in sales of chemicals from 2012 to 2013. Water treatment solutions and CO_2 deliveries remained at the same level in 2013 as the year before. We continued our collaboration with Thermo King to supply cryogenic, low-noise cooling vehicles with CO_2, adding new filling stations to the existing network in the Netherlands and France.

STRATEGIC FOCUS

Industrial's growth is dependent upon GDP growth and environmental legislation. We look to expand our business along three main axes: geographical expansion, innovation and profitable step growth initiatives.

Besides steady organic growth in Europe and utilization of our strong position in North America, we are well positioned to expand activities in Latin America. We are well prepared to serve the Brazilian market for NO_X abatement for road transport as new environmental legislation became effective in 2012, and have progressed to prepare for similar legislation coming into force in Colombia and Chile. Furthermore, we have established a presence and assembly center in China to meet initial demand for NO_X abatement solutions.

Latin America is also a targeted growth market for chemicals in industrial applications and TAN products in mining applications. An increased TAN business in Latin America will provide an excellent outlet of products from our plants in Köping, Sweden and Pardies, France and is important to mitigate the cyclicality of the mining industries in Asia and Australia.

We will continue investments in R&D and innovation, centered on our Emission to Air innovation platform and ambition of becoming a Total Service Provider offering customers complete outsourcing of their emission abatement needs. While the wave of NO_X emission abatement legislation is still rolling out to new regions, we see legislation on other emissions such as SO_X, heavy metals and dioxins emerging in the more mature markets. We are monitoring these policy processes closely for new business opportunities.

Q&A

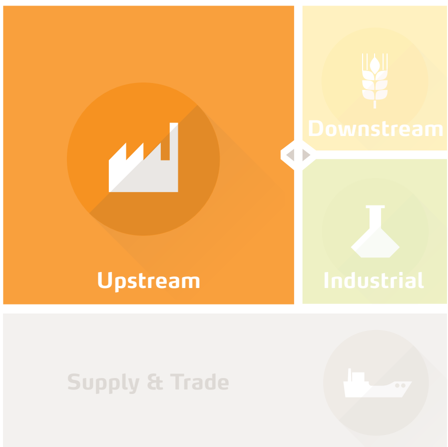
Head of Upstream: *Gerd Löbbert*

Gerd Löbbert, who holds a doctorate in Chemistry, has been the Head of Upstream since 2012.

Q: What werethe main investments in 2013?
A: We continued our investments in reliability from recent years, with tangible results. As for new projects, we completed the energy conversion at Yara Brunsbüttel, continued the expansion at Yara Porsgrunn and started construction of the TAN project at Yara Pilbara.

Q: Which areas of innovation are prioritized?
A: Our innovation efforts concentrate on reducing emissions from our plants. We have successfully installed catalyst technology to reduce GHG emissions in all our nitric acid plants, and have launched new projects targeting a further reduction and other emissions.

Q: What are the main impact areas?
A: We work continuously to deliver products with the smallest possible environmental footprint. Our N_2O catalyst technology has established a GHG benchmark for nitrate fertilizers, and we have established goals to reduce GHG emissions by 9%, SO_2 emissions by 47% and NO_x emissions by 11% by end 2014, compared to a 2010 baseline.

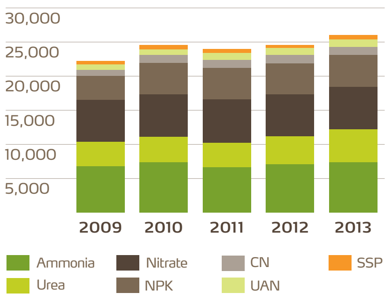


Upstream *creating competitive edge*

Upstream is the operational segment responsible for large-scale production of nitrogen-based products as well as phosphoric acid and feed phosphates.

- Upstream is the backbone of Yara's manufacturing base. It operates 15 ammonia plants and a number of production units for urea, nitric acid, nitrates, NPKs and phosphate, providing the foundation for Yara's fertilizer and industrial solutions.
- Upstream is the world's largest producer of ammonia, nitrates and NPKs. It combines cost-efficient raw material sourcing with strong operational efficiency, industrial expertise, clean production technologies and safety to provide competitiveness.

PRODUCTION VOLUMES [1)]
Thousand tons, 2009–2013



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

Upstream *key facts and figures 2013*

- World's largest producer of ammonia, nitrates and NPKs
- European low-cost leader in ammonia, nitrates and NPKs
- Annual capacity in ammonia: 8.5 million tons [1)]
- Annual capacity in nitrates: 6.5 million tons [1)]
- Production in 15 countries
- Employees: 4,680
- EBITDA: NOK 7,919 million
- Investments: NOK 2,963 million
- 26,009 kilotons in total production
- 6% increase in total production
- 5% increase in ammonia production
- 17% increase in urea production
- 3% increase in NPK production

1) Including Yara's share of joint venture plants

OPERATING SEGMENT: UPSTREAM

Expansion and reliability *adding volumes*

BUSINESS DEVELOPMENT

Upstream is instrumental to Yara's medium-term growth ambition of adding 8 millions tons of own-produced and joint-venture produced deliveries compared to a 2010 baseline. A number of initiatives are ongoing to increase the volume of own-produced products. This includes new builds and expansion projects as well as reconfigurations and investments to increase productivity.

In 2013 we continued the project to increase NPK capacity by 300 kilotons at Yara Porsgrunn, Norway. The project is on track for completion in late 2014, at a total cost of approximately NOK 300 million. In Australia we finalized the engineering and commenced construction of the 330 kiloton TAN project at Yara Pilbara. Furthermore, an energy improvement project is ongoing at the JV plant Tringen I in Trinidad, which is operated by Yara. It is expected to add about 26,000 tons of ammonia to annual capacity while reducing energy consumption by 15%.

The expansion project at Yara Belle Plaine, Canada planned to add 1.3 million tons of urea annually, was put on hold in 2013 due to soaring construction costs and prevailing market conditions. Keeping to the intent of increasing our presence in North America, we entered into discussions with BASF on a possible joint investment into a world scale ammonia plant on the Gulf Coast of the USA.

Pending its closing, the acquisition of OFD Holding inc will add the Abocol facility in Colombia with integrated ammonia production and an annual capacity of 320 kilotons compound NPK, 100 kilotons calcium nitrate and 70 kilotons ammonium nitrate. The transaction also involves the Fosfatos de Boyaco 25 kilotons single super phosphate (SSP) facility in Colombia.

OPERATIONAL PERFORMANCE

In 2013 we increased ammonia production by 5% compared to 2012, mainly due to increased volumes from the JV Qafco, Qatar, higher production at Yara Pilbara, Australia, and the partial return of our JV Lifeco, Libya. Urea production increased by 17%, driven by increased production in Yara Sluiskil, the Netherlands, as well as Qafco and Lifeco. Our operations in Libya continued, however, to be impaired by disruptions in utilities and security conditions.

Plant productivity showed good improvements in 2013, and high regularity in our fully owned plants contributed to a 6% increase in the production of finished fertilizer. Six of our eight NPK plants reached all-time production highs, resulting in a 3% increase in NPK production.

Throughout 2013 we reinforced safety efforts and implemented the company-wide Safe by Choice initiative across our operations. Over the course of the year we saw a positive development in the TRI rate (total recordable injuries per million hours worked), with the most significant improvements among contractors and during turnarounds. Regrettably, we experienced one fatal accident at Yara Porsgrunn, Norway.

In 2013 we completed the energy conversion project at our ammonia and urea plant Yara Brunsbüttel, Germany. Previously using oil as feedstock, the ammonia plant has been converted to run on either oil or natural gas according to availability and costs. The plant's profitability is increased and CO_2 emissions are reduced by about 25%, NO_X by about 54% and SO_2 by about 67%.

STRATEGIC FOCUS

Our investments in plant reliability and productivity are driving organic growth, and this will continue to be a main focus going forward. Our Productivity Group, unique to the industry and counting more than 30 engineers and scientists, is continuously targeting improvements and removing bottlenecks, and employing their collective knowledge across our operations. The group is a central element of our reliability program, along with an established Risk-Based Inspection program, systematic management of critical spare parts, great attention to the planning and execution of turnarounds, and more extensive training programs.

Upstream will target further growth along two main avenues. In Europe we will focus our attention on reconfigurations and expansions at existing sites for increased volumes of NPK, nitrates and CN. We have a strong position in nitrate-based differentiated and specialty fertilizer in Europe and can leverage our knowledge and existing production base to stay competitive in upgraded nitrogen products.

Outside Europe we will continue to explore opportunities for longer-term partnerships and new builds with access to low-cost raw materials. This includes nitrogen production as well as phosphate and potash production for our NPK plants.

In the shorter term, we will continue the integration of the Brazilian facilities acquired from Bunge. Given a closing of the OFD transaction, we will also start the actual integration of the Abocol and Fosfatos de Boyaco facilities in Colombia, which provide a first production foothold in this region of Latin America.

Q&A

Head of Supply & Trade: *Alvin Rosvoll*

› Alvin Rosvoll, holds a Master's degree in Chemistry and joined Yara (Hydro) in 1981. He has been the Head of Supply & Trade since 2012.

Q: What were the main achievements in 2013?
A: We have a major responsibility for realizing the synergy potential from Yara's acquisition of Bunge's fertilizer operations in Brazil, and we delivered according to plan, completing the process in 2014.

Q: What are the main deliveries in 2014?
A: We will continue capitalizing on Yara's scale by securing deliveries of key raw materials at competitive terms. In addition we will implement an improved supply chain process in order to further strengthen Yara's competitive edge.

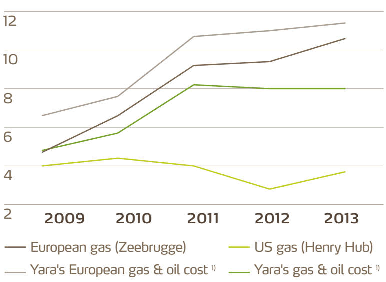
Q: What are the main impact areas?
A: We support and serve Yara's operating segments, helping them to create value. Our impact is on the company, strengthening its competitive edge, enabling value creation as a platform for creating impact.

Supply & Trade *creating competitive edge*

Supply & Trade is a global function responsible for the sourcing of key raw materials and traded products, realizing Yara's scale advantages, reinforcing its flexibility.

- Supply & Trade plays a key role in serving the operating segments with vital input factors, in particular energy and raw materials. S&T trades in ammonia, and is in charge of Yara's mining operation.
- Supply & Trade creates global competitive edge for Yara chiefly by securing cost-competitive raw materials and balanced third party sourcing.

NATURAL GAS COST
USD/MMBtu, 2009–2013



1) Weighted average

Supply & Trade *key facts and figures 2013*

- Purchases of energy* 304 million MMBtu
- Purchases of P 1,059 kilotons (70 BPL equivalents)
- Purchases of K 2,039 kilotons (MOP equivalents)
- Sourcing and trade of finished fertilizer 2,730 kilotons
- Sourcing and trade of ammonia 4,084 kilotons
- Employees 175

* Feedstock, Yara and JV plants

GLOBAL FUNCTION: SUPPLY & TRADE

Cost improvement *within supply chain*

BUSINESS DEVELOPMENT

Supply & Trade continued to improve the company's global third-party sourcing and gain margins from energy and raw material purchases in 2013. We were also in charge of developing Yara's strategic Supply Chain Project (SCP).

In 2013 we continued optimizing maritime logistics, improving the utilization of freight capacities, increasing capacity and flexibility. In March and April we launched two liquid CO_2 tanker vessels, Yara Embla and Yara Froya, from Teesport, England. Each has a carrying capacity of 1800 tons, twice that of the ships they replaced. The older Yara Gas III remains in service. The three vessels connect Yara's eight liquid CO_2 plants and seven terminals, and also serve as additional mobile back-up storage, bolstering our unique supply concept and supporting continued growth in CO_2 deliveries.

In December 2013 Yara entered into contracts with Hyundai Mipo Dockyards (HMD), Korea for the construction and delivery of two 38,000 CBM LPG carriers, at an expected cost of USD 51 million per ship. An additional order of three 20,600 CBM semirefrigerated LPG carriers was made in January 2014.

The decision to build new vessels, replacing chartered ones, is based on an evaluation of current new-build and time charter rates. In addition to improving our freight capacity, replacing expiring contracts with new owned ships also lowers our financial costs.

OPERATIONAL PERFORMANCE

Supply & Trade delivered on the Yara growth strategy by optimizing sourcing of all the key input factors into the company's global production and downstream systems, notably natural gas and minerals, especially P and K. Furthermore, we contributed to the strategy execution by taking advantage of our scale and flexibility to profit from a sizeable global ammonia trade.

In 2013 considerable synergies were gained from the ongoing integration of Bunge's fertilizer business in Brazil, following the closing of the acquisition in August 2013. Total synergies are expected to reach USD 50 million when the integration is completed in 2014, of which Supply & Trade accounts for over half. More than USD 30 million of the synergy goal had been realized by the end of 2013. The greatest single scope for synergy harvest in Brazil derives from the large volume of fertilizer we ship to the country. This allows for creating increased scale in raw material purchasing, maritime logistics with larger shipments and lower demurrages, better trade flow optimization and other scale benefits.

STRATEGIC FOCUS

Supply & Trade retains its strong strategic focus on employing Yara's scale advantages to achieve competitive, cost-saving agreements within sourcing and supply. While the margins harvested from being the largest industrial buyer of natural gas in Europe have diminished as Yara has moved from long-term contracts into the spot price market, we still retain a competitive edge in purchasing other key raw materials, by capitalizing on our scale. Through acquisition agreements in Yara's recent acquisitions in Brazil and other parts of Latin America our scale advantage has increased, improving our bargaining position.

As one of the world's largest buyers of P and K, we are strategically focused on the delivery of these raw materials, and consider alternative sources in a strategic perspective. Several options are under consideration, including mining prospects in North America and Africa.

Supply & Trade contributes to Yara's growth ambition by driving the company-wide Supply Chain Project (SCP). The project is a key initiative within Yara's growth strategy. The SCP focuses on optimizing processes in building world-class supply chain operations ready to handle Yara's future volume growth. Through simpler and more standardized processes the SCP will contribute improved cost-effectiveness and strengthen Yara's market position – creating competitive edge through global optimization.

FINANCIAL REVIEW

Financial *performance*

Yara's 2013 net income after non-controlling interests was NOK 5,748 million, a 46% decline from 2012. Corresponding earnings per share were NOK 20.63, compared with NOK 37.31 in 2012. EBITDA excluding special items ended at NOK 13,713 million, down 19% from NOK 16,850 million in 2012, as higher fertilizer deliveries were more than offset by lower commodity fertilizer margins.

VOLUME DEVELOPMENT

Our global deliveries of mineral fertilizer were 14% higher than in 2012, with increased sales in all main product groups. NPK blends saw the strongest growth with a 76% increase, the major part explained by the acquisition of Bunge's fertilizer business in Brazil effective 8 August 2013. Excluding the Bunge volumes, global fertilizer deliveries increased by 5% compared to 2012. European deliveries ended 5% above 2012, mainly due to higher urea and nitrate sales. Deliveries outside Europe excluding the Bunge volumes also increased by 5%, mainly as a result of more urea sales to Brazil and North America. In addition to the increase in Yara

Financial *highlights*

NOK millions, except where indicated otherwise	2013	2012	2011	2010	2009
Revenue and other income	85,052	84,509	80,352	65,374	61,418
Operating income	7,791	11,159	13,240	7,467	1,271
Share net income equity-accounted investees	1,250	1,964	1,889	1,515	1,412
EBITDA	13,266	16,970	18,163	15,315	5,549
EBITDA excl. special items	13,713	16,850	16,010	10,748	5,492
Net income after non-controlling interests	5,748	10,552	12,066	8,729	3,782
Earnings per share [1)]	20.63	37.31	41.99	30.24	13.08
Earnings per share excl.currency [1)]	23.17	35.85	42.51	31.85	9.82
Earnings per share excl.currency and special items [1)]	24.79	35.34	34.94	20.69	8.82
Average number of shares outstanding (millions)	278.6	282.8	287.3	288.7	289.2
CROGI (12-month rolling average)	12.6%	17.3%	20.9%	17.4%	8.5%
ROCE (12-month rolling average)	12.4 %	19.3 %	25.8 %	20.6 %	7.4 %

1) NOK per share. Yara currently has no share-based compensation programs that result in a dilutive effect on earnings per share.

Key *statistics*

Average prices		2013	2012	2011	2010	2009
Urea prilled (fob Black Sea)	USD per ton	341	407	423	289	251
CAN (cif Germany)	USD per ton	315	337	379	265	254
Ammonia (fob Black Sea)	USD per ton	477	545	518	357	243
DAP (fob US Gulf)	USD per ton	443	536	620	500	322
Phosphate rock (fob Morocco)	USD per ton	143	182	185	124	122
European gas (Zeebrugge)	USD per MMBtu	10.6	9.4	9.2	6.6	4.7
US gas (Henry Hub)	USD per MMBtu	3.7	2.8	4.0	4.4	4.0
Yara's gas & oil cost (weighted average) [1)]	USD per MMBtu	8.0	8.0	8.2	5.7	4.8
Yara's European gas & oil cost (weighted average) [1)]	USD per MMBtu	11.4	11.0	10.7	7.6	6.6
USD/NOK currency rate		5.87	5.81	5.60	6.04	6.29
Production (Thousand tons) [1)]						
Ammonia		7,360	7,035	6,655	7,335	6,736
Finished fertilizer and industrial products, excl. bulk blends		18,648	17,521	17,307	17,195	15,457
Total		26,009	24,555	23,962	24,531	22,193
Sales (Thousand tons)						
Ammonia Trade		2,203	2,566	2,856	2,639	2,715
Fertilizer		23,668	20,748	19,522	20,276	20,099
Industrial products (excl. industrial gases)		4,927	4,706	4,551	4,251	3,756
Total		30,797	28,020	26,929	27,165	26,569

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

Variance *analysis*

NOK millions	2013
EBITDA 2013	13,266
EBITDA 2012	16,970
Variance EBITDA	(3,704)
Volume & mix	2,230
Price/margin	(4,193)
Oil & gas costs in Europe	(304)
Special items	(567)
Other	(1,032)
Translation NOK vs. USD [1]	162
Total variance explained	(3,704)

1) Based on quarterly average NOK per USD rates as detailed in Yara 2013 reports.

fertilizer deliveries, higher sales volumes in Pilbara, Australia and in Qafco, Qatar due to increased volumes from Qafco 5 and 6, were main contributors to the positive volume effect in 2013.

Our global deliveries of industrial products were up 5% compared to 2012. The NO_X abatement products for automotive, Air1, saw the strongest growth with a 30% increase, reflecting continued positive market development especially in North America. Increased demand for raw materials by the European process industry led to 2% higher sales of chemicals compared with last year. Sales of stationary NO_X abatement products were 2% above 2012, while deliveries of technical ammonium nitrate (TAN) decreased by 3% due to lower sales to Eastern Australia. Water treatment products and CO_2 were in line with last year, despite a slow start of the year due to cold spring weather in Europe.

Yara's ammonia production increased 5% compared with 2012, mainly due to the partial return of production in Libya, increased Qafco volumes and higher production in Pilbara. Finished fertilizer production increased by 6%, supported by high regularity in fully-owned plants. Urea production was up by 17%, mainly driven by increased production in Sluiskil, Qafco and Libya. NPK production was up 3%, with production records in several plants.

MARGIN DEVELOPMENT

Ammonia prices were 12% lower compared to 2012, while Yara's average realized urea prices were 17% lower. Realized nitrate prices were 6% lower than in 2012, resulting in higher premiums over urea. NPK compound prices saw a decrease of 4%, less than the equivalent commodity nutrient values, as demand for value-added products was strong in Europe as well as in premium segments outside Europe. NPK blend margins improved, helped by a more favorable market environment in Brazil in 2013 as many companies tried to grow market share in 2012.

Industrial margins increased compared with 2012. Chemicals showed a positive margin development thanks to improved customer mix and increased sales to high-paying niche segments. Margins for nitrate products increased due to new application development sales. Air1 margins were higher in all regions due to higher demand and lower logistics costs. NO_X abatement product margins increased due to lower sourcing costs and sales of technology for emissions abatement. TAN margins were lower due to changes in customer mix as the market turned long in Asia Pacific, leading to reduced demand and lower prices. CO_2 margins were above last year's due to positive development in sourcing position.

Yara's average European gas and oil cost increased by 0.3 USD/MMBtu compared to 2012, due to increased spot gas prices, which were partly offset by the benefits of the conversion from oil to gas in Brunsbüttel and the renegotiated gas contract in Ferrara. Yara's global average oil and gas price was in line with last year and also reflects a higher Henry Hub price, and Qafco gas contract changes partly offset by ammonia-linked contracts.

OTHER ITEMS

Total net special items for 2013 were a negative NOK 447 million, mainly related to the corporate penalty and confiscation following the Økokrim investigation in Norway, integration costs in connection with the acquisition of Bunge's fertilizer business in Brazil, and disputed Lifeco utility costs in Libya. Net special items for 2012 were a positive NOK 120 million, mainly reflecting the Yara Pilbara transaction effect of NOK 401 million, partly offset by Libya costs and contract derivatives.

» Further details on special items / PAGE *63*

The major part of the "Other" variance is related to increased fixed costs, primarily due to the inclusion of Bunge's fertilizer business in Brazil (including a total of NOK 22 million integration costs in first half 2013 not classified as special items) and other growth and plant reliability related activities.

The US dollar was on average approximately 1% stronger versus the Norwegian krone compared with full-year 2012, resulting in a positive translation effect in Yara's results.

The volume, margin and other variances presented in the Yara variance table include effects generated by performance in equity-accounted investees. Net income from the main equity-accounted investees is shown in the table below.

NET INCOME FROM EQUITY-ACCOUNTED INVESTEES

Net income from equity-accounted investees decreased by NOK 714 million compared with 2012. Lower prices and higher gas costs for Qafco 1–4 more than offset increased volumes from Qafco 5 and 6. Tringen saw lower volumes and lower prices, partly compensated by lower gas costs. GrowHow UK was negatively affected by an extended stop in the Ince ammonia plant, a one-off insurance settlement in 2012, lower prices and higher gas costs. Partial return of production in Libya contributed positively, but Lifeco net income was negatively affected by disputed utility costs (see special items). Net income from other equity-accounted investees was negatively affected by a write-down of NOK 87 million related to the equity value of our shares in IC Potash.

FINANCIAL ITEMS

Yara bases its long-term funding on diversified sources of capital to avoid dependency on individual markets. As the fertilizer business is essentially a US dollar business, with both revenues and raw material costs denominated or determined in dollars, Yara keeps a major part of its debt in US dollars in order to reduce overall currency exposure. At year-end 2013, 80% of Yara's long-term debt was US dollar denominated, and USD 900 million of Yara's long-term debt carried fixed interest rates at an average interest cost of 7.3%.

» Further details / see note 24 / PAGE *114*

Net financial expense in 2013 was NOK 1,437 million, compared with an income of NOK 60 million in 2012. The difference mainly reflects a net foreign exchange loss of NOK 950 million in 2013, compared with a gain of NOK 596 million in 2012. The loss in 2013 includes NOK 556 million related to internal currency positions where offsetting translation effects have been booked directly to equity. In 2012, the corresponding gain from internal positions was NOK 336 million. The remainder of the loss this year was a result of the US dollar depreciating against the euro and appreciating against the Brazilian real and the Norwegian krone, as opposed to 2012 when the US dollar depreciated against Yara's main currencies.

Yara's US dollar debt generating currency effect was kept around USD 800–830 million in 2013, with the exposure mainly towards the euro, the Brazilian real and the Norwegian krone.

The average gross debt level has been NOK 1.4 billion lower than in 2012 and interest expense NOK 38 million lower. The expense in 2013 includes NOK 58 million of interest related to tax provisions, compared with NOK 46 million in 2012.

Interest income from customers increased by NOK 58 million compared with 2012, mainly reflecting increased sales in Brazil. Interest income, other was NOK 42 million lower than in 2012 as Yara gradually reduced its cash deposits throughout the year. The cash has mainly been kept as bank deposits in Norwegian kroner.

TAX

2013 current and deferred taxes were NOK 1,506 million, representing approximately 20% of income before tax (24% excluding net income from non-consolidated investees).

Yara has in its previously communicated financial scenarios assumed a normal tax rate of 25%, excluding net income from non-consolidated investees.

Net income *from equity-accounted investees*

NOK millions	2013	2012	2011	2010	2009
Qafco	960	1,368	1,018	729	607
Tringen	189	250	243	227	118
Rossosh	-	-	112	137	81
Burrup	-	-	169	(156)	311
GrowHow UK Ltd	143	437	334	221	112
Lifeco	(58)	(196)	(131)	179	127
Other	15	104	144	178	56
Total	1,250	1,964	1,889	1,515	1,412

Financial *items*

NOK millions	2013	2012	2011	2010	2009
Interest income from customers	182	124	118	112	130
Interest income, other	224	266	201	130	121
Dividends and net gain/(loss) on securities	7	14	(9)	3,580	124
Interest income and other financial income	413	404	309	3,822	376
Interest expense	(724)	(762)	(650)	(667)	(728)
Net interest expense on net pension liabilities	(84)	(64)	(6)	(67)	(128)
Net foreign exchange gain/(loss)	(950)	596	(215)	(676)	1,364
Other	(92)	(115)	(162)	(214)	(89)
Interest expense and foreign exchange gain/(loss)	(1,850)	(344)	(1,033)	(1,625)	419
Net financial income/(expense)	(1,437)	60	(724)	2,197	794

Net interest-bearing *debt*

NOK millions	2013
Net interest-bearing debt at beginning of period	(954)
Cash earnings [1]	7,648
Dividends and cash received from equity-accounted investees	2,060
Net operating capital change	2,206
Funding Yara Pilbara Nitrates	(742)
Acquisition of Bunge's fertilizer business	(4,305)
Other investments (net)	(4,395)
Share buy backs/redemption of shares	(910)
Yara dividend	(3,647)
Foreign exchange gain/(loss)	(950)
Other	613
Net interest-bearing debt at end of period	(3,378)

1) Operating income plus depreciation and amortization, minus tax paid, net gain/(loss) on disposals, net interest expense and bank charges. Adjusted for major non-cash items.

NET INTEREST-BEARING DEBT

As a supplement to the consolidated statement of cash flows (page 74), this table highlights the key factors behind the development in net interest-bearing debt. At the end of 2013, net interest-bearing debt was NOK 3,378 million.

Net interest-bearing debt increased by NOK 2,424 million from the end of 2012, as strong cash inflows funded significant maintenance and growth investments, including the acquisition of Bunge's fertilizer business in Brazil. In addition, 43% of 2012 net income after non-controlling interests was returned to Yara's shareholders as dividends and share buy-backs.

Dividends and cash received from equity-accounted investees were NOK 2,060 million, up from NOK 986 million in 2012.

» Further details, see note 12 / PAGE *102*

Net operating capital at the end of 2013 was NOK 12,273 million, a decrease of NOK 2,206 million (excluding currency effects) from 31 December 2012. The decrease was mainly due to lower inventory values.

Investment activity level was high in 2013, reflecting significant maintenance and productivity investments as well as growth projects. The acquisition of Bunge's fertilizer business in Brazil in August 2013 increased net interest-bearing debt by NOK 4,305 million. Yara provided NOK 742 million in funding for the Yara Pilbara Nitrates joint venture TAN plant construction in 2013.

Yara's Annual General Meeting approved a dividend for 2012 of NOK 13.00 per share, giving a total dividend of NOK 3,647 million payable in 2013. Share buy-backs and redemption of shares amounted to NOK 910 million in 2013.

The debt/equity ratio at the end of 2013, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.06 compared to 0.02 at the end of 2012.

Outlook, *risks and opportunities*

Our industry and operations are influenced by global megatrends as well as local and regional developments. We continuously consider the risk and opportunity landscape, based both on our own expertise and experience, and external considerations. In the 2014 Global Risk report from the World Economic Forum (WEF), five out of ten major global risks identified are directly related to our business, including water and food crises, climate change and greater incidence of extreme weather conditions. We see opportunities arising from these challenges and will continue to address them through our global engagement and development of innovative solutions.

» More on Risk management / PAGES *28–33*

MARKET OUTLOOK

Yara serves two major market segments: An agricultural market in which we are the leading supplier of nitrogen-based crop nutrition, and an industrial market where our main offerings are environmental solutions, technical ammonium nitrate and chemicals. Building on our business model and competitive edge, we see significant growth opportunities in both.

AGRICULTURAL SOLUTIONS

Global demand for agricultural products is driven mainly by growth: a growing world population and economic growth. Stronger purchasing power leads to dietary changes and higher consumption of meat, requiring larger quantities of grains as fodder, which again drives the demand for mineral fertilizers. Increased use of crops in the production of biofuels is another driver, whereas energy prices impact on the cost of producing fertilizers, and hence on the finished products.

In its February 2014 'Agricultural Projections to 2023', the United States Department of Agriculture (USDA) sees long term increases in the consumption, trade, and prices of agricultural products. An anticipated global economic growth averaging 3.2% annually over the coming decade will support worldwide demand for food. The USDA expects prices for major crops to decline in the near term, as global production responds to high prices of recent years, then pick up again in the longer term. The food price index of the Food and Agriculture Organization of the United Nations (FAO) in 2013 remained at the high level established following the food price peak of 2008. In their joint 'Agricultural Outlook 2013–2022' report, the FAO and the Organisation for Economic Co-operation and Development (OECD) project average real prices for the period covered to be well above those of the previous decade. They expect world prices to be sufficiently remunerative in the next decade to encourage further investment in agricultural production and technological enhancements. However, at 1.5% annually, the report sees lower growth in global agricultural production in the coming decade compared to the previous, due to rising costs, growing resource constraints, and increasing environmental pressures.

During 2013 the global market for the three main plant nutrients turned supply driven and production curtailments were needed to balance the market. In coming years continued need for increased agricultural productivity is expected to drive demand growth, and prospects for high quality nutrition programs are promising. The International Fertilizer Industry Association (IFA), in its 2013 assessment 'Fertilizer Outlook 2013–2017', sees a moderate growth in global fertilizer demand towards 2017. The highest growth rates are found in Eastern Europe, Central Asia, Latin America and Africa – while demand growth continues to decelerate in East Asia as China's N and P fertilizer demand plateaus. In volume terms, East Asia, South Asia and Latin America would each account for about a quarter of the global increase in fertilizer demand. World total fertilizer consumption, on a calendar year basis, is expected to reach 195 million tons nutrients in 2017 (compared to an estimated 180 million tons in 2013), of which nitrogen constitutes 116 million tons.

The nitrogen (N) market is expected to grow in the short term, absorbing much of the added ammonia and urea capacity expected. According to the IFA, supplies will balance demand in the period up to 2015, after which capacity increases will exceed the increase in demand, eventually forcing the least competitive producers to curtail production.

In the phosphate (P) market, sharply increased farm prices in India after 2011 have led to a significant reduction in P consumption. As India is the by far the world's largest importer, this development has had a substantial negative effect on global pricing. According to IFA estimates, global supply may exceed demand by 10% in 2017. The potash (K) market has been affected by a similar development in India, although its share of global trade is less important for K than for P. Following the surge in K prices in 2007/08, most of the existing producers have added capacity, pursuing volumes at the expense of price, leading to sharply lower potash prices in 2013.

INDUSTRIAL OFFERINGS

Economic growth is also the main driver of demand for our industrial products. Urbanization and a wealthier middle class lead to increased demand for construction, automotives and electronics, thereby promoting the demand for several chemicals where nitrogen is an important intermediate, along with technical nitrates used for explosives in the extraction of mineral resources. Climate change and protection of the environment are key areas for many of the activities of our Industrial segment.

Our three building blocks–ammonia, urea and nitric acid–are used for a wide range of applications. Uncertain economic conditions and volatility have influenced business confidence and the operations of our customers in recent years, putting industrial markets under pressure. Nitrogen producers are also facing a projected ammonia and urea capacity increase worldwide. However, Yara's growing geographical spread and broad customer portfolio allows business stability across economic cycles.

Automotive and construction are the key drivers for our process chemicals business. In general, process chemicals demand follows GDP developments and, as the global economy gets slowly back on track in 2014 onwards, the nitrogen based chemical market is expected to grow in the mid-term.

Environmental solutions constitute a legislation-driven business that has reached a sizable market and is expected to grow in the years to come. The Industrial Emission Directive (IED) in Europe, MATS and CAIR in North America, and China's 12th and 13th 5-year plans aim to reduce current emission limits and require several new industry segments to comply with NO_X limits. Combining our NO_X abatement technologies with reduction agents and related services, we expect to gain a unique position in the environmental market. Yara continues to have a strong reagent leadership position in Europe. However, imports from the Middle East, North Africa and Eastern Europe into this market niche are growing. Our ambition is to become a global emission to air abatement company by further enlarging our portfolio of offerings besides NO_X abatement.

FERTILIZER INDUSTRY OUTLOOK

The fertilizer industry is highly competitive, with a large number of producers. Market prices are influenced by several factors, not least the supply situation, which again is closely connected to production capacity and costs.

Yara supplies commodity fertilizer as well as premium offerings. World demand for premium products has been on the increase and we expect this market segment, where we profit from our crop nutrition knowledge, to grow further. Over the past years value-added products and solutions have constituted an increasing share of Yara's total fertilizer deliveries, now making up more than 50% of the total. The ambition is to further increase the value-added share of total sales, with our portfolio driven towards greater product differentiation and less reliance on commodity swings. Our innovation drive, including within the growing fertigation segment, supports this development.

World capacity additions are expected to come mainly in commodities. The main recent supply additions have come from China, Qatar and North Africa. In China, coal-based urea capacity is being added, driving down average production cost of Chinese capacity. However, China remains a high-cost producer, and is expected to swing the market in the near future. Several new projects announced are uncertain and annual nitrogen capacity additions outside China in the near term are expected to be in line with consumption growth trends over the last decade.

China, development of energy prices, and cost of capital will remain important drivers for global nitrogen pricing in the longer term. Due to the lower natural gas prices in North America following the shale gas boom, there is considerable investment in nitrogen capacity in this region. Other regions where investments are planned, but where timing and volume are more unclear or questionable, are Sub-Saharan Africa, the former Soviet Union, Latin America and Iran. Increase in capacity from new investments is to a certain extent offset by reduced production from existing capacity, whether caused by political problems, gas supply issues or aging.

COMPANY OUTLOOK

Yara will continue to execute its growth strategy in the years to come, and we are well on our way to reaching the medium-term goal of increasing overall sales volumes from the 2010 level of 24.5 million tons, to 32.5 million. Several projects generating organic growth are in the pipeline; others under consideration. In parallel with investments of NOK 5–6 billion a year in maintenance and reliability upgrades of our ongoing operation, we will take part in further consolidation of the fertilizer industry, ready to seize profitable opportunities and backed by a strong financial position. Safety is a chief focus in all of our operations, to protect people and facilities from harm and to uphold and improve reliability and profitability.

In the short-term we focus on realizing synergies from recent acquisitions, notably in Latin America, and augmenting global optimization. In addition to Latin America, we see profitable downstream growth opportunities in several markets, in particular in parts of Asia; in the longer run also in Africa. For environmental solutions, we see sizeable global opportunities as stronger policy regulations drive several markets, not least in Asia and the Americas.

Our innovation aims to reinforce our competitive edge, not least with regard to developing solutions meeting existing and emerging global challenges, particularly those connected to resource scarcity and food security.

Definitions *and variance analysis*

The fertilizer season in Western Europe referred to in this discussion starts 1 July and ends 30 June.

"Tons" in this development refers to metric tons, equal to 1,000 kilograms.

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 consolidated 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 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 performance, both in absolute terms and comparatively, from period to period. These measures are viewed by management as providing a better understanding - both for management and for investors – of the underlying operating results of the business segments for the period under evaluation. Yara manages long-term debt and taxes on a group basis. Therefore, net income is discussed only for the group as a whole.

Yara's management model, referred to as Value Based Management, reflects management's focus on cash flow-based performance indicators. EBITDA, which Yara defines as income/(loss) before tax, interest expense, foreign exchange gains/losses, depreciation, amortization and write-downs, is an approximation of cash flow from operating activities before tax and net operating capital changes. EBITDA is a measure that in addition to operating income, also includes interest income, other financial income, and results from equity-accounted investees. It excludes depreciation, write-downs and amortization, as well as impairment and amortization of excess values in equity-accounted investees. Yara's definition of EBITDA may differ from that of other companies.

EBITDA should not be considered as an alternative to operating income and income before tax as an indicator of the company's operations in accordance with generally accepted accounting principles. Nor is EBITDA an alternative to cash flow from operating activities in accordance with generally accepted accounting principles.

Yara management uses CROGI (Cash Return On Gross Investment) to measure performance. CROGI is defined as gross cash flow, divided by average gross investment and is calculated on a 12-month rolling basis. "Gross cash flow" is defined as EBITDA less total tax expense, excluding tax on net foreign exchange gains/ losses. On Yara level, actual tax expense is used for the calculation while a standardized tax rate of 25% is used on segment level. "Gross Investment" is defined as total assets (exclusive of deferred tax assets, cash and cash equivalents, other liquid assets and fair value adjustment recognized in equity) plus accumulated depreciation and amortization, less all short-term interest-free liabilities, except deferred tax liabilities. On segment level, cash and other liquid assets are not excluded from "Gross Investment".

ROCE (Return on capital employed) has been included as an additional performance measure to CROGI to simplify benchmarking with other companies. ROCE is defined as EBIT minus tax divided by average capital employed and is calculated on a 12-month rolling average basis. Capital employed is defined as total assets adjusted for deferred tax assets minus other current liabilities.

In order to track underlying business developments from period to period, Yara's management also uses a variance analysis methodology, developed within the company ("Variance Analysis"), that involves the extraction of financial information from the accounting system, as well as statistical and other data from internal management information systems. Management considers the estimates produced by the Variance Analysis, and the identification of trends based on such analysis, sufficiently precise to provide useful data to monitor our business. However, these estimates should be understood to be less than an exact quantification of the changes and trends indicated by such analysis.

The variance analysis presented in Yara quarterly and annual financial reports is prepared on a Yara EBITDA basis including net income from equity-accounted investees. The volume, margin and other variances presented therefore include effects generated by performance in non-consolidated investees.

Yara defines "special items" as material items in the results which are not regarded as part of underlying business performance for the period. These fall into 2 categories, namely "non-recurring items" and "contract derivatives". "Non-recurring items" comprise restructuring-related items and other gains or losses which are not primarily related to the period in which they are recognized, subject to a minimum value of NOK 20 million per item within a 12-month period. "Contract derivatives" are commodity-based derivatives gains or losses (see above) which are not the result of active exposure or position management by Yara.

Due to it being impractical to obtain financial reports at the same reporting dates as Yara uses, the results for some of Yara's equity-accounted investees are included in Yara results with a one-month time lag.

Special *items*

NOK millions	2013	2012
EBITDA effect		
2005-2007 sales tax	(95)	-
Bunge integration costs	(180)	-
Impairment/scrapping of assets in Brazil	(19)	-
Settlement of pension plan in France	-	21
Contract termination fee	-	27
Impairment write-down of customer relationships Balderton	-	-
Liquidation effects South African retail activity	-	(22)
Total Downstream	(294)	25
Settlement of pension plan in France	-	3
Dilution effect Yara Pilbara Nitrates	-	73
Total Industrial	-	76
Write-down of capitalized items - expansion project Belle Plaine	-	-
Disputed Lifeco utility costs	(138)	-
Pension plan amendment	30	-
Settlement of pension plan in France	-	1
Yara Pilbara transaction effects	(32)	401
Libya costs	-	(239)
Impairment write-down of customer relationships Balderton	-	-
Impairment write-down electric plant	-	-
Contract derivatives	282	(182)
Total Upstream	142	(19)
Corporate penalty and confiscation	(295)	-
Settlement of pension plan in France	-	1
Pilbara Nitrate project costs	-	37
Total Other and eliminations	(295)	38
Total Yara	(447)	120

NOK millions	2013	2012
Operating income effect		
2005-2007 sales tax	(95)	-
Bunge integration costs	(180)	-
Impairment/scrapping of assets in Brazil	(38)	-
Settlement of pension plan in France	-	21
Contract termination fee	-	27
Impairment write-down of customer relationships Balderton	-	(69)
Liquidation effects South African retail activity	-	(22)
Total Downstream	(313)	(44)
Settlement of pension plan in France	-	3
Dilution effect Yara Pilbara Nitrates	-	73
Total Industrial	-	76
Write-down of capitalized items - expansion project Belle Plaine	(36)	-
Disputed Lifeco utility costs	-	-
Pension plan amendment	30	-
Settlement of pension plan in France	-	1
Yara Pilbara transaction effects	(32)	401
Libya costs	-	-
Impairment write-down of customer relationships Balderton	-	(86)
Impairment write-down electric plant	-	(32)
Contract derivatives	254	(162)
Total Upstream	217	122
Corporate penalty and confiscation	(295)	-
Settlement of pension plan in France	-	1
Pilbara Nitrate project costs	-	37
Total Other and eliminations	(295)	38
Total Yara	(391)	191

Production *volumes* 1)

Thousand tons	2013	2012	2011	2010	2009
Ammonia	7,360	7,035	6,655	7,335	6,736
of which equity-accounted investees	*1,869*	*1,695*	*1,719*	*2,379*	*2,176*
Urea	4,840	4,121	3,577	3,802	3,627
of which equity-accounted investees	*1,616*	*1,142*	*862*	*1,180*	*1,107*
Nitrate	6,224	6,217	6,320	6,155	6,186
of which equity-accounted investees	*361*	*375*	*487*	*620*	*575*
NPK	4,646	4,490	4,612	4,631	3,463
of which equity-accounted investees	*181*	*257*	*447*	*566*	*449*
CN	1,199	1,253	1,193	1,183	903
UAN	1,081	953	1,049	813	761
SSP-based fertilizer	659	486	556	612	518
Total production 1)	26,009	24,555	23,962	24,531	22,193

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

Sales *volumes*

Thousand tons	2013	2012	2011	2010	2009
Ammonia	3,050	3,398	3,731	3,567	3,543
of which industrial products 1)	*669*	*683*	*749*	*725*	*650*
Urea	6,741	5,994	5,424	5,611	5,139
of which fertilizer	*5,494*	*4,699*	*4,236*	*4,588*	*4,247*
of which Yara-produced fertilizer	*1,923*	*2,070*	*1,686*	*1,656*	*1,757*
of which Yara-produced industrial products 2)	*1,123*	*1,046*	*864*	*841*	*827*
of which equity-accounted investees	*3,100*	*1,975*	*1,527*	*2,169*	*1,798*
Nitrate	6,489	6,383	5,921	6,286	6,762
of which fertilizer	*5,699*	*5,543*	*5,122*	*5,486*	*6,089*
of which Yara-produced fertilizer	*5,243*	*5,144*	*4,701*	*4,982*	*5,613*
of which Yara-produced industrial products	*649*	*710*	*684*	*648*	*553*
NPK	8,190	6,605	6,565	6,619	6,211
of which Yara-produced compounds	*4,421*	*4,233*	*3,849*	*4,090*	*3,092*
of which Yara-produced blends	*3,522*	*2,004*	*1,937*	*1,922*	*2,149*
CN	1,323	1,271	1,286	1,181	801
of which fertilizer	*986*	*898*	*919*	*846*	*680*
of which Yara-produced fertilizer	*971*	*862*	*884*	*800*	*640*
of which Yara-produced industrial products	*309*	*344*	*340*	*312*	*118*
UAN	1,290	1,222	1,158	965	1,009
of which Yara-produced fertilizer	*1,196*	*1,165*	*1,052*	*886*	*878*
DAP/MAP	377	483	249	273	491
MOP/SOP	596	309	269	326	322
Other products	2,742	2,354	2,328	2,338	2,291
of which industrial products	*1,885*	*1,515*	*1,449*	*1,368*	*1,420*
Total sales	30,797	28,020	26,929	27,165	26,569

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

Fertilizer volumes *by regions*

Thousand tons	2013	2012	2011	2010	2009
Europe	10,199	9,706	9,367	10,294	10,031
Latin America	6,900	4,720	3,798	3,565	3,403
North America	3,265	3,038	2,887	2,711	2,613
Asia	2,279	2,124	2,284	2,271	2,430
Africa	1,026	1,160	1,188	1,435	1,622
Total	23,668	20,748	19,522	20,276	20,099

Purchase *of raw materials*

Thousand tons	2013	2012	2011	2010	2009
Phosphate rock (in 70 BPL equivalents)	1,059	972	916	1,067	683
Potassium (in MOP equivalents)	2,039	1,801	1,649	1,472	814

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

The Yara *share*

YARA AIMS TO to be an attractive investment for shareholders, and to provide competitive returns compared to other investment alternatives. The Yara share shall be liquid and an attractive investment opportunity.

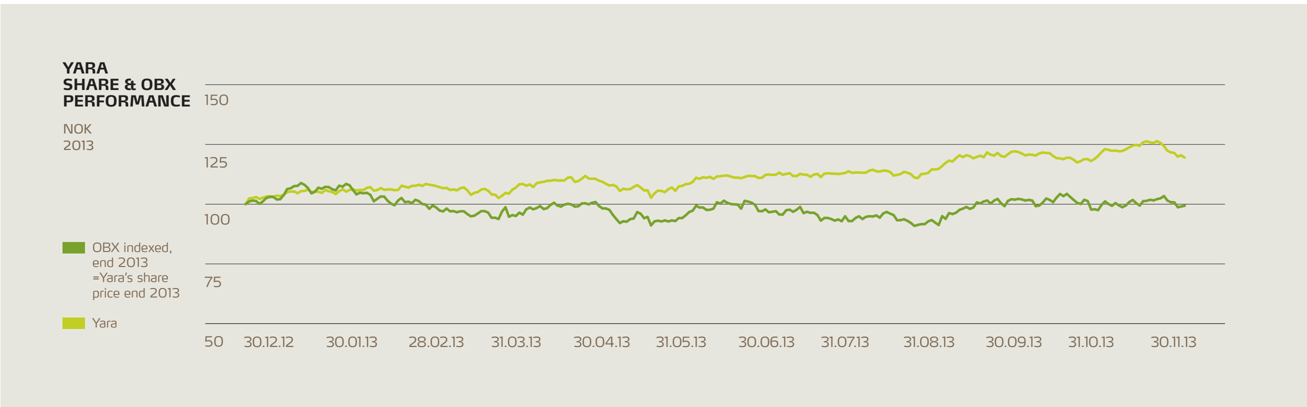
We are committed to serving all our shareholders and potential investors by providing consistent, open and prompt disclosure of relevant information. Our policy is equal treatment of all stakeholders, including analysts, banks, institutional investors and private shareholders. All information that may be important and relevant for Norwegian and international markets is provided in the form of releases to the Oslo Stock Exchange (OSE), media and financial newswires. Yara presents quarterly results as live webcasts and at its headquarters at Bygdøy allé 2 in Oslo, Norway. In addition, Yara holds regular meetings with investors both in Europe and overseas.

SHARE PERFORMANCE AND DISTRIBUTION

In 2013 a total of 573 million Yara shares were traded of which 229 million on the OSE, at a value of NOK 60.2 billion, making Yara the second most traded company on the OSE. The average daily trading volume for Yara shares on the OSE during 2013 was 921,586.

The highest closing price during the year was NOK 298.00 and the lowest was NOK 235.90. The year-end closing price was NOK 261.00, representing a 5% decrease from the 2012 year-end closing price. Yara's market value as of 31 December 2013 was NOK 77.81 billion, making Yara the fourth-largest company quoted on the Oslo Stock Exchange.

At year-end 2013 Yara had 35,383 shareholders. Non-Norwegian investors owned 43.1% of the total stock, of which 14.2% was from the United States and 7.3% from the United Kingdom. The Norwegian State, through the Ministry of Trade and Industry, is the largest single owner with 36.21% of the shares. Norwegian private ownership of Yara shares was 20.8% at the end of 2013.



Common *share data*

(NOK, except where otherwise noted)	Q1	Q2	Q3	Q4	2013	2012
Basic earnings per share	8.04	6.68	5.65	0.21	20.63	37.31
Average number of shares outstanding [1]	280,567,264	279,294,832	277,573,845	277,202,214	278,647,345	282,821,544
Period end number of shares outstanding [1]	280,567,264	278,060,910	277,290,910	277,050,910	277,050,910	280,567,264
Average daily trading volume [2]	1,022,593	966,742	857,140	846,550	921,586	1,289,356
Average closing share price	282.00	257.80	251.32	256.94	261.80	268.37
Closing share price (end of period)	264.60	242.20	248.30	261.00	261.00	273.79
Closing share price high	298.00	275.40	264.80	272.60	298.00	303.10
Market capitalization (end of period NOK billion)	75.2	68.8	69.2	72.7	72.7	77.8
Dividend per share					10.003	13.00

[1] Excluding own shares
[2] Only trades on OSE
[3] Proposed

ADR PERFORMANCE AND VOTING RIGHTS

Yara has a sponsored level 1 ADR (American Depository Receipt) program in the United States. The ADRs are not listed, but are bought and sold OTC, i.e. through any broker licensed to buy and sell US securities. One ADR represents one ordinary Yara share.

On 31 December 2013, the ADR was quoted at USD 42.93, a 14% decrease for the year. To find a recent price quote for Yara ADRs please go to www.adr.com. The ticker symbol is YARIY.

Shares must be registered with the Norwegian Central Securities Depository (Verdipapirsentralen) in the name of the real owner if holders want to vote for their shares at the shareholders' meeting. Holders of Yara ADRs should check their voting rights with JPMorgan, which is the depository bank for Yara ADRs.

» Contact details / PAGE 67

CASH DISTRIBUTION POLICY

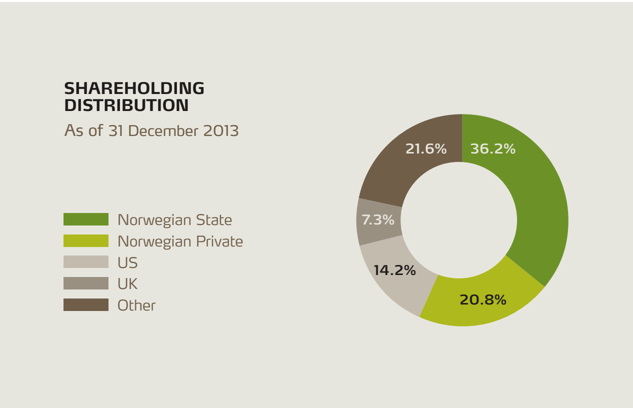
Yara's objective is to pay out an average 40–45% of net income in the form of dividends and share buy-backs. Within this objective, a minimum 30% of net income shall be paid in the form of dividends, while share buy-backs make up the balance and are deployed with greater flexibility. The dividend pertaining to a fiscal year will be declared at Yara's Annual General Meeting in the following year.

In 2013 Yara paid out NOK 4,557 million in dividends and share buy-backs, representing approximately 43% of net income in 2012. Dividends accounted for NOK 3,647 million, representing 35% of 2012 net income, while share buy-backs amounted to NOK 910 million, representing 9% of 2012 net income.

Yara's Board will propose to the Annual General Meeting a dividend payment of NOK 10 per share for 2013, which represents 48% of net income after non-controlling interests, totaling a payment of NOK 2,771 million based on outstanding shares at the date this financial statement was authorized for issue. The above-target dividend is proposed to improve Yara's capital efficiency.

The Yara Annual General Meeting on 13 May 2013 authorized Yara's Board to buy back up to 5% of total shares (13,925,045 shares) before the 2014 Yara Annual General Meeting, at a purchase price not less than NOK 10 and not more than NOK 1,000. A precondition for the program was that an agreement was entered into with the Norwegian State where the State committed to sell a proportional share of its holdings to leave the State's ownership (36.21%) unchanged.

As of 31 December 2013 Yara had bought 1,450,000 shares under the existing authorization.



Shareholding *distribution*

As of 31 December 2013

Ownership structure

No. of shares	No. of shareholders	Percentage of share capital
1-100	20,607	0.27
101-1,000	11,882	1.44
1,001-10,000	2,182	2.33
10,001-100,000	501	5.90
100,001-one million	175	19.45
Over one million	36	70.62

Yara's *20 largest shareholders* [1)]

As of 31 December 2013

Shareholders	Holding (%)
Ministry of Trade and Industry	36.21
Norwegian National Insurance Scheme Fund	6.56
Fidelity Management & Research	2.10
SAFE Investment Company	1.89
BlackRock	1.72
SSGA	1.58
Epoch Investment Partners	1.44
DNB Asset Management	1.17
Allianz Global Investors Europe (Germany)	1.16
LSV Asset Management	1.10
Pareto AS	1.08
KLP	1.04
Banque Delen, Brussels (PB)	1.00
SEB Asset Management	0.93
AP1	0.92
Schroder Investment Management	0.90
Odin Fund Management	0.88
Storebrand Investments	0.87
Investec Asset Management	0.82
Van Eck Global	0.81

1) This shareholder list is delivered by RD:IR and VPS through their service Nominee ID. The list is made by analyzing information provided by registered shareholders on request from Yara International. Neither RD:IR nor VPS guarantee that the information is complete. For a list of the 20 largest registered shareholders as of 31 December 2013, see note 19 on page 107 in this annual report.

2014 ANNUAL GENERAL MEETING

The Yara Annual General Meeting will take place at 18:00 (CEST) Monday 5 May 2014, at Yara headquarters in Bygdøy allé 2, Oslo. Shareholders who wish to attend the Annual General Meeting are asked to inform Yara's registrar by 12:00 CEST on Friday 2 May 2014.

Shareholders may also register electronically on the Yara webpage www.yara.com/register or at the Norwegian Central Securities Depository investor services site at www.vps.no.

For more information on how to vote, consult Yara's voting form or visit the company's website.

ANALYST COVERAGE

32 financial analysts provide market updates and estimates for Yara's financial results, of whom 22 are located outside Norway.

RATING

Rating agencies Moody's and Standard & Poor's have rated Yara as solid investment grade. Reflecting its strong market position and cost leadership, Yara is rated investment grade 'Baa2' with Moody's and 'BBB' with Standard & Poor's.

CHANGE OF ADDRESS

Shareholders registered in the Norwegian Central Securities Depository should send information about changes of address to their registrars and not directly to the company.

REGISTRAR INFORMATION

Registered shareholders may contact our registrar in Norway regarding share transfers, address changes and other issues related to their holding of Yara shares. The contact details are shown below.

Share *facts*

SYMBOL: YAR
LISTING: Oslo Stock Exchange (OSE)

YARA'S REGISTAR IN NORWAY
DNB ASA
Verdipapirservice
Dronning Eufemias gate 30
N-0021 Oslo
Phone: +47 23 26 80 21
Fax: +47 22 48 11 71
www.dnb.no

YARA'S ADR DEPOSITARY BANK
JPMorgan is the depositary bank for Yara ADRs:
JPMorgan Chase Bank N.A.
1 Chase Manhattan Plaza, Floor 21.
New York.
NY 10005
USA
Phone (US): 800-990-1135
Phone (outside US): +1 651-453-2128
E-mail: jpmorgan.adr@wellsfargo.com
www.adr.com

2014 DIVIDEND SCHEDULE

Ex-dividend date:	6 May 2014
Payment date:	15 May 2014

2014 QUARTERLY EARNINGS RELEASE DATES

First quarter	30 April 2014
Second quarter	18 July 2014
Third quarter	22 October 2014
Fourth quarter	11 February 2015

Financial statements

Consolidated *financial statements*

Financial statements *for Yara International ASA*

» Due to rounding differences, figures or percentages may not add up to the total.

Consolidated *statement of income*

NOK millions, except share information	Notes	2013	2012 Restated [3]
Revenue	3,4	84,668	83,997
Other income	11	119	678
Commodity based derivatives gain/(loss)	27,28	265	(166)
Revenue and other income	4	85,052	84,509
Raw materials, energy costs and freight expenses	3,30	(65,059)	(62,331)
Change in inventories of own production		(34)	(420)
Payroll and related costs	3,5,6,22	(5,429)	(5,059)
Depreciation, amortization and impairment loss	3,4,9,11	(3,713)	(3,424)
Other operating expenses	5,31,32,33	(3,026)	(2,117)
Operating costs and expenses	4	(77,261)	(73,350)
Operating income	4	7,791	11,159
Share of net income in equity-accounted investees	4,12	1,250	1,964
Interest income and other financial income	7,27,28	413	404
Earnings before interest expense and tax (EBIT)	4	9,453	13,527
Foreign exchange gain/(loss)	7,27,28	(950)	596
Interest expense and other financial items	7,22,27,28	(900)	(941)
Income before tax		7,603	13,183
Income tax expense	8	(1,506)	(2,582)
Net income		6,097	10,601
Net income attributable to			
Shareholders of the parent		5,748	10,552
Non-controlling interests	21	349	49
Net income		6,097	10,601
Earnings per share [1]	20	20.63	37.31
Weighted average number of shares outstanding [2]	19,20	278,647,345	282,821,544

1) Yara currently has no share-based compensation that results in a dilutive effect on earnings per share.
2) Weighted average number of shares outstanding was reduced in second, third and fourth quarter 2012 and second, third and fourth quarter 2013 due to the share buy-back program.
3) See note 35 for more information.

Consolidated *statement of comprehensive income*

NOK millions	Notes	2013	2012 Restated [1]
Net income		6,097	10,601
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	27	4,856	(2,960)
Available-for-sale financial assets - change in fair value	13,28	26	(24)
Hedge of net investments	28	(292)	79
Share of other comprehensive income of equity-accounted investees, excluding remeasurements	12	70	(4)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		4,660	(2,909)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Remeasurements of the net defined benefit pension liability	22	409	(500)
Remeasurements of the net defined benefit pension liability for equity-accounted investees	12	(101)	(65)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		309	(565)
Reclassification adjustments of the period:			
- cash flow hedges	7,28	15	11
- exchange differences on foreign operations disposed of in the year	3	-	(354)
Net reclassification adjustment of the period:		15	(343)
Total other comprehensive income, net of tax		4,984	(3,816)
Total comprehensive income		11,081	6,785
Total comprehensive income attributable to			
Shareholders of the parent		10,567	6,816
Non-controlling interests	21	514	(32)
Total		11,081	6,785

1) See note 35 for more information.

Consolidated *statement of changes in equity*

NOK millions	Share Capital 1)	Premium paid-in capital	Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges	Hedge of net invest-ments	Total other reserves	Retained earnings	Attributable to shareholders of the parent	Non-control-ling inter-ests	Total equity
Balance at 31 December 2011 as reported 2012	485	117	430	29	(267)	90	282	43,737	44,623	157	44,779
Implementation of revised IAS 19, restatement effect	-	-	-	-	-	-	-	85	85	-	85
Balance at 1 January 2012 restated 4)	485	117	430	29	(267)	90	282	43,822	44,707	157	44,864
Net income 4)	-	-	-	-	-	-	-	10,552	10,552	49	10,601
Other comprehensive income, net of tax 4)	-	-	(3,233)	(24)	11	79	(3,167)	(500)	(3,666)	(81)	(3,747)
Share of other comprehensive income of equity-accounted investees	-	-	(2)	-	1	-	(1)	(67)	(68)	-	(68)
Total other comprehensive income, net of tax 4)	-	-	(3,235)	(24)	12	79	(3,168)	(567)	(3,735)	(81)	(3,816)
Long term incentive plan	-	-	-	-	-	-	-	(8)	(8)	-	(8)
Transactions with non-controlling interests	-	-	-	-	-	-	-	(1)	(1)	1,640	1,639
Treasury shares	(6)	-	-	-	-	-	-	(948)	(954)	-	(954)
Redeemed shares, Norwegian State 2)	(2)	-	-	-	-	-	-	(315)	(317)	-	(317)
Dividends distributed	-	-	-	-	-	-	-	(1,998)	(1,998)	(20)	(2,018)
Balance at 31 December restated 2012 4)	477	117	(2,805)	5	(255)	169	(2,886)	50,538	48,246	1,745	49,991
Net income	-	-	-	-	-	-	-	5,748	5,748	349	6,097
Other comprehensive income, net of tax	-	-	4,691	26	15	(292)	4,440	409	4,849	165	5,014
Share of other comprehensive income of equity-accounted investees	-	-	6	-	63	-	69	(99)	(31)	-	(31)
Total other comprehensive income, net of tax	-	-	4,696	26	78	(292)	4,509	310	4,819	165	4,984
Long term incentive plan	-	-	-	-	-	-	-	(5)	(5)	-	(5)
Transactions with non-controlling interests	-	-	-	-	-	-	-	17	17	(6)	11
Treasury shares	(2)	-	-	-	-	-	-	(375)	(377)	-	(377)
Redeemed shares, Norwegian State 3)	(4)	-	-	-	-	-	-	(529)	(533)	-	(533)
Dividends distributed	-	-	-	-	-	-	-	(3,647)	(3,647)	(100)	(3,748)
Balance at 31 December 2013	471	117	1,892	30	(177)	(122)	1,623	52,056	54,267	2,152	56,419

1) Par value 1.70.
2) As approved by General Meeting 10 May 2012.
3) As approved by General Meeting 13 May 2013.
4) See note 35 for more information.

Consolidated *statement of financial position*

NOK millions	Notes	31 Dec 2013	31 Dec 2012 Restated [1)]
ASSETS			
Non-current assets			
Deferred tax assets	3,8	1,945	1,376
Intangible assets	3,9,10	8,419	7,512
Property, plant and equipment	3,11,29	32,867	27,893
Equity-accounted investees	4,12	10,923	10,501
Long-term loans to equity-accountes investees	12	764	8
Other non-current assets	3,13,14,22,28	1,541	1,429
Total non-current assets	4	56,459	48,719
Current assets			
Inventories	3,15	13,023	11,927
Trade receivables	3,16,28	9,276	8,045
Prepaid expenses and other current assets	3,17,28	3,396	2,607
Cash and cash equivalents	3,18,28	6,819	9,941
Non-current assets classified as held-for-sale	18,28	8	11
Total current assets	4	32,521	32,530
Total assets	4	88,980	81,249

1) See note 35 for more information.

Consolidated *statement of financial position*

NOK millions, except for number of shares	Notes	31 Dec 2013	31 Dec 2012 Restated [1)]
Equity and liabilities			
Equity			
Share capital reduced for treasury stock	19	471	477
Premium paid-in capital		117	117
Total paid-in capital		588	594
Other reserves		1,623	(2,886)
Retained earnings	19	52,056	50,538
Total equity attributable to shareholders of the parent		54,267	48,246
Non-controlling interests	21	2,152	1,745
Total equity		56,419	49,991
Non-current liabilities			
Employee benefits	22,32	2,242	2,350
Deferred tax liabilities	8	4,402	4,442
Other long-term liabilities	3,28	569	658
Long-term provisions	23	398	407
Long-term interest-bearing debt	24,28	5,833	9,287
Total non-current liabilities		13,444	17,144
Current liabilities			
Trade and other payables	3,4,25,28	11,784	9,665
Current tax liabilities	3,8	1,407	1,932
Short-term provisions	4,23	458	230
Other short-term liabilities	3,4,28	1,104	680
Bank loans and other interest-bearing short-term debt	3,26,28	539	604
Current portion of long-term debt	24,28	3,826	1,004
Total current liabilities		19,118	14,115
Total equity and liabilities		88,980	81,249
Number of shares outstanding	19	277,050,910	280,567,264

1) See note 35 for more information.

The Board of Directors of Yara International ASA
Oslo, 20 March 2014

Bernt Reitan
Chairperson

Hilde Merete Aasheim
Board member

Elisabeth Harstad
Board member

Geir Isaksen
Board member

Juha Rantanen
Board member

Rune Bratteberg
Board member

Guro Mauset
Board member

Geir O. Sundbø
Board member

Jørgen Ole Haslestad
President and CEO

Consolidated *statement of cash flows*

NOK millions	Notes	31 Dec 2013	31 Dec 2012 Restated [1]
Operating activities			
Operating Income	4	7,791	11,159
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation, amortization and impairment loss	4,9,11	3,713	3,424
Write-down and reversals, net		5	(102)
Tax paid [2]		(3,750)	(2,702)
Dividend from equity-accounted investees	12	1,876	986
Interest and bank charges received/(paid)		(421)	(433)
Gain/(loss) on sale and revaluation of non-current assets	2	20	(416)
Other		(152)	(467)
Working capital changes that provided/(used) cash			
Receivables		817	157
Inventories		2,529	310
Prepaid expenses and other current assets		904	450
Payable		(1,145)	1,162
Other interest free liabilities		(12)	(296)
Net cash provided by operating activities		12,174	13,233
Investing activities			
Purchases of property, plant and equipment	4,11	(4,425)	(3,569)
Net cash outflow on acquisition of subsidiary	3	(4,319)	(250)
Purchases of other long-term investments	2,3,4	(1,174)	(445)
Net sales/(purchases) of short-term investments	18	(1)	(1)
Proceeds from sales of property, plant and equipment	11	38	51
Net cash inflow on disposal of subsidiary		2	8
Proceeds from sales of other long-term investments		621	250
Net cash used in investing activities		(9,259)	(3,955)
Financing activities			
Loan proceeds		37	11,331
Principal payments		(1,367)	(13,123)
Purchase of treasury shares	19	(377)	(954)
Redeemed shares Norwegian State	19	(533)	(317)
Dividend	19	(3,647)	(1,998)
Net cash transfers (to)/from non-controlling interest	2,21	(100)	11
Net cash used in financing activities		(5,989)	(5,050)
Foreign currency effects on cash flows		(48)	(154)
Net increase/(decrease) in cash and cash equivalents		(3,122)	4,073
Cash and cash equivalents at 1 January		9,941	5,868
Cash and cash equivalents at 31 December	18	6,819	9,941
Bank deposits not available for the use of other group companies	18	338	286

1) See note 35 for more information.
2) 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 for NOK 434 million in 2013 (NOK 238 million in 2012).

Accounting *policies*

GENERAL

Yara (the Group) consists of Yara International ASA and its subsidiaries. Yara International ASA is a public limited company incorporated in Norway. The Company's registered office is at Bygdøy allé 2, Oslo, Norway.

The consolidated financial statements consist of the Group and the Group's interests in associated companies and jointly controlled entities. The principal activities of the Group are described in note 4 and note 12.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB) and approved by the European Union (EU).

BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention; modified to include revaluation to fair value of available-for-sale financial assets and derivative financial instruments.

BASIS OF CONSOLIDATION

The consolidated financial statements include Yara International ASA and entities controlled by Yara International ASA (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Controlling interest is usually achieved when Yara has more than 50% of voting rights. In some situations de facto control of an entity may be achieved through other means than voting rights, such as through contractual agreements.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of Yara International ASA and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra group transactions, balances, income and expenses are eliminated in full on consolidation. Profit or losses from transactions with associated companies and jointly controlled entities are recognized in the Group's consolidated financial statements only to the extent of interest in the associate or jointly controlled entity that is not related to the Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

FOREIGN CURRENCIES

Translation to Norwegian krone (NOK) of foreign companies

The individual financial statements of a subsidiary company are prepared in the company's functional currency, normally the currency of the country where the company is located. Yara International ASA uses NOK as its functional currency, which is also used as the presentation currency for the consolidated financial statements. In preparing the consolidated financial statements, the financial statements of foreign operations are translated using the exchange rates at year-end for statement of financial position items and monthly average exchange rates for statement of income items. Translation gains and losses, including effects of exchange rate changes on transactions designated as hedges of net foreign investments, are included in other comprehensive income as a separate component. The translation difference derived from each foreign subsidiary, associated company or jointly controlled entity, accumulated from 1 January 2004, is reversed through the statement of income as part of the gain or loss arising from the divestment or liquidation of such a foreign operation.

In individual companies, transactions in currencies other than the entity's functional currency are recorded at the exchange rate at the date of transaction. Monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

All exchange differences are recognized in the income statement with the exception of exchange differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, or monetary items that are regarded as a part of the net investments. These exchange differences are recognized as a separate component of other comprehensive income until the disposal of the net investment or settlement of the monetary item, at which time they are recognized in the consolidated statement of income. Tax charges and credits attributable to exchange differences on those borrowings are also recognized in other comprehensive income.

Foreign exchange hedges

To hedge the Group's currency exposure the Group enters into currency-based derivative financial instruments. The Group's accounting policies for such contracts are explained below under financial instruments.

BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except for deferred tax assets and liabilities, share-based payment arrangements and held-for-sale assets or disposal groups. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquire's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Changes in the fair value of the contingent consideration that arise from additional information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date are adjusted retrospectively with corresponding adjustments against goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration is classified as an asset or liability and is measured at fair value with change in fair value recognized either in profit or loss or as a change in other comprehensive income. Contingent consideration not within the scope of IAS 39 is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured. Subsequent settlement is accounted for within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items where the accounting is incomplete. Those provisional amounts are adjusted or additional assets or liabilities are recognized within the next twelve months from the acquisition date, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

GOODWILL

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorated on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

The Group's accounting policy for goodwill arising on the acquisition of an associate or jointly controlled entity is described under associated companies.

FAIR VALUE MEASUREMENT

The Group measures financial instruments, such as derivatives, and non-financial assets at fair value at each balance sheet date and all identified asset and liabilities acquired through business combinations at fair value at the acquisition date. All assets and liabilities for which fair value is measured at the balance sheet date or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group may engage third party qualified valuers to perform the valuation. The Group does not hold significant non-financial assets or liabilities that are required to be measured at fair value at each balance sheet date.

Assets and liabilities acquired through a business combination are categorized in level 3 of the fair value hierarchy if nothing else is stated in note 3. The Group applies generally accepted valuation techniques for the relevant asset or liability. Discount factor used is entity specific, including various risk factors.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

REVENUE RECOGNITION

Sale of goods

Revenue from the sale of products, including products sold in international commodity markets, is recognized when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the Group
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products provided in the normal course of business, net of discounts and sales related taxes. Yara's rebate arrangements include fixed-rate rebates or variable rate rebates increasing with higher volumes. For variable rate rebates, the estimated rebate is accrued at each revenue transaction, and the accrual is adjusted at the end of each rebate period, which typically is the end of a fertilizer season.

In arrangements where Yara acts as an agent, such as commission sales, only the net commission fee is recognized as revenue.

Government grants

Government grants are recognized in the consolidated financial statement when the Group has reasonable assurance that it will receive them and comply with conditions attached to them. Government grants that compensate the Group for expenses are recognized in the statement of income as the expenses are incurred. Government grants that compensate the Group for the cost of an asset are deducted in the carrying amount of the asset and recognized in the statement of income on a systematic basis over the useful life of the asset as a reduction to depreciation expense.

Dividends received

Dividends from investments are recognized in the statement of income when the Group has a right to receive the dividends.

Interest income

Interest income is recognized in the statement of income as it is accrued, based on the effective interest method.

TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent these can be utilized against probable taxable profits. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Current and deferred tax for the period

Current and deferred tax are recognized as expense or income in the statement of income, except when they relate to items recognized in other comprehensive income, in which case the tax is also recognized as other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of Yara's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Separately acquired intangible assets are recognized at fair value at the time of acquisition. As part of business combinations, intangible assets acquired as a result of contracts or legal rights, or rights that can be separated from the acquired entity, are recognized at fair value.

Research costs are expensed as incurred. Costs incurred in development of certain internally generated intangible assets, such as software, are expensed until all the recognition criteria are met. Qualifying costs incurred subsequently to meet the recognition criteria are capitalized.

Exploration and evaluation expenditure

Yara incurs costs related to evaluation and exploration of phosphate and potash. Expenditures to acquire such mineral interests and to drill and equip mines are capitalized as exploration and evaluation expenditure within intangible assets until the mine is complete and the results have been evaluated. If, following evaluation, the exploratory mine has not found proved reserves, the previously capitalized costs are evaluated for derecognition or tested for impairment.

Capitalized exploration and evaluation expenditure, including expenditures to acquire mineral interests, related to mines that find proven reserves are transferred from Exploration expenditure (Intangible assets) to Assets under construction (Property, plant and equipment) when the project reaches the development phase.

PROPERTY, PLANT AND EQUIPMENT

Measurement

Property, plant and equipment are measured at historic cost less accumulated depreciation and any impairment loss. If a legal or constructive obligation exists to decommission property, plant and equipment, the carrying value of the assets is increased with the discounted value of the obligation when it arises.

Repair and maintenance

Expenses in connection with periodic maintenance on property, plant and equipment are recognized as assets and depreciated on a systematic basis until the next periodic maintenance, provided the criteria for capitalizing such items have been met. Expenses in connection with ordinary maintenance and repairs are recognized in the statement of income as they are incurred. Expenses incurred in connection with major replacements and renewals that materially extend the life of property, plant and equipment are capitalized and depreciated on a systematic basis.

Useful life

Property, plant and equipment are depreciated on a straight-line basis over their expected useful life. If individual parts of property, plant and equipment have different useful lives they are accounted for and depreciated separately. Expected useful life and residual value is, unless immaterial, reassessed annually. An asset's carrying amount is written down to its recoverable amount if the assets carrying amount is higher than its estimated recoverable amount. Gain or loss due to sale or retirement of property, plant and equipment is calculated as the difference between sales proceeds and carrying value and is recognized in the statement of income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

Demolition costs

Costs incurred in respect of obligation for dismantling, removing and restoring a site are recognized as property, plant and equipment when such obligation incurs and when the recognition criteria are met when an asset is acquired or when the obligation incurs when the asset is still in use.

ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

Associated companies are investments in companies where the Group has significant influence, but not control. Significant influence normally exists when the Group controls between 20% and 50% of the voting rights. Yara currently has one investment with ownership level less than 20% which is classified as an associate, see note 12 for more information.

A jointly controlled entity is a contractual arrangement whereby the Group and one or more parties undertake an economic activity that is subject to joint control, which is when the strategic, financial and operating policy decisions relating to the activities of the jointly controlled entity require the unanimous consent of the parties sharing control. A jointly controlled entity is a jointly controlled entity that involves the establishment of a corporation, partnership or other entity in which each venture has an interest.

The share of results, assets and liabilities of associated companies and jointly controlled entities are incorporated into the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, investments are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associated companies and jointly controlled entities, less any impairment in the value of the investment.

The consolidated statement of income reflects the Group's share of the results after tax of the associated companies and jointly controlled entities. The consolidated statement of comprehensive income reflects the Group's share of any income and expense recognized by the associate or jointly controlled entity outside the statement of income. Any excess of the cost of acquisition of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Yara reviews the carrying amount of equity-accounted investments for impairment if indications of loss in value are identified. Impairment indicators may be operating losses or adverse markets conditions. As Yara's associated companies and jointly controlled entities are generally not listed on a stock exchange or regularly traded, the impairment review for such investments can rarely be based on observable market prices. Fair value of the investment is estimated based on valuation model techniques. If it is considered probable that the fair value is below Yara's carrying value, an impairment loss is recognized. In preparing their individual financial statements, the accounting policies of certain associated companies and jointly controlled entities do not conform with the accounting policies of Yara. Where appropriate, adjustments are made in order to present the consolidated financial statements on a consistent basis.

INVENTORY

Inventories are stated at the lower of cost, using the first-in, first-out method ("FIFO"), and net realizable value. Net realizable value is estimated sales price reduced by costs of completion and other sales costs. Cost is direct materials, direct labor, other direct cost and an appropriate portion of production overhead, or the price to purchase inventory.

IMPAIRMENT OF NON-CURRENT ASSETS OTHER THAN GOODWILL

The Group assesses the carrying amount of tangible assets and identifiable intangible assets annually, or more frequently if events or changes in circumstances indicate that such carrying amounts may not be recoverable. Factors considered material by the Group and that could trigger an impairment test include:

- significant underperformance relative to historical or projected future results, or
- significant changes in the manner of the Group's use of the assets or the strategy for the overall business, or
- significant negative industry or economic trends.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost to sell and value in use. When it is determined that the carrying amount of tangible assets and identifiable intangible assets may not be recoverable based upon the existence of one or more of the above indicators of impairment, any impairment is measured based on discounted projected cash flows using a pre-tax discount rate. An impairment loss is recognized to the extent that the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.

Previously recognized impairment losses, except for goodwill, are reversed if the assumptions for impairment are no longer present. Impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognized.

OWN SHARES

When own shares are repurchased, the amount of consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. Gain/loss from the sale of own shares is recognized as a change in equity.

DIVIDENDS PAID

Dividends are recognized as a liability in the period that they are declared by the Annual General Meeting

EMPLOYEE BENEFITS

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan. The amount is an estimation of future benefits that the employees have earned in return for their service in current and prior periods. The benefit is discounted to determine its present value, and the fair value of the plan assets and unvested past service cost is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds or government bonds where no market for high quality corporate bonds exists. If the bond has a different maturity from the obligation, the discount rate is adjusted. Qualified actuaries using the projected credit unit method perform the calculations.

Past service costs, arising from the amendment of plan benefits, are recognized immediately in profit or loss. Remeasurement gains and losses are recognized as retained earnings through other comprehensive income in the period they occur, and will not be reclassified to profit or loss in subsequent periods.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as an expense in the statement of income when employees have rendered services entitling them to the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or deduction in future payments is available.

Other long-term benefits

The Group's obligation in respect of other long-term benefits is the amount of future benefits that the employees have earned in return for their service in current and prior periods. The obligation is discounted based on the same principles as defined benefit plans.

Share-based compensation

In the long-term incentive program for Yara Management and top executives Yara shall purchase shares on behalf of the employees. The original purchase amount is recorded as reduction in equity and the recognition of costs takes place during the vesting period, see note 6 and 32. If an executive does not meet the vesting conditions the net proceeds must be returned to Yara and will be recognized directly against equity.

The Group may also give employees the option to purchase shares in Yara at a reduced price. The related cost is recognized when the employee exercises this option.

PROVISIONS

A provision is recognized when the Group has a present obligation (legal or constructive) following a past event and it is likely that this will result in an outflow of cash or transfer of other assets to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of the cash flow.

Restructuring

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as a provision. An onerous contract is considered to exist where the Group has a contract where the unavoidable costs of meeting the obligations under a contract exceeds the economic benefits expected to be received from it.

Site restoration

A provision for an obligation to restore a site is recognized when it occurs as a consequence of a constructive or legal obligation.

Guarantees

A provision for guarantees is recognized when the products or services are sold. The provision is based on historical information on actual guarantee payments incurred and the probability that claims will be made.

Environmental expenditures

Environmental expenditures that increase the life, capacity, safety or efficiency of a facility are capitalized. Expenditures that relate to an existing condition caused by past operations are expensed. When environmental assessments, clean-ups or restoration are probable and the cost can be reliably measured, a provision is recognized.

Emission rights
Due to EU regulations in regard to greenhouse gas emissions, Yara receives annual emissions rights. These emission rights can be used to settle the Group's obligation that arises as a result of actual emissions. Granted emission rights received in a period are initially recognized at nominal value (nil value). Purchased emission rights are initially recognized at cost (purchase price) within intangible assets. A provision is recognized when the level of emissions exceeds the level of allowances granted.

If Yara's emissions are less than the emission rights allocated to its operations, these may be sold in the market. Gains are recognized if and when such transactions occur.

FINANCIAL INSTRUMENTS
Financial assets and financial liabilities are recognized when the Group becomes part to the contractual obligations of the instrument.

Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits and monetary items which are due in less than three months.

Other liquid assets
Other liquid assets comprise bank deposits and all other monetary items which are due between three and twelve months.

Trade receivables and other short-term receivables
Trade receivables and other short-term receivables are measured at initial recognition at fair value and subsequently measured at amortized cost. Short-term receivables, which are due within three months, are normally not discounted.

Available-for-sale financial assets
Available-for-sale financial assets are initially recognized at fair value. Available-for-sale financial assets are subsequently recognized at fair value, with gains and losses arising from changes in fair value recognized in the statement of comprehensive income, until the asset is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the consolidated statement of income for the period.

Impairment of financial assets
Financial assets, other than those recognized at fair value through the statement of income, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced directly by the impairment loss for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of income. With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of income. This is done to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In addition to the above impairment of available-for-sale equity securities, impairment may occur if the decline in fair value is significant or prolonged. In respect of available-for-sale equity securities, any increase in fair value subsequent to an impairment loss is recognized as other comprehensive income.

Trade payables and other short-term liabilities
Trade payables are initially measured at fair value and are subsequently measured at amortized cost. Short-term payables, which are due within three months, are normally not discounted.

Interest-bearing borrowings
Interest-bearing borrowings are recognized initially at fair value less direct transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortized cost with any difference between cost and redemption being recognized in the statement of income over the period of the borrowings on an effective interest basis.

Derivative financial instruments
The Group uses derivative financial instruments to hedge exposure against foreign exchange risk, interest-rate risk and commodity risk arising in operating, financing and investment activities. Derivatives are initially recognized at fair value at the date a derivative contract is entered into, and are subsequently remeasured to their fair value at each balance sheet date. The Group routinely enters into sale and purchase transactions for physical gas, ammonia and other commodities. The majority of these transactions take the form of contracts that were entered into and continue to be held for the purpose of receipt or delivery of the physical position in accordance with the Group's expected sale, purchase or usage requirements, and are therefore not within the scope of IAS 39 (own use exemption). Certain purchase and sales contracts are within the scope of IAS 39 as they can be settled net and do not qualify for the own use exemption. Such contracts are accounted for as derivatives under IAS 39 and are recognized in the statement of financial position at fair value. Gains and losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recognized in the consolidated statement of income.

Fair value for derivatives is measured based on quoted market prices when these are available. When quoted prices from active markets are not available, the Group estimates fair value by using valuation models that make maximum use of observable market data. The resulting change in fair value is recognized immediately in the statement of income unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in the consolidated statement of income depends on the nature of the hedge relationship.

A derivative is classified as a non-current asset or a non-current liability if the remaining maturity of the derivative is more than 12 months and as a current asset or a current liability if the remaining maturity of the derivative is less than 12 months.

Embedded derivatives
Derivatives embedded in other financial instruments or other non-financial host contracts are separated and treated as derivatives when the risks and characteristics of the derivative are not closely related to the host contract and the host contract is not measured at fair value with changes in fair value recognized in the consolidated statement of income.

Hedge accounting
The Group designates certain derivatives as either hedges of the fair value of recognized assets or liabilities (fair value hedges), hedges of foreign currency risk of recognized assets or liabilities (cash flow hedges), or hedges of net investments in foreign operations.

Cash flow hedges
Changes in fair value of financial instruments used as hedging instrument in a cash flow hedge are recognized in equity until the hedged transaction is recognized. The ineffective part of the hedge is recognized in the statement of income.

Fair value hedges
Changes in fair value of financial instruments designated as fair value hedges are recognized in the consolidated statement of income. The carrying amount of the hedged item is adjusted for changes in the fair value attributable to the hedged risk.

Hedge of net investment

Changes in fair value of financial instruments used as hedges of net investment in foreign operations are recognized as other comprehensive income. The ineffective part of the hedge is recognized in the consolidated statement of income.

Hedge accounting ceases when the hedging instrument expires, is sold, terminated or exercised or the hedge relationship does not fulfill the requirements for hedge accounting.

LEASING

Property, plant and equipment which is leased on conditions which substantially transfer all the economic risks and rewards to Yara (finance lease) are accounted for as property, plant and equipment at the present value of minimum lease payments or fair value if this is lower. The corresponding finance lease liabilities are included in long-term debt. Property, plant and equipment are depreciated over the estimated useful lives of the assets. The related liabilities are reduced by the amount of lease payments less the effective interest expense.

Other leases are accounted for as operating leases with lease payments recognized as an expense over the lease terms.

NEW AND REVISED STANDARDS - ADOPTED

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS effective at 1 January 2013

- IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. Application of IFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in note 28.

- IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1.

The amendments to IAS 1 introduce a grouping of items presented in OCI. Items that will be reclassified ('recycled') to profit or loss at a future point in time have to be presented separately from items that will not be reclassified (e.g., remeasurements). The amendments affect presentation only and have no impact on the Group's financial position or performance.

- IAS 19 Employee Benefits (Revised 2011)

The Group applied IAS 19 (Revised 2011) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard. See note 35 for more information. IAS 19 (Revised 2011) also requires more extensive disclosures. These have been provided in Note 22.

NEW AND REVISED STANDARDS – NOT YET EFFECTIVE

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- IFRS 9 Financial Instruments (issued 2009). Expected adoption 1 January 2015.
- IFRS 10 Consolidated Financial Statements. Adoption 1 January 2014.
- IFRS 11 Joint Arrangements. Adoption 1 January 2014.
- IFRS 12 Disclosure of Interests in Other entities. Adoption 1 January 2014.
- IAS 27 Separate Financial Statements (Revised). Adoption 1 January 2014.
- IAS 28 Investments in Associates and Joint Ventures (Revised). Adoption 1 January 2014.
- IAS 32 Financial Instruments: Presentation - Amendments to application guidance on the offsetting of financial assets and financial liabilities. Adoption 1 January 2014.
- Improvements to IFRSs (December 2013). Adoption 1 January 2014.

IMPACT ON THE GROUP – SELECTED STANDARDS NOT YET EFFECTIVE

Yara has decided to follow the effective date, 1 January 2014, as endorsed by EU of IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28.

IFRS 10 includes new definition of control. The application may result in the Group no longer consolidating some of its investees, and consolidation of investees that were not previously consolidated.

Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. These changes might lead to changed classification of Yara's joint arrangements. The new standard will require joint ventures to be accounted for using the equity method, and thus eliminating the choice of using proportionate consolidation for jointly controlled entities. This will have no impact for Yara since equity method is the adopted policy choice.

Based on the analysis of the new IFRS 10 and 11 and the revised IAS 27 and 28 Yara will classify Tringen and Yara Pilbara Nitrates as joint operations. The companies will be consolidated in the financial statements based on its proportionate share of assets, liabilities, revenues and expenses. Also, Yara sold 16% in Yara Praxair Holding AS in 2011 and and joint control ceased over the entity. This transaction gave a remeasurement gain of remaining 34% ownership in the associate of NOK 661 million. Such transactions will, under the revised IAS 28, not require remeasurement of remaining ownership interest. This effect will have to be restated when implementing the new standard. A restatement will reduce the carrying value of the investment and Yara's equity and give a minor impact on net income due to reversal of amortization of excess values.

If Yara had implemented the new standards in 2013 based on the information currently available, the expected financial impacts on the financial statements at 31 December 2013 would be a positive impact of approximately NOK 130 million and NOK 280 million on EBITDA and operating income, respectively. Net income will increase by NOK 6 million. Total assets of the group would decrease with around NOK 370 million of which a decrease in non-current assets of NOK 530 million and an increase in current assets with NOK 160 million. Total current liabilities will increase with NOK 150 million and total non-current liabilities will increase with approximately NOK 120 million. Total equity will decrease with NOK 650 million due to the restatement of the remeasurement gain of Yara Praxair Holding AS.

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets. Full evaluation of the impact has not been completed at this stage. The group will quantify the effect in conjunction with the other phases, when the final standard including all phases has been issued. This standard is expected to become effective for annual periods beginning on or after 1 January 2015.

The directors anticipate that the adoption of other new and revised standards will not significantly impact the financial statements, but might lead to more extensive disclosures.

EU-DIRECTIVE 83/349

Yara GmbH & Co. KG with legal seat in Dülmen/Germany and its directly and indirectly owned subsidiaries are included in the consolidated financial statement of Yara International ASA as defined by sec. 291 HGB (German commercial code). For the purpose of sec. 264b HGB, Yara GmbH & Co. KG makes use of the relief to not disclose any independent financial statement and notes.

Notes *to the accounts*

Note 1

Key sources of estimation uncertainty, *judgments and assumptions*

GENERAL

The preparation of consolidated financial statements in accordance with IFRSs and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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. The accounting policies applied by Yara in which judgments, estimates and assumptions may significantly differ from actual results are discussed below.

IMPAIRMENT OF ASSETS

Property, plant and equipment

Yara has significant carrying amounts related to property, plant and equipment recognized in the consolidated statement of financial position. The value in use of some of these assets could be influenced by changes in market conditions where Yara carries out its business. Significant and prolonged adverse market conditions related for example to increases in natural gas cost and/or lower market prices for products sold could lead to temporary or permanent closures of production facilities. Such closures will be considered as an impairment indicator and an impairment test will be carried out. The outcome of such impairment tests may be that significant impairment losses are recognized in the statement of income. A reduction to the expected useful life of the assets can also lead to periods with higher depreciation expense going forward. Yara has carried out impairment tests for certain production facilities during 2013, mainly due to uncertain economic conditions in local markets. None of these were temporarily or permanently closed at the end of 2013. Total impairment write-down recognized on property, plant and equipment in 2013 was NOK 74 million of which impairment of Belle Plaine expansion was NOK 36 million. The carrying amount of property, plant and equipment at 31 December 2013 is NOK 32,867 million. See note 10 and 11 for further details.

Equity-accounted investees

Yara has a number of associated entities and jointly controlled entities. These are recognized in the financial statements based on the equity method. In addition to being influenced by changes in market conditions, for example increases in natural gas costs and/or lower market prices for products sold, the carrying value will to some degree be subject to partner risk and political risk in the area where it operates. Yara carries out impairment testing if and when there are impairment indicators. Total impairment write-down recognized on equity-accounted investees in 2013 was NOK 92 million of which NOK 88 million was related to IC Potash. Yara also tested its investment in Lifeco, following a controlled close down of its plant in Marsa el Brega, Libya, due to a local militia blocking the site. At this stage, it is not clear when production can resume. Total carrying value of equity-accounted investees at 31 December 2013 is NOK 10,923 million, of which Lifeco is NOK 1,017 million. See note 10 and 12 for more information.

Goodwill and other intangible assets

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at 31 December 2013 is NOK 5,233 million. Details of recognized goodwill are provided in note 9 and the impairment calculation, including sensitivity disclosures, is provided in note 10. Other intangible assets mainly comprises supplier contracts, evaluation and exploration assets, licenses, customer relationships, software, patent and trademarks either identified as part of the purchase price allocation of new business combinations or internally developed. Yara carries out impairment testing if and when there are impairment indicators also for the carrying value of intangible assets. Impairment of NOK 28 million has been recognized on intangible assets in 2013. The carrying amount of identifiable intangible assets at 31 December 2013 is NOK 3,186 million. See note 9 and 10 for further details.

BUSINESS COMBINATIONS

Yara is required to allocate the purchase price of acquired companies to the assets acquired and liabilities assumed based on their estimated fair values. In case of business combination achieved in stages, Yara must also estimate the fair value of the existing ownership interest when it gains control. The change in fair value is recognized in the consolidated statement of income. For our larger acquisitions, we engage independent third-party firms to assist us in determining the fair values of the assets acquired and liabilities assumed. Such valuations require management to make judgments in selecting valuation methods, estimates and assumptions. Management's estimates of fair value and useful lives are based upon assumptions believed to be reasonable, but which are inherently uncertain and, as a result, actual results may differ from estimates. Bunge's fertilizer business was the main business combination in 2013 with a transaction value of USD 750 million. For the business combinations in 2013 the purchase price allocations are preliminary and may be adjusted as a result of obtaining additional information regarding the preliminary estimates of fair values made at the date of purchase. Further details are provided in note 2 and 3.

INVENTORY

Yara has significant carrying amounts related to inventory recognized in the consolidated statement of financial position. As most of Yara's products are traded in markets where there are limited observable market references available, judgment is required in determining net realizable value. Management has used its best estimate in setting net realizable value for inventory. The carrying amount of inventory at 31 December 2013 is NOK 13,023 million and write-down at year-end is NOK 103 million. See note 15 for more information.

DEFERRED TAX

Judgment is required in determining the Group's deferred tax assets and liabilities. Yara recognizes deferred tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management has considered future taxable income in assessing whether deferred income tax assets as well as the outcome of tax cases should be recognized. The carrying amounts of deferred tax assets and deferred tax liabilities are NOK 1,945 million and NOK 4,402 million, respectively, at 31 December 2013. See note 8 for further details.

PENSION LIABILITIES

The fair value of pension liabilities is calculated based on several actuarial and economic assumptions. Any changes in the assumptions used would affect the estimated pension obligation. Changes in the discount rate have the most significant impact. The discount rate and other key assumptions are determined locally for each individual pension plan, based on the economic environment in which the plan is established. Assumptions are normally reviewed annually when the actuarial calculation is carried out, unless there are significant changes during the year. The carrying amount of the net pension liabilities at 31 December 2013 is NOK 1,900 million. The gross pension liabilities have a carrying value of NOK 12,671 million at the same date. Detailed information, including sensitivity disclosures, is provided in note 22.

Note 2

Business *initiatives*

ACQUISITIONS AND OTHER RELATED INITIATIVES

On 8 August 2013, Yara closed its acquisition of Bunge's fertilizer business in Brazil. See note 3 for more information.

In October 2013, it was announced that Yara and BASF are evaluating a possible joint investment in a world scale ammonia plant at the US Gulf Coast. Yara, with its global ammonia network and market expertise, seeks to increase its presence in the United States. BASF, which has a strong presence in the United States, is currently a major user of ammonia for its US downstream manufacturing activities and intends to further strengthen its backward integration. Additional details of the possible joint venture including the exact location for the plant as well as the capacity of the plant are being discussed by the parties.

In November 2013, Yara entered into an agreement to acquire OFD Holding Inc. (OFD) from Omimex Resources Inc., for an enterprise value of USD 425 million. The acquired business comprises production facilities in Colombia and distribution companies across Latin America. The main companies included in the transaction are Abocol (Colombia), Misti (Peru), Omagro (Mexico), Fertitec (Panama and Costa Rica), Cafesa (Costa Rica) and Norsa (Bolivia). OFD owns and operates a fertilizer production facility in Cartagena with an annual capacity of approximately 320 kilotons (kt) compound NPK, 100 kt calcium nitrate (CN) and 70 kt ammonium nitrate (AN), with integrated ammonia production. In addition, OFD has a production capacity of 25 kt single super phosphate (SSP) per annum through Fosfatos de Boyaca in Colombia. Finally, OFD controls approximately 700 kt of NPK blending capacity across 12 sites and 100 kt liquid fertilizer capacity as part of its fertilizer distribution network across Colombia, Mexico, Peru, Bolivia, Costa Rica and Panama. In 2012 OFD sold 1,131 kt of fertilizer, generating net revenues of USD 796 million and an EBITDA of USD 35 million. The EBITDA was USD 64 million in 2011. The USD 425 million enterprise value includes working capital of USD 332 million. Yara estimates an annual synergy potential of USD 20 million through logistics and sourcing optimization and substituting third-party sourced products with Yara products. In connection with the acquisition of OFD, Yara is also acquiring real estate from the same seller for future expansion in the same region, valued at a total of USD 40 million. The proposed transaction is subject to due diligence, approval of competition authorities and other customary approvals. Closing is expected to take place during the third quarter of 2014.

On 1 November 2013 Yara acquired 49% of the shares in the Mexican company Hanka SA De CV. The company is a provider of explosives, raw materials and services to the mining industry and is reported in the Industrial segment. The transaction value is USD 10.7 million.

Yara has entered into shipbuilding contracts with Hyundai Mipo Dockyard (HMD) for the construction and delivery of two mid-size LPG carriers and three semi-refrigerated LPG carriers with an expected cost per vessel of USD 51 million. Following an evaluation of current new-build and time charter rates, Yara has chosen to build new vessels to replace existing time chartered vessels, covering part of its long-term transport requirement, meeting stricter environmental regulations and maintaining flexibility to serve Yara's production system.

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

On 29 January 2014 Yara acquired H+H Umwelt- und Industrietechnik GmbH. H+H specializes in Selective Catalytic Reduction (SCR) systems for NO_X abatement in ships and power plants. The company provides SCR systems to the shipping and industrial markets, with over 1,200 installed SCR units around the world. The transaction value is EUR 16.2 million and the company will be included in the Industrial segment.

Yara acquired the Kynoch business in the Cape regions of South Africa on 12 March 2014.The business represents 140 kiloton of fertilizer sales, with a differentiated product portfolio offering crop nutrition solutions. The transaction value is USD 27.5 million.

Yara will consolidate H+H, ZIM Plant Technology GmbH and Kynoch business from the acquisition dates, including possible goodwill, and measure all identifiable assets acquired and liabilities assumed at their acquisition-date fair values. The initial accounting is incomplete at the time these consolidated financial statements are authorized for issue.

BUSINESS INITIATIVES 2012

In 2012 Yara acquired additional 16% interest and gained control over Burrup Holdings Limited, now Yara Pilbara Holdings Limited. At the same time Yara agreed with Orica and Apache to form joint operations to build a 330,000 metric tons ammonium nitrate (TAN) plant on the Burrup peninsula and distribute ammonium nitrate and other explosives products to mining customers in the Pilbara region. The joint operation is owned 55% by Yara (owned directly 35% by Yara and indirectly 20% through Yara Pilbara Holding where Yara has a ownership of 51%) and by Orica. The construction is ongoing and the plant is expected to be finalized in 2015. In November 2012, Orica paid Yara and Apache approximately USD 110 million for the 45% stake in the TAN joint operation. Yara recognized at the same time a dilution gain of NOK 73 million, reported as part of "Other Income" in the Statement of Income in 2012. This gain was included in the Industrial segment.

Yara purchased 30,129,870 shares in IC Potash Corp (ICP) for a total consideration of CAD 40 million in 2012. Yara's shares represented 19.9% of the issued and outstanding common shares of ICP and the investment was classified as an associate. See note 12 for more information.

In 2012 Yara also increased its ownership in Yara Dallol BV (former Ethiopotash BV) from 16.67% to 51%. Also, the Vlaardingen specialty fertilizer plant in the Netherlands became 100% Yara owned as the joint venture Nu3 BV with ICL was dissolved.

Note 3

Business *combinations*

BUNGE'S FERTILIZER BUSINESS

On 8 August 2013, Yara closed its acquisition of Bunge's fertilizer business in Brazil. The new company, NPK Fertilizantes LTDA, operates 22 blending units across Brazil, delivering 4.6 million tons of fertilizer products in 2012. It also includes two SSP plants with an annual production capacity of about 500,000 metric tons, a port concession and a terminal development project. At time of acquisition, the business employed approximately 1,300 people.

The consideration of the business combination was USD 750 million, subject to post-closing adjustments related to working capital which was completed in 2013. No additional consideration was paid.

The primary reason for the business combination is to strengthen Yara's fertilizer position in Brazil. Brazil is a key growth market where there is significant further potential for acreage and yield increases and the acquisition creates a strong platform for future growth opportunities within the Brazilian fertilizer industry.

OTHER BUSINESS COMBINATIONS

Of the transactions included in the 'Other' column, Yara Environmental Technologies AS (previously Yarwil AS) and Crystalis Oy, both former equity-accounted investees, are the main transactions.

CONSIDERATIONS TRANSFERRED

NOK millions	Bunge's fertilizer business 8 Aug 2013	Other 2013
Cash	4,408	40

Acquisition-related costs of the Bunge fertilizer business amounting to NOK 8 million, have been excluded from the consideration transferred and have been recognized as an expense in the current year within 'Other operating expenses' in the consolidated statement of income. Yara also had integration costs of NOK 198 million in 2013 recognized within 'Other operating expenses'.

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

NOK millions	Bunge's fertilizer business 8 Aug 2013	Other 2013
Assets		
Deferred tax asset	45	1
Trademarks, part of intangible assets	17	-
Customer relationships, part of intangible assets	246	-
Other, part of intangible assets	1	-
Property, plant and equipment	1,666	14
Long-term receivables	111	-
Inventories	2,845	8
Trade receivables	1,327	5
Prepaid expenses and other current assets	233	3
Cash and cash equivalents	388	25
Total assets	6,878	57
Liabilities		
Other long-term liabilities	13	2
Trade and other payables	2,280	5
Current tax liabilities	45	-
Other interest-bearing short-term debt	286	-
Other short-term liabilities	99	-
Total liabilities	2,724	8
Total identifiable net assets at fair value	4,154	50

The long-term receivables acquired in the business combination of Bunge's fertilizer business had a gross contractual amount of NOK 264 million, corresponding amount for trade receivables is NOK 1,349 million. Both long-term and trade receivables have been remeasured to fair value as presented above.

The initial accounting for the acquisitions has only been provisionally determined at the end of the reporting period. The tax values of the identifiable net assets acquired as part of the Bunge fertilizer transaction are expected to be adjusted to fair values.

NON-CONTROLLING INTERESTS

NOK millions	Bunge's fertilizer business 8 Aug 2013	Other 2013
Non-controlling interest's share of identifiable assets and liabilities	12	-

Yara has used the option to recognize the non-controlling interest based on its proportionate share in the recognized amounts of the identifiable net assets.

The non-controlling interest recognized as part of the Bunge fertilizer business combination is related to two minor subsidiaries.

GOODWILL ARISING ON ACQUISITIONS

NOK millions	Bunge's fertilizer business 8 Aug 2013	Other 2013
Consideration transferred	4,408	40
Plus: Fair value of previously owned shares	8	9
Plus: Subsequent adjustments to purchase price [1) 2)]	-	2
Plus: Non-controlling interest in other companies included in the business combination	12	-
Less: Fair value of net identifiable assets acquired	(4,154)	(50)
Goodwill arising on acquisition	275	-

1) Consideration transferred is subject to post-closing adjustments to working capital. Goodwill arising on the acquisitions can be affected by changes to total consideration transferred.
2) The post-closing adjustments to consideration paid for Bunge's fertilizer business was completed in 2013, no additional consideration was paid.

Goodwill reflects supply chain synergies, comprising scale advantages in raw material sourcing and freight and port operations, and other administrative and operational synergies in addition to future economic benefits from the assembled workforce.

Goodwill is expected to be deductible for tax purposes.

NET CASH OUTFLOW ON ACQUISITIONS OF SUBSIDIARIES

NOK millions	Bunge's fertilizer business 8 Aug 2013	Other 2013
Consideration paid in cash at date of acquisition	4,408	40
Deferred consideration	-	2
Short-term bank loans to be settled as part of closing	275	-
Less: Cash and cash equivalent balances acquired	(388)	(25)
Net cash outflow on acquisition of subsidiaries	4,295	16

IMPACT OF THE ACQUISITIONS ON THE TOTAL ASSETS OF THE GROUP

NOK millions	Bunge's fertilizer business 8 Aug 2013	Other 2013
Consolidated identifiable assets	6,878	57
Plus: Goodwill arising on the acquisition	275	-
Less: Carrying value of previously held shares	(8)	(9)
Less: Consideration paid	(4,408)	(40)
Total impact on the total assets of the Group	2,736	9

IMPACT OF ACQUISITIONS ON THE RESULTS OF THE GROUP

NOK millions	Bunge's fertilizer business 8 Aug 2013
Included in 2013 consolidated figures	
Revenues	5,209
Earning before interest, taxes, depreciation og amortization (EBITDA)	22
Earings before interest and taxes (EBIT)	(39)

NOK millions	EBITDA	EBIT
'Pro forma' figures		
If the combinations had taken place at the beginning of the year, Yara's 'pro-forma' 2013 consolidated figures would have been;	13,296	9,402
Instead of the reported;	*13,266*	*9,453*

The 'pro-forma' figures including Bunge's fertilizer business are partly based on information provided by the seller. Due to limited information made available to Yara, the "pro-forma" figures are only presented by EBITDA and EBIT.

In determining the 'pro-forma' figures the following adjustments have been made:

- calculated depreciation of tangible and intangible assets acquired on the basis of fair values arising in the initial accounting for the business combination rather than the carrying amounts recognized in the pre-acquisition financial statements (EBIT).
- calculated reduced interest income on funds used for acquiring the shares (EBIT and EBITDA)

BUSINESS COMBINATION 2012

Yara Pilbara

On 1 February 2012, Yara acquired additional 16% of Burrup Holdings Limited increasing its ownership from 35% to 51% voting equity interest. The company was immediately renamed Yara Pilbara Holdings Limited. The wholly-owned subsidiary, Yara Pilbara Fertilisers Pty Ltd operates an ammonia plant completed in 2006 and located at the Burrup Peninsula in Western Australia, with an annual production capability of approximately 850,000 metric tons. See note 2 for more information.

Yara Dallol

To achieve sufficient influence and control during the final project development phase, and in line with its strategy to increase self-sufficiency in potash, Yara acquired additional 34.33% of Yara Dallol BV (former Ethiopotash BV) on 4 May 2012, increasing its ownership from 16.67% to 51%. The company is developing a potash resource in Dallol in the Danakil Depression of Ethiopia, based on the mining and exploration permits held by the company. Estimated capacity for the Dallol project is 1–1.5 million tons potash per year, with resources of more than 30 years mining.

Other

On 1 November 2012, the Vlaardingen specialty fertilizer plant in the Netherlands became 100 % Yara owned as the joint venture NU3 B.V. with ICL was dissolved. Of the transactions included in the "Other" column, Yara Vlaardingen BV is the major transaction.

CONSIDERATIONS TRANSFERRED - 2012

NOK millions	Yara Pilbara 1 Feb 2012	Yara Dallol 4 May 2012	Other 2012
Cash	832	177	94

Acquisition-related costs, mainly related to Yara Pilbara, amounting to NOK 14 million have been excluded from the consideration transferred and have been recognized as an expense in the current year, within 'Other operating expenses' in the consolidated statement of income.

REVALUATION OF PREVIOUSLY OWNED INTERESTS - 2012

NOK millions	Yara Pilbara 1 Feb 2012	Yara Dallol 4 May 2012	Other 2012
Fair value of previously owned shares at the date of acquisition	1,670	83	68
Carrying value at the date of acquisitions	*1,926*	*73*	*70*
Less: Direct ownership in TAN project	*(261)*	-	-
Carrying value of previously owned shares at the date of acquisition	1,665	73	70
Gain/(loss) on previously held shares	5	11	(2)
Currency translation gain/(loss) on foreign operation, previously recognized in equity 1)	395	-	(5)
Total gain/(loss) recognized at the date of acquisitions 2)	400	11	(7)

1) The currency translation gain on the foreign operation in Yara Pilbara of NOK 395 million has been recognized in Yara, directly in equity, through the statement of comprehensive income, during the period Burrup was an equity-accounted investee. This gain is recognized in the consolidated statement of income at the time Yara gained control, without effect on the consolidated equity.
2) Presented as part of "Other income" in the consolidated statement of income.

The fair value of the previously held shares has been derived from the purchase price of the controlling stake with a discount for lack of control.

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES RECOGNIZED AT THE DATE OF ACQUISITIONS (FAIR VALUE) - 2012

NOK millions	Yara Pilbara 1 Feb 2012	Yara Dallol 4 May 2012	Other 2012
Assets			
Licenses, part of intangible assets	40	541	-
Customer relationships, part of intangible assets	-	-	74
Supplier contract, part of intangible assets	1,547	-	-
Property rent contracts, part of intangible assets	37	-	-
Property, plant and equipment	4,376	19	39
Equity-accounted investee	364	-	-
Other non-current assets	53	-	-
Inventories	287	-	68
Trade receivables	18	-	50
Prepaid expenses and other current assets	60	6	11
Cash and cash equivalents	828	6	20
Total assets	7,610	572	262
Liabilities			
Deferred tax liabilities	1,265	189	22
Long-term provisions	177	-	13
Other long-term liabilities	25	-	-
Long-term interest-bearing debt	1,662	-	-
Derivative, long-term	409	-	-
Derivative, current	14	-	-
Trade and other payables	142	14	40
Current tax liabilities	312	6	5
Bank loans and other interest-bearing short term debt	265	-	16
Other short-term liabilities	39	-	24
Total liabilities	4,311	210	120

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

YARA PILBARA

The TAN project was previously recognized as part of the carrying value of former Burrup Holdings Limited. A carrying value of NOK 261 million for Yara's direct ownership was separated before remeasuring the 35% ownership in Yara Pilbara at fair value. Yara's indirect share in the TAN project is reflected in the table above with NOK 364 million. Total carrying value of direct and indirect share in the TAN project was NOK 625 million at 31 Dec 2012, and is presented as an equity-accounted investee within the Industrial segment in line with the plans for execution. See note 2 for more information about the TAN project. Remaining identifiable assets and liabilities are allocated to the Upstream segment.

NON-CONTROLLING INTERESTS - 2012

NOK millions	Yara Pilbara 1 Feb 2012	Yara Dallol 4 May 2012
Non-controlling interest	49%	49%
Non-controlling interest's share of identifiable assets and liabilities	1,438	177

Yara has used the option to recognize the non-controlling interest based on its proportionate share in the recognized amounts of the identifiable net assets.

GOODWILL ARISING ON ACQUISITIONS - 2012

NOK millions	Yara Pilbara 1 Feb 2012	Yara Dallol 4 May 2012	Other 2012
Consideration transferred	832	123	91
Plus: Fair value of previously owned shares	1,670	83	68
Plus: Deferred consideration and success fee [1]	-	74	(1)
Plus: Non-controlling interest	1,438	177	-
Less: Fair value of net identifiable assets acquired	(3,299)	(362)	(141)
Goodwill arising on acquisition	641	96	16
of which deferred tax on fair value adjustments	*212*	*96*	*3*

1) Deferred consideration related to Yara Dallol of NOK 54 million was paid in July 2012. Remaining recognized success fee is contingent on the decision to construct the mine and plant and could be higher by maximum NOK 18 million.

The remaining goodwill arose on the acquisition because the consideration included a control premium and future economic benefits from the assembled workforce. For Yara Pilbara it also reflects a willingness to pay for strategic benefits from the integration of Yara Pilbara into Yara's global production system.

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

NET CASH OUTFLOW ON ACQUISITIONS OF SUBSIDIARIES -2012

NOK millions	Yara Pilbara 1 Feb 2012	Yara Dallol 4 May 2012	Other 2012
Consideration paid in cash at date of acquisition	(832)	(123)	(91)
Deferred consideration paid in cash [1]	-	(54)	(3)
Less: Cash and cash equivalent balances acquired	828	6	20
Net cashflow on acquisition of subsidiaries	(4)	(171)	(75)

1) Deferred consideration of NOK 54 million was paid in in July 2012.

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

IMPACT OF ACQUISITIONS ON THE TOTAL ASSETS OF THE GROUP - 2012

NOK millions	Yara Pilbara 1 Feb 2012	Yara Dallol 4 May 2012	Other 2012
Consolidated identifiable assets	7,610	572	141
Plus: Goodwill arising on the acquisition	641	96	16
Less: Carrying value of previously held shares	(1,665)	(73)	(70)
Less: Fair value adjustment gain/(loss) of previously held shares	(5)	(11)	-
Less: Consideration paid for additional shares	(832)	(123)	(91)
Total impact on the total assets of the group	5,748	462	(3)

Note 4

Segment *information*

The operating segments presented are the key components of Yara's business. These are evaluated on a regular basis by Yara's senior management on the basis of financial and operational information prepared specifically for each segment for the purpose of assessing performance and allocating resources. The information disclosed is on the same basis as presented internally and used for follow-up of Yara's development by Yara management.

SEGMENT STRUCTURE

The current segment structure was implemented 1 October 2003. Yara's segments are managed as separate and strategic businesses. The segment information is presented for operating segments. In addition, information about geographical areas is provided.

DOWNSTREAM

The Downstream segment consists of Yara's worldwide marketing organization and global distribution network for fertilizer products and agronomic solutions. With a global network of sales offices, terminals and warehouses, Downstream is present in about 50 countries and sells to more than 120 countries. The segment also includes smaller production facilities upgrading intermediate products to finished fertilizers, which are primarily marketed in the regions where production takes place. While approximately one-third of the sales volume is sourced from own production plants in Downstream, the remaining sales volume is purchased on an arm's-length basis from the Upstream segment or third parties. The Downstream segment is mainly a margin business, which over time provides additional and more stable margins and reduces volatility in earnings. With a relatively lower investment in chemical manufacturing capacity, the downstream operation, particularly outside of Europe, is more focused on distribution margins and operating capital management than on manufacturing margins. The segment is characterized by a high capital turnover, a low ratio of property, plant and equipment to total assets compared to a traditional, production-oriented fertilizer operation, and by a relatively low EBITDA margin in relation to revenues.

INDUSTRIAL

The Industrial segment creates value by developing and selling chemical products and industrial gases to non-fertilizer market segments. Industrial offers nitrogen chemicals, including ammonia-derived products, as well as industrial explosives and environmental applications which are growing strongly. Sales of nitrogen chemicals to the European process industry and the global industrial explosives industry constitute the segment's main markets, while sales of chemicals for environmental applications is the main growth segment.

UPSTREAM

The Upstream segment comprises ammonia and urea production in different parts of the world, phosphate mining, the global trade and shipping of ammonia, as well as nitrate and NPK fertilizer production co-located with ammonia production, and is serving both the domestic and international markets. The Upstream segment includes our large equity-accounted investees. Because of the level of ownership in these companies, their operating results are not reflected in our operating income, but Yara's share of the net income in the equity-accounted investees, are included in EBITDA and net income. The Upstream segment's operating results are, to a great degree, based on the segment's production margins, which are primarily affected by the price levels for ammonia, urea, nitrates, NPK and phosphoric acid and the price level of energy and raw materials such as phosphate rock and potash. In addition, operating results can be greatly influenced by movements in currency exchange rates. The fluctuation of the Upstream segment's operating results is typical of that of traditional fertilizer producers and is normally less stable than the operating results of Yara's Downstream and Industrial segments.

OPERATING SEGMENT INFORMATION

Yara's steering model reflects management's focus on cash flow-based performance indicators, before and after taxes. EBITDA is an approximation of cash flows from operating activities before tax and is considered an important measure of performance for the company's operating segments. Yara defines EBITDA as operating income plus interest income, other financial income and results from equity-accounted investees. It excludes depreciation, amortization and impairment loss, as well as amortization of excess value in associated companies and joint ventures. In addition, the segments are followed up on CROGI (defined as gross cash flow after tax divided by gross investment). ROCE (Return on capital employed) has been included as an additional performance measure in order to simplify benchmarking with other companies. ROCE is defined as EBIT minus tax divided by average capital employed. See also page 62–63 for more info.

Inter-segment sales and transfers reflect arm's length prices as if sold or transferred to third parties. Results of activities considered incidental to Yara's main operations as well as revenues, expenses, liabilities and assets not originating in, or defined as part of, either the Upstream, Downstream or Industrial segment, are reported separately under the caption "other and eliminations". These amounts principally include interest income and expenses, realized and unrealized foreign exchange gains and losses and the net effect of pension plans. In addition, elimination of gains and losses related to transactions between the segments will be accounted for as part of "other and eliminations". "Other and eliminations" also includes general corporate overhead costs and costs not allocated to the operating segments.

OPERATING SEGMENT INFORMATION, CONSOLIDATED STATEMENT OF INCOME

NOK millions	Notes	2013	2012
External revenues and other income			
Downstream		62,268	59,559
Industrial		12,238	12,500
Upstream		10,424	12,378
Other and eliminations		123	73
Total		85,052	84,509
Internal revenues and other income			
Downstream		1,592	950
Industrial		159	117
Upstream		29,843	32,533
Other and eliminations		(31,595)	(33,600)
Total		-	-
Revenues and other income			
Downstream		63,860	60,508
Industrial		12,397	12,617
Upstream		40,267	44,911
Other and eliminations		(31,472)	(33,527)
Total		85,052	84,509
Operating expenses excl depreciation, amortization and impairment loss			
Downstream		(60,150)	(56,874)
Industrial		(11,377)	(11,565)
Upstream		(33,589)	(34,939)
Other and eliminations		31,568	33,451
Total		(73,549)	(69,927)
Depreciation, amortization and impairment loss			
Downstream		(632)	(586)
Industrial		(212)	(189)
Upstream		(2,792)	(2,595)
Other and eliminations		(76)	(54)
Total	9, 11	(3,713)	(3,424)
Operating Income			
Downstream		3,078	3,048
Industrial		807	863
Upstream		3,886	7,378
Other and eliminations		20	(130)
Total		7,791	11,159
Share of net income in equity-accounted investees			
Downstream		40	74
Industrial		63	48
Upstream		1,147	1,843
Total	12	1,250	1,964
Interest income and other financial income			
Downstream		259	196
Industrial		5	3
Upstream		7	23
Other and eliminations		143	181
Total	7	413	404
EBITDA			
Downstream		4,013	3,905
Industrial		1,096	1,111
Upstream		7,919	11,849
Other and eliminations		238	105
Total		13,266	16,970

OPERATING SEGMENT INFORMATION, OTHER

NOK millions	2013	2012
Reconciliation of EBITDA to Income before tax		
EBITDA	13,266	16,970
Depreciation and amortization [1]	(3,813)	(3,443)
Foreign exchange gain/(loss)	(950)	596
Interest expense and other financial items	(900)	(941)
Income before tax	7,603	13,183
EBIT		
Downstream	3,376	3,319
Industrial	876	914
Upstream	5,039	9,243
Other and eliminations	162	51
Total	9,453	13,527
Investments [2]		
Downstream	3,515	934
Industrial	1,046	692
Upstream	2,963	8,645
Other and eliminations	205	143
Total	7,729	10,415

1) Including amortization and impairment of excess value in equity-accounted investees.
2) Includes investments in property, plant and equipment, intangible assets, equity-accounted investees and other equity investments. Downstream investments in 2013 include NOK 2,251 million related to the acquisition of Bunge's fertilizer business, see note 3.

OPERATING SEGMENT INFORMATION, NON-GAAP MEASURES

NOK millions, except percentages	2013	2012
Gross cash flow after tax [1]		
Downstream	3,179	2,932
Industrial	893	852
Upstream	6,946	9,629
Other and eliminations	500	1,149
Total	11,518	14,561
Gross investment [2]		
Downstream	21,915	19,186
Industrial	7,309	6,706
Upstream	63,043	59,287
Other and eliminations	(678)	(1,188)
Total	91,589	83,992
Cash Return on Gross Investment (CROGI)		
Downstream	14.5%	15.3%
Industrial	12.2%	12.7%
Upstream	11.0%	16.2%
Total [3]	12.6%	17.3%

1) Defined as EBITDA less total tax expense, excluding tax on net foreign exchange gain/(loss).
2) 12-month average.
3) Cash and other liquid assets are included in gross investments when calculating the CROGI for the segments, but not included for Total. In addition, actual Yara tax is used for calculating the Yara CROGI while a standardized tax rate of 25% (2012: 30%) is used for the segments. These two effects explain the variance in CROGI between Yara and the segments. See page 60 "Definitions and variance analysis" for more information.

NOK millions, except percentages	2013	2012
Earnings before interest, after tax		
Downstream	2,542	2,345
Industrial	673	654
Upstream	4,066	7,024
Other and eliminations	424	1,095
Total	7,705	11,118
Capital employed [1]		
Downstream	16,686	14,573
Industrial	4,920	4,545
Upstream	41,370	40,162
Other and eliminations	(1,049)	(1,524)
Total	61,926	57,756
Return on capital employed (ROCE)		
Downstream	15.2%	16.1%
Industrial	13.7%	14.4%
Upstream	9.8%	17.5%
Total [2]	12.4%	19.3%

1) Capital employed is defined as total assets adjusted for deferred tax assets minus other current liabilities, and is calculated on a 12-month rolling average basis.
2) Cash and other liquid assets are included in capital employed when calculating the ROCE for the segments, but not included for Total. In addition, actual Yara tax is used for calculating the Yara ROCE while a tax rate of 25% (2012: 30%) is used for the segments. These two effects explain the variance in ROCE between Yara segments. See page 60 "Definitions and variance analysis" for more information.

OPERATING SEGMENT INFORMATION, CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK millions	Notes	2013	2012
Assets [1]			
Downstream		26,884	20,813
Industrial		6,692	5,581
Upstream		48,246	45,202
Other and eliminations		7,159	9,653
Total		88,980	81,249
Current assets [1]			
Downstream		17,780	14,823
Industrial		2,633	2,612
Upstream		7,732	7,683
Other and eliminations		4,376	7,413
Total		32,521	32,530
Non-current assets [1]			
Downstream		9,104	5,991
Industrial		4,058	2,970
Upstream		40,514	37,519
Other and eliminations		2,783	2,240
Total		56,459	48,719
Equity-accounted investees			
Downstream		348	338
Industrial		2,342	1,438
Upstream		8,997	8,734
Total	12	11,687	10,509
Debt [2]			
Downstream		9,047	6,926
Industrial		1,300	1,077
Upstream		5,652	5,359
Other and eliminations		(2,654)	(2,788)
Total		13,345	10,575

1) Assets excludes internal cash accounts and accounts receivable related to group relief
2) Segment debt is defined as short-term interest free liabilities excluding income taxes payable and short-term deferred tax liabilities.

INFORMATION ABOUT PRODUCTS AND MAJOR CUSTOMERS

Revenues by product group:

NOK millions	2013	2012
Ammonia	7,406	9,358
Nitrate	11,387	11,708
NPK	23,953	20,357
Urea	13,362	13,715
CN	2,304	2,136
UAN	2,291	2,334
Other fertilizer products	7,281	7,731
Industrial products	12,234	12,413
Feed phosphates	1,456	1,453
Other products	2,994	2,791
Total	84,668	83,997

Yara serves a large number of customers. No revenues from transactions with any single customer amount to 10% or more of Yara's total revenues.

INFORMATION ABOUT GEOGRAPHICAL AREAS, REVENUES [1)]

NOK millions	2013	2012
Belgium	1,473	1,329
Denmark	1,264	1,376
Finland	1,908	1,956
France	6,657	6,960
Germany	4,599	4,649
Great Britain	4,827	4,780
Italy	3,431	3,394
Spain	1,920	1,583
Sweden	1,739	1,902
The Netherlands	1,667	1,738
Other	3,957	3,691
Total EU	33,443	33,357
Norway	1,582	1,616
Other Europe	931	809
Total Europe	35,956	35,782
Africa	4,166	5,288
Asia	9,833	9,882
Australia and New Zealand	1,299	2,211
North America	11,547	13,111
Brazil	17,561	13,141
Other South and Central America	4,307	4,583
Total outside Europe	48,712	48,216
Total	84,668	83,997

1) Revenues are identified by customer location.

INFORMATION ABOUT GEOGRAPHICAL AREAS, CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Assets [1]		Long-lived assets [1]		Investments [1]	
NOK millions	2013	2012	2013	2012	2013	2012
Belgium	2,492	1,999	1,074	913	400	286
Denmark	563	419	230	195	10	17
Finland	6,779	5,334	4,140	2,969	792	568
France	3,186	2,980	1,456	1,211	315	211
Germany	3,197	2,825	1,745	1,398	384	486
Great Britain	3,789	3,580	2,095	1,781	113	73
Italy	2,648	2,570	1,032	922	177	113
Spain	670	640	43	41	2	2
Sweden	1,462	1,368	610	502	121	88
The Netherlands	6,456	6,669	4,635	4,374	548	921
Other	878	746	15	11	3	1
Total EU	32,120	29,129	17,075	14,317	2,863	2,766
Norway	7,722	7,894	3,727	3,312	732	572
Other Europe	3,815	4,461	97	1	3	2
Total Europe	43,656	41,484	20,899	17,630	3,598	3,340
Africa	3,664	3,041	1,195	1,264	202	693
Asia	8,581	8,622	5,812	5,945	6	8
Australia and New Zealand	8,602	7,691	5,987	4,917	880	5,578
North America	12,580	12,338	8,076	8,310	221	542
Brazil	9,505	4,064	3,121	1,247	2,709	207
Other South and Central America	2,137	2,027	723	517	114	47
Total outside Europe	45,070	37,784	24,915	22,201	4,131	7,075
Eliminations	254	1,981	-	-	-	-
Total	88,980	81,249	46,095	39,831	7,729	10,415

1) The identification of assets, long-lived assets and investments is based upon location of operation. Included in long-lived assets are investments in equity-accounted investees, property, plant and equipment (net of accumulated depreciation) and non-current financial assets. Eliminations are related to internal transactions between geographical areas. Investments include the acquisition cost for property, plant and equipment, goodwill, intangible assets, and investments in subsidiaries and equity-accounted investees. Brazil investments in 2013 include NOK 2,251 million related to the acquisition of Bunge's fertilizer business, see note 3.

Note 5

Operating *expense*

NOK millions	Notes	2013	2012
Payroll and related costs			
Salaries	3	(4,257)	(3,932)
Social security costs		(713)	(669)
Social benefits		(55)	(64)
Net periodic pension cost	22	(403)	(393)
Total		(5,429)	(5,059)
Other operating expenses			
Selling and administrative expense [1]	3,36	(1,960)	(1,048)
Rental of buildings etc.		(182)	(173)
Travel expense		(280)	(246)
Gain /(loss) on trade receivables	16	(7)	(29)
Fees auditors, lawyers, consultants	3	(450)	(300)
Other expenses		(148)	(322)
Total		(3,026)	(2,117)
Research costs [2]		(128)	(110)

1) Corporate penalty of NOK 295 million included, see note 36 for more information.
2) Over the last few years, Yara has focused on orienting research and development resources towards commercial activities, both with respect to process and product improvements and agronomical activities. It is impracticable to give a fair estimate of possible future financial returns of these activities.

Note 6

Stock-based *compensation*

LONG TERM INCENTIVE PROGRAM

A long term incentive program (LTIP) was approved by the Board of Directors in 2008 for Yara Management and Top Executives to increase the alignment between Executives and Shareholder's interests and to ensure retention of key talent in the company. The program provides a fixed LTIP cash amount to the eligible Top Executive, who is required to invest the net amount, after tax, in Yara shares within a period of one month. The employee holds all shareholder rights during the vesting period of three years. After this period, the executive is free to keep or sell at their own discretion, observing possible limitations set by internal policies and/or legal restriction. The program plans for annual grants but it remains the CEO's decision to apply the program in any given year and to make the final decision on each individual grant.

At 31 December 2013, 85 top executives are part of the program. The total consideration under this program recognized in 2013, amounts to approximately NOK 43 million (2012: NOK 38 million). See note 32 for further information regarding the LTIP.

Note 7

Financial income *and expense*

NOK millions	Notes	2013	2012
Interest income on customer credits	4,27	182	124
Interest income, other	4,27	224	266
Dividends and net gain/(loss) on securities	2	7	14
Interest income and other financial income		413	404
Net foreign exchange gain/(loss)	27	(950)	596
Interest expense	27	(708)	(750)
Capitalized interest	11,27	4	3
Return on pension plan assets [2]	22	341	375
Interest expense defined pension liabilities	22	(425)	(439)
Reversal of value of interest rate swap [1]	27	(19)	(14)
Other financial expense	27	(92)	(115)
Interest expense and other financial expense		(900)	(941)
Net financial income (expense)		(1,437)	59

1) Interest rate swap designated as cash flow hedge transferred from equity.
2) Restated, see note 35 for more information.

Note 8

Income *taxes*

The major components of income tax expense for the years ended 31 December 2013 and 2012 are:

CONSOLIDATED INCOME STATEMENT

NOK millions	2013	2012
Current taxes		
Current year	(2,344)	(2,617)
Prior years adjustment	(80)	(106)
Total	(2,423)	(2,723)
Deferred taxes		
Deferred tax income / (expense) recognized in the current year	882	152
Adjustments to deferred tax attributable to changes in tax rates and laws	96	(7)
(Write-downs) / reversal of previous write-downs of deferred tax assets	(60)	(4)
Total	917	141
Total income tax expense	(1,506)	(2,582)

Taxable income differs from net income before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in future years (temporary differences). It also excludes items that are never taxable or deductible (permanent differences).

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK millions	2013	2012
Current tax		
Hedge of net investment	113	(31)
Intercompany currency effect on debt treated as part of net investment	185	(11)
Total current tax	298	(42)
Deferred tax		
Pensions	(105)	143
Available-for-sale financial assets	(7)	8
Total	(111)	151
Transfers to profit and loss		
Cash flow hedges	(5)	(4)
Total	(5)	(4)
Total tax income / (expense) recognized directly in other comprehensive income	182	103

RECONCILIATION OF NORWEGIAN NOMINAL STATUTORY TAX RATE TO EFFECTIVE TAX RATE

NOK millions	2013	2013	2012
Income before tax		7,603	13,183
Expected income taxes at statutory tax rate [1)]	28.0%	(2,129)	(3,691)
Tax law changes	(1.2%)	89	(1)
Foreign tax rate differences	(5.0%)	379	335
Unused tax losses and tax offsets not recognized as deferred tax assets	0.9%	(71)	(292)
Previously unrecognized and unused tax losses and deductible temporary differences now recognized as deferred tax assets	(0.3%)	20	220
Non-deductible expenses	2.0%	(153)	(76)
Tax free income equity-accounted investees	(4.9%)	376	543
Tax free income miscellaneous	(2.1%)	158	220
Tax free gain sale of investments	-	-	285
Prior year assessment	1.0%	(78)	(106)
Withholding and capital tax	1.8%	(135)	(26)
Other, net	(0.5%)	36	5
Total income tax expense		(1,506)	(2,582)
Effective tax rate		19.8%	19.6%

1) Calculated as Norwegian nominal statutory tax rate of 28% applied to income before tax.

SPECIFICATION OF DEFERRED TAX ASSETS/(LIABILITIES)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

2013

NOK millions	Opening balance	Charged to income	Recognized in other comprehensive income	Reclassified from equity to profit or loss	Acquisitions/ disposals	Changes in tax rate	Exchange differences	Closing balance
Non-current items								
Intangible assets	(650)	115	-	-	-	3	(29)	(562)
Property, plant & equipment	(3,231)	37	-	-	-	66	(179)	(3,305)
Pensions	556	(29)	(105)	-	1	7	20	451
Equity securities available-for-sale	(3)	-	(7)	-	-	-	-	(11)
Other non-current assets	64	(214)	-	-	-	(33)	22	(161)
Other non-current liabilities and accruals	(152)	266	-	(5)	1	4	(16)	100
Total	(3,416)	176	(111)	(5)	2	47	(182)	(3,489)
Current items								
Inventory valuation	(18)	12	-	-	17	7	(18)	1
Accrued expenses	353	(75)	-	-	35	1	(14)	299
Total	335	(63)	-	-	53	8	(32)	300
Tax loss carry forwards	454	760	-	-	1	(1)	8	1,222
Unused tax credits	11	(1)	-	-	-	-	1	11
Valuation allowance	(450)	(52)	-	-	-	36	(36)	(502)
Net deferred tax asset/(liability)	(3,066)	821	(111)	(5)	55	96	(246)	(2,456)

2012

NOK millions	Opening balance	Charged to income	Recognized in other comprehen-sive income	Reclassified from equity to profit or loss	Acquisitions/ disposals	Changes in tax rate	Exchange differences	Closing balance
Non-current items								
Intangible assets	(91)	120	-	-	(685)	(4)	9	(650)
Property, Plant & Equipment	(2,742)	(3)	-	-	(650)	4	160	(3,231)
Pensions	474	(38)	143	-	-	3	(26)	556
Equity securities available-for-sale	(12)	-	8	-	-	-	1	(3)
Other non-current assets	145	(132)	-	-	60	-	(8)	64
Other non-current liabilities and accruals	(87)	64	-	(4)	(141)	10	7	(152)
Total	(2,312)	10	151	(4)	(1,416)	13	142	(3,416)
Current items								
Inventory valuation	89	(68)	-	-	(28)	(17)	5	(18)
Accrued expenses	121	229	-	-	10	(1)	(7)	353
Total	211	162	-	-	(17)	(18)	(2)	335
Tax loss carry forwards	696	(194)	-	-	10	(11)	(48)	454
Unused tax credits	17	(5)	-	-	-	-	(1)	11
Valuation allowance	(626)	179	-	-	(46)	8	35	(450)
Net deferred tax asset/(liability)	(2,014)	152	151	(4)	(1,469)	(7)	126	(3,066)

UNRECOGNIZED DEDUCTIBLE TEMPORARY DIFFERENCES, UNUSED TAX LOSSES AND UNUSED TAX CREDITS

NOK millions	2013	2012
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:		
Tax losses	202	179
Deductible temporary differences	300	271
Total	502	450

NET DEFERRED TAX IS PRESENTED IN THE STATEMENT OF FINANCIAL POSITION

NOK millions	2013	2012
Net deferred tax is presented in the balance sheet		
Deferred tax assets	1,945	1,376
Deferred tax liabilities	(4,402)	(4,442)
Net deferred tax asset/(liability)	(2,456)	(3,066)

Undistributed earnings of foreign subsidiaries and in foreign non-consolidated investees is amounting to approximately NOK 64 billion that for the main part can be distributed as tax-free dividends. For the expected part of dividend that cannot be distributed as tax-free income, a deferred tax liability of NOK 30 million is recognized.

SPECIFICATION OF EXPIRATION OF TAX LOSS CARRY FORWARDS AND UNUSED TAX CREDITS

NOK millions	
2014	301
2015	40
2016	13
2017	26
2018	41
After 2018	59
Without expiration	3,971
Total tax loss carry forwards	4,451
Deferred tax effect of tax loss carry forwards	1,222
Valuation allowance	(202)
Deferred tax assets recognized in statement of financial position	1,019

Yara's recognized tax losses carried forwards primarily relates to the business in Norway and Brazil, where tax losses are without expiration.

Note 9

Intangible *assets*

2013

NOK million, except percentages and years	Goodwill	Exploration and evaluation assets [1]	Supplier contracts	Other intangibles [2]	Total
Cost					
Balance at 1 January	4,720	702	1,486	1,918	8,826
Addition at cost	-	138	-	224	362
Disposal	-	-	-	(14)	(14)
Acquisition new companies [3]	275	-	-	264	539
Transfer	-	-	-	28	28
Foreign currency translation	272	87	135	121	616
Balance at 31 December	5,267	927	1,621	2,542	10,357
Amortization and impairment					
Balance at 1 January	(41)	-	(284)	(988)	(1,314)
Amortization	-	-	(329)	(191)	(520)
Impairment loss	-	-	-	(28)	(28)
Reversed impairment	-	-	-	3	3
Disposal	-	-	-	14	14
Foreign currency translation	7	-	(35)	(64)	(93)
Balance at 31 December	(34)	-	(649)	(1,255)	(1,938)
Carrying value					
Balance at 1 January	4,678	702	1,202	929	7,512
Balance at 31 December	5,233	927	972	1,286	8,419
Useful life in years			5	3 - 15	
Amortization rate			20%	5 - 35%	

2012

NOK million, except percentages and years	Goodwill	Exploration and evaluation assets [1]	Supplier contracts	Other intangibles [2]	Total
Cost					
Balance at 1 January	4,231	-	-	1,708	5,938
Addition at cost	-	51	-	143	194
Disposal	-	-	-	(19)	(19)
Acquisition new companies [3]	753	541	1,547	151	2,992
Transfer	-	128	-	42	170
Foreign currency translation	(264)	(18)	(61)	(106)	(449)
Balance at 31 December	4,720	702	1,486	1,918	8,826
Amortization and impairment					
Balance at 1 January	(41)	-	-	(733)	(774)
Amortization	-	-	(295)	(171)	(466)
Impairment loss	-	-	-	(156)	(156)
Disposal	-	-	-	15	15
Transfer	-	-	-	(6)	(6)
Foreign currency translation	-	-	11	62	73
Balance at 31 December	(41)	-	(284)	(988)	(1,314)
Carrying value					
Balance at 1 January	4,189	-	-	975	5,164
Balance at 31 December	4,678	702	1,202	929	7,512
Useful life in years			5	3 - 15	
Amortization rate			20%	5 - 35%	

1) Exploration and evaluation assets are intangible assets under development, and are not amortized.
2) Other intangibles comprises patents/ trademarks, software and customer relationships. Addition of software in 2013 was NOK 180 million.
3) See note 3 for more information.

IMPAIRMENT

During 2013, Yara recognized impairment of NOK 28 million. In 2012 Yara recognized a NOK 156 million impairment related to customer relationships originating from the Balderton acquisition in 2010. Of this impairment, NOK 86 million was recognized in Upstream and NOK 69 million in Downstream.

ASSETS USED AS SECURITY

Intangible assets pledged as security was NOK 38 million in 2013 (2012: NOK 36 million). See note 29 for more information.

Note 10

Impairment *testing*

Goodwill acquired through business combinations have been allocated for impairment testing to these cash-generating units (CGUs), presented together with the applicable discount rates used in the impairment testing:

	Carrying value NOK millions		Discount rate after tax (WACC)		Discount rate before tax	
	2013	2012	2013	2012	2013	2012
Saskferco acquisition:						
Upstream Yara Belle Plaine	2,012	1,974	6.4%	8.0%	8.5%	9.7%
Downstream Yara Belle Plaine	113	111	6.7%	8.0%	8.2%	9.7%
Kemira GrowHow acquisition:						
Upstream Finland	664	584	6.8%	8.3%	7.8%	10.7%
Industrial Belgium	62	55	7.3%	8.3%	9.9%	11.1%
Upstream Belgium	49	43	6.5%	8.3%	8.4%	12.1%
Downstream Northern Europe	43	38	6.7%	8.2%	8.2%	10.7%
Downstream Continental Europe	44	39	6.7%	8.2%	8.2%	10.4%
Balderton acquisition:						
Upstream Ammonia trade	336	308	8.2%	10.2%	9.0%	11.4%
Downstream Fertilizer trade	504	462	8.2%	10.2%	9.0%	11.8%
Yara Pilbara (former Burrup) acquisition:						
Upstream Yara Pilbara Fertilizer	673	617	6.4%	8.8%	8.7%	14.8%
Yara Dallol (former Ethiopotash) acquisition:						
Upstream Yara Dallol	102	93	11.3%	13.6%	12.8%	15.5%
Brazil acquisitions:						
Downstream Brazil	359	88	8.6%	10.1%	10.4%	13.6%
Other CGUs						
Other	269	265				
Total	5,233	4,678				

DETERMINATION OF RECOVERABLE AMOUNT:

Yara has used "value in use" to determine the recoverable amounts of all cash generating units. Key assumptions used in the calculation of value in use are:
- EBITDA
- Growth rates
- Capital expenditures
- Discount rate

Yara Dallol is involved in a potash mining project with currently ongoing feasibility studies. Key assumptions for this Cash Generating Unit (CGU) differ from the other units because cash inflows are several years in the future and because the outcome of the feasibility studies and the expected ability to develop the reserves are essential to defend the carrying value. See more information under "Sensitivity to changes in assumptions".

EBITDA

EBITDA represents the operating margin before depreciation and amortization and is estimated based on the expected future development for Yara's existing businesses and their main markets. Committed operational efficiency programs are taken into consideration. Changes in the outcome of these initiatives may affect future estimated EBITDA margin. EBITDA for the first year is based on the latest approved business plan for the CGU. The two most important assumptions in the corporate business plan are the expected agricultural commodity prices and the global urea supply/demand balance. Yara utilizes available internal and external information when setting business plan assumptions. For the following four years, management projections are applied based on available forecasts for volumes, sales prices, energy and other cost components, with the exception of some Downstream units where an estimated annual growth rate is applied.

GROWTH RATES

Yara uses a steady growth rate not exceeding 2.5% (including inflation) for periods that are not based on management projections. For Downstream Brazil a higher growth rate is used due to market development expectations. The steady growth rate period starts after year five at the latest. The rates used are estimated not to exceed the growth rates for the products, industry or countries in which the units operate.

CAPITAL EXPENDITURE

Capital expenditure necessary to meet the expected growth in revenues is taken into consideration. To the best of management's judgment, estimated capital expenditures do not include capital expenditures that enhance the current performance of assets and related cash flows have been treated consistently.

DISCOUNT RATE

Discount rates reflect the current market assessment of the risks specific to each cash generating unit. The discount rates were estimated based on the weighted average cost of capital for the industry. This rate was further adjusted to reflect the currency in which the CGU operates and market assessments of any risk specific to the CGU for which future estimates of cashflows have not been adjusted.

CGU INFORMATION

Saskferco acquisition

Goodwill in relation to the Saskferco (now Yara Belle Plaine) acquisition in 2008 was allocated to two CGUs. Changes in carrying values of goodwill are only related to currency translation effects (CAD/NOK). Further information about the CGU Upstream Belle Plaine: The site has one ammonia plant, one nitric acid plant and one urea granulation plant. It produces an average of 3,000 tons of urea, 700 tons of UAN and 1,900 tons of ammonia per day. The majority of the ammonia produced is used in the production of UAN and granular urea, however some products are sold for agricultural purposes during peak ammonia seasons.

Kemira GrowHow acquisition

Goodwill in relation to the Kemira GrowHow acquisition in 2007 was allocated to five CGUs. Changes in carrying values of goodwill are only related to currency translation effects (EUR/NOK). Further information about the CGU Upstream Finland: The CGU has several production sites. The Siilinjärvi site produces mainly fertilizers and phosphoric acid, but also other industrial chemicals. It consists of several plants in addition to a mine. Uusikaupunki has three nitric acid plants as well as two fertilizer plants producing for the Finnish market and for export. Kokkola produces mainly potassium sulfate and feed phosphates and Harjavalta produces special fertilizers, both for markets worldwide.

Balderton acquisition

Goodwill in relation to the Balderton transaction in 2010 was allocated to two CGUs and is fully integrated in Yara's global supply and trade operation in ammonia and fertilizer products. Changes in carrying values of goodwill are only related to currency translation effects (USD/NOK).

Burrup acquisition

Goodwill in relation to the acquisition of Burrup (now Yara Pilbara) in 2012 was allocated to one CGU. See note 3 for more information about the CGU and the business combination.

Ethiopotash acquisition

Goodwill in relation to the acquisition of Ethiopotash (now Yara Dallol) in 2012 was allocated to one CGU. See note 3 for more information about the CGU and the business combination.

Bunge Fertilizers acquisition (part of Downstream Brazil)

Goodwill in relation to this acquisition in 2013 was fully allocated to the CGU Downstream Brazil. This CGU also includes goodwill from previous acquisition in Brazil. See note 3 for more information about the CGU and the business combination.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

The sensitivity disclosure below also includes CGUs where no goodwill is allocated but tested due to various impairment indicators.

Yara performs sensitivity analysis when testing assets for impairment. The sensitivity disclosure below also includes CGUs where no goodwill is allocated but which are tested due to various impairment indicators. As a basis for the sensitivity evaluation, Yara has used the following changed assumptions for all CGUs:
- Increase of discount rate with 1.0% points (after tax)
- Reduction to management projected EBITDA with 10% each year, in the period years 1 to 5
- Reduction of nominal growth after year 5 with 1% point.

A combined change of all three assumptions would lead to total impairment write-down in the range NOK 3 to 3.5 billion, mainly related to some fertilizer plants in Europe.

All CGUs that have been tested can handle an increase of the discount rate after tax of 1.5% points without leading to an impairment write-down. All CGUs can handle an isolated EBITDA reduction in the period years 1 to 5 of 10% and an isolated reduction to the terminal growth of 2% points. Further negative changes to any of the key assumptions will lead to impairment for one or more CGUs.

The sensitivity analysis performed as part of the impairment testing shows that the sensitivity has increased significantly during the year for several cash generating units (CGUs), also for units where no impairment have been recognized. The main reason is lower short and medium term forecasted prices.

Yara's mining development projects, of which Yara Dallol is the largest with a carrying value of non-current assets of NOK 825 million, will continue to be sensitive. The cash inflows for these projects are several years in the future, and the ability to successfully develop the reserves will be assessed on a continuous basis. Total carrying value of other mining development projects is NOK 219 million.

In early January 2014, Yara's equity-accounted investee, Lifeco, carried out a controlled close down of its plant in Marsa el Brega, Libya, due to a local militia blocking the site. At this stage, it is not clear when Lifeco production can resume. Yara's investment has a carrying value of NOK 1,017 million and has been tested for impairment. The key uncertainties when performing the testing are the political stability in the area and the availability of gas and utilities.

Note 11

Property, plant *and equipment*

2013

NOK millions, except percentages and year	Land	Machinery and equipment [1]	Buildings and structural plant [2]	Assets under construction	Other	Total
Cost						
Balance at 1 January	667	40,742	10,041	1,361	392	53,203
Addition at cost	31	1,942	356	1,993	40	4,362
Disposal	(1)	(826)	(58)	(1)	(67)	(952)
Acquisition new companies [3]	295	351	851	183	-	1,680
Transfer	(10)	4,490	(2,718)	(1,938)	143	(34)
Foreign currency translation	75	3,412	872	160	35	4,554
Balance at 31 December	1,057	50,110	9,345	1,759	543	62,814
Depreciation and impairment						
Balance at 1 January	(23)	(22,062)	(3,032)	-	(193)	(25,310)
Depreciation	-	(2,604)	(470)	-	(27)	(3,101)
Impairment loss	(9)	(22)	(7)	(36)	-	(74)
Reversed impairment	8	-	-	-	-	8
Disposal	-	760	49	-	64	873
Transfer	-	(243)	243	-	-	-
Foreign currency translation	(3)	(2,080)	(248)	-	(11)	(2,343)
Balance at 31 December	(27)	(26,251)	(3,465)	(36)	(168)	(29,947)
Carrying value						
Balance at 1 January	644	18,680	7,009	1,361	198	27,893
Balance at 31 December	1,030	23,859	5,879	1,723	375	32,867
Useful life in years		4 - 20	20 - 50		5 - 10	
Depreciation rate		5 - 25%	2 - 5%		10 - 20%	

2012

NOK millions, except percentages and year	Land	Machinery and equipment [1]	Buildings and structural plant [2]	Assets under construction	Other	Total
Cost						
Balance at 1 January	637	40,655	6,022	1,027	409	48,749
Addition at cost	18	1,696	270	1,911	1	3,896
Disposal	(8)	(1,154)	(79)	(1)	(3)	(1,245)
Acquisition new companies [3]	59	208	4,082	85	-	4,434
Transfer	(2)	1,191	218	(1,602)	-	(195)
Foreign currency translation	(37)	(1,853)	(472)	(59)	(14)	(2,436)
Balance at 31 December	667	40,742	10,041	1,361	392	53,203
Depreciation and impairment						
Balance at 1 January	(26)	(21,606)	(2,818)	-	(180)	(24,631)
Depreciation	-	(2,336)	(380)	-	(20)	(2,736)
Impairment loss	(2)	(38)	(78)	-	-	(118)
Reversed impairment	4	33	14	-	-	51
Disposal	-	951	73	-	3	1,027
Transfer	-	9	13	-	-	22
Foreign currency translation	1	926	144	-	4	1,075
Balance at 31 December	(23)	(22,062)	(3,032)	-	(193)	(25,310)
Carrying value						
Balance at 1 January	611	19,049	3,204	1,027	229	24,118
Balance at 31 December	644	18,680	7,009	1,361	198	27,893
Useful life in years		4 - 20	20 - 50		5 - 10	
Depreciation rate		5 - 25%	2 - 5%		10 - 20%	

1) Includes net carrying value related to finance leases of NOK 150 million in 2013 (2012: NOK 146 million).
2) Includes net carrying value related to finance leases of NOK 68 million in 2013 (2012: NOK 110 million).
3) See note 3 for more information.

IMPAIRMENT
Of total impairment losses in 2013, NOK 52 million was recognized in Upstream, NOK 21 million in Downstream and NOK 1 million in Industrial. Upstream impairment is mainly related to the Belle Plaine expansion project, following a reduced probability for project realization

ASSETS USED AS SECURITY
Property, plant and equipment pledged as security was NOK 5,154 million in 2013 (2012: NOK 4,861 million). See note 29 for more information.

GOVERNMENT GRANTS
Government grants related to assets have been recognized as deduction to the carrying value by reducing "Addition at cost" with NOK 9 million in 2013 (2012: NOK 12 million).

BORROWING COSTS
The amount of borrowing cost capitalized amounted to NOK 4 million in 2013 (2012: NOK 3 million). The average rate for the borrowing cost capitalized was 5.4% in 2013.

COMPENSATIONS
Compensations from insurance companies recognized in the consolidated income statement amounted to NOK 18 million in 2013 (2012: NOK 23 million).

Note 12

Associated companies *and jointly controlled entities*

2013

NOK millions	Balance at 1 January	Investments / (sale), net and long-term loans	Transfers to/from subsidiary	Yara's share of net income/ (loss)	Amortization, depreciation and write-down	Total share of net income in equity-accounted investees	Dividends/ repayment of capital	Posted directly in equity	Foreign currency translation and other	Balance at 31 December
Qafco	5,837	434 [1]	-	960	-	960	(1,798)	63	509	6,006
GrowHow UK	1,328	-	-	143	-	143	-	(87)	162	1,546
Lifeco	1,150	-	-	(58)	-	(58)	(187) [2]	-	112	1,017
Yara Praxair Holding	732	-	-	40	(8)	32	-	3	-	767
Yara Pilbara Nitrates	624	741 [3]	-	(11)	-	(11)	-	-	65	1,418
IC Potash Corp	209	-	-	(6)	(88) [4]	(94)	-	1	11	128
Tringen	160	-	-	189	-	189	(104) [5]	(10)	25	262
Other	469	154	(18)	94	(5)	89	(64)	(1)	(85)	545
Total	10,509	1,329	(18)	1,350	(100)	1,250	(2,153)	(31)	801	11,687
of which long-term loans										
Yara Pilbara Nitrates	-	741	-	-	-	-	-	-	16	757
Other	8	(1)	-	-	-	-	-	-	-	7
Total long-term loans	8	740	-	-	-	-	-	-	16	764
Total excluding long-term loans	10,501	589	(18)	1,350	(100)	1,250	(2,153)	(31)	785	10,923

1) Profit attributable to foreign shareholder (Yara) is subject to tax in Qatar. The tax is paid by Qafco, but refunded by Yara.
2) Yara received repayment of capital from Lifeco in 2013. The repayment has been reported as part of "financing activites" in the consolidated statement of cash flows.
3) Long-term loan related to the construction of the TAN plant.
4) Yara made an impairment write-down of NOK 87 million in 2013. See below for more information.
5) NOK 90 million of the dividend from Tringen has not been received by Yara at 31 December 2013.

2012

NOK millions	Balance at 1 January	Investments / (sale), net and long-term loans	Transfers to/from subsidiary	Yara's share of net income/ (loss)	Amortization, depreciation and write-down	Total share of net income in equity-accounted investees	Dividends received	Posted directly in equity	Foreign currency translation and other	Balance at 31 December
Qafco	5,033	238 [1]	-	1,368	-	1,368	(390)	1	(412)	5,837
GrowHow UK	1,248	-	-	437	-	437	(272)	(42)	(43)	1,328
Lifeco	1,436	-	-	(196)	-	(196)	-	-	(91)	1,150
Yara Praxair Holding	702	-	-	38	(8)	29	-	-	-	732
Yara Pilbara Nitrates [2]	-	625	-	(6)	-	(6)	-	(2)	7	624
IC Potash Corp [3]	-	231	-	(9)	-	(9)	-	(2)	(10)	209
Tringen	188	-	-	250	-	250	(239)	(23)	(16)	160
Synagri	74	-	-	26	-	26	(15)	-	(5)	81
Yara Pilbara (Burrup) [2]	1,899	-	(1,916)	8	(7)	-	-	-	16	-
NU3 [4]	96	(90)	-	9	-	9	(10)	-	(5)	-
Other	417	(6)	(7)	58	(3)	55	(61)	(1)	(9)	388
Total	11,092	998	(1,922)	1,983	(19)	1,964	(986)	(69)	(568)	10,509
of which long-term loans										
Other	29	9	-	-	(29)	-	-	-	(1)	8
Total long-term loans	29	9	-	-	(29)	-	-	-	(1)	8
Total excluding long-term loans	11,063	988	(1,922)	1,983	10	1,964	(986)	(69)	(566)	10,501

1) Profit attributable to foreign shareholder (Yara) is subject to tax in Qatar. The tax is paid by Qafco, but refunded by Yara.
2) Yara acquired additional 16% interest and gained control over Burrup Holdings Limited in 2012, and the company was renamed Yara Pilbara Holdings Limited. Subsequent to the acquisition, Yara went into an agreement with Orica and Apache to form the joint venture Yara Pilbara Nitrates, where Yara holds 45% ownership.
3) Yara acquired 19.9% of the shares in IC Potash Corp in 2012.
4) The Vlaardingen specialty fertilizer plant in the Netherlands became 100% Yara owned in 2012 as the joint ventures NU3 BV with ICL was dissolved.

Due to it being impractical to obtain financial report at the same reporting date as Yara uses, there is for some of the associated companies and jointly controlled entities a lag of 1-3 months for the numbers included.

OWNERSHIP, SALES AND RECEIVABLES/PAYABLES

NOK millions, except ownership and voting rights	Place of incorporation and operation	Percentage owned by Yara	Voting rights held by Yara	Sales from Investees to Yara Group [1]		Yara's current receivable/ (payable) net with investees	
		2013		2013	2012	2013	2012
Qafco	Qatar	25.0%	25.0%	(1,596)	(5,367)	(3)	(58)
GrowHow UK Ltd	Great Britain	50.0%	50.0%	(1,031)	(1,087)	(90)	(106)
Lifeco	Libya	50.0%	50.0%	(1,297)	(325)	(114)	(223)
Yara Praxair Holding	Norway	34.0%	34.0%	(4)	(4)	-	8
Yara Pilbara Nitrates	Australia	55.0%	50.0%	-	-	-	(3)
IC Potash Corp	Canada	17.5%	17.5%	-	-	-	-
Tringen	Trinidad and Tobago	49.0%	49.0%	(2,161)	(2,547)	8	(167)
NU3	Belgium			-	(336)	-	-
Other				(192)	(166)	(157)	(65)
Total				(6,281)	(9,831)	(355)	(615)

1) Included in raw materials, energy cost and freight expenses.

BUSINESS IN EQUITY-ACCOUNTED INVESTEES

Qafco
Yara is the owner of 25% of Qatar Fertiliser Company (S.A.Q.), (Qafco), the owner and operator of a fertilizer complex in Mesaieed in Qatar. The remaining 75% of Qafco is owned by Industries Qatar, a Doha Stock Market listed company, owned 51% by Qatar Petroleum, 19% by The General Retirement and Social Insurance Authority and 30% by general public. Qafco operates six ammonia plants and six urea plants. Qafco 5 and Qafco 6, the two newest ammonia and urea trains, commenced production during 2012. Total production capacity is approximately 3.5 and 5.6 million tons of ammonia and urea, respectively. Yara, through cooperation with Muntajat, a Qatari company, coordinates sales and marketing of chemical products produced in Qatar. Qafco has 70% ownership in Gulf Formaldehyde Company, which produces and sells Urea Formaldehyde Concentrate, mainly used in the urea production process. In addition, Qafco owns 60% of Qatar Melamine Company, which owns a melamine plant located at the Qafco site, and with a capacity of 60,000 tons per year. Qafco is operating and providing marketing services for this plant.

GrowHow UK
Yara has a 50% interest in GrowHow UK Group Limited (GrowHow UK), a jointly controlled entity with CF Industries Inc. with a turnover in excess of GBP 400 million. The company is based in Ince and is the UK's leading manufacturer of ammonium nitrate and compound fertilizers, and a major supplier for process chemicals and utilities. GrowHow UK Group Ltd operates production sites in Billingham and Ince. The company is responsible for the sales of the jointly controlled entities' fertilizer and associated process chemical products in the UK.

Lifeco
Yara owns 50% in Libyan Norwegian Fertiliser Company C.V. (Lifeco), while National Oil Corporation (NOC) and the Libyan Investment Authority (LIA) are each holding a 25% stake. Lifeco is operating two ammonia and two urea plants. More than 90% of the ammonia and urea from Lifeco is exported, and Yara is Lifeco's exclusive global export product distributor. Due to technical problems and supply of gas and utilities, the production in 2013 was reduced to about 60% of capacity. Yara's share of the 2013 result was negatively

impacted by increased costs charged by a utility supplier in Libya. The increase of around NOK 138 million is disputed by Yara. In early January 2014, Lifeco carried out a controlled close down of its plant due to a local militia blocking the site. At this stage, it is not clear when Lifeco production can resume.

Yara Praxair Holding

Yara holds a 34% ownership in Yara Praxair Holding AS (Yara Praxair Holding), which is one of the leading industrial gases companies in Scandinavia. The company supplies atmospheric, process and specialty gases to a wide variety of industries: food and beverages, healthcare, fish farming, chemicals, refining, primary metals and metal fabrication as well as other areas of general industry. The entity comprises Yara's previous industrial gases business located in Norway, Denmark and Sweden.

Yara Pilbara Nitrates

The construction of Yara Pilbara Nitrates Pty. Ltd. (Yara Pilbara Nitrates), the JV TAN plant (owned directly 35% by Yara and indirectly 20% through Yara Pilbara Holding where Yara has a ownership of 51%) is progressing and is on schedule. The TAN plant is almost 60% complete at the end of 2013 and is expected to commence commercial operations in second half 2015.

IC Potash Corp

In April 2012, Yara purchased 30,129,870 common shares in IC Potash Corp (ICP). IC Potash intends to become a primary producer of Sulfate of Potash (SOP) by mining its 100%-owned Ochoa property in southeast New Mexico, a highly advanced polyhalite mineral deposit. After a capital injection in 2013, where Yara did not participate, the ownership of Yara was reduced to 17.46% on a non-diluted basis. The combination of a ownership of 17.46% and Yara's representation in the Board of Directors results in Yara having significant influence. Yara has also entered into an off-take arrangement for 30% of all products produced by ICP's Ochoa project in New Mexico for a period of 15 years. Yara made an impairment write-down of NOK 88 million in 2013, presented within "Share of net income in equity-accounted investees" in the consolidated statement of income. This was based on an updated valuation of the underlying SOP (Sulfate of Potash) mining project in southeast New Mexico. The main reason for the impairment is a lower estimated probability of realizing the construction of a new mine, as financing may be harder due to increased competition in the potash market. Yara's carrying value after write-down is NOK 128 million. The market value of Yara's ownership is NOK 46 million (CAD 0.27 cent per share), based on the shares traded as of the close of business at 31 December 2013.

Tringen

Trinidad Nitrogen Co. Ltd. (Tringen) owns an ammonia complex consisting of two separate ammonia plants which are managed and operated by Yara under a management and operating agreement. In addition, Yara provides marketing support through sales agency agreements. Yara has a 49% ownership stake in Tringen, the remaining 51% of Tringen is owned by National Enterprises Limited, which is a publicly listed Company, in which the Government of the Republic of Trinidad and Tobago has majority shareholding.

Carrying value and share of net income by segment for associated companies and jointly controlled entities are disclosed in note 4.

Associated companies and jointly controlled entities - 100% basis

The following table sets forth summarized unaudited financial information of Yara's associated companies and jointly controlled entities on a 100% combined basis. Yara's share of these investments, which is also specified above, is accounted for using the equity method.

NOK millions (unaudited)	31 Dec 2013	31 Dec 2012
Total assets	49,022	46,614
Total liabilities	(14,976)	(13,668)
Net assets	34,046	32,946
Yara's share of total equity	9,724	9,289

NOK millions (unaudited)	2013	2012
Total revenues	26,737	22,584
Net income	6,288	7,911
Yara's share of net income	1,350	1,983

Note 13

Equity *securities*

NOK millions	Notes	2013	2012
1 January		170	283
Foreign currency translation		25	(13)
Additions		-	6
Transfer to subsidiary [1)]	2,3	-	(73)
Net gain/(loss) transferred to other comprehensive income		32	(32)
Total at 31 December		227	170
Unlisted equity securities		227	170
Total at 31 December		227	170

1) The transfer to subsidiary in 2012 is related to the increase of ownership in Yara Dallol BV (former Etiopotash BV) from 16.67% to 51%.

Note 14

Other non-current *assets*

NOK millions, except percentages	Notes	2013	2012
Prepayments for long-term employee obligations	22	342	74
Equity investments available-for-sale	2,13,28	227	170
Interest rate swap designated as hedging instrument	27,28	135	167
Long-term loans and receivables [1)]	28	837	1,018
Total		1,541	1,429
Long-term loans and receivables			
Effective interest rate, interest-bearing loans and receivables		6.1%	3.9%

1) Mainly related to tax and VAT credits.

The long-term loans and receivables bear interest at variable rates with minimum annual repricing.

Note 15

Inventories

NOK millions	2013	2012
Finished goods	7,118	6,823
Work in progress	633	543
Raw materials	5,272	4,560
Total	13,023	11,927
Write-down		
Balance at 1 January	(96)	(265)
New write-downs recognized during the year	(160)	(137)
Write-downs reversed due to product sold	157	224
Write-downs reversed, other	5	73
Foreign currency translation	(9)	9
Closing Balance 31 December	(103)	(96)

Inventories pledges as security was NOK 141 million in 2013 (2012: NOK 141 million). See note 29 for more information.

Note 16

Trade *receivables*

NOK millions	Notes	2013	2012
Trade receivables		9,695	8,476
Allowance for impairment loss		(421)	(432)
Total	28	9,276	8,045

MOVEMENT IN THE ALLOWANCE FOR IMPAIRMENT LOSS

NOK millions	Notes	2013	2012
Balance at 1 January		(432)	(502)
Impairment losses recognized on receivables during the year		(30)	(59)
Amounts written off during the year as uncollectible		22	27
Impairment losses reversed		34	34
Currency translation effects		(15)	46
Other changes (including disposal/acquisition of companies)		-	21
Balance at 31 December		(421)	(432)

AGEING ANALYSIS OF TRADE RECEIVABLES AT 31 DECEMBER

Gross trade receivables

NOK millions	Total	Not past due	Past due			
			< 30 days	30 - 90 days	91 - 180 days	> 180 days
2013	9,695	7,997	805	264	101	529
2012	8,476	7,033	723	184	54	480

Net trade receivables

NOK millions	Total	Neither past due nor impaired	Past due but not impaired			
			< 30 days	30 - 90 days	91 - 180 days	> 180 days
2013	9,276	7,997	799	253	94	131
2012	8,044	7,019	710	171	46	99

Impairment of trade receivables

NOK millions	Total	Impairment on not past due receivables	Impairment on past due receivables			
			< 30 days	30 - 90 days	91 - 180 days	> 180 days
2013	(421)	-	(5)	(11)	(7)	(398)
2012	(432)	(16)	(13)	(14)	(8)	(381)

Note 17

Prepaid expenses *and other current assets*

NOK millions	Notes	2013	2012
VAT and sales related taxes	28	735	748
Financial derivatives	28	35	2
Commodity derivatives and embedded derivatives	28	83	71
Prepaid income taxes		1,053	446
Prepaid expenses		1,073	892
Other current assets	28	417	449
Total		3,396	2,607

Note 18

Cash, cash equivalents *and other liquid assets*

NOK millions	Notes	2013	2012
Cash and cash equivalents	28	6,819	9,941
Other liquid assets	28	1	-

Cash and cash equivalents have a maturity of three months or less. External bank deposits in subsidiaries that are not available for the use of group at 31 December 2013 is NOK 338 million (2012: NOK 286 million).

Other liquid assets comprise of bank deposits with maturity between three months and one year.

The average interest rate for liquid assets is approximately 1.7% at 31 December 2013 (2012: 1.7%).

Yara minimizes the counterparty exposure by keeping its cash deposits in various Nordic and international banks with established limits for exposure towards each institution.

Note 19

Share *information*

On 13 May 2013, the General Meeting of Yara approved a share buy-back program, authorizing the Board of Directors for a period of 12 months to let the Company acquire up to 5% 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. Shares acquired may either be used for cancellation, or, according to decision by the Board of Directors, as consideration in commercial transactions. The 2013 buy-back program is similar to previous years' programs.

Yara's largest shareholder, the Norwegian State, has committed to sell a proportionate part of its shares, leaving the State's ownership unchanged at 36.21%. The compensation to the State will be equal to the average price paid in the market for the buy-back of shares, plus interests of NIBOR +1%, calculated from the date of the acquisition of the corresponding shares.

During 2013, Yara purchased 1,450,000 shares for a total consideration of NOK 377.2 million under the 2013 share buy-back program. Shares will be cancelled.

During 2012, Yara purchased 3,640,000 shares for a total consideration of NOK 953.7 million under the 2012 share buy-back program. Shares were cancelled.

Dividend proposed for 2013 is NOK 10.00 per share, amounting to NOK 2,771 million. Dividend approved for 2012 and paid out in 2013 was NOK 3,647 million.

	Ordinary shares	Own shares
Total at 31 December 2011	287,656,159	(2,200,000)
Redeemed shares Norwegian State [1]	(1,248,895)	-
Shares cancelled [1]	(2,200,000)	2,200,000
Treasury shares - share buy-back program [1]	-	(3,640,000)
Total at 31 December 2012	284,207,264	(3,640,000)
Redeemed shares Norwegian State [2]	(2,066,354)	-
Shares cancelled [2]	(3,640,000)	3,640,000
Treasury shares - share buy-back program [2]	-	(1,450,000)
Total at 31 December 2013	278,500,910	(1,450,000)

1) As approved by General Meeting 10 May 2012.
2) As approved by General Meeting 13 May 2013.

Note 20

Earnings *per share*

NOK millions, except number of shares	2013	2012
Earnings		
Net income for the purposes of basic earnings per share (profit for the year attributable to the equity holders of Yara International ASA)	5,748	10,552
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	278,647,345	282,821,544

The denominators for the purposes of calculating basic earnings per share have been adjusted for the buy-back of own shares and redemption of shares held by the Norwegian State, see note 19.

Note 21

Non-controlling *interests*

NOK millions	2013	2012
Total at 1 January	(1,745)	(157)
Share of profit for the year	(349)	(49)
Dividends distributed	100	20
Acquisitions	-	(5)
Disposals	18	12
Share capital increase	-	(34)
Companies acquired	(12)	(1,615)
Companies sold	-	2
Currency effect	(165)	81
Total at 31 December	(2,152)	(1,745)

NON-CONTROLLING INTERESTS ARE MAINLY RELATED TO THE FOLLOWING UNITS

Company name	Registered office	Non-controlling interests	2013	Non-controlling interests	2012
Yara Pilbara Holdings Ltd [1)]	Australia	49.0%	(1,845)	49.0%	(1,438)
Yara Dallol B.V.	The Netherlands	44.0%	(161)	49.0%	(177)
AS Ammonia	Denmark	33.3%	(62)	33.3%	(53)
Yara Agri Trade Misr SAE	Egypt	49.0%	(32)	49.0%	(29)
Yara East Africa Ltd	Kenya	30.0%	(29)	30.0%	(27)
Yara Cameroun s.a.	Cameroun	35.0%	(15)	35.0%	(14)
Other			(9)		(7)
Total at 31 December			(2,152)		(1,745)

1) Including Yara Pilbara Fertilisers Pty Ltd.

Note 22

Employee retirement plans *and other similar obligations*

The Group companies provide various retirement plans in accordance with local regulations and practices in the countries in which they operate.

Defined benefit plans are generally based on years of service and average or final salary levels, offering retirement benefits in addition to what is provided by state pension plans. Most of the defined benefit plan obligations are covered by external insurance companies or by pension funds. By definition, both investment risk and actuarial risk (i.e. the actual level of benefits to be paid in the future) are retained by the Group companies.

Defined contribution plans require the companies to make agreed contributions to a separate fund when employees have rendered services entitling them to the contributions. The companies have normally no legal or constructive obligation to pay further contributions.

Some companies make contributions to multi-employer pension plans included in a joint arrangement with others. All multi-employer plans are accounted for as defined contribution plans.

Some companies have recognized provisions for jubilee benefits, which are classified as Other long-term employee benefits.

The figures presented below related to 2012 have been restated due to adoption of the revised IAS 19 Employee Benefits with retrospective application. See note 35 for further details.

LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION

NOK millions	Notes	2013	2012
Defined benefit plans		(2,132)	(2,229)
Prepayments for defined benefit plans		336	68
Net liability for defined benefit plans		(1,796)	(2,160)
Termination benefits		(34)	(44)
Prepayments for other long term employee obligations		5	6
Other long-term employee benefits		(76)	(77)
Net long-term employee benefit obligations recognized in Statement of financial position		(1,900)	(2,275)
Of which classified as Prepayments for long-term employee obligations	14	342	74
Of which classified as Long-term employee benefit obligations		(2,242)	(2,350)

EXPENSES FOR LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS RECOGNIZED IN THE STATEMENT OF INCOME

NOK millions	Notes	2013	2012
Defined benefit plans		(260)	(218)
Defined contribution plans		(129)	(127)
Multi-employer plans		(48)	(36)
Termination benefits		(8)	(34)
Other long-term employee benefits		(44)	(44)
Net expenses recognized in Statement of income		(489)	(459)
Of which classified as Payroll and related costs	5	(405)	(395)
Of which classified as Interest expense and other financial items	7	(84)	(64)

DEFINED BENEFIT PLANS

Yara International ASA and Norwegian subsidiaries have incurred obligations under a funded defined benefit plan. The pension plan was closed to new entrants in 2006 and employees below the age of 55 at that time received a paid-up policy for previously earned benefit entitlements. The defined benefit plan was replaced by a defined contribution plan from the same date. Further pension obligations in Norway include certain unfunded pension arrangements as well as an early retirement scheme. Retirement age is flexible from age 62 to age 67.

A majority of Yara's obligations under defined benefit plans are related to subsidiaries within the Eurozone.

Employees of Yara's Dutch subsidiaries are members of a funded pension plan. Employees born before 1950 and who were in service before 2006 are entitled to a pension scheme based on final salary at the age of retirement. All other employees are members of an Average Pay scheme. Retirement age defined by law was increased from 65 to 67 during 2013, resulting in a gain of NOK 30 million which has been recognized in the Statement of income.

Obligations in Finland include the statutory TyEL pension scheme as well as a further defined benefit plan which is closed to new entrants. Both schemes are covered by pension funds. The TyEL pension scheme provides for a flexible retirement age from 63 to 68 based on the employee's salary each year and with accelerated earning of retirement benefits beyond the age of 63. There is also a possibility for early retirement at the age of 62 with a permanent reduction of benefits.

Subsidiaries of Yara are also liable to retirement benefits in France, Germany, Belgium and Italy within the Eurozone.

The pension plan in Great Britain is funded and provides retirement benefits based on final salary. Normal retirement age is 62 except for some contracts with retirement age of 65.

Other defined benefit plan obligations include employees of subsidiaries in Sweden, Trinidad and Tobago and South Africa.

Most defined benefit plans include benefits in case of disability, death in service and death after retirement, which are included in the valuation of liabilities.

The provision for defined benefit plans also includes liabilities for medical plans in Great Britain, Trinidad and Tobago and South Africa with a total of NOK 30 million (2012: NOK 30 million).

Defined benefit obligations and plan assets by origin:

NOK millions	2013 Obligations	2013 Assets	2012 Obligations	2012 Assets
Finland	(2,293)	2,617	(2,076)	2,131
The Netherlands	(3,655)	3,556	(3,338)	3,008
Other Eurozone	(1,325)	367	(1,092)	281
Great Britain	(2,897)	2,479	(2,523)	2,076
Norway	(2,006)	1,627	(1,836)	1,473
Other	(432)	166	(400)	135
Total	(12,609)	10,813	(11,264)	9,104

VALUATION OF DEFINED BENEFIT OBLIGATIONS

The defined benefit plans are valued at 31 December using updated financial and demographical assumptions and taking into account the relevant economic environment of each pension plan.

The discount rate is a weighted average of the yields at the balance sheet date on high quality corporate bonds, or government bonds where no deep market exists for high quality corporate bonds. The discount rate is adjusted by extrapolation if necessary, to take into account differences in maturities.

During 2012 the management of Yara International ASA concluded that a sufficiently deep market had developed for high quality corporate bonds in Norway, effectively increasing the applied discount rate for the pension obligations in Norway. Yara management have reaffirmed this view at year-end 2013.

The following financial assumptions have been applied for the valuation of liabilities:

Discount rate (in%)	2013	2012
Finland	3.3	3.2
The Netherlands	3.8	3.4
Great Britain	4.4	4.4
Norway	3.9	3.7
Total 1)	3.8	3.6

Expected salary increase (in%)	2013	2012
Finland	3.0	3.0
The Netherlands	3.0	3.0
Great Britain	4.0	3.8
Norway	3.6	3.4
Total 1)	3.3	3.3

Expected pension indexation (in%)	2013	2012
Finland	2.1	2.1
The Netherlands	2.0	1.6
Great Britain	3.2	3.0
Norway	1.5	1.3
Total 1)	2.2	2.0

1) Weighted average.

The following table presents indicators of life expectancy of the mortality tables applied for valuation of the obligations, by showing expected longevity of a current employee (at the age shown in the table) from the date he or she reaches retirement age, and the expected longevity of a current pensioner on the date of retirement:

Expected longevity (in years)	Age of current employee 1)	Retirement age	Expected longevity of current employee	Expected longevity of current pensioner
Finland	45	65	23.5	21.9
The Netherlands	47	67	21.8	21.0
Great Britain	50	62	27.7	25.9
Norway	50	67	22.4	20.9

1) The age of current employee is not representing the average age of active members, but rather the reference age chosen by the Group's actuaries for the purpose of indicating the increase in life expectancy from retirement age for a current employee compared to that of someone retiring today.

Actuarial valuations provided the following results:

NOK millions	2013	2012
Present value of fully or partially funded liabilities for defined benefit plans	(10,974)	(9,782)
Present value of unfunded liabilities for defined benefit plans	(1,587)	(1,436)
Present value of liabilities for defined benefit plans	(12,561)	(11,218)
Fair value of plan assets	10,813	9,104
Asset ceiling limitation	-	-
Social security tax liability on defined benefit plans	(48)	(46)
Net liability recognized for defined benefit plans	(1,796)	(2,160)

Duration of liabilities at the end of the year:

Duration of liabilities (in years)	2013
Finland	14.1
The Netherlands	15.5
Great Britain	18.0
Norway	14.4
Total [1]	15.4

1) Weighted average

Pension cost recognized in the Statement of income

The assumptions used to value the defined benefit obligations at 31 December are used in the following year to determine the net pension cost. The discount rate is used to calculate the interest income from plan assets.

The following items have been recognized in the Statement of income:

NOK millions	2013	2012
Current service cost	(223)	(192)
Contribution by employees	21	20
Past service cost (vested) [2]	30	(3)
Settlements [1]	2	26
Social security cost	(7)	(6)
Payroll and related costs	(176)	(155)
Interest expense on obligation	(424)	(438)
Interest income from plan assets	341	376
Net interest expense on the net obligation	(83)	(63)
Net pension cost recognized in Statement of income	(260)	(218)

1) Settlements are related to termination of certain employee benefit obligations in France.
2) In 2013 a gain of NOK 30 million has been recognized for the Dutch pension plan following the increase in legal retirement age from 65 to 67 and a reduction in the pension accrual percentage.

Pension cost has been recognized as follows for the most significant pension plans:

NOK millions	2013	2012
Payroll and related costs:		
Finland	(33)	(22)
The Netherlands [1]	(43)	(49)
Great Britain	(18)	(20)
Norway	(50)	(60)
Net interest income / (expense) on the net obligation / asset:		
Finland	1	21
The Netherlands	(17)	(3)
Great Britain	(18)	(21)
Norway	(11)	(17)

1) Including a gain of NOK 30 million recognized as past service cost.

Sensitivity of assumptions

Measurement of defined benefit obligations and pension costs requires the use of a number of assumptions and estimates. Below table indicates the sensitivity of the most significant assumptions applied to the defined benefit obligation (DBO), by showing the estimated result from a reasonable increase or decrease in any one of the key assumptions applied. Holding all other assumptions constant represents a limitation of the analysis, as some of the assumptions may be correlated. The methods used in preparing the analysis are consistent with previous years.

NOK millions	DBO at 31 Dec 2013
Actual valuation	(12,561)
Discount rate +0.5% point	(11,663)
Discount rate -0.5% point	(13,519)
Expected rate of salary increase +0.5% point	(12,707)
Expected rate of salary increase -0.5% point	(12,417)
Expected rate of pension increase +0.5% point	(13,334)
Expected rate of pension increase -0.5% point	(11,852)
Expected longevity +1 year	(13,038)
Expected longevity -1 year	(12,088)

Development of defined benefit obligations

NOK millions	2013	2012
Defined benefit obligation at 1 January	(11,218)	(10,426)
Current service cost	(220)	(192)
Interest cost	(424)	(438)
Experience adjustments	(55)	60
Effect of changes in financial assumptions	188	(1,094)
Effect of changes in demographic assumptions 2)	(101)	(38)
Past service cost	30	(2)
Settlements 1)	2	26
Benefits paid	489	492
Transfer of obligation (in)/out	(5)	(6)
Exchange difference on foreign plans	(1,247)	400
Defined benefit obligation at 31 December	(12,561)	(11,218)

1) Settlements are related to termination of certain employee benefit obligations in France
2) Mainly related to the introduction of new K2013 mortality table in Norway.

Development of plan assets

NOK millions	2013	2012
Fair value of plan assets at 1 January	9,104	8,573
Interest income from plan assets	338	376
Return on plan assets (excluding the calculated interest income)	514	388
Employer contributions	206	504
Employees' contributions	21	20
Benefits paid	(398)	(408)
Transfer of plan assets in/(out)	5	6
Exchange difference on foreign plans	1,022	(354)
Fair value of plan assets at 31 December	10,813	9,104

The actual return on plan assets in 2013 was a positive NOK 852 million (2012: Positive NOK 764 million).

Depending on local regulations, Yara may be required to ensure a certain funding level of the pension plans. In the UK Yara is paying an annual contribution until 2018 in order to make good a funding deficit determined in the actuarial valuation of 2011. In the Netherlands an agreement is in place in which Yara will need to ensure a minimum level of funding each year by making additional contribution to the fund. On the other hand, Yara will be able to recover part of the contributions paid to the fund in case the funding ratio reaches a certain level. In Norway, Yara may decide to increase the capital buffer of the pension fund in order to maintain the investment strategy.

The pension funds have the legal form of foundations, independently governed by their Board of Directors or Board of Trustees. It is the responsibility of the board to determine the investment strategy and to review the administration of plan assets and the funding level of the pension plans.

Yara's defined benefit plan obligations are inherently exposed to inflation risk, interest rate risk and longevity risk. The investment strategies of the pension funds ensure diversement of investments in order to keep market volatility risk at a desired level. The pension fund of Yara in Finland has invested about 1/3 of the fair value of plan assets into shares of non-listed Pohjolan Voima Oy, a company producing electricity and heat. Yara in Finland benefits directly from the electricity which is generated, whereas Yara in Finland compensates the pension fund by a combination of fixed and variable fees. The boards of the pension funds are targeting a satisfactory level of risk and return corresponding to the maturity profile of future pension benefit payments.

At the end of the year, the plan assets were invested as follows:

NOK millions	2013	2013	2012	2012
Cash and cash equivalents	357	3%	196	2%
Shares	3,252	30%	2,376	26%
Other equity instruments	47	0%	38	0%
High yield debt instruments	406	4%	425	5%
Investment grade debt instruments	4,603	43%	4,512	50%
Properties	243	2%	203	2%
Interest rate swap derivatives	3	0%	5	0%
Other plan assets [1]	828	8%	578	6%
Total investments quoted in active markets	9,740	90%	8,333	92%
Shares	896	8%	617	7%
Other plan assets [2]	177	2%	154	2%
Total unquoted investments	1,073	10%	771	8%
Total plan assets	10,813		9,104	

1) Other plan assets include insurance policies, hybrid funds and other fund investments
2) Other unquoted plan assets is mainly a loan to Yara Suomi Oy

Contributions expected to be paid to the defined benefit plans for 2014 are NOK 318 million (including benefits to be paid for unfunded plans). The contributions paid in 2013 were NOK 297 million.

Remeasurement gains / (losses) recognized in other comprehensive income

NOK millions	2013	2012
Remeasurement gains / (losses) on obligation for defined benefit plans	32	(1,072)
Remeasurement gains / (losses) on plan assets for defined benefit plans	514	388
(Increase) / decrease in social security tax liability on remeasurement gains / (losses) for defined benefit plans (Norway only)	(4)	35
Net remeasurement gains / (losses) for defined benefit plans	542	(649)
Change in deferred tax related to remeasurement gains / (losses) for defined benefit plans [1]	(133)	149
Remeasurement gains / (losses) recognized from equity-accounted investees (net of tax)	(101)	(65)
Total remeasurement gains / (losses) recognized in other comprehensive income	308	(565)

1) Includes impact from reduction of tax percentage in Finland, Great Britain and Norway (2012: reduction of tax percentage in Great Britain and Sweden)

Remeasurement gains and losses include experience adjustments, reflecting the difference between estimated and actual changes in obligations and plan assets during the year, as well as the impact of change in demographic and financial assumptions when measuring the present value of pension liabilities at year-end with revised assumptions.

Remeasurement gains and losses are permanently recognized directly in retained earnings in the period in which they occur. The cumulative amount of remeasurement losses recognized in other comprehensive income is NOK 2,102 million (2012: NOK 2,411 million).

Note 23

Provisions *and contingencies*

NOK millions	Environmental	Restructuring	Legal Claims	Decommission	Other	Total
Balance at 1 January 2012	209	67	105	150	39	571
Additional provision in the year	46	11	27	35	48	167
Interest expense on liability	1	-	3	9	-	12
Unused provision	(17)	(7)	(35)	-	(8)	(67)
Utilisation of provision	(65)	(45)	(11)	(48)	(21)	(191)
Companies purchased/sold	-	-	1	175	16	193
Currency translation effects	(10)	(3)	(13)	(19)	(2)	(47)
Balance at 31 December 2012	164	23	76	302	72	637
Additional provision in the year	25	6	87	2	206	326
Interest expense on liability	-	-	7	9	-	16
Unused provision	-	(5)	(16)	-	(6)	(28)
Utilisation of provision	(39)	(12)	(28)	(46)	(39)	(164)
Companies purchased/sold	-	-	11	(3)	-	8
Currency translation effects	19	2	(1)	34	7	61
Balance at 31 December 2013	169	14	135	297	240	856

PROVISIONS PRESENTED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK millions	2013	2012
Current liabilities	458	230
Non-Current liabilities	398	407
Total	856	637

ENVIRONMENTAL
Yara's future cost for environmental clean-up depends on a number of uncertain factors, such as the extent and type of remediation required. Due to uncertainties inherent in the estimation process, it is possible that such estimates could be revised in the near term. In addition, conditions which could require future expenditures may be determined to exist for various sites, including Yara's major production facilities and product storage terminals. The amount of such future costs is not determinable due to the unknown timing and extent of corrective actions which may be required.

Yara's operations are subject to environmental laws and regulations. These laws and regulations are subject to change, and such changes may require that the company make investments and/or incur costs to meet more stringent emissions standards or to take remedial actions related to e.g. soil contamination.

RESTRUCTURING
Restructuring mainly relates to closure or significant reorganisation of business locations in a country or region. The provision is a best estimate based on the detailed formal plan for the business and location affected.

LEGAL CLAIMS
Yara is party to a number of lawsuits in various jurisdictions arising out of the conduct of its business. None of these lawsuits, individually or in aggregate, is anticipated to have a material adverse effect on Yara.

DECOMMISSION
Provisions have been made where Yara has legal or constructive obligations for decommission as a result of past events.

OTHER
Other consists of onerous contracts and various provisions for constructive obligations as a result of past events. In 2013, Yara recognized a NOK 70 million provision related to a quality issue claim. However, this claim will probably be reimbursed by the insurance company except for a minor deductible.

CONTINGENCIES
Yara is involved in a number of legal proceedings during the normal course of its business. While acknowledging the uncertainties of litigation, Yara is of the opinion that based on the information currently available, these matters will be solved without any material adverse effect on Yara's consolidated results of operations, liquidity or financial position.

Several subsidiaries are engaged in judicial and administrative proceedings related to various tax matters. We estimate that our maximum potential contingent liability with respect to these matters is approximately NOK 172 million. No provisions have been made for these contingencies since Yara is of the opinion that the impact on Yara, if any, will be limited.

Note 24

Long-term debt *by currencies*

NOK millions, except percentages and denominated amounts	Weighted average interest rates	Denominated amounts 2013	2013	2012
NOK (Coupon NIBOR + 3.75%) [1]	5.5%	300	300	300
NOK (Coupon 7.40%) [2]	7.5%	325	326	340
NOK (Coupon 8.80%) [3]	8.9%	1,000	1,039	1,083
USD (Coupon 5.25%) [2]	5.0%	500	3,066	2,833
USD (Coupon 7.88%) [4]	8.3%	500	3,013	2,756
Total unsecured debenture bonds			7,744	7,311
USD	1.0%	156	947	1,810
EUR	-	-	-	2
BRL (Brazil)	-	-	-	19
COP (Colombia)	5.9%	700	2	1
Total unsecured bank loans [1]			950	1,833
Lease obligations			164	165
Mortgage loans			777	947
Other long-term debt			24	34
Total			964	1,146
Outstanding long-term debt			9,659	10,290
Less: Current portion			(3,826)	(1,004)
Total			5,833	9,287

1) The current rate is fixed when the loan matures in 2014.
2) Fixed interest rate until 2014. Subject to fair value hedge accounting, see note 27.
3) Fixed interest rate until 2016. Subject to fair value hedge accounting, see note 27.
4) Fixed interest rate until 2019.

The carrying values include issuance discount, capitalised issuance costs and fair value hedge accounting adjustments as indicated above (see also note 27 for further information about fair value of financial instruments).

At 31 December 2013, the fair value of the long-term debt, including the current portion, was NOK 10,497 million and the carrying value was NOK 9,659 million.

Yara builds its funding on a negative pledge structure with the basic funding ranging pari passu. Substantially all unsecured debenture bonds and unsecured bank loan agreements therefore contain provisions restricting the pledging of assets to secure future borrowings.

Of the long-term debt at the end of 2013, the USD 1,000 million bond debt originated from Yara's December 2004 and June 2009 bond issues in the US market according to 144A/Regulation S. A further NOK 1,625 million originated from Yara's March 2009 bond issues in the Norwegian market.

Yara's additional long-term funding is based on bank loans. Yara's term loan from the Nordic Investment Bank has been reduced to USD 150 million through scheduled downpayments and linear instalments will continue until December 2023. A further minor portion of the long-term bank loans was borrowed in emerging markets.

In July, Yara signed a new USD 1,750 million dual-tranche multicurrency syndicated revolving credit facility comprising a USD 1,250 million tranche A with a tenor of 5+1+1 years and a USD 500 million tranche B with a tenor of 1+1 years. Both tranches remained undrawn at year end, as did a previously established USD 300 million facility due 2015. (Tranche B is regarded as short-term and included in the unused amount reported in note 26.)

Yara Pilbara's term loan due 2016 has been reduced to USD 100 million per year end 2013 and is included under mortgage loans. Their USD 60 million revolving credit facility due 2015 was fully undrawn at year end.

Of the fixed interest rate debenture bonds, NOK 1,325 million and USD 100 million is exposed to floating interest rates through interest rate swaps.

CONTRACTUAL PAYMENTS ON LONG-TERM DEBT, INCLUDING CURRENT PORTION

NOK millions	Debentures	Bank Loans	Capital lease and other long-term loans	Total
2014	3,692	96	38	3,826
2015	-	101	20	121
2016	1,039	707	23	1,770
2017	-	99	22	121
2018	-	99	23	122
Thereafter	3,013	455	231	3,699
Total	7,744 [1]	1,557	357	9,659

1) Yara International ASA is responsible for the entire amount.

Note 25

Trade payables *and other payables*

NOK millions	Notes	2013	2012
Trade payables	27	7,665	6,807
Payroll and value added taxes	27	1,334	1,154
Prepayments from customers		2,361	1,315
Other liabilities	27	424	389
Total	28	11,784	9,665

TERMS AND CONDITIONS TO THE ABOVE FINANCIAL LIABILITIES:

Trade payables are non-interest bearing and have an average term of 50 days.
Payroll and value added taxes are mainly settled on quarterly basis.
Other payables are non-interest bearing and normally settled within 12 months.

Note 26

Bank loans *and other short-term interest-bearing debt*

NOK millions	Notes	2013	2012
Bank loans and overdraft facilities [1]		351	388
Other		188	217
Total	28	539	604
Weighted Average Interest Rates			
Bank loans and overdraft facilities [2]		11.9%	9.5%
Other [2]		2.8%	1.9%

1) Overdraft facilities mainly in emerging markets
2) Repricing minimum annually

At 31 December 2013, Yara has unused short-term credit facilities with various banks totalling approximately NOK 4.9 billion. This figure includes the undrawn portions of the long-term credit facilities expiring in 2014 (see note 24 for further information about the long-term facilities).

Note 27

Risk management *and hedge accounting*

RISK MANAGEMENT POLICIES

Risk management in Yara is based on the principle that risk evaluation is an integral part of all business activities. Yara has established procedures for determining appropriate risk levels or limits for the main risks and monitoring these risk exposures. Based on the overall evaluation of risk, Yara may use insurance policies, trade finance contracts, guarantees or derivative instruments such as forward contracts, options and swaps to reduce exposures.

Yara's business model and positions provide natural hedges to reduce business risks inherent in the market. The most important of these is the quality and efficiency of Yara's production facilities, which ensures its competitive position. Furthermore, Yara's geographical spread supports a diversified gas supply, reducing the impact of regional price changes, and a reduced exposure to the inherent seasonality of the fertilizer business. Yara's substantial sales of differentiated products, comprising specialty fertilizers and industrial products, also contribute to more stable margins for the business as a whole. Finally, a certain correlation between energy prices and fertilizer prices reduces the volatility in Yara's results.

Yara is focused on maintaining a sound funding structure. Main elements of the funding strategy are to secure long-term debt and to base the funding of Yara on diversified capital sources to avoid dependency on single markets.

The financial structure of Yara gives Yara the necessary flexibility to capture the right industrial opportunities when they arise. As such opportunities typically materialize in periods characterized by industry margins and earnings below peak levels, Yara will seek to maintain adequate financial capacity throughout the business cycle. Yara aims to maintain a long-term mid investment grade rating level, i.e. minimum BBB according to Standard & Poor's methodology and Baa2 according to Moody's methodology. Yara maintained the Baa2 rate from Moody's and the BBB rate from Standard & Poor's during 2013.

The debt/equity ratio at the end of 2013, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests, was 0.06 compared with 0.02 at the end of 2012. The Yara Group is not subject to any externally imposed capital requirements.

There were no principal changes in the Group's approach to capital management during the years ending 31 December 2013 and 31 December 2012. Due to strong cash flow, the Group has through the years accumulated a liquidity surplus kept as short-term bank deposits.

Yara's Finance & Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risks such as currency and interest rate risk, credit risk and liquidity risk. The Finance & Treasury function reports regularly to the Group's management.

The Group may seek to reduce the exposure to such risks by using derivative financial instruments to hedge the inherent exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

CURRENCY RISK

Prices of Yara's most important products are either directly denominated or determined in US dollars. In markets outside the US, local prices will generally adjust to fluctuations in the US dollar exchange rate, however with a certain time lag. Yara's raw materials costs, such as natural gas used in the production of ammonia, are either denominated in US dollars or highly correlated to changes in the US dollar exchange rate. In order to hedge Yara's long-term exposure to fluctuations in the US dollar exchange rate, Yara incurs most of its debt in US dollars. A certain portion of the total debt is, however, kept in various local currencies in order to finance local currency exposed business positions.

Yara manages foreign currency exchange rate risks by adjusting the composition of the debt or liquidity portfolios to changes in Yara's overall risk exposure. Derivative instruments may also be used to manage foreign currency exchange rate risk related to forecast purchases and sales or to offset short-term liquidity needs in one currency with surplus liquidity in another currency. Such forward contracts are not designated as hedging instruments for accounting purposes. Changes in fair value are therefore recognized in the income statement.

The foreign exchange loss for the year was NOK 950 million, compared with a gain of NOK 596 million in 2012. This year's loss includes NOK 556 million related to internal currency positions (2012: NOK 313 million gain). The net economic effect of these internal positions is neutral for Yara as offsetting translation effects have been booked directly to equity. Throughout the year, the part of Yara's US dollar debt established to hedge future earnings was kept around USD 800-830 million (2012: USD 800 million).

Exchange differences from foreign operations resulted in a gain of NOK 4,856 million recognized in the statement of other comprehensive income (2012: NOK 2,960 million loss). Yara's exposure is mainly related to subsidiaries with functional currencies US dollars, Canadian dollars and Euro. At 31 December 2013 Yara's equity exposure to US dollar was 22% of the total book value of equity, to Canadian dollar 16% and to Euro 27% (2012: US dollar: 22%, Canadian dollar: 21%, Euro: 29%).

Sensitivity

A 10% weakening of US dollars or Euro against Norwegian kroner and other functional currencies at 31 December would have increased/(decreased) profit or loss by the amounts shown below. This analysis is done for illustrative purposes only, taking into consideration only the effect on the value of financial instruments in the balance sheet as at year-end. Since all other variables are assumed to remain constant, the analysis does not reflect subsequent effects on operating income, EBITDA or equity. The analysis was performed on the same basis for 2012.

NOK millions	2013	2012
USD -10% gain/(loss)	365	642
EUR -10% gain/(loss)	362	681

A 10% weakening of the Norwegian kroner against the above currencies at 31 December would have had the equal but opposite effect to the amounts shown above.

A 10% weakening of US dollars, Canadian dollars or Euro against Norwegian kroner and other functional currencies at 31 December would have increased/(decreased) other comprehensive income by the amounts shown below. This analysis is done for illustrative purposes only, taking into consideration only the effect on equity in foreign operations as at year-end. Since all other variables are assumed to remain constant, the analysis does not reflect subsequent effects on equity. The analysis was performed on the same basis for 2012.

NOK millions	2013	2012
USD -10% increase/(decrease) in other comprehensive income	(1,246)	(1,082)
CAD -10% increase/(decrease) in other comprehensive income	(900)	(1,037)
EUR -10% increase/(decrease) in other comprehensive income	(1,524)	(1,462)

A 10 percent weakening of the Norwegian krone against the above currencies at 31 December would have had the equal but opposite effect to the amounts shown above.

INTEREST RATE RISK

Yara's exposure to changes in interest rates is mainly linked to fair value risk and cash flow risk from its debt portfolio as disclosed in note 24. Yara has chosen to retain a significant part of its debt at fixed interest rates. During 2013, Yara has kept USD 400 million of the USD 500 million fixed interest bond issued in 2004 and the entire USD 500 million fixed interest bond issued in 2009 as fixed interest rate debt. Information about financial instruments designated as hedge instruments is presented in the derivative section below.

AT THE REPORTING DATE THE INTEREST RATE PROFILE OF THE GROUP'S INTEREST-BEARING FINANCIAL INSTRUMENTS WAS:

NOK millions	2013	2012
Net interest-bearing debt at 31 December	3,378	954
Fixed portion of bonds	5,445	4,981
Net interest-bearing debt/(deposits) less fixed portion of bonds	(2,067)	(4,027)

Sensitivity

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore changes in interest rates will not affect the interests on the USD 900 million portion of the bond debts which are not hedged. Yara Group has no interest-bearing financial instruments where effects are booked in other comprehensive income. Therefore equity will not be affected by interest rate changes.

An increase of 100 basis points in USD interest rates at the reporting date would have decreased profit or loss by NOK 12 million (2012: NOK 21 million). An increase of 100 basis points in NOK interest rates at the reporting date would have increased profit or loss by NOK 19 million (2012: NOK 53 million). All other variables remain constant. This analysis is done for illustrative purposes only, taking into consideration only the effect on financial instruments in the balance sheet as at year-end. The analysis is performed on the same basis for 2012. A decrease of 100 basis points at the reporting date would have increased/decreased profit or loss with the same amounts.

COMMODITY PRICE RISK

A major portion of Yara's operating revenues is derived from the sale of ammonia, urea and other fertilizers that may generally be classified as commodities. Yara also purchases natural gas, electricity and other commodities. The prices of these commodities can be volatile and may create fluctuations in Yara's earnings. To manage this risk, Yara's financial policy prioritizes maintaining a low debt/equity ratio and maintaining liquidity reserves. Periodically Yara utilizes derivative instruments to manage certain price risk exposures and also for some position taking within the limits established by the risk management policies. A limited number of ordinary sales and purchase contracts contain price links against other products that are regarded as embedded derivatives recognized at fair value. The reason for embedding other price links in these contracts is normally to secure a margin for Yara. Information about commodity derivatives is presented in the derivative section below. Besides that, there are no other financial instruments that are exposed to the commodity price risk.

CREDIT RISK

Yara has a well-established system for credit management with established limits at both customer and country level. Yara's geographically diversified portfolio reduces the overall credit risk of the Group. Credit risk arising from the inability of the counterparty to meet the terms of Yara's financial instrument contracts is generally limited to amounts, if any, by which the counterparty's obligations exceed Yara's obligations. Yara's policy is to enter into financial instruments with various international banks with established limits for transactions with each institution. Due to Yara's geographical spread and significant number of customers there are no significant concentrations of credit risk. Therefore, Yara does not expect to incur material credit losses on its portfolio or other derivative financial instruments.

The exposure to credit risk is represented by the carrying amount of each class of financial assets, including derivative financial instruments, recorded in the statement of financial position. Yara may undertake a number of measures to reduce credit risk of particular receivables. Such measures include letters of credit, bank guarantees and credit insurance agreements. The effect of credit risk reduction from these measures is not considered to be material for the Group.

FUNDING AND LIQUIDITY RISK

Main elements of the funding strategy are the establishment of a long-term debt base and the security and flexibility obtained by funding through diversified capital sources and avoidance of dependency on single institutions or markets. Yara manages liquidity risk by maintaining adequate reserves and committed bank facilities and by continuously monitoring forecasted and actual cash flows. Yara aims at an even debt repayment schedule and has secured committed undrawn credit facilities to provide sufficient reserves to meet unforeseen liquidity needs.

Included in notes 24 and 26 are overviews of undrawn facilities that the Group has at its disposal.

THE FOLLOWING ARE THE CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES, INCLUDING ESTIMATED INTEREST PAYMENTS AND EXCLUDING THE IMPACT OF NETTING AGREEMENTS:

31 DECEMBER 2013

NOK millions	Carrying amount	Contractual cash flows	On demand	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities								
Short-term interest-bearing debt	(539)	(539)	(96)	(404)	(39)	-	-	-
Long-term interest-bearing debt [1]	(9,495)	(11,165)	-	(901)	(3,302)	(541)	(2,851)	(3,571)
Obligations under finance leases	(164)	(164)	-	(156)	-	(5)	(2)	-
Accrued interest expense	(106)	(106)	-	(106)	-	-	-	-
Accounts payable	(7,665)	(7,665)	(48)	(7,590)	(27)	-	-	-
Payroll and value added taxes	(1,334)	(1,336)	(31)	(1,218)	(85)	-	-	-
Other short-term liabilities	(366)	(366)	(2)	(193)	(171)	-	-	-
Other long-term liabilities	(47)	(47)	-	(1)	(1)	(4)	(28)	(13)
Derivative financial instruments								
Freestanding financial derivatives	24							
Outflow		(1,904)	-	(1,904)	-	-	-	-
Inflow		1,928	-	1,928	-	-	-	-
Commodity derivatives	(301)							
Outflow		(384)	-	(30)	(16)	(64)	(151)	(123)
Inflow		-	-	-	-	-	-	-
Hedge designated derivatives	135							
Outflow		(67)	-	-	(34)	(34)	-	-
Inflow		204	-	84	12	54	54	-
Total	(19,859)	(21,611)	(177)	(10,491)	(3,663)	(594)	(2,978)	(3,707)

1) Including current portion.

31 DECEMBER 2012

NOK millions	Carrying amount	Contractual cash flows	On demand	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities								
Short-term interest-bearing debt	(604)	(605)	(174)	(338)	(94)	-	-	-
Long-term interest-bearing debt [1]	(10,125)	(12,152)	-	(1,153)	(249)	(4,011)	(2,984)	(3,755)
Obligations under finance leases	(165)	(165)	-	(8)	(9)	(22)	(45)	(81)
Accrued interest expense	(107)	(107)	-	(107)	-	-	-	-
Accounts payable	(6,807)	(6,807)	(18)	(6,759)	(30)	-	-	-
Payroll and value added taxes	(1,154)	(1,153)	(37)	(1,045)	(72)	-	-	-
Other short-term liabilities	(193)	(195)	(5)	(64)	(127)	-	-	-
Other long-term liabilities	(44)	(47)	(4)	(2)	(1)	(8)	(25)	(6)
Derivative financial instruments								
Freestanding financial derivatives	(22)							
Outflow		(1,116)	-	(1,116)	-	-	-	-
Inflow		1,094	-	1,094	-	-	-	-
Commodity derivatives	(518)							
Outflow		(589)	-	(114)	(58)	(76)	(226)	(116)
Inflow		71	-	48	23	-	-	-
Hedge designated derivatives	167							
Outflow		(115)	-	-	(45)	(35)	(36)	-
Inflow		286	-	80	10	94	102	-
Total	(19,572)	(21,599)	(238)	(9,484)	(652)	(4,058)	(3,214)	(3,958)

1) Including current portion.

DERIVATIVE INSTRUMENTS

NOK millions	2013	2012
Fair value of derivatives		
Forward foreign exchange contracts	24	(22)
Interest rate swaps designated for hedging	135	167
Embedded derivatives in sales and purchase contracts	(304)	(518)
Commodity derivatives	2	-
Balance 31 December	(143)	(373)
Derivatives presented in the statement of financial position		
Non-current assets	135	167
Current assets	117	73
Non-current liabilities	(338)	(418)
Current liabilities	(57)	(196)
Balance 31 December	(143)	(373)

Yara is committed to outstanding forward foreign exchange contracts as follows

NOK millions	2013	2012
Forward foreign exchange contracts, notional amount	2,862	2,722

All outstanding forward foreign exchange contracts at 31 December 2013 have maturity in 2014. Buy positions are mainly in US dollars towards Norwegian kroner. Sell positions are mainly in Euro and various operating currencies towards Norwegian kroner.

HEDGE ACCOUNTING

Fair value hedge

USD bond debt

The interest rate swap designated as a hedge instrument outstanding at 31 December 2013 is a fixed to floating interest rate swap for USD 100 million. The hedged risk is the change in fair value due to changes in risk-free interest rates (LIBOR) of a USD 100 million portion of the US dollar bond debt from 2004. The swap has identical interest basis, interest payment dates and maturity (2014) to the hedged debt and is assessed to be highly effective.

NOK bond debt

From 2011, Yara designated the long term NOK interest swaps as hedging instruments. The hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,000 million and NOK 325 million bond debt from 2009. The swaps have different interest payment dates (semi-annually vs. annually), but identical interest basis and maturity (2016 and 2014 respectively) to the hedged debt and are assessed to be highly effective.

NOK millions	2013	2012
USD bond debt fair value hedge		
Change in fair value of the derivatives	5	3
Change in fair value of the bond	(5)	(3)
Ineffectiveness	-	-
Loss on fair value hedge included in the carrying amount of the fixed rate debt	(27)	(47)
NOK bond debt fair value hedge		
Change in fair value of the derivatives	13	26
Change in fair value of the bonds	(18)	(18)
Ineffectiveness	(4)	8
Loss on fair value hedge included in the carrying amount of the fixed rate debt	(41)	(104)

Cash flow hedge

In 2004 and 2007, Yara used interest rate swaps to hedge the future cash flows of a USD 300 million portion of the December 2004 bond issue and a USD 300 million portion of the June 2009 bond issue. The loss on these contracts was recognized directly in equity and will be reclassified into interest expense and income tax over the duration of the bonds (due in 2014 and 2019).

NOK millions	2013	2012
2004-bond cash flow hedge		
Amount reclassified into interest expense	(13)	(12)
Related deferred tax benefit	4	3
2009-bond cash flow hedge		
Amount reclassified into interest expense	(7)	(3)
Related deferred tax benefit	1	1

Hedge of net investment

At 31 December 2013, the Group held in total USD 780 million (2012: USD 655 million) of debt designated as hedges of net investments in foreign entities. The hedges were assessed to be highly effective. At 31 December 2013 the hedges had a negative fair value of NOK 122 million recognized in other comprehensive income (2012: positive NOK 170 million). There is not recognized any ineffectiveness in 2013 or 2012.

Note 28

Financial *instruments*

CARRYING AMOUNTS SHOWN IN THE STATEMENT OF FINANCIAL POSITION, PRESENTED TOGETHER WITH FAIR VALUE PER CATEGORY

31 DECEMBER 2013

NOK millions	Notes	Derivatives at fair value through profit and loss	Derivatives designated as hedging instruments	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Non-financial assets and liabilities	Total
Non-current assets								
Other non-current assets	13,14,22,27	-	135	839	227	-	342	1,541
Long-term loans to equity-accounted investees	12	-	-	764	-	-	-	764
Current assets								
Trade receivables	16	-	-	9,276	-	-	-	9,276
Prepaid expenses and other current assets	17,27	117	-	1,150	-	-	2,126	3,394
Other liquid assets	18	-	-	1	-	-	-	1
Cash and cash equivalents	18	-	-	6,819	-	-	-	6,819
Non-current liabilities								
Other long-term liabilities		(338)	-	-	-	(47)	(185)	(569)
Long-term interest-bearing debt	24	-	-	-	-	(5,833)	-	(5,833)
Current liabilities								
Trade and other payables	25	(57)	-	-	-	(9,366)	(2,361)	(11,784)
Other short-term liabilities		-	-	-	-	(106)	(998)	(1,104)
Bank loans and other interest-bearing debt	26	-	-	-	-	(539)	-	(539)
Current portion of long-term debt	24	-	-	-	-	(3,826)	-	(3,826)
Total		(278)	135	18,850	227	(19,716)	(1,076)	(1,858)
Fair value		(278)	135	18,850	227	(20,554)		
Unrecognized gain/loss		-	-	-	-	(838) 1)		

1) Unrecognized loss on financial instruments at amortized cost is mainly related to long-term interest-bearing debt with fixed interest rate. Fair value is estimated by use of Level 2 valuation methods. See note 24.

31 DECEMBER 2012

NOK millions	Notes	Derivatives at fair value through profit and loss	Derivatives designated as hedging instruments	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Non-financial assets and liabilities	Total
Non-current assets								
Other non-current assets	13,14,22,27	-	167	1,017	170	-	74	1,429
Long-term loans to equity-accounted investees	12	-	-	8	-	-	-	8
Current assets								
Trade receivables	16	-	-	8,045	-	-	-	8,045
Prepaid expenses and other current assets	17,27	73	-	1,197	-	-	1,337	2,607
Other liquid assets	18	-	-	-	-	-	-	-
Cash and cash equivalents	18	-	-	9,941	-	-	-	9,941
Non-current liabilities								
Other long-term liabilities		(418)	-	-	-	(44)	(196)	(658)
Long-term interest-bearing debt	24	-	-	-	-	(9,287)	-	(9,287)
Current liabilities								
Trade and other payables	25	(196)	-	-	-	(8,154)	(1,315)	(9,665)
Other short-term liabilities		-	-	-	-	(107)	(573)	(680)
Bank loans and other interest-bearing debt	26	-	-	-	-	(604)	-	(604)
Current portion of long-term debt	24	-	-	-	-	(1,004)	-	(1,004)
Total		(541)	167	20,208	170	(19,200)	(672)	132
Fair value		(541)	167	20,209	170	(20,189)		
Unrecognized gain/loss		-	-	2	-	(990) 1)		

1) Unrecognized loss on financial instruments at amortized cost is mainly related to long-term interest-bearing debt with fixed interest rate. Fair value is estimated by use of Level 2 valuation methods. See note 24.

Below is an overview of gains and losses from financial instruments recognized in the consolidated statement of income and consolidated statement of other comprehensive income, including amounts recognized on disposal of financial instruments:

NOK millions	Notes	Derivatives at fair value through profit and loss	Derivatives designated as hedging instruments	Loans and receivables [2]	Available-for-sale financial assets	Financial liabilities at amortized cost [2]	Total
2013							
Consolidated statement of income							
Commodity based derivatives gain/(loss)	27	265	-	-	-	-	265
Interest income/(expense) and other financial income/(expense)	27	-	(1)	-	7	-	6
Foreign exchange gain/(loss)	27	56	-	-	-	-	56
Consolidated statement of comprehensive income [1]							
Available-for-sale investments - change in fair value	13	-	-	-	32	-	32
Hedge of net investments	27	-	-	-	-	(405)	(405)
Reclassification adjustments related to:							
- cash flow hedges [2]	27	-	20	-	-	-	20
Total		321	18	-	39	(405)	(27)
2012							
Consolidated statement of income							
Commodity based derivatives gain/(loss)	27	(166)	-	-	-	-	(166)
Interest income/(expense) and other financial income/(expense)	27	-	21	-	-	-	21
Foreign exchange gain/(loss)	27	78	-	-	-	-	78
Consolidated statement of comprehensive income [1]							
Available-for-sale investments - change in fair value	13	-	-	-	(32)	-	(32)
Hedge of net investments	27	-	-	-	-	110	110
Reclassification adjustments related to:		-	-	-	-	-	
- cash flow hedges [2]	27	-	16	-	-	-	16
Total		(88)	36	-	(32)	110	26

1) Amounts are presented before tax
2) Effects of foreign currency exchange on other financial instruments than derivatives or loans used as hedge instruments are not included in the overview.

PRINCIPLES FOR ESTIMATING FAIR VALUE

The following summarizes the major methods and assumptions used in estimating fair values of financial instruments reflected in the table.

Equity securities available-for-sale

The fair value of investments in listed companies is based on year-end quoted market prices. Available-for-sale instruments that are not traded in active markets are measured based on recent market transactions and valuation techniques. An approach to maximize the use of market inputs and rely as little as possible on entity-specific inputs is used when measurements are based on valuation techniques.

Trade receivables and other receivables

Interest-free receivables are discounted if it has a material impact on fair value. The carrying amount has been reduced for impaired receivables and reflects a reasonable approximation of fair value.

Cash and cash equivalents

Fair value is assumed to be equal to the carrying amount.

Long-term interest-bearing debt and other long-term liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows. Since there is no active market with quoted prices, we have used valuation techniques to estimate the fair value. It is estimated by using LIBOR with different maturities as a benchmark rate and adding a credit margin derived from recent transactions or other information available.

Trade payables and other short-term debt

Interest-free short-term payables are discounted if it has material impact on fair value. Fair value is assumed to be equal to the carrying amount.

Foreign exchange contracts and interest rate swaps

The fair value of foreign exchange contracts and interest rate swaps is based on their listed market price, if available. If a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) if this has material impact on fair value.

Commodity derivatives and embedded derivatives

Certain of the Groups purchase and sales contracts constitute derivatives or contain embedded derivatives within the scope of IAS 39. Derivatives under IAS 39 are recognized at fair value in the statement of financial position with changes through the statement of income. The commodity derivative category constitutes derivatives with a wide range of different characteristics and comprises both commodity based financial contracts as well as non-financial purchase and sales contracts with maturity mainly from 3 months to 8 years.

The fair value of commodity contracts constitute the unrealized gains and losses represented by the present value of future gains and losses for which the price is fixed in advance of delivery. Fair value of the embedded derivatives is calculated as present value of the difference between the price of non-closely related commodity (embedded derivative) and a pricing model which in the best way reflects market price of the contract commodity. All commodity contracts are bilateral contracts, or embedded derivatives in bilateral contracts, for which there are no active markets. Fair value of all items in this category, is therefore calculated using valuation techniques with maximum use of market inputs and assumptions that reasonably reflect factors that market participants would consider in setting a price, relying as little as possible on entity-specific inputs. Fair values of commodity contracts are especially sensitive to changes in forward commodity prices. None of the derivatives in this category are designated in hedge relationships.

FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method at 31 December 2013. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOK millions	Level 1	Level 2	Level 3	Total
Equity securities available-for-sale	-	-	227	227
Foreign exchange contracts	-	35	-	35
Interest rate contracts designated as hedging instrument	-	135	-	135
Commodity derivatives and embedded derivatives	-	2	80	83
Total assets at fair value	-	172	307	479
Foreign exchange contracts	-	(11)	-	(11)
Commodity derivatives and embedded derivatives	-	-	(384)	(384)
Total liabilities at fair value	-	(11)	(384)	(395)

There were no transfers between levels in the period.

The following table shows a reconciliation from the beginning balances to the ending balances at 31 December 2013 for fair value measurements in Level 3 of the fair value hierarchy:

NOK millions	Equity securities available-for-sale	Derivatives - assets	Derivatives - liabilities	Total
Opening balance	170	71	(589)	(349)
Total gains or (losses):				
in income statement [1)]	-	9	254	263
in other comprehensive income	32	-	-	32
Foreign currency translation	25	-	(48)	(23)
Closing balance	227	80	(384)	(77)

1) Gains are included in "Other income".

Although Yara believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, changing one or more of the assumptions would have the following effects:

Sensitivity of fair value measurement for Level 3 financial instruments

NOK millions	Effect on profit or loss		Effect on other comprehensive income	
	Favorable	(Unfavorable)	Favorable	(Unfavorable)
Embedded derivative in energy contract (20% decrease/increase in ammonia price)	201	(285)		
Embedded derivative in energy contract (20% increase/decrease in oil-product price)	16	(30)	-	-
Unlisted equity securities (20% increase/decrease in electricity price)	-	(9)	36	(28)
Total	217	(324)	36	(28)

The favorable and unfavorable effects on the embedded derivatives in the energy contracts are calculated by increasing/ decreasing the input of ammonia prices or relevant oil-product forward prices by 20 percent for the whole contract period, also for long-term contracts. All other variables remain constant.

The favorable and unfavorable effects on the fair value of the unlisted equity securities are calculated using the same model but with an increasing/decreasing of the forward electricity prices used in the model by 20 percent. All other variables remain constant.

Note 29

Secured debt *and guarantees*

NOK millions	2013	2012
Amount of secured debt	781	953
Assets used as security		
Machinery and equipment, etc.	3,510	156
Buildings and structural plant	1,561	4253
Inventories	141	141
Other (including land and shares)	121	348
Total	5,334	4,897
Guarantees (off-balance sheet)		
Contingency for discounted bills	3	5
Guarantees of debt in the name of equity-accounted investees	-	-
Non-financial parent company guarantees	6,200	2,438
Non-financial bank guarantees	801	431
Total	7,003	2,874

Guarantees of debt include parent company guarantees issued on behalf of equity-accounted investees covering external credit facilities in the name of the equity-accounted investees. Yara could be required to perform in the event of a default by the entity guaranteed.

Guarantees of debt issued on behalf of consolidated companies are not included since at any time the drawings under such credit lines are included in the consolidated statement of financial position. The guarantee obligations under such guarantees are at any time limited to the amount drawn under the credit facility.

Non-financial guarantees consist of commercial guarantees related to contract obligations (Bid Bonds, Performance Guarantees and Payment Guarantees) and various mandatory public guarantees (Customs Guarantees, Receivable VAT Guarantees) recorded as off-balance sheet liabilities. These guarantees are issued on behalf of Yara International ASA, its subsidiaries and equity-accounted investees. The guarantor could be required to perform in the event of a default of a commercial contract or non-compliance with public authority regulations.

Guarantees related to pension liabilities are included to the extent such guarantees exceed the liability included in the consolidated statement of financial position.

Guarantees issued to public authorities covering tax and VAT liabilities are not included as these obligations are already included in the consolidated statement of financial position.

Total non-financial guarantees increased with NOK 4,129 million compared with 2012, with the increase mainly related to fertilizer distribution, energy supply and ship building contracts.

Guarantees related to the de-merger from Norsk Hydro ASA

Under the Norwegian Public Limited Companies Act, Yara may be contingently liable for obligations established by Norsk Hydro ASA (Hydro) prior to the de-merger, unless the right to enforce against Yara any rights to payments (or other rights) has been specifically waived by the party holding the right. Following the de-merger of Hydro's oil and gas division in 2007, these obligations may now be allocated to either Hydro or Statoil ASA. At the end of 2013, Yara remains contingently liable for approximately NOK 400 million of such outstanding guarantees.

Hydro also has unfunded pension liabilities. To the extent such liabilities have accrued prior to the consummation of the de-merger, Yara is contingently liable for such liabilities as a matter of the joint and several liability provided by Norwegian law. Hydro's unfunded pension liabilities, calculated in accordance with Hydro's accounting policies, amounted to approximately NOK 2 billion at demerger March 24, 2004 and have been reduced by payments thereafter.

Note 30

Contractual obligations *and future investments*

COMMITMENTS RELATED TO FULLY CONSOLIDATED COMPANIES

NOK millions	Investments 2014	Investments Thereafter	Investments Total
Contract commitments for investments in property, plant and equipment	795	467	1,262
Contract commitments for other future investments	11	-	11
Contract commitments for acquisition or own generated intangible assets	12	-	12
Total	818	467	1,285

COMMITMENTS RELATED TO EQUITY-ACCOUNTED INVESTEES

NOK millions	Investments 2014	Investments Thereafter	Investments Total
Contract commitments for investments in property, plant and equipment	1,909	760	2,669
Contract commitments for other future investments	66	8	75
Total [1)]	1,976	768	2,744

1) Figures above are presented on a 100% basis. Yara's share of committed investments related to equity-accounted investees in 2014 is NOK 900 million and share of investments thereafter is NOK 304 million. The commitments are mainly related to the construction of the TAN plant in Yara Pilbara Nitrates.

TAKE-OR-PAY AND LONG-TERM CONTRACTS

Yara has entered into take-or-pay and long-term contracts providing for future payments to transportation capacity, raw materials and energy. Yara has marketing and off-take agreements with some of its equity-accounted investees, see note 12.

The non-cancelable future obligations at 31 December 2013

NOK millions	Total
2014	(3,949)
2015	(1,559)
2016	(1,067)
2017	(1,507)
2018	(1,082)
Thereafter	(2,751)
Total	(11,916)

The non-cancelable future obligations are mainly related to gas and raw material contracts. The amounts are calculated based on minimum contracted quantities and market prices at 31 December 2013.

Yara did not need to pay any significant amount to fulfil take-or-pay clauses in 2013.

NOK millions	2014	2015	2016	2017	2018	Total
Sales commitments [1)]	1,341	738	296	10	-	2,385

1) Sales commitments are mainly related to industrial products.

For further information regarding future obligations, see note 22 related to pensions, note 23 for provisions and contingencies and 31 for future commitments related to lease arrangements.

Note 31

Operating lease *commitments*

Operating leases related to buildings, offices, equipment and vessels. Total minimum future rentals due under non-cancelable operating leases are:

NOK millions	2013	2012
Within year 1	1,047	808
Within year 2	775	611
Within year 3	460	471
Within year 4	283	327
Within year 5	205	236
After 5 years	572	801
Total	3,343	3,254

Due to the strategic importance of shipping capacity of ammonia for Yara's business, Yara has a number of operating leases on vessels. The commitments in relation to this are the main part of total minimum future rentals amounting to NOK 1,438 million. The commitments due to these arrangements vary depending on the contract length for each vessel.

No purchase options exist on the vessels. There are no restrictions imposed by lease arrangements, such as those concerning dividends and additional debt. For some of the vessels there are renewal options that Yara can exercise.

OPERATING LEASE EXPENSES INCLUDED IN OPERATING COST AND EXPENSES:

NOK millions	2013	2012
Operating lease expenses	(1,342)	(1,177)

Note 32

Related *parties*

THE NORWEGIAN STATE

At 31 December 2013 the Norwegian State owned 100,849,268 shares, representing 36.2% of the total number of shares issued. On the same date, the Norwegian National Insurance Scheme Fund, Norway owned 16,491,554 shares, representing 5.9% of the total number of shares issued.

EQUITY-ACCOUNTED INVESTEES

Transactions with equity-accounted investees are described in note 12.

YARA PENSION FUND

One of Yara International ASA's pension plans is arranged through Yara Pension Fund. This plan has been closed for new members since July 2006. Yara has during 2013 contributed to the pension fund.

BOARD OF DIRECTORS

Members of the Board of Directors are elected for two year terms. Their rights and obligations as board members are solely and specifically provided for the company's articles of association and Norwegian law. The company has no significant contracts in which a board member has a material interest.

BOARD OF DIRECTORS COMPENSATION 2013 AND NUMBER OF SHARES OWNED 31 DECEMBER 2013

NOK thousands, except number of shares	Compensation	Number of shares
Bernt Reitan, Chairperson [1]	510	12,000
Elisabeth Harstad [2]	435	-
Juha Rantanen [1]	381	100
Hilde Merete Aasheim [2]	381	-
Geir Isaksen [1]	6	84
Rune Asle Bratteberg [2] [3]	353	82
Guro Mauset [3]	271	106
Geir O. Sundbø [3]	303	54

1) Member of the compensation committee in 2013
2) Member of the audit committee in 2013
3) Interest-free loan of NOK 5,933 given through a trust in accordance with a Yara share purchase offer.

Compensation of board of directors was NOK 2,771 thousand in 2012.

The chairperson and the members of the board have no agreements for further compensation due to termination or changes in the position.

COMPENSATION 2013 AND NUMBER OF SHARES OWNED BY THE DEPUTY BOARD MEMBERS AT 31 DECEMBER 2013

NOK thousands, except number of shares	Compensation	Number of shares
Per Rosenberg [1]	-	201
Heidi R. Skjellaug	-	52
Steffen Richardsen [1]	-	731
Karl Edvard Juul [1]	-	201
Vigleik Heimdal [1]	-	383

1) Interest-free loan of NOK 5,933 given through a trust in accordance with a Yara share purchase offer.

YARA EXECUTIVE MANAGEMENT: COMPENSATION AND NUMBER OF SHARES OWNED AT 31 DECEMBER 2013

NOK thousands, except number of shares	Salary [2]	Performance bonus [3]	Long term incentive plan [1]	Other benefits	Pension benefits	Number of shares
Jørgen Ole Haslestad	6,020	2,447	1,689	264	2,085	22,773
Gerd Löbbert	4,403	178	1,171	690	637	2,535
Egil Hogna	3,455	1,586	821	247	912	12,937
Yves Bonte	4,320	2,160	1,080	611	585	6,796
Torgeir Kvidal	2,682	1,250	647	220	759	4,933
Trygve Faksvaag	2,400	882	456	269	566	6,432
Håkan Hallén	2,733	997	-	260	808	3,706
Bente Slaatten	2,200	769	424	222	551	3,662
Alvin Rosvoll	2,619	958	634	268	904	3,890

1) Fixed cash amount as part of Long Term Incentive plan (see description on page 127)
2) The base salaries of Yara executive management employed in Norway increased with 3.5% on average, excluding an exceptional increase for one member of Yara executive management. For Yara executive management members employed in Belgium, no increase was provided due to salary moderation applicable in Belgium. The base salary for the CEO increased by 3.5%. The development in base salary and actual paid salary may differ from one year to the next due to effects of the Norwegian holiday pay system, where a change in number of days holiday taken and/or annual holiday allowance impact salary paid.
3) Bonus earned in 2012, paid in 2013. The performance bonus for Gert Löbbert reflects the fact that he joined on December 1, 2012.

The total salary, including performance-based bonuses for Yara Executive management was NOK 40,651 thousand in 2012. Other benefits amounted to NOK 4,187 thousand in 2012. In addition pension benefits earned during 2012 were NOK 9,095 thousand. The Remuneration related to Long Term Incentive Plan was NOK 6,892 thousand in 2012. Members of the Executive management may also receive one-time bonuses when specific projects have been completed and new members of the Executive management may be entitled to a sign-on bonus. These are included in "Other benefits".

Pensions benefits and termination agreements

Jørgen Ole Haslestad participates in the ordinary pension scheme of employees in Norway (as described in note 22) with retirement age of 65 years. He is also entitled to an early retirement benefit at the age of 62 equal to 70% of the pensionable income calculated on a 10 years earning period. A deduction shall be made pro rata in case of less than 10 years earning period. Håkan Hallén is entitled to the same early retirement benefit.

Yves Bonte and Gerd Löbbert are members of the Yara Belgium pension plan. This plan is a defined contribution plan and provides the members with a lump sum when they reach the age of 65. The employer contribution is calculated on the annual base salary and amounts to 4.79% up to the legal ceiling and 15% above that.

Other members of Yara Executive management are included in Yara's ordinary pension scheme for employees in Norway which is a defined contribution plan. All Norwegian employees including Yara Executive management are members of an unfunded defined contribution plan for salaries above 12 times the Norwegian Social Security base amount (12G) with contribution eligible for 25% of pensionable salary in excess of 12G. With the exception of Jørgen Ole Haslestad and Håkan Hallén all Norwegian employees at position level department manager or above are members of an unfunded early retirement plan. The plan covers the period from age 65 to 67 with a defined benefit equal to 65% of final salary.

The members of Yara Executive management are subject to termination benefits in accordance to applicable law. For Jørgen Ole Haslestad a notice period of 6 months is applicable. In case his employment contract is terminated, he is entitled to a severance pay of 6 months.

Håkan Hallén is retired from 1 January 2014 and from this time not a member of Yara Management. He has an agreement with Yara to provide consultancy to recruit a new Chief Human Resources Officer for Yara and to support the Acting CHRO until his successor is in place. The agreed consultant fee is 2,100 SEK per hour to be invoiced in arrears.

The specific early retirement, termination benefits and the 12G schemes were established prior to the 2011 Guidelines for the Employment of Executives in Norwegian State Owned Enterprises and Companies and do not apply to contracts effective after 2011.

Guidelines for remuneration to members of Executive management

In accordance with the Norwegian Public Limited Companies Act § 6-16 a, the Board of Directors prepares a separate statement related to the determination of salary and other benefits for the Executive management. The statement will be presented for the Annual General Meeting for voting. The guidelines for the coming accounting year are unchanged from the previous year and the remuneration to Executive management has been in accordance with these guidelines.

Yara's policy concerning remuneration of the CEO and other members of Yara's Executive Management is to provide remuneration opportunities which:

- Are competitive to recruit and retain executives
- Reward the executives' performance, measured as their contribution to the overall success of Yara
- Support the creation of sustainable shareholder value

Yara's remuneration of the Executive Management Group consists of the following elements: Base pay, an annual incentive bonus, a retirement plan, death and disability coverage and other components such as car, phone expenses, etc. In addition, executives on expatriate contracts have various other costs covered by the company. The annual salary adjustment for employees in Yara International ASA and Norwegian subsidiaries forms the basis for the Yara Executive management salary development. Members of Yara Executive management do not receive separate remuneration for board membership in Yara subsidiaries.

Executive Management members employed in Norway can take part in the annual offer to all permanent Yara employees in Norway where they can buy Yara shares to a value of NOK 7,500 with a tax-exempt discount of NOK 1,500.

The annual incentive bonus represents performance-driven variable compensation components based on financial and non-financial performance, such as profitability and HES (Health, Environment and Safety) results, at company and/or segment level. The specific performance components vary by unit and position and are set individually on an annual basis. The annual incentive bonus is not linked to the Yara share price, but is conditional on Yara's CROGI (cash return on gross investment). The CROGI range for 2013 was from 7%, with progressively higher payout levels up to a maximum level when CROGI exceeds 17%. The maximum pay-out shall not exceed 50% of annual base salary.

For the 2014 annual incentive bonus the CEO has the following variable compensation components which are equally weighted, subject to the Yara CROGI performance:

- Safety
- Sales volume
- Ethics and compliance, growth initiatives, innovation and overall performance

To increase the alignment between Executive and Shareholder interests and to ensure retention of key talent in the company, a Long Term Incentive plan has been approved by the Board. This program provides a fixed cash amount to eligible executives, who are required to invest the net amount after tax in Yara shares within a period of one month after grant. The acquired shares are locked in for a period of three years after the purchase. After this period executives are free to keep or sell the shares at their discretion. The annual amount granted under the Long Term Incentive plan is not linked to Yara's financial results, and shall not exceed 30% of annual base salary. The amount granted is linked to individual position and is determined annually by the CEO.

All new pension plans in Yara shall be defined contribution plans. All Executives on Norwegian employment contracts are part of the defined contribution Retirement plan. The normal retirement age for employees in Yara International ASA and Norwegian subsidiaries is 67 with the option for early retirement from the age of 62.

Salary and other benefits earned in 2013 are disclosed above. For additional information about existing pension plans see note 22.

Note 33

Composition *of the group*

The consolidated financial statements of Yara comprise a number of legal companies that are controlled by Yara International ASA. The significant subsidiaries are disclosed in the table below, including the main parent(s). The list also includes significant holding companies.

Subsidiaries	Yara's ownership	Registered office	Main parent (s)
Yara Argentina S.A.	100%	Argentina	Yara Holdings Spain S.A.
Yara Australia Pty Ltd	100%	Australia	Yara Technology B.V.
Yara Pilbara Fertilisers Pty Ltd	51%	Australia	Yara Pilbara Holdings Ltd. (100%)
Yara Nipro Pty Ltd	100%	Australia	Yara Australia Pty ltd
Yara Pilbara Holdings Ltd.	51%	Australia	Yara Australia Pty ltd
Yara Barbados Inc.	100%	Barbados	Fertilizer Holdings AS
Yara S.A.	100%	Belgium	Yara Belgium S.A.
Yara Belgium S.A.	100%	Belgium	Yara Nederland B.V.
Yara Tertre SA/NV	100%	Belgium	Yara Belgium S.A.
Yara Brasil Fertilizantes S.A.	100%	Brazil	Fertilizer Holdings AS (50%) and Yara South America Investments B.V. (50%)
Yara Belle Plaine Inc.	100%	Canada	Yara Canada Inc.
Yara Canada Inc.	100%	Canada	Fertilizer Holdings AS
Yara Trading (Shanghai) Co. Ltd	100%	China	Yara Asia Pte Ltd
Yara Colombia SAS	100%	Colombia	Yara International ASA
Yara Chemicals A/S	100%	Denmark	Yara Holding Danmark AS
Yara Holding Danmark AS	100%	Denmark	Fertilizer Holdings AS
Yara Danmark Gødning A/S	100%	Denmark	Yara Holding Danmark AS
Yara Phosphates Oy	100%	Finland	Yara Suomi Oy
Yara Suomi Oy	100%	Finland	Yara Nederland B.V.
Yara France SAS	100%	France	Yara Nederland B.V.
Yara Beteiligungs GmbH	100%	Germany	Yara Nederland B.V.
Yara GmbH & Co. KG	100%	Germany	Yara Investments Germany B.V.
Yara Brunsbüttel GmbH	100%	Germany	Yara GmbH & Co. KG
Yara Besitz GmbH	100%	Germany	Yara GmbH & Co. KG
Yara Investment GmbH	100%	Germany	Yara GmbH & Co. KG
Yara Industrial GmbH	100%	Germany	Yara GmbH & Co. KG
Yara Ghana Ltd	100%	Ghana	Yara Nederland B.V.
Yara Hellas S.A.	100%	Greece	Yara International ASA
Yara Hungaria Gyarto es Kereskedelmi KFT	100%	Hungary	Yara Suomi Oy
P.T. Yara Indonesia	100%	Indonesia	Yara Asia Pte Ltd
Yara Insurance Ltd	100%	Ireland	Fertilizer Holdings AS
Yara Italia S.p.A.	100%	Italy	Yara Investment GmbH (72.3%) and Yara Nederland B.V.(27.7%)
Yara East Africa Ltd.	70%	Kenya	Yara Overseas Ltd
Yara International (Malaysia) Sdn. Bhd.	70%	Malaysia	Yara Asia Pte Ltd
Yara México S.A. de C.V.	100%	Mexico	Yara Nederland B.V.
Fertilizer Holdings AS	100%	Norway	Yara International ASA
Yara AS	100%	Norway	Fertilizer Holdings AS
Yara Gas Ship A.S	100%	Norway	Yara Norge AS
Yara Norge AS	100%	Norway	Yara International ASA
Yara Fertilizers Philippines Inc.	64%	Philippines	Yara Asia Pte Ltd
Yara Poland Sp. z.o.o.	100%	Poland	Yara Nederland B.V.
Yara Asia Pte Ltd	100%	Singapore	Yara International ASA
KK Animal Nutrition (Pty) Ltd	100%	South Africa	Yara Phosphates Oy
Yara Holdings Spain S.A.	100%	Spain	Yara Nederland B.V.
Yara Iberian S.A.	100%	Spain	Yara Holdings Spain S.A.
Yara AB	100%	Sweden	Yara Holding Sverige AB
Yara Holding Sverige AB	100%	Sweden	Fertilizer Holdings AS
Yara Switzerland Ltd	100%	Switzerland	Yara Nederland B.V.
Balderton Fertilisers S.A	100%	Switzerland	Yara Nederland B.V.
Yara Tanzania Ltd	100%	Tanzania	Fertilizer Holdings AS
Yara Thailand Ltd	100%	Thailand	Yara Asia Pte Ltd

TABLE CONTINUES »

» TABLE CONTINUED

Subsidiaries	Yara's ownership	Registered office	Main parent (s)
Yara Benelux B.V.	100%	The Netherlands	Yara Nederland B.V.
Yara Dallol B.V.	56%	The Netherlands	Yara Nederland B.V.
Yara Finance Coöperatief W.A.	100%	The Netherlands	Fertilizer Holdings AS
Yara Nederland B.V.	100%	The Netherlands	Yara Holding Netherlands B.V.
Yara Technology B.V.	100%	The Netherlands	Yara Nederland B.V.
Yara Holding Netherlands B.V.	100%	The Netherlands	Fertilizer Holdings AS
Yara Finance Netherlands B.V.	100%	The Netherlands	Yara Finance Coöperatief W.A.
Yara Vlaardingen B.V.	100%	The Netherlands	Yara Nederland B.V.
Yara Sluiskil B.V.	100%	The Netherlands	Yara Nederland B.V.
Yara South America Investments B.V.	100%	The Netherlands	Yara Nederland B.V.
Yara Industrial B.V.	100%	The Netherlands	Yara Holding Netherlands B.V.
Yara Investments Germany B.V.	100%	The Netherlands	Yara Nederland B.V.
Yara Trinidad Ltd	100%	Trinidad and Tobago	Yara Caribbean Ltd
Yara Caribbean Ltd	100%	Trinidad and Tobago	Yara Barbados Inc.
Yara Overseas Ltd	100%	United Kingdom	Yara UK Ltd
Yara UK Ltd	100%	United Kingdom	Fertilizer Holdings AS
Yara North America Inc.	100%	United States	Yara International ASA

Note 34

External audit *remuneration*

Deloitte AS (Deloitte) is Yara's auditor. A few subsidiaries of Yara International ASA have appointed other audit firms. The following table shows total audit and other services delivered to the group by the appointed auditor.

NOK thousands	Audit fee	Assurance services	Tax services	Other audit services	Total
2013					
Deloitte Norway	5,260	265	252	30	5,808
Deloitte abroad	23,713	1,002	1,978	319	27,012
Total Deloitte	28,974	1,267	2,231	349	32,820
Others	990	-	145	-	1,135
Total	29,963	1,267	2,376	349	33,955
2012					
Deloitte Norway	4,763	200	175	97	5,235
Deloitte abroad	20,651	1,112	2,087	1,198	25,048
Total Deloitte	25,414	1,312	2,262	1,295	30,283
Others	827	-	139	51	1,017
Total	26,241	1,312	2,401	1,346	31,300

Note 35

Implementation *of revised IAS 19 Employee Benefits*

Effective 1 January 2013 Yara adopted the revised IAS 19 Employee Benefits with retrospective application.

Yara's management is no longer estimating the expected return on plan assets. Instead, Yara applies the discount rate to calculate the net interest expense on the net pension obligation, effectively increasing net financial expenses. Administration expenses not directly related to the management of plan assets are now classified as operating expenses. Further, unvested past service cost is recognized immediately. The restatement for 2012 also includes implementation effects of specific pension plans, including risk sharing implications of mandatory employee contribution and the valuation of a pension obligation no longer taking into account future plan administration costs.

The revised accounting standard requires retrospective application and the financial statements for 2012 have been restated as follows:

2012

NOK millions	As previously reported	Effect of restatement	2012 Restated
Consolidated statement of income			
Payroll and related costs	(5,052)	(7)	(5,059)
Operating income	11,166	(7)	11,159
Interest expense and other financial items	(880)	(60)	(941)
Income before tax	13,251	(68)	13,183
Income tax expense	(2,600)	18	(2,582)
Net income	10,650	(50)	10,601
Consolidated statement of comprehensive income			
Exchange differences on translation of foreign operations	(2,957)	(3)	(2,960)
Remeasurements of the net defined benefit pension liability	(550)	51	(500)
Total other comprehensive income, net of tax	(3,864)	48	(3,816)
Condensed consolidated statement of financial position			
Non-current assets, Deferred tax assets	1,385	(9)	1,376
Equity, Other reserves	(2,883)	(3)	(2,886)
Equity, Retained earnings	50,452	85	50,538
Non-current liabilities, Employee benefits	2,458	(108)	2,350
Non-current liabilities, Deferred tax liabilities	4,426	16	4,442

As the effects of retrospective restatement are immaterial to Yara's consolidated statement of financial position, a third statement of financial position at the beginning of 2012 has not been prepared.

Note 36

Post balance sheet *events*

Yara Board will propose to the Annual General Meeting a dividend of NOK 10 per share for 2013. The total dividend payment will be NOK 2,771 million based on current outstanding shares.

Information on business initiatives after the end of the reporting period can be found in note 2.

In January 2014, Yara acknowledged guilt and accepted a corporate fine of NOK 270 million and confiscation of NOK 25 million imposed by the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM). The fine is related to historical irregularities linked to the establishment of Lifeco (Libya), an unrealized project in India and contracts with a Russian supplier. The confiscation relates to earlier phosphate deliveries. Yara recognized the fine and confiscation in 2013 as part of "Other operating expenses" in the consolidated statement of income.

Yara International ASA
Income statement

NOK millions	Notes	2013	2012 Restated 1)
Revenues	6,16	981	831
Other income		-	67
Revenues and other income		981	898
Raw materials, energy costs and freight expenses		(27)	(28)
Change in inventories of own production		(10)	6
Payroll and related costs	2,3	(505)	(479)
Depreciation and amortization	4,5	(27)	(33)
Other operating expenses	6	(1,018)	(612)
Operating costs and expenses		(1,588)	(1,147)
Operating income		(607)	(248)
Financial income (expense), net	7,16	(90)	5,126
Income before tax		(698)	4,878
Income tax expense	8	307	(221)
Net income		(391)	4,656
Appropriation of net income and equity transfers			
Dividend proposed		2,771	3,647
Retained earnings		(3,162)	1,009
Total appropriation	14	(391)	4,656

1) See note 2 for more information.

Yara International ASA
Balance sheet

31 DECEMBER

NOK millions	Notes	31 Dec 2013	31 Dec 2012 Restated [1)]
ASSETS			
Non-current assets			
Deferred tax assets	8	508	215
Intangible assets	5	42	60
Property, plant and equipment	4	55	14
Shares in subsidiaries	9	13,430	5,430
Intercompany receivables	16	18,321	16,607
Shares in associated companies	10	18	18
Other non-current assets	11,13	196	220
Total non-current assets		32,569	22,564
Current assets			
Inventories	11	32	46
Trade receivables		5	7
Intercompany receivables	16	8,581	18,767
Prepaid expenses and other current assets	13	187	161
Cash and cash equivalents	11	5,056	8,724
Total current assets		13,862	27,705
Total assets		46,431	50,269

1) See note 2 for more information.

Yara International ASA
Balance sheet

31 DECEMBER

NOK millions	Notes	31 Dec 2013	31 Dec 2012 Restated [1]
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity			
Share capital reduced for treasury stock		471	477
Premium paid-in capital		117	117
Total paid-in capital		588	594
Retained earnings		3,524	8,161
- Treasury shares		(375)	(948)
Shareholders' equity	14	3,737	7,808
Non-current liabilities			
Employee benefits	2	347	326
Long-term interest bearing debt	15	4,052	7,311
Total non-current liabilities		4,399	7,637
Current liabilities			
Bank loans and other interest-bearing short-term debt	11,16	86	281
Current portion of long-term debt	15	3,692	-
Dividends payable	14	2,771	3,647
Intercompany payables	16	31,011	30,192
Current income tax	8	39	327
Other current liabilities	13	696	376
Total current liabilities		38,295	34,823
Total liabilities and shareholders' equity		46,431	50,269

1) See note 2 for more information.

The Board of Directors of Yara International ASA
Oslo, 20 March 2014

Bernt Reitan
Chairperson

Hilde Merete Aasheim
Board member

Elisabeth Harstad
Board member

Geir Isaksen
Board member

Juha Rantanen
Board member

Rune Bratteberg
Board member

Guro Mauset
Board member

Geir O. Sundbø
Board member

Jørgen Ole Haslestad
President and CEO

Yara International ASA
Cash flow statement

NOK millions	Notes	31 Dec 2013	31 Dec 2012
Operating activities			
Operating Income		(607)	(247)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	4,5	27	33
Tax received/(paid)	8	(279)	(301)
Dividend received from subsidiaries and associated companies		737	67
Group relief received		4,000	1,760
Interest and bank charges received/(paid)		980	942
Other		(10)	(6)
Change in working capital			
Trade receivables		12	(1)
Short term intercompany receivables/payables		(3,751)	1,691
Prepaid expenses and other current assets		150	157
Trade payable		26	16
Other current liabilities		23	(191)
Net cash provided by operating activities		1,311	3,920
Investing activities			
Acquisition of property, plant and equipment	4	(47)	(4)
Acquisition of other long-term investments		(4)	(15)
Group relief paid		(200)	-
Net cash from/(to) long term intercompany loans	16	2	3,477
Proceeds from sales of long-term investments		26	1
Net cash (used in)/provided by investing activities		(223)	3,458
Financing activities			
Principal payments		(199)	(356)
Purchase of treasury stock	14	(377)	(954)
Redeemed shares Norwegian State	14	(533)	(317)
Dividend paid	14	(3,647)	(1,998)
Net cash used in financing activities		(4,757)	(3,625)
Net increase/(decrease) in cash and cash equivalents		(3,669)	3,753
Cash and cash equivalents at 1 January		8,724	4,971
Cash and cash equivalents at 31 December		5,056	8,724

Notes *to the accounts*

Note 1

Accounting *policies*

GENERAL

The financial statements for Yara International ASA have been prepared in accordance with the rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway (NGAAP). Financial statement preparation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as disclosures of contingencies. Actual results may differ from estimates.

Yara International ASA was established on 10 November 2003, for the purpose of acting as the transferee company in the demerger of Hydro Agri from Norsk Hydro ASA. Until the completion of the demerger, there were no subsidiaries or operational activity in Yara International ASA.

For information about risk management see note 13 to the Yara International ASA financial statements and note 27 to the consolidated financial statements.

Yara International ASA provides financing to most of its subsidiaries in Norway as well as abroad. See note 16. The information given in note 24 to the consolidated financial statements on payments on long-term debt also applies to Yara International ASA.

The accompanying notes are an integral part of the financial statements.

FOREIGN CURRENCY TRANSACTIONS

Realized and unrealized gains and losses on transactions, assets and liabilities denominated in a currency other than the functional currency of Yara International ASA that do not qualify for hedge accounting treatment, are included in net income.

REVENUE

Sale of goods

Revenue from the sale of products, including products sold in international commodities markets, is recognized when the products are delivered to the customer, assuming the risk and rewards have been transferred to the customer. Yara's rebate arrangements include fixed-rate rebates or variable rate rebates increasing with increasing volumes. For variable rate rebates, the estimated rebate is accrued at each revenue transaction, and the accrual is adjusted at the end of each "rebate period", which typically is the end of a fertilizer season.

Sale of services

Revenues from the sale of intercompany services are recognized when the services are delivered.

Dividends and group contribution

Dividends and group contribution from subsidiaries are recognized in the income statement when the subsidiary has proposed these.

Interest income

Interest income is recognized in the income statement as it is accrued, based on the effective interest method.

RECEIVABLES

Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

COST OF SALES AND OTHER EXPENSES

In principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

INCOME TAXES

Deferred income tax expense is calculated using the liability method in accordance with Norsk Regnskaps Standard ("NRS") regarding Income Taxes ("Resultatskatt"). Under this standard, deferred tax assets and liabilities are measured based on the differences between the carrying values of assets and liabilities for financial reporting and their tax basis, which is considered temporary in nature. Deferred income tax expense represents the change in deferred tax asset and liability balances during the year except for deferred tax related to items chargedto equity. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates are adopted.

INTANGIBLE ASSETS

Intangible assets acquired individually or as a group are recorded at fair value when acquired. Intangible assets with finite useful lives are amortized on a straight-line basis over their benefit period.

Research costs are expensed as incurred. Costs incurred in development of certain internally generated intangible assets, such as software, are expensed until all the recognition criteria are met. Qualifying costs incurred subsequently to meeting the recognition criteria are capitalized.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at historical cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Depreciation is determined using the straight-line method.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Shares in subsidiaries and associated companies are in Yara International ASA's financial statements presented according to the cost method. Group relief received is included in dividends from subsidiaries. Yara reviews subsidiaries and associated companies for impairment if indications of loss in value are identified. Indicators of impairment may include operating losses or adverse market conditions. Fair value of the investment is estimated based on valuation model techniques. If it is considered probable that the fair value is below Yara's carrying value, the investment is written down as impaired. The impairment is reversed if indicators of impairment are no longer present.

INVENTORIES

Inventories are valued at the lower of cost, using the "first-in, first-out method" ("FIFO"), and net realizable value. Cost includes direct materials, direct labor, other direct cost, and the appropriate portion of production overhead or the price to purchase inventory.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash, bank deposits and all other monetary instruments with a maturity of less than three months at the date of purchase.

The level of cash held by Yara International ASA reflects that most external bank deposits are channeled through the group treasury function and should thus be seen in context with the intercompany receivables and payables.

LEASED ASSETS
Leases that provide Yara with substantially all the rights and obligations of ownership are accounted for as finance leases. Such leases are valued at the present value of minimum lease payments or fair value if this is lower, and recorded as assets under property, plant and equipment. The liability is included in long-term debt. The assets are subsequently depreciated and the related liabilities are reduced by the amount of the lease payments less the effective interest expense. Other leases are accounted for as operating leases with lease payments recognized as an expense over the lease term.

FINANCIAL ASSETS AND LIABILITIES
Financial assets, other than derivatives, are initially recognized in the balance sheet at fair value (cost) and subsequently at the lower of cost or fair value. Financial liabilities are initially recognized in the balance sheet at fair value (cost) and subsequently at amortised cost.

FORWARD CURRENCY CONTRACTS
Forward currency contracts are initially recognized in the balance sheet at fair value. Changes in fair value are recognized in the income statement.

INTEREST RATE AND FOREIGN CURRENCY SWAPS
Interest income and expense relating to swaps that are not designated as hedge instruments are netted and recognized as income or expense over the life of the contract. Foreign currency swaps are translated into Norwegian krone at the applicable exchange rate at the balance sheet date with the resulting unrealized exchange gain or loss recorded in "Financial income (expense), net" in the income statement.

LONG-TERM INCENTIVE PROGRAM
The long term incentive program for Yara Management and top executives provides a fixed cash amount to the eligible top executive, who is required to invest the net amount after tax in Yara shares within a period of one month after the grant. The acquired shares are locked in for a period of three years after the purchase. After this period the executive is free to keep or sell the shares at his or her discretion. If an executive does not meet the vesting conditions the net proceed must be returned to Yara.

The Company also gives employees the possibility to purchase shares in Yara at a reduced price. The cost of this is recognized when the employee exercises this option.

EMPLOYEE RETIREMENT PLANS
Employee retirement plans are measured in accordance with IAS 19, as allowed by NRS 6. Past service cost is recognized immediately in the Statement of income together with any gains and losses arising from curtailments and settlements. Remeasurement gains and losses are recognized directly in retained earnings. Effective 1 January 2013 Yara International ASA adopted the revised IAS 19 Employee Benefits with retrospective application. See note 2 for more information on the implementation effects.

Note 2

Employee retirement plans *and other similar obligations*

Yara International ASA has incurred obligations under a funded defined benefit plan. The pension plan was closed to new entrants in 2006 and employees below the age of 55 received a paid-up policy for previously earned benefit entitlements. The defined benefit plan was replaced by a defined contribution plan from the same date, which requires Yara International ASA to make agreed contributions when employees have rendered service entitling them to the contributions. Yara International ASA has no legal or constructive obligation to pay further contributions. This new plan applies to the future pension earnings of existing employees below the age of 55 in 2006 and all new employees.

Other long-term employee benefits include a provision for jubilee benefits.

Yara International ASA is obliged to and does fulfill the requirements of the act regarding mandatory occupational pension scheme ("Lov om obligatorisk tjenestepensjon").

LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION

NOK millions	2013	2012
Pension liabilities defined benefit plans	(340)	(317)
Termination benefits and other long-term employee benefits	(7)	(9)
Net long-term employee benefit obligations recognized in Statement of financial position	(347)	(326)

EXPENSES FOR LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS RECOGNIZED IN THE STATEMENT OF INCOME

NOK millions	2013	2012
Defined benefit plans	(49)	(59)
Defined contribution plans	(15)	(17)
Termination benefits and other long-term employee benefits	(4)	(1)
Net expenses recognized in Statement of income	(68)	(78)

DEFINED BENEFIT PLANS

Yara International ASA is the sponsor of a funded pension plan which also covers employees of its subsidiaries Yara Norge AS and Yaraship Services AS. Plan benefits are based on years of service and final salary levels. Determination of the required annual contribution to the pension fund from each of the participating legal entities is defined by the bylaws of the pension fund, and is based on actuarial calculations. The distribution of pension costs to the participating entities is based on the same calculations. At 31 December 2013, the number of active participants in the funded defined benefit plan was 27 and the number of retirees was 100. In addition, 348 existing and previous employees of Yara International ASA have earned paid-up policies in the pension fund (Yara Pensjonskasse).

Further pension obligations include certain unfunded pension arrangements as well as an early retirement scheme. Retirement age is flexible from age 62 to age 67. Benefits earned from defined benefit plans are generally based on years of service and final salary levels.

Yara International ASA participates in a multi-employer plan (AFP - "Avtalefestet pensjon") which entitles most of its employees the right to retire from the age of 62. Participating entities are required to pay an annual fee for each of its active employees. As the information required to account for this part of the plan as a defined benefit plan is not available from the plan administrator, it is accounted for as if it were a defined contribution plan. The provision for defined benefit plans includes however the calculated obligation to pay a percentage of benefits paid to its employees who have chosen early retirement under this plan. A further defined benefit obligation is recognized to account for a gratuity offered by Yara International ASA to its employees who retire with the AFP scheme.

VALUATION OF DEFINED BENEFIT OBLIGATIONS

The defined benefit plans are valued at 31 December using updated financial and demographical assumptions and taking into account relevant economic environment factors.

During 2012 the management of Yara International ASA concluded that a sufficiently deep market had developed for high quality corporate bonds in Norway, effectively increasing the applied discount rate for the pension obligations in Norway. Yara management has reaffirmed this view at year-end 2013. Normal assumptions for demographical and retirement factors have been used by the actuary when calculating the obligation. Estimated future mortality is based on published statistics and mortality tables. The actuary has used the new K2013 mortality table, causing a remeasurement loss when accounting for the increase in expected longevity. According to K2013 a current female employee aged 50 would be expected to live 24.0 years after reaching the retirement age of 67, whereas a female employee aged 67 would on average be expected to live 22.4 years. Corresponding expectations for male employees are 20.8 years for current employees and 19.3 years for a male employee aged 67.

The following financial assumptions have been applied for the valuation of liabilities (in %):

	2013	2012
Discount rate	3.9	3.7
Expected rate of salary increases	3.6	3.4
Future rate of pension increases	1.5	1.3

Actuarial valuations provided the following results:

NOK millions	2013	2012
Present value of unfunded obligations	(590)	(539)
Present value of wholly or partly funded obligations	(623)	(559)
Total present value of obligations	(1,213)	(1,099)
Fair value of plan assets	915	821
Social security on defined benefit obligations	(42)	(39)
Total recognized liability for defined benefit plans	(340)	(317)

Duration of liabilities (in years)	2013
Funded plan	15.4
Unfunded plans	12.5
AFP plan	5.6

PENSION COST RECOGNIZED IN STATEMENT OF INCOME

The assumptions used to value the defined benefit obligations at 31 December are used in the following year to determine the net pension cost. The discount rate is used to calculate the interest income from plan assets.

The following items have been recognized in the Statement of income:

NOK millions	2013	2012
Current service cost	(33)	(41)
Social security cost	(6)	(5)
Payroll and related costs	(39)	(46)
Interest on obligation	(40)	(37)
Interest income from plan assets	30	24
Financial income (expense), net	(10)	(13)
Total expense recognized in income statement	(49)	(59)

SENSITIVITY OF ASSUMPTIONS

Measurement of defined benefit obligations and pension costs requires the use of a number of assumptions and estimates. Below table indicates the sensitivity of the most material assumptions applied to the defined benefit obligation (DBO), by showing the result from an increase or decrease in any one of the assumptions applied (all other assumptions held constant).

NOK millions	DBO at 31 Dec 2013
Actual valuation	(1,213)
Discount rate +0.5%	(1,143)
Discount rate -0.5%	(1,290)
Expected rate of salary increase +0.5%	(1,234)
Expected rate of salary increase -0.5%	(1,192)
Expected rate of pension increase +0.5%	(1,269)
Expected rate of pension increase -0.5%	(1,161)
Expected longevity +1 year	(1,348)
Expected longevity -1 year	(1,078)

Development of defined benefit obligations

NOK millions	2013	2012
Defined benefit obligation at 1 January	(1,099)	(1,173)
Current service cost	(32)	(41)
Interest cost	(40)	(37)
Experience adjustments	5	15
Effect of changes in financial assumptions	(1)	99
Effect of changes in demographic assumptions	(84)	-
Benefits paid	38	38
Defined benefit obligation at 31 December	(1,213)	(1,099)

Development of plan assets

NOK millions	2013	2012
Fair value of plan assets at 1 January	821	737
Interest income from plan assets	30	24
Return on plan assets (excluding the calculated interest income)	62	56
Employer contributions	16	17
Benefits paid	(14)	(12)
Fair value of plan assets at 31 December	915	821

The actual return on plan assets in 2013 was a positive NOK 92 million (2012: positive NOK 80 million).

Yara Pensjonskasse (the pension fund) has the legal form of a foundation, independently governed by its Board of Directors. It is the responsibility of the board to determine the investment strategy, and to review the administration of plan assets and the funding level of the pension plans. If needed, Yara may decide to increase the capital buffer of the pension fund in order to maintain the investment strategy.

Yara's defined benefit plan obligations are inherently exposed to inflation risk, interest rate risk and longevity risk. The investment strategies of the pension fund ensure diversement of investments in order to keep market volatility risk at a desired level. The board of the pension fund is targeting a satisfactory level of risk and return corresponding to the maturity profile of future pension benefit payments.

At the end of the year, the plan assets were invested as follows:

NOK millions	2013	2013	2012	2012
Cash and cash equivalents	21	2%	23	3%
Shares	370	40%	296	36%
Other equity instruments	27	3%	22	3%
High yield debt instruments	79	9%	103	13%
Investment grade debt instruments	396	43%	355	43%
Properties	22	2%	19	2%
Interest rate swap derivatives	2	-	3	0%
Total plan assets	915		821	

Yara Pensjonskasse (the pension fund) does not hold any investments that do not have a quoted market price in an active market. Nor does it hold any financial instruments issued by Yara Group companies.

Contributions expected to be paid to the defined benefit plans for 2014 are NOK 40 million (including benefits to be paid for unfunded plans)

Remeasurement gains / (losses) recognized in retained earnings

NOK millions	2013	2012
Cumulative amount recognized directly in retained earnings pre tax at 1 January	6	(186)
Remeasurement gains / (losses) on obligation for defined benefit plans	(79)	114
Remeasurement gains / (losses) on plan assets for defined benefit plans	62	56
Social security on remeasurement gains / (losses) recognized directly in equity this year	(2)	21
Cumulative amount recognized directly in retained earnings pre tax at 31 December	(14)	6
Deferred tax related to remeasurement gains / (losses) recognized directly in retained earnings	4	(2)
Cumulative amount recognized directly in retained earnings after tax at 31 December	(10)	4

RESTATEMENT 2012: IMPLEMENTATION OF REVISED IAS 19

Effective 1 January 2013 Yara International ASA adopted the revised IAS 19 Employee Benefits with retrospective application.

Yara International ASA's management is no longer estimating the expected return on plan assets. Instead, the company applies the discount rate to calculate the net interest expense on the net pension obligation, effectively increasing net financial expenses. Administration expenses not directly related to the management of plan assets are now classified as operating expenses. Further, unvested past service cost is recognized immediately.

The revised accounting standard requires retrospective application and the financial statements for 2012 have been restated as follows:

NOK millions	As previously reported	Effect of restatement	2012 Restated
Statement of income			
Payroll and related costs	(478)	(1)	(479)
Operating expenses	(1,146)	(1)	(1,147)
Operating income	(247)	(1)	(248)
Financial income (expense), net	5,143	(17)	5,126
Income before tax	4,896	(18)	4,878
Income tax expense	(227)	5	(221)
Net income	4,670	(13)	4,656
Remeasurement gain / (loss) recognized directly in retained earnings net of tax	125	13	138
Statement of financial position			
Equity, Retained earnings	8,161	-	8,161
Non-current liabilities, Employee benefits	326	-	326

Note 3

Remunerations *and other*

Remuneration and direct ownership of shares of the chairperson and of the board of directors are disclosed in note 32 to the consolidated financial statement.

Remuneration to the President and Yara management, as well as number of shares owned and Long Term Incentive Plan, are disclosed in notes 6 and 32 to the consolidated financial statements.

Partners and employees of Yara's independent auditors, Deloitte AS, own no shares in Yara International ASA, or in any of its subsidiaries. Yara International ASA's fee to Deloitte AS (Norway) for ordinary audit was NOK 4,311 thousand (2012: NOK 3,852 thousand), fee for assurance services NOK 45 thousand (2012: NOK 39 thousand), fee for tax services NOK 252 thousand (2012: NOK 175 thousand) and fee for non-audit services NOK 30 thousand (2012: NOK 50 thousand). Audit remuneration for the group is disclosed in note 33 to the consolidated financial statement.

At 31 December 2013 the number of employees in Yara International ASA was 331 (2012: 302).

NOK millions	2013	2012
Payroll and related costs		
Salaries	(430)	(408)
Social security costs	(56)	(56)
Net periodic pension costs	(58)	(63)
Internal invoicing of payroll related costs	39	48
Sum	(505)	(479)

External commercial banks provide the Norwegian employees with a range of banking services, including unsecured personal loans at favorable rates of interest. Yara does not compensate the banks for these services. In connection with the replacement of transferred employee loans related to the demerger from Hydro, Yara provides a guarantee for all such loans as well as of new unsecured loans by the banks to the Norwegian employees. For most employees the amount guaranteed will not exceed NOK 100,000. At 31 December 2013, the aggregate balance of all the outstanding loans for which Yara is providing a guarantee is approximately NOK 1.6 million, and the number of loans are 26.

Yara continued to give employees in Norway an opportunity to take part in a share purchase program in 2013. All permanent employees in Norway have been offered shares with a discount and given an interest-free loan with a 12-month repayment profile. In order to handle this arrangement in an efficient way, Yara has established a foundation for employees' shares in Yara. The foundation has purchased 22,540 shares during 2013. In total 21,644 shares have been sold during 2013 to 773 persons, and each person was allotted 28 shares. As at 31 December 2013 the foundation owns 896 shares in Yara.

Note 4

Property, plant *and equipment*

2013

NOK millions, except percentages and years	Property, plant and equipment
Cost	
Balance at 1 January	57
Addition at cost	47
Balance at 31 December	104
Depreciation	
Balance at 1 January	(43)
Depreciation	(6)
Balance at 31 December	(49)
Carrying value	
Balance at 1 January	14
Balance at 31 December	55
Useful life in years	4 - 50
Depreciation rate	2 - 25%

2012

NOK millions, except percentages and years	Property, plant and equipment
Cost	
Balance at 1 January	53
Addition at cost	4
Balance at 31 December	57
Depreciation	
Balance at 1 January	(39)
Depreciation	(4)
Balance at 31 December	(43)
Carrying value	
Balance at 1 January	14
Balance at 31 December	14
Useful life in years	4 - 50
Depreciation rate	2 - 25%

Property, plant and equipment mainly comprise machinery and equipment. Addition in 2013 included capitalization of two pilot plants as assets under construction in relation to Yara Research Center of NOK 37 million.

There were no assets pledged as security at 31 December 2013 and 2012.

Note 5

Intangible *assets*

2013

NOK millions, except percentages and years	Intangible assets
Cost	
Balance at 1 January	214
Addition at cost	4
Balance at 31 December	218
Amortization	
Balance at 1 January	(154)
Amortization	(22)
Balance at 31 December	(176)
Carrying value	
Balance at 1 January	60
Balance at 31 December	42
Useful life in years	3 - 5
Amortization rate	20 - 35%

2012

NOK millions, except percentages and years	Intangible assets
Cost	
Balance at 1 January	199
Addition at cost	15
Balance at 31 December	214
Amortization	
Balance at 1 January	(125)
Amortization	(29)
Balance at 31 December	(154)
Carrying value	
Balance at 1 January	74
Balance at 31 December	60
Useful life in years	3 - 5
Amortization rate	20 - 35%

Intangible assets mainly consist of computer software systems.

Note 6

Specification *of items in the income statement*

REVENUE

Information about sales to geographical areas

NOK millions	2013 External	2013 Internal	2013 Total	2012 External	2012 Internal	2012 Total
Norway	8	27	35	8	32	40
European Union	47	872	919	35	745	780
Europe, outside European Union	-	1	1	-	1	1
Asia	1	1	2	1	-	1
North America	24	-	24	9	-	9
Total	80	901	981	53	778	831

OTHER OPERATING EXPENSE

NOK millions	2013	2012
Selling and administrative expense 1)	(841)	(450)
Rental and leasing 2)	(44)	(41)
Travel expense	(50)	(49)
Other	(83)	(72)
Total	(1,018)	(612)
Of which research costs 3)	(115)	(98)

1) Yara accepted a corporate penalty of NOK 295 million which is included in Income statement 2013. See note 36 to the Consolidated financial statement for further information.
2) Expenses mainly relate to property and lease contracts for company cars.
3) Over the last few years, Yara has focused on orienting research and development resources towards commercial activities, both with respect to process and product improvements and agronomical activities. It is impracticable to give a fair estimate of possible future financial returns of these activities.

Note 7

Financial income *and expense*

NOK millions	2013	2012
Dividends and group relief from subsidiaries	731	4,053
Dividends from associated companies	6	14
Interest income group companies	1,544	1,361
Other interest income	129	167
Interest expense group companies	(202)	(163)
Other interest expense	(479)	(515)
Interest expense defined pension liabilities	(40)	(37)
Return on pension plan assets	30	24
Net foreign exchange gain/(loss)	(1,826)	190
Other financial income/(expense)	15	33
Financial income/(expense), net	(90)	5,126

Note 8

Income *taxes*

SPECIFICATION OF INCOME TAX EXPENSE

NOK millions	2013	2012
Current tax expense	9	(355)
Deferred tax income/(expense)	298	134
Income tax expense	307	(221)

RECONCILIATION OF NORWEGIAN NOMINAL STATUTORY TAX RATE TO EFFECTIVE TAX RATE

NOK millions	2013	2012
Income before taxes	(698)	4,878
Expected income taxes at statutory tax rate, 28%	195	(1,366)
Non-deductible expenses	(84)	(1)
Dividend exclusion	204	14
Effect of valuation allowances	1	23
Group relief received from subsidiaries with no tax effect	-	1,120
Tax law changes	(18)	-
Other, net	9	(12)
Income tax expense	307	(221)

RECONCILIATION OF CURRENT TAX LIABILITY

	Current tax	
NOK millions	2013	2012
Balance at 1 January	(327)	(329)
Payments	288	287
Current year	(1)	(285)
Balance as at 31 December	(39)	(327)

SPECIFICATION OF DEFERRED TAX ASSETS/(LIABILITIES)

	Deferred tax	
NOK millions	2013	2012
Non-current items		
Pension liabilities	139	138
Other non-current assets	(61)	(43)
Other non-current liabilities and accruals	(11)	55
Total	66	151
Current items		
Inventory valuation	2	2
Accrued expenses	72	68
Total	74	70
Tax loss carry forwards	372	-
Valuation allowance	(4)	(6)
Net deferred tax assets	508	215
Change in deferred tax		
Balance at 1 January	215	139
Charge (credit) to equity for the year	(5)	(53)
Charge (credit) to profit or loss for the year	298	129
Balance at 31 December	508	215

Note 9

Shares *in subsidiaries*

Company name	Ownership 1)	Ownership by other group companies	Registered office	Local currency	Total equity in the company 2013 local currency millions	Net income in 2013 local currency millions	Carrying value 2013 NOK millions
Subsidiaries owned by Yara International ASA							
Yara Guatemala S.A.	100%	-	Guatemala	GTQ	55	13	24
Yara Colombia Ltda.	100%	-	Colombia	COP	29,739	2,481	17
Hydro Agri Russland AS	100%	-	Norway	NOK	22	-	21
Yaraship Services AS	100%	-	Norway	NOK	18	-	1
Yara Hellas S.A.	100%	-	Greece	EUR	22	5	21
Yara Norge AS	100%	-	Norway	NOK	2,118	(180)	1,303
Fertilizer Holdings AS	100%	-	Norway	NOK	15,222	3,078	10,459
Yara Rus Ltd.	100%	-	Russia	RUB	(44)	(2)	-
Yara North America Inc.	100%	-	USA	USD	192	18	468
Yara Asia Pte. Ltd.	100%	-	Singapore	USD	596	130	1,114
Yara International Employment Co. AG	100%	-	Switzerland	EUR	1	-	1
Yara México Profesionales / Operativos S. de R.L. de C.V.	10%	90%	Mexico	MXN	(7)	1	-
Total							13,430

1) Percentage of shares owned equals percentage of voting shares owned. A number of the above mentioned companies also own shares in other companies. Further information about the composition of the group is provided in note 33 to the Consolidated financial statement.

Note 10

Shares *in associated companies*

NOK millions, except ownership	Ownership 1)	Country	Total equity in the company 2)	Net income 2)	Carrying value in 2013	Carrying value in 2012
Name						
Abonos del Pacifico 3)	34%	Costa Rica/Panama	227	56	18	18
Talconor AS	50%	Norway	-	(1)	-	-
Total					18	18

1) Equals voting rights
2) According to the last Annual Report
3) Includes three companies: Abonos del Pacifico Costa Rica and Panama and Kabek Investment Corp. (Panama)

There are no significant transactions between the associated companies listed above and other Yara group companies.

Note 11

Specification *of items in the balance sheet*

NOK millions	Notes	2013	2012
Other non-current assets			
Long term loans, mortgage bonds and non-marketable shares 0-20%		23	43
Interest rate swap designated as hedging instrument	13	135	167
Other		38	10
Total		196	220
Inventories			
Raw materials		2	5
Work in progress		6	7
Finished goods		25	33
Total		32	46
Bank loans and other interest-bearing short-term debt			
External loans		79	123
Bank overdraft		6	158
Total		86	281

CASH AND CASH EQUIVALENTS

Yara International ASA had NOK 5,056 million (NOK 8,724 million in 2012) in cash and cash equivalents at 31 December 2013. There are no restrictions on cash.

Note 12

Guarantees

NOK millions	2013	2012
Guarantees (off-balance sheet)		
Guarantees of debt in subsidiaries	1,162	1,184
Non-financial guarantees	7,508	2,784
Total	8,671	3,969

Yara International ASA provides guarantees arising in the ordinary course of business, including performance bonds and various payment or financial guarantees. See note 29 to the consolidated financial statements for further information about guarantees.

Note 13

Risk management *and hedge accounting*

Risk management in Yara and the use of derivative instruments are described in note 27 to the consolidated financial statement. Yara International ASA has the following derivative instruments outstanding at 31 December:

NOK millions	Notes	2013	2012
Fair value of derivatives			
Forward foreign exchange contracts (external)		3	(5)
Forward foreign exchange contracts (Yara Group internal)		(198)	(183)
Interest rate swaps designated for hedging (external)		135	167
Balance at 31 December		(60)	(21)
Derivatives presented in the balance sheet			
Non-current assets	11	135	167
Current assets		10	1
Current liabilities		(205)	(189)
Balance at 31 December		(60)	(21)

FORWARD FOREIGN EXCHANGE CONTRACTS

Yara is committed to outstanding forward foreign exchange contracts as follows:

NOK millions	2013	2012
Forward foreign exchange contracts (external), notional amount	1,902	1,093
Forward foreign exchange contracts (Yara Group internal), notional amount	10,181	13,198

All outstanding contracts at 31 December 2013 have maturity in 2014. External buy positions are mainly in US dollars towards Norwegian kroner. External sell positions are mainly in euro and other operating currencies towards Norwegian kroner.

HEDGE ACCOUNTING

Fair value hedge

USD bond debt

The interest rate swap designated as a hedge instrument outstanding at 31 December 2013 is a fixed to floating interest rate swap for USD 100 million. The hedged risk is the change in fair value due to changes in risk-free interest rates (LIBOR) of a USD 100 million portion of the US dollar bond debt from 2004. The swap has identical interest basis, interest payment dates and maturity (2014) to the hedged debt and is assessed to be highly effective.

NOK bond debt

From 2011, Yara designated the long term NOK interest swaps as hedging instruments. The hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,000 million and NOK 325 million bond debt from 2009. The swaps have different interest payment dates (semi-annually vs. annually), but identical interest basis and maturity (2016 and 2014 respectively) to the hedged debt and are assessed to be highly effective.

NOK millions	2013	2012
USD bond debt fair value hedge		
Change in fair value of the derivatives	5	3
Change in fair value of the bond	(5)	(3)
Ineffectiveness	-	-
Loss on fair value hedge included in the carrying amount of the fixed rate debt	(27)	(47)
NOK bond debt fair value hedge		
Change in fair value of the derivatives	13	26
Change in fair value of the bonds	(18)	(18)
Ineffectiveness	(4)	8
Loss on fair value hedge included in the carrying amount of the fixed rate debt	(41)	(104)

Cash flow hedge

In 2004 and 2007, Yara used interest rate swaps to hedge the future cash flows of a USD 300 million portion of the December 2004 bond issue and a USD 300 million portion of the June 2009 bond issue. The loss on these contracts was recognized directly in equity and will be reclassified into interest expense and income tax over the duration of the bonds (due in 2014 and 2019).

NOK millions	2013	2012
2004-bond cash flow hedge		
Amount reclassified into interest expense	(13)	(12)
Related deferred tax benefit	4	3
2009-bond cash flow hedge		
Amount reclassified into interest expense	(7)	(3)
Related deferred tax benefit	1	1

Note 14

Number of shares outstanding, *shareholders, equity reconciliation etc.*

Yara International ASA was established 10 November 2003. The company was established with a share capital of 108,610,470 consisting of 63,888,512 shares at NOK 1.70 per share. At 31 December 2013, the company has a share capital of 473,451,547 consisting of 278,500,910 ordinary shares at NOK 1.70 per share.

Yara ownes 1,450,000 own shares at 31 December 2013. For further information on these issues see note 19 to the consolidated financial statement.

Shareholders holding 1% or more of the total 278,500,910 shares issued at 31 December 2013 are according to information in the Norwegian securities' registry system (Verdipapirsentralen):

Name	Number of shares	Holding (%)
Norwegian Ministry of Trade and Industry	100,849,268	36.2%
The Norwegian National Insurance Scheme Fund (Folketrygdfondet)	16,491,554	5.9%
Clearstream Banking (nominee)	12,465,695	4.5%
State Street Bank (nominee)	5,709,940	2.1%
FLPS - PRINC ALL SEC	4,750,000	1.7%
J.P.Morgan Chase Bank (nominee)	3,983,485	1.4%
Bank of New York (nominee)	3,884,274	1.4%
J.P.Morgan Chase Bank (nominee)	3,366,945	1.2%
Skandinaviska Enskilda Banken (nominee)	3,171,597	1.1%

SHAREHOLDERS EQUITY

NOK millions	Paid in capital	Retained earnings	Total shareholders equity
Balance 31 December 2011	603	7,318	7,921
Net income of the year [2]	-	4,656	4,656
Dividend proposed	-	(3,647)	(3,647)
Cash flow hedges	-	11	11
Actuarial gain/(loss) [1] [2]	-	138	138
Redeemed shares, Norwegian State [3]	(2)	(315)	(317)
Treasury shares [5]	(6)	(948)	(954)
Balance 31 December 2012	594	7,214	7,808
Net income of the year	-	(391)	(391)
Dividend proposed	-	(2,771)	(2,771)
Cash flow hedges	-	15	15
Actuarial gain/(loss) [1]	-	(14)	(14)
Redeemed shares, Norwegian State [4]	(4)	(529)	(533)
Treasury shares [5]	(2)	(375)	(377)
Balance 31 December 2013	588	3,149	3,737

1) Yara International ASA has decided to use the option in NRS 6A to adopt IAS19. For further information, see the accounting principles note 1.
2) Restated related to implementation of revised IAS19. See note 2 for more information.
3) As approved by General Meeting 10 May 2012.
4) As approved by General Meeting 13 May 2013.
5) See note 19 to the consolidated financial statement for more information.

Note 15

Long-term *debt*

LONG-TERM DEBT PAYABLE IN VARIOUS CURRENCIES

NOK millions, except percentages and denominated amounts	Weighted average interest rates	Denominated amounts 2013	2013	2012
Unsecured debenture bonds in NOK (Coupon NIBOR + 3.75%) [1]	5.5%	300	300	300
Unsecured debenture bonds in NOK (Coupon 7.40%) [2]	7.5%	325	326	340
Unsecured debenture bonds in NOK (Coupon 8.80%) [3]	8.9%	1,000	1,039	1,083
Unsecured debenture bonds in USD (Coupon 5.25%) [2]	5.0%	500	3,066	2,833
Unsecured debenture bonds in USD (Coupon 7.88%) [4]	8.3%	500	3,013	2,756
Outstanding long-term debt			7,744	7,311
Less: Current portion			(3,692)	-
Total			4,052	7,311

1) The current rate is fixed until the loan matures in 2014.
2) Fixed interest rate until 2014. Subject to fair value hedge accounting, see note 27 to the consolidated financial statements.
3) Fixed interest rate until 2016. Subject to fair value hedge accounting, see note 27 to the consolidated financial statements.
4) Fixed interest rate until 2019.

At 31 December 2013, the fair value of the long-term debt, including the current portion, was NOK 8,631 million and the carrying value was NOK 7,744 million. See note 24 to the consolidated financial statements for further information about long-term debt.

PAYMENTS ON LONG-TERM DEBT FALL DUE AS FOLLOWS:

NOK millions	Total [1]
2014	3,692
2015	-
2016	1,039
2017	-
2018	-
Thereafter	3,013
Total	7,744

1) Including current portion.

Note 16

Transactions *with related parties*

Transactions with related parties are mainly associated with the group treasury function and rendering of group services by the employees of Yara International ASA.

NOK millions	Notes	2013	2012
Income statement			
Yara Belgium S.A.		790	649
Yara Norge AS		27	31
Yara Sluiskil B.V.		20	22
Yara GmbH & Co. KG		10	10
Yara France SAS		8	11
Other		45	54
Internal revenues	6	901	778
Fertilizer Holdings AS		644	427
Yara Nederland B.V.		373	438
Yara Holding Netherlands B.V.		179	175
Yara Norge AS		133	88
Yara AS		103	74
Other		112	159
Interest income group companies	7	1,544	1,361
Yara AS		(55)	(55)
Yara Nederland B.V.		(48)	(25)
Yara Belgium S.A.		(28)	(4)
Fertilizer Holdings AS		(16)	(19)
Yara S.A.		(10)	(7)
Yara GmbH & Co. KG		(9)	(10)
Other		(35)	(43)
Interest expense group companies	7	(202)	(163)
Non-current assets			
Yara Nederland B.V.		7,043	6,301
Fertilizer Holdings AS		6,082	5,577
Yara Holding Netherlands B.V.		3,041	2,788
Yara UK Limited		1,440	1,291
Other		715	650
Intercompany receivables		18,321	16,607
Current assets			
Yara Norge AS		2,881	2,134
Yara Suomi Oy		2,469	1,627
Yara Switzerland Ltd		607	538
Yara Australia Pty. Ltd.		472	-
Yara Italia S.p.A.		464	676
Fertilizer Holdings AS		70	12,578
Other		1,617	1,214
Intercompany receivables		8,581	18,767
Current liabilities			
Yara Belgium S.A.		(4,774)	(4,785)
Yara Nederland B.V.		(4,432)	(8,285)
Yara S.A.		(3,833)	(2,174)
Yara Norge AS		(2,373)	(2,284)
Yara Suomi Oy		(2,133)	(1,579)
Yara GmbH & Co. KG		(1,828)	(1,643)
Yara Asia Pte Ltd		(1,506)	(1,162)
Yara Switzerland Ltd		(1,329)	(864)
Yara Caribbean Ltd		(1,242)	(1,125)
Fertilizer Holdings AS		(1,076)	-
Balterton Fertilisers S.A.		(815)	(748)
Yara AS		(808)	(1,091)
Yara France SAS		(134)	(646)
Other		(4,729)	(3,809)
Intercompany payable		(31,011)	(30,192)
Trinidad Nitrogen Company Ltd.		(75)	(44)
Qatar Fertiliser Company S.A.Q.		(4)	(79)
External loans		(79)	(122)

Remuneration to the Board of Directors and Yara management are disclosed in notes 6 and 32 to the consolidated financial statements. Yara International ASA has transactions with Yara Pensjonskasse (pension fund). See note 2 for more information.

Directors' responsibility statement

2013

WE CONFIRM TO THE BEST OF OUR KNOWLEDGE THAT:

- the consolidated financial statements for 2013 have been prepared in accordance with IFRS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that
- the financial statements for the parent company for 2013 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that
- the information presented in the financial statements gives a true and fair view of the Company's and Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that
- the Board of Directors' report gives a true and fair view of the development, performance and financial position of the Company and Group, and includes a description of the principle risks and uncertainties.

The Board of Directors of Yara International ASA
Oslo, 20 March 2014

Bernt Reitan *Chairperson*	Hilde Merete Aasheim *Board member*	Elisabeth Harstad *Board member*	Geir Isaksen *Board member*
Juha Rantanen *Board member*	Rune Bratteberg *Board member*	Guro Mauset *Board member*	Geir O. Sundbø *Board member*

Jørgen Ole Haslestad
President and CEO

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To the Annual Shareholders' Meeting of Yara International ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Yara International ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at December 31, 2013, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the statement of financial position as at December 31, 2013, the statement of income, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the President and CEO's Responsibility for the Financial Statements

The Board of Directors and the President and CEO are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway for the company accounts and in accordance with International Financial Reporting Standards as adopted by EU for the group accounts, and for such internal control as The Board of Directors and the President and CEO determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditor's Report to the Annual Shareholders' Meeting of Yara International ASA

Deloitte.

Opinion on the financial statements for the parent company
In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Yara International ASA as at December 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements for the group
In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the group Yara International ASA as at December 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements
Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility
Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and in the statements on Corporate Governance and Corporate Social Responsibility and the going concern is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation
Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 20 March 2014
Deloitte AS

Ingebret G. Hisdal
State Authorised Public Accountant (Norway)

Reconciliation of *non-GAAP measures*

2013

RECONCILIATION OF OPERATING INCOME TO GROSS CASH FLOW

NOK millions	2013	2012
Operating income	7,791	11,159
Share of net income in equity-accounted investees	1,250	1,964
Interest income	406	390
Net gain/(loss) on securities	7	12
Dividend from 0-20% companies	-	2
Earnings before interest expense and tax (EBIT)	9,453	13,527
Depreciation, amortization and impairment loss	3,713	3,424
Amortization of excess value in equity-accounted investees	100	19
Earnings before interest, tax and depreciation/amortization (EBITDA)	13,266	16,970
Income tax less tax on net foreign exchange gain/(loss)	(1,748)	(2,409)
Gross Cash Flow	11,518	14,561

RECONCILIATION OF NET INCOME AFTER NON-CONTROLLING INTERESTS TO GROSS CASH FLOW

NOK millions	2013	2012
Net income attributable to shareholders of the parent	5,748	10,552
Non-controlling interests	349	49
Interest expense and foreign exchange gain/(loss)	1,850	344
Depreciation, amortization and impairment loss	3,713	3,424
Amortization of excess value in equity-accounted investees	100	19
Tax effect on foreign exchange gain/(loss)	(242)	174
Gross Cash Flow	11,518	14,561

RECONCILIATION OF TOTAL ASSETS TO GROSS INVESTMENTS

12-months average

NOK millions, except percentages	2013	2012
Total assets	85,866	80,901
Cash and cash equivalents	(9,106)	(9,029)
Other liquid assets	(1)	-
Deferred tax assets	(1,288)	(1,387)
Fair value adjustment recognized in equity	-	-
Other current liabilities	(13,546)	(12,728)
Accumulated depreciation and amortization	29,663	26,236
Gross investment 12-months average	91,589	83,992
Cash Return on Gross Investment, CROGI	12.6%	17.3%

RECONCILIATION OF EBIT TO EBIT AFTER TAX

NOK millions	2013	2012
Earnings before interest expense and tax (EBIT)	9,453	13,527
Income tax less tax on net foreign exchange gain/(loss)	(1,748)	(2,409)
EBIT after tax (EBITAT)	7,705	11,118

RECONCILIATION OF TOTAL ASSETS TO CAPITAL EMPLOYED

12-months average

NOK millions, except percentages	2013	2012
Total assets	85,866	80,901
Cash and cash equivalents	(9,106)	(9,029)
Other liquid assets	(1)	-
Deferred tax assets	(1,288)	(1,387)
Fair value adjustment recognized in equity	-	-
Other current liabilities	(13,546)	(12,728)
Capital employed 12-months average	61,926	57,756
Return on capital employed, ROCE	12.4%	19.3%

RECONCILIATION OF EBITDA TO INCOME BEFORE TAX AND NON-CONTROLLING INTERESTS

NOK millions	2013	2012
EBITDA Downstream	4,013	3,905
EBITDA Industrial	1,096	1,111
EBITDA Upstream	7,919	11,849
EBITDA Other and eliminations	238	105
EBITDA Yara	13,266	16,970
Depreciation, amortization and impairment loss	(3,713)	(3,424)
Amortization of excess value in equity-accounted investees	(100)	(19)
Interest expense	(1,152)	(1,204)
Capitalized interest	4	3
Foreign exchange gain/(loss)	(950)	596
Other financial income/expense, net	249	260
Income before tax and non-controlling interest	7,603	13,183

RECONCILIATION OF OPERATING INCOME TO EBITDA

NOK millions	2013	2012
Operating Income	7,791	11,159
Share of net income in equity-accounted investees	1,250	1,964
Interest income	406	390
Dividends and net gain/(loss) on securities	7	14
EBIT	9,453	13,527
Depreciation, amortization and impairment loss [1)]	3,813	3,443
EBITDA	13,266	16,970

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

Yara has signed the United Nations Global Compact, embracing its principles. The UN GC is a strategic policy initiative for businesses committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

Yara has been admitted to the UN Global Compact LEAD. The group of companies comprise a vanguard playing an essential role in shaping expectations of corporate sustainability as well as advancing broader UN goals and issues. LEAD was launched in 2011 to provide knowledge and inspiration on advanced aspects of corporate sustainability, and to provide leadership for global issue platforms.

FTSE Group confirms that Yara has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent social and environmental criteria, and are positioned to capitalise on the benefits of responsible business practice.

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Across the world, local farmers and global companies strive to increase yields – feeding the future. Yara is a global partner with a local footprint; delivering our agronomic and environmental solutions to more than 150 countries. Brazil is a global powerhouse in food production – and one of our major markets: Here, we increased our engagement in 2013. Creating Value – Creating Impact.