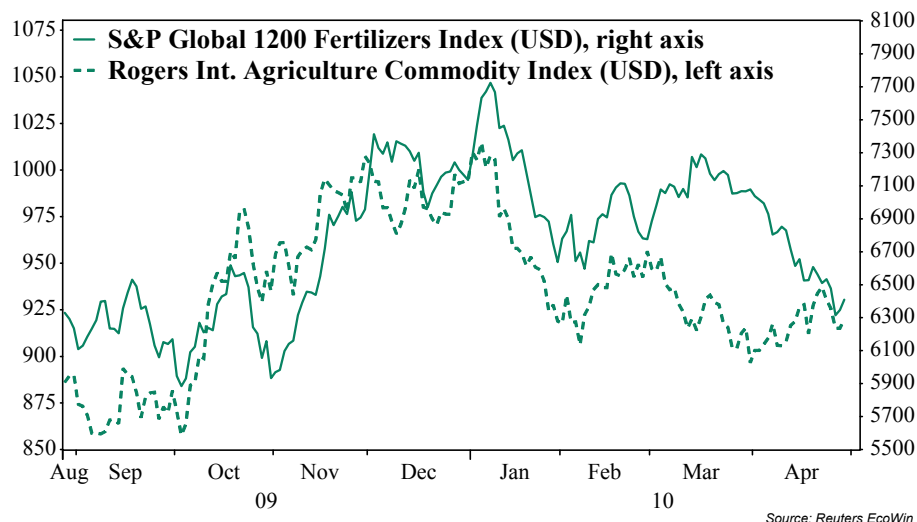


Peer share price performance

	-12m	-6m	-1m
Yara	+3%	+5%	-21%
Agrium	+48%	+28%	-11%
CF Ind.	+17%	-2%	-9%
Mosaic	+29%	+5%	-14%
Potash	+8%	+7%	-10%
Terra Ind.	+74%	+40%	-1%

Commodity price performance

	-12m	-6m	-1m
Urea	+4%	+3%	-8%
Nat.gas HH	+24%	+3%	+11%
Wheat	+15%	-4%	+4%
Corn	-8%	-5%	+1%



Buying opportunities emerge

- **Grain prices posted another downfall, following the negative trend observed in most commodities this week.** The wheat price has lost 2,8% while corn was down by 0,5%. This should be explained by a strong US dollar, bearish commodity markets and a strong start of the crop-growing season.
- **The urea market was soft throughout most of the week.** In Yuzhnyy, prices slipped to USD 232-237pt fob. Despite indications of coming tenders from Pakistan and India, the global demand remains soft. However, it seems that the prices approached their floor level in Ukraine. One plant is announced to stop its production, and there are talks of more coming offline. Due to this, Ukrainian producers upped their price ideas towards the end of the week to the high USD 230s/240pt fob. Please mind that the major demand is still absent, and therefore we expect the prices to fluctuate around USD 230-240pt fob level Yuzhnyy during the two coming months.
- **Some strengthening is observed in the UAN market.** There is an increased buying interest in France due to concern that Lithuanian, Polish and Romanian product will be unavailable in the coming months. On the other hand, the AN prices are still going down, being under pressure from FSU product.
- **This week, we saw Agrium and CF Industries reporting their Q1 figures.** Agrium delivered Q1 EPS of USD 0,41 against the street's expectations of USD 0,34. CF Industries announced weak EPS of USD -0,09 mainly due to non-recurring items. Both companies stated that they were affected by unfavourable Q1 weather conditions. On the other hand, the conditions significantly improved in April and the companies expect stronger results to be delivered in Q2 1010.
- **When turning to Yara, we believe that the recent downfall in the share price was too heavy.** In our view, the market has already discounted the present weakness in urea prices. Therefore, we see the DCF-based fair value of Yara at NOK 230 per share and believe the stock is likely to rebound in the coming days.

Analyst

Aleksandr Solovjov

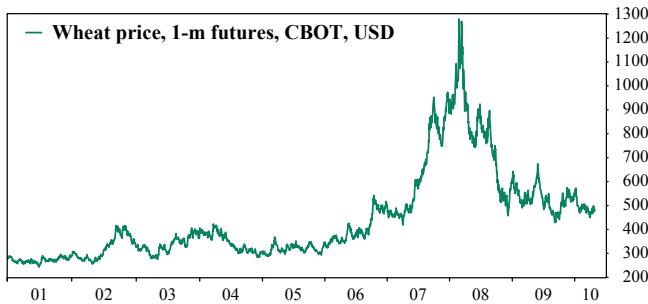
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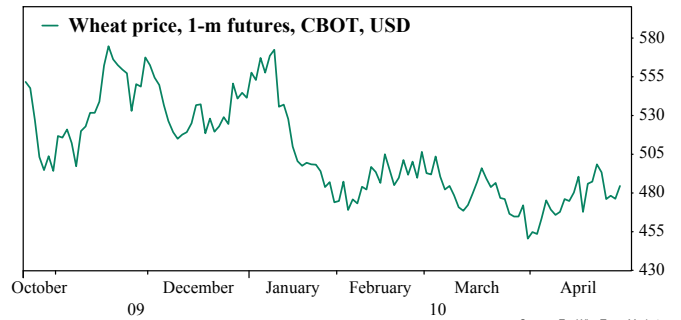
Telephone: +370 52 46 19 68

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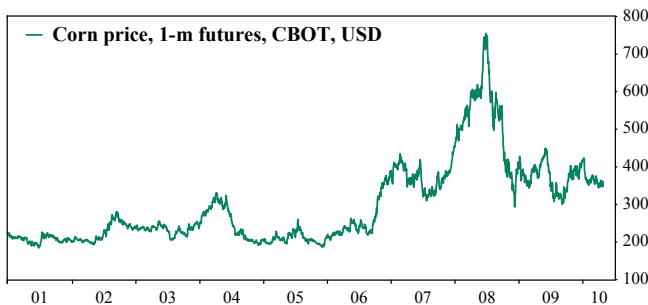
Grains



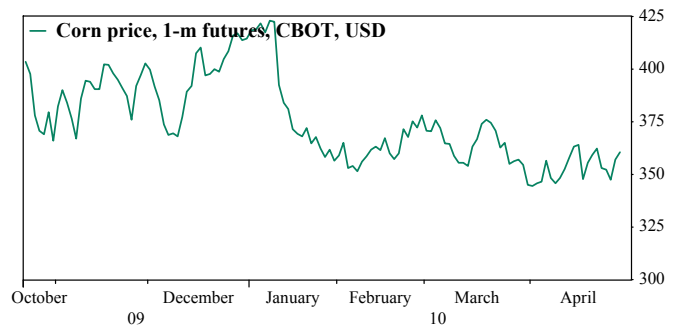
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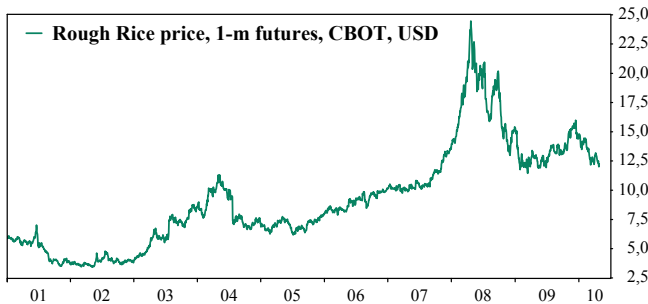
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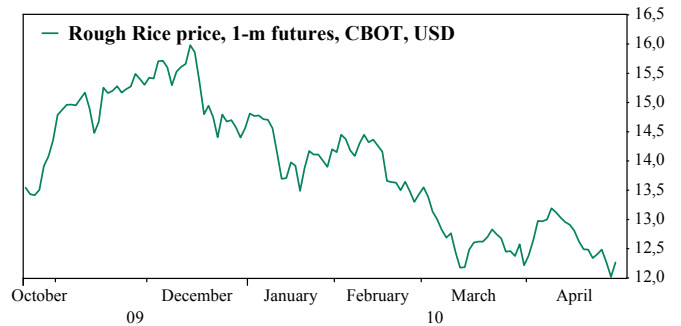
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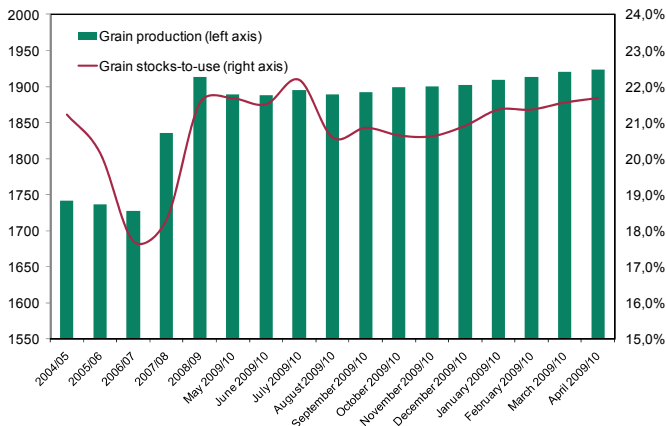
Source: EcoWin, Terra Markets



Source: EcoWin, Terra Markets

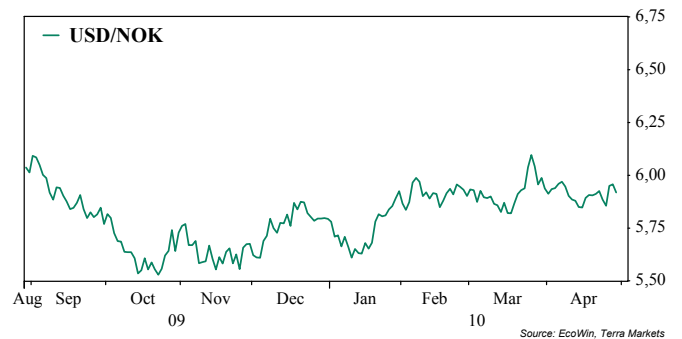
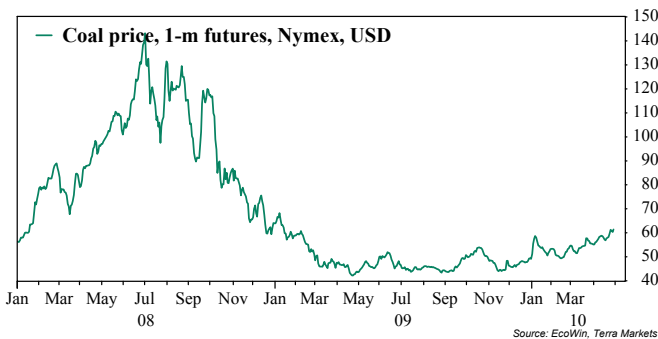
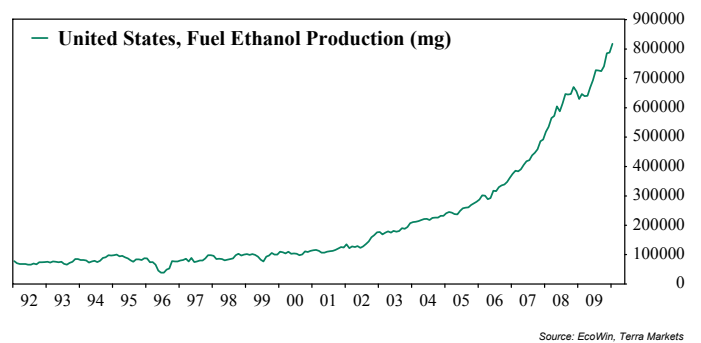
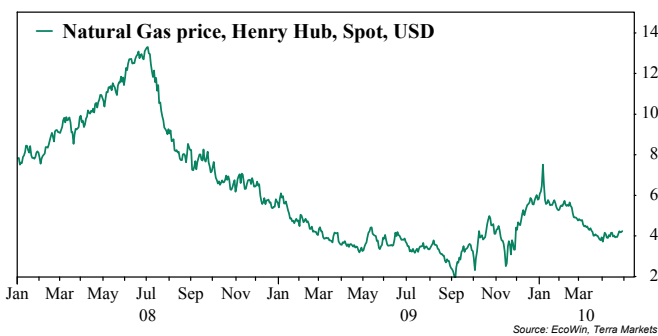
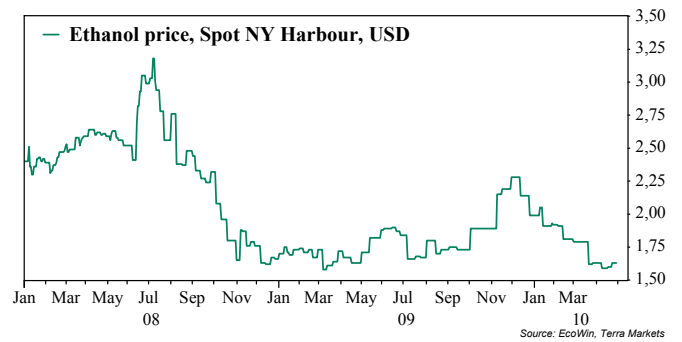
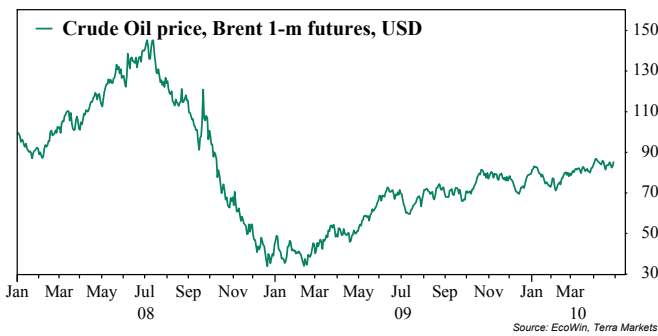


Source: EcoWin, Terra Markets

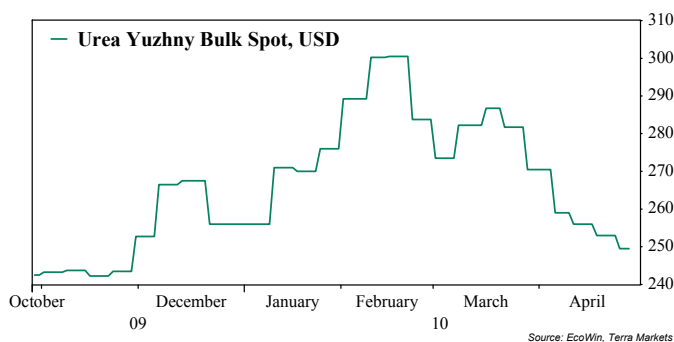
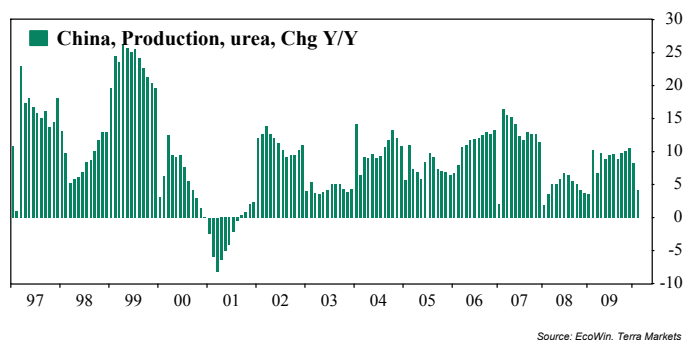
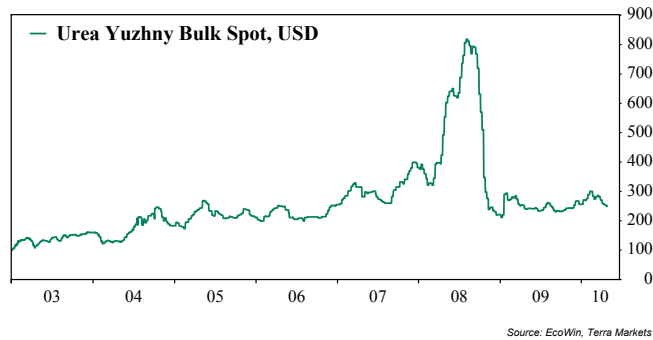
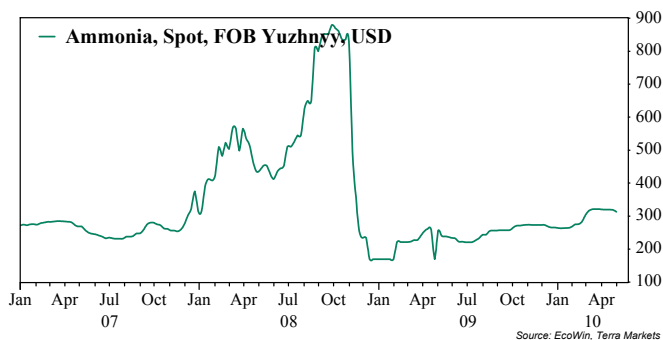


Source: USDA, Terra Markets

Energy & Currencies



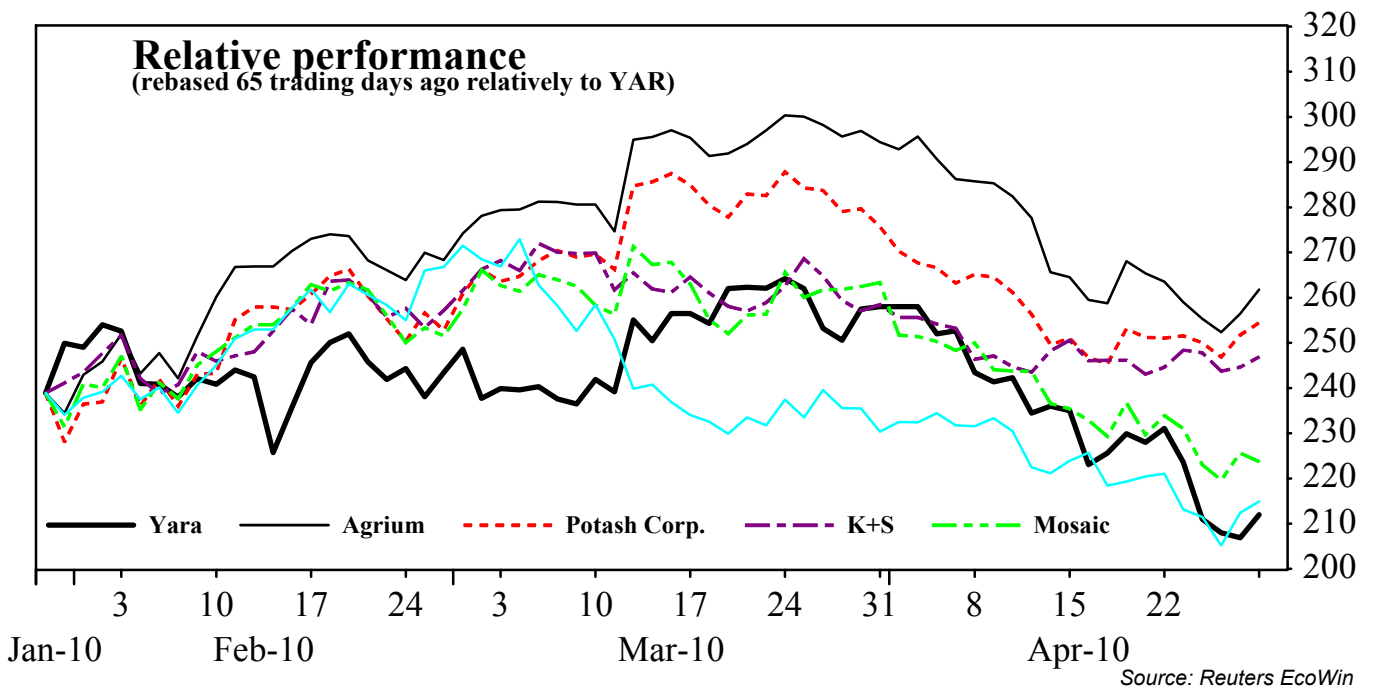
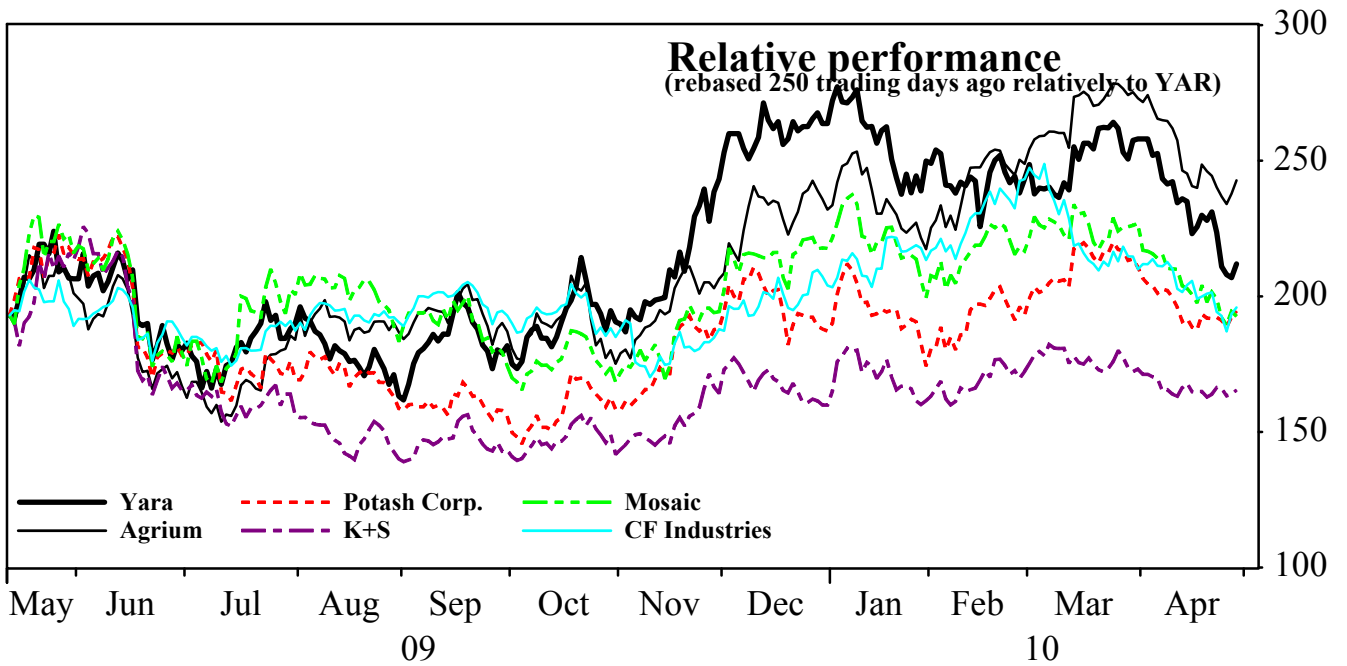
Fertilizers



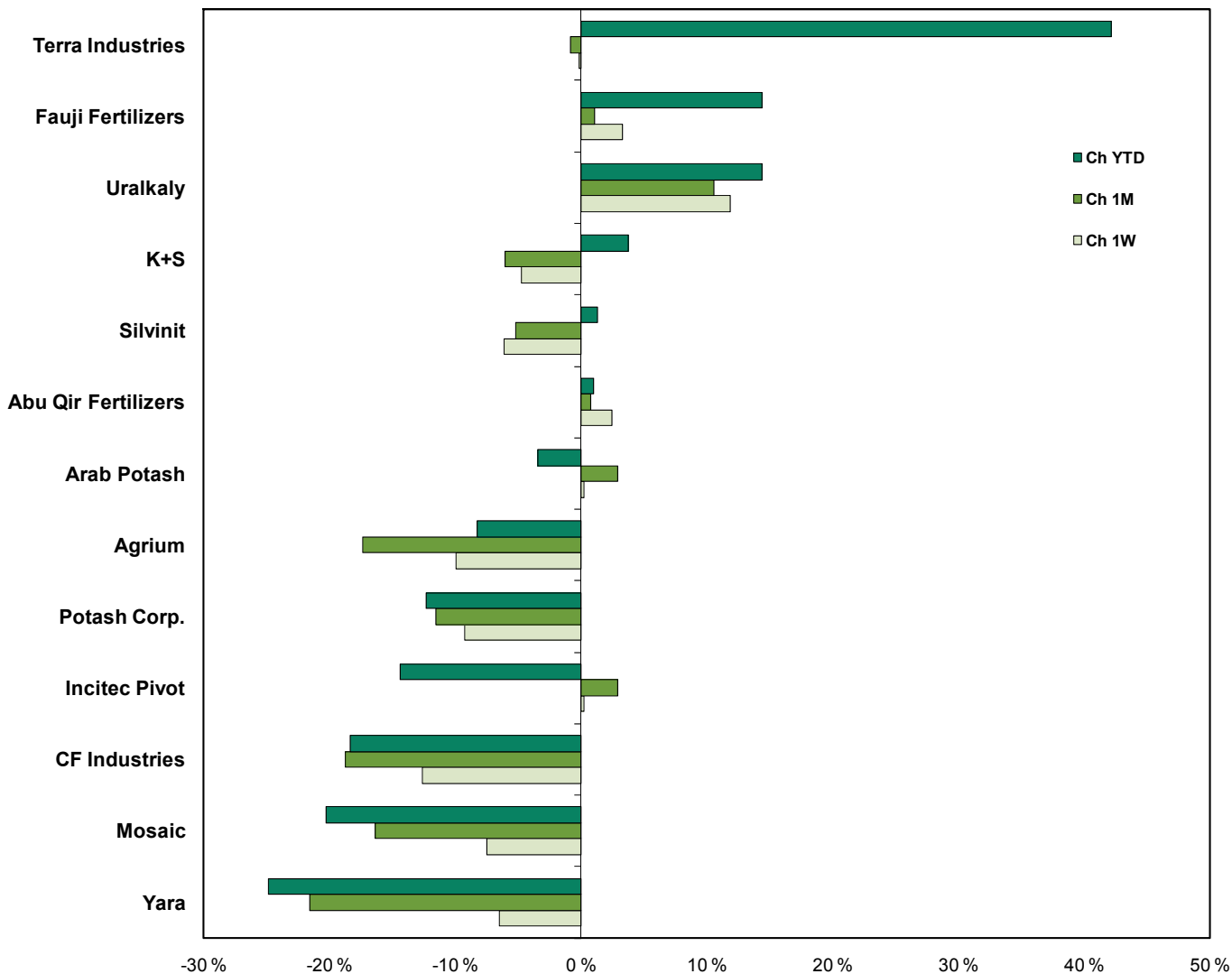
International prices USD/tn

Nitrogen	6 May	29 Apr	Chn.
Urea prilled bulk			
Yuzhnyy fob	232-237	235-240	-1%
Baltic St. Petersburg fob	225-230	232-237	-3%
Arab Gulf fob	260-265	265-270	-2%
China fob (7% tax)	260-265	260-265	+0%
Brazil cfr	270-275	275-280	-2%
India cfr	275-285	285-290	-4-2%
Urea granular bulk			
Arab Gulf fob US cargoes	255-260	262-267	-3%
Arab Gulf fob non-US	255-265	260-270	-2%
China fob (7% tax)	275-285	280-290	-2%
Egypt fob	250-252	255-263	-4-2%
US Gulf ps ton fob	270-275	280-282	-4-2%
Other nitrates			
AN France E deld bulk	250-260	250-260	+0%
CAN Germany E cif blk	190-195	190-195	+0%
UAN France E fot	153-157	157-158	-3-1%
Ammonia Yuzhnyy fob	325-335	325-335	+0%
Ammonia Arabian Gulf fob	340-350	350-360	-3%

Source: Profercy



Share price performance



Source: Reuters EcoWin, Terra Markets

Key figures

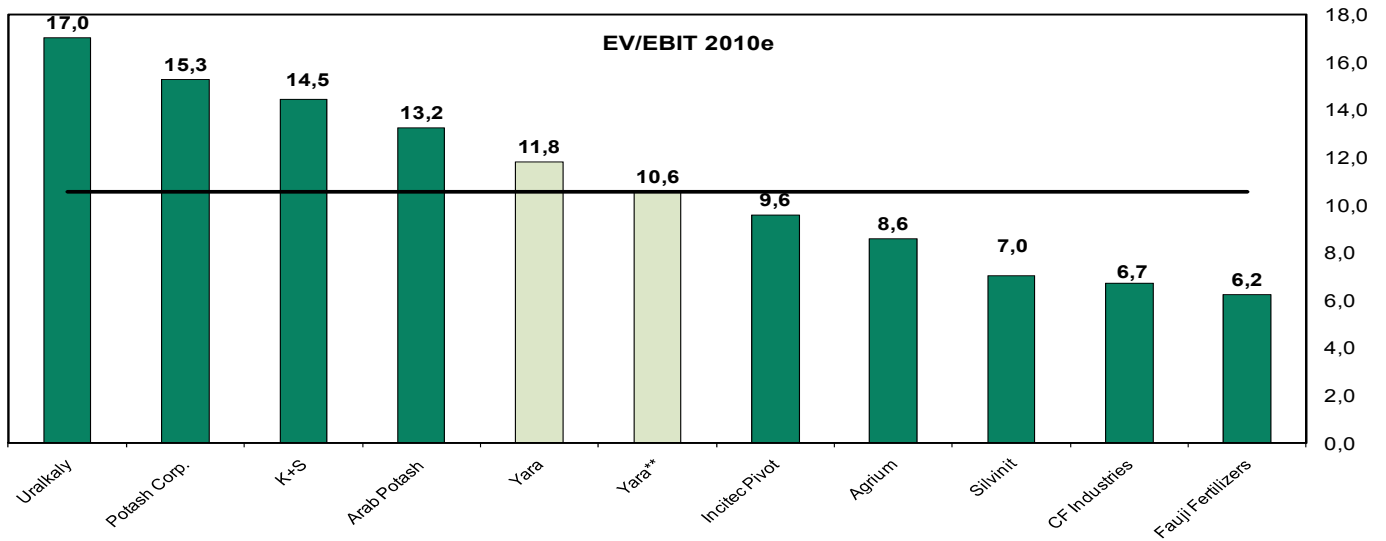
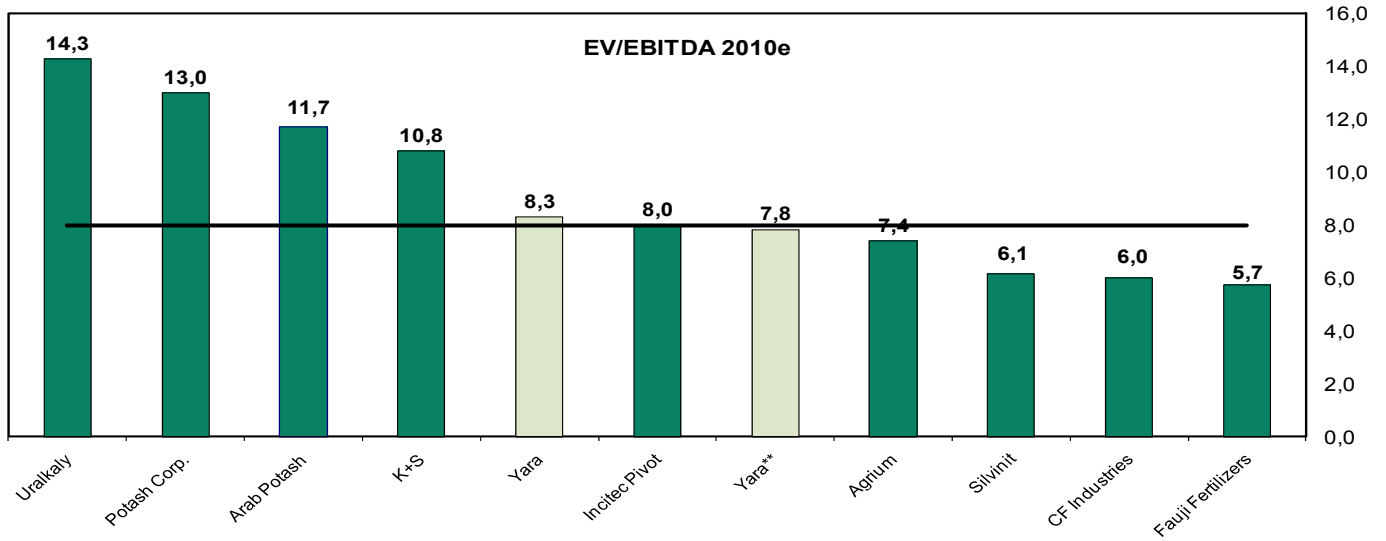
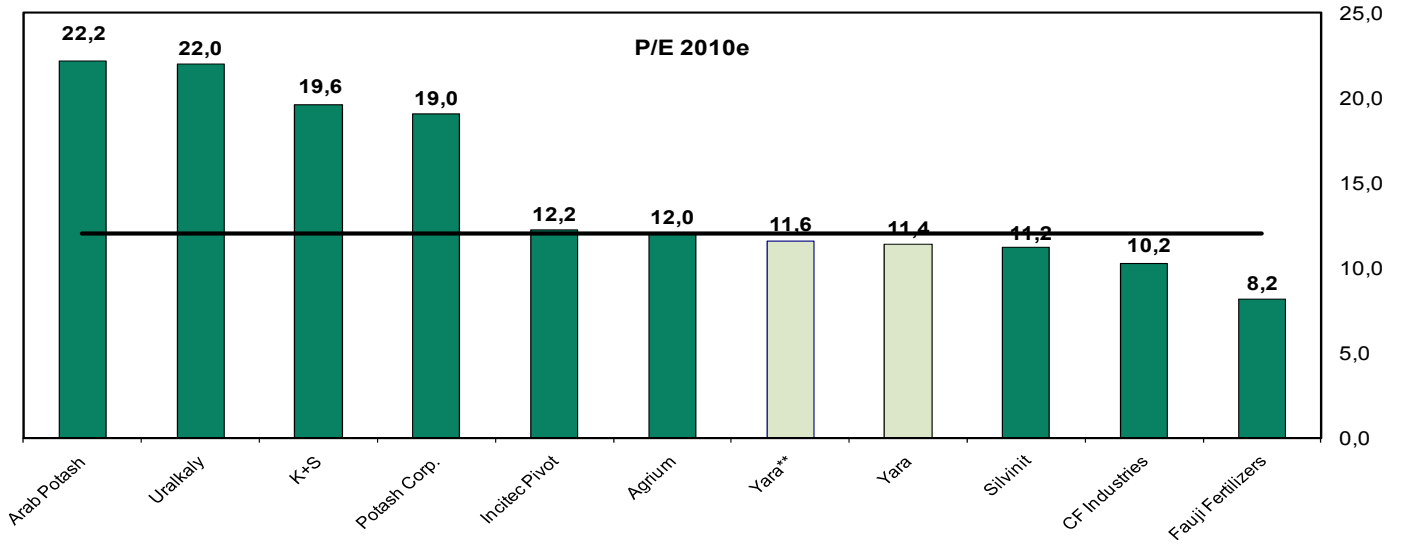
Company	Source	Mkt. cap. USDm	EV* USDm	P/E		EV/EBITDA*		EV/EBIT*	
				2010e	2011e	2010e	2011e	2010e	2011e
Yara	Terra	11 985	12 161	11,4	8,2	8,3	6,2	11,8	8,0
Yara**	Consensus**	11 985	12 161	11,6	9,7	7,8	7,7	10,6	10,1
Agrium	Consensus**	8 883	9 876	12,0	10,0	7,4	6,2	8,6	7,1
Potash Corp.	Consensus**	29 738	34 224	19,0	14,2	13,0	9,7	15,3	11,1
K+S	Consensus**	10 058	11 183	19,6	13,0	10,8	7,7	14,5	9,4
CF Industries	Consensus**	5 144	4 283	10,2	9,7	6,0	5,9	6,7	6,5
Uralkaly	Consensus**	9 985	9 938	22,0	13,1	14,3	10,2	17,0	11,0
Silvinit	Consensus**	1 004	4 718	11,2	7,0	6,1	4,5	7,0	4,8
Fauji Fertilizers	Consensus**	945	1 027	8,2	7,7	5,7	5,4	6,2	5,6
Arab Potash	Consensus**	4 119	4 020	22,2	14,6	11,7	11,6	13,2	13,6
Incitec Pivot	Consensus**	2 582	5 626	12,2	11,3	8,0	7,3	9,6	9,3
Average				14,5	10,8	9,0	7,5	11,0	8,8
Median				12,0	10,0	8,0	7,3	10,6	9,3

* Calculated by applying the last reported Balance Sheet and last Market Capitalization

** Infinancials

Peers profile

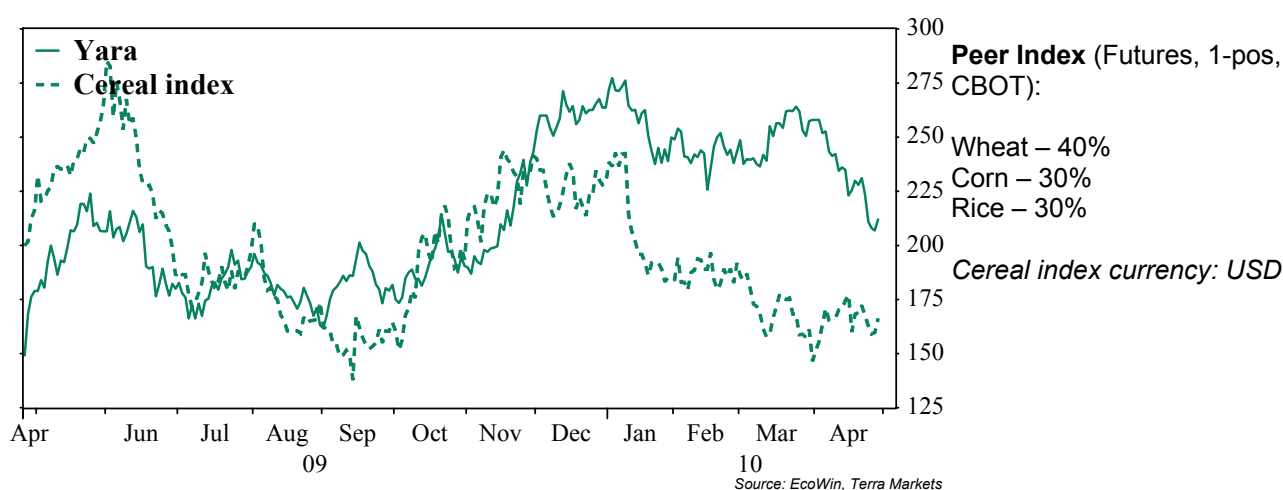
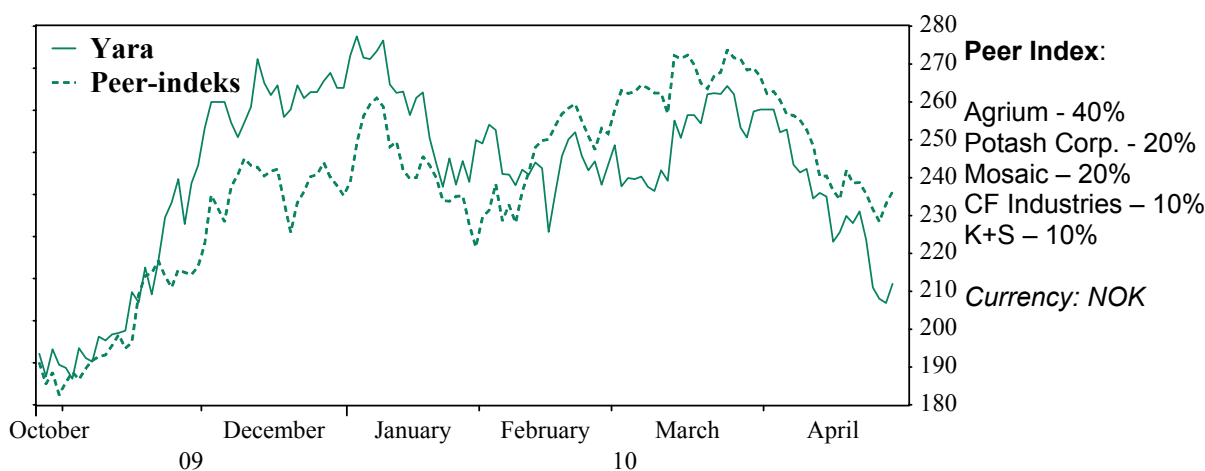
Company	Base	Market cap. (USDm)	Sales 2010e (USDm)	Primary nutrients		
				N	P	K
Yara International	Norway	11 985	11 406	++	+	-
Agrium	United States	8 883	10 052	++	+	+
Potash Corp.	United States	29 738	5 785	+	++	+
Mosaic Co.	United States	19 461	na	+	++	+
K+S	Germany	10 058	5 537	-	-	++
CF Industries	United States	5 144	2 376	++	+	-
Uralkaly	Russia	9 985	1 394	-	-	+
Silvinit	Russia	1 004	1 409	-	-	+
Fauji Fertilizers	Pakistan	945	461	+	-	-
Arab Potash	Jordan	4 119	771	-	-	+
Incitec Pivot	Australia	2 582	2 853	+	-	-



Source: Infinancials, Terra Markets

News flow

Date	Event
11.05.2010	Yara AGM
11.05.2010	USDA Grain report
12.05.2010	Yara Ex-dividend (NOK 4,50 per share)
20.05.2010	BMO Capital Markets 2010 Agri, Protein & Fertilizer Conference
08.06.2010	EQUITA European Conference
09.06.2010	UBS Global Basic Materials Conference



Note: the chart is based on yesterday's closing prices

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Recommendation structure

Company reports

Terra Markets' recommendations are based on a six-month time horizon and absolute performance adjusted for risk. Near-term dividends are included into return. The table below shows our general guidelines for determining our recommendations:

Risk	Buy / Strong Buy	Hold	Reduce / Sell
Low	> 10%	2% - 10%	< 2%
Medium	> 15%	3% - 15%	< 3%
High	> 30%	5% - 30%	< 5%

The percentages are defined as an upside to our price target plus eventual dividends within six months. Whether a Buy or Strong Buy / Reduce or Sell recommendation is given, depends on the analyst's conviction in the case.

Price targets are based on a combination of several valuation methods. The most frequently used are the Discounted Cash Flow (DCF), Sum Of The Parts (SOTP) and relative valuation methods, depending on the nature of the company.

Our risk assessments range from high risk to medium risk and low risk and are based on a subjective assessment of the following factors: 1) volatility in the share price, 2) liquidity in the share, 3) strength of the balance sheet, 4) the absolute earnings level and trend and 5) estimate risk.

Recommendation distribution as of April 8, 2010

Company reports	Strong Buy	Buy	Hold	Reduce	Sell
Total	5	75	27	9	4
% of total	4%	63%	23%	8%	3%
Corporate clients	1	20	4	0	0
% of total	4%	80%	16%	0%	0%

The table above shows recommendation distribution for all company reports issued during the last three months.

Terra Markets plans to update its recommendations on the companies covered: 1) when new accounting figures are released, 2) if any material news on the company or industry is released, 3) in other important instances.

Weekly Casebook

Terra Markets provides an updated assessments for all the companies in its research universe on a weekly basis in the Weekly Casebook product. Recommendations in Weekly Casebook are based on a 2 to 8-week time horizon and an expected absolute share price performance. In Weekly Casebook, Terra-rating of +2 is defined as Strong Buy, +1 as Buy, 0 as Hold, -1 as Reduce and -2 as Sell. Buy or Strong Buy recommendation is given when the analyst believes the stock price will appreciate in the coming 2 to 8 weeks, Hold recommendation is given when the analyst believes the share price will be flat in the coming 2 to 8 weeks, Reduce or Sell recommendation is given when the analyst believes the share price will depreciate in the coming 2 to 8 weeks. Whether a Buy or Strong Buy / Reduce or Sell recommendation is given, depends on the analyst's conviction in the case. The recommendations in the Weekly Casebook may differ from the recommendations in the company reports due to different time horizons.

Recommendation distribution as of April 8, 2010

Weekly Casebook	Strong Buy	Buy	Hold	Reduce	Sell
Total	8	70	42	15	1
% of total	6%	51%	31%	11%	1%
Corporate clients	2	16	5	2	0
% of total	8%	64%	20%	8%	0%

Trading recommendations

Terra Markets issues trading recommendations, Trading Buy and Trading Sell, which are based on a 1 to 5-day horizon. Trading Buy (Trading Sell) recommendation is given when the analyst believes the stock will rise (fall) on an absolute basis during a 1 to 5-day period. Trading Buy and Trading Sell recommendations may not coincide with our Buy and Sell recommendations given in the company reports on a six-month basis. There will not necessarily be any updates to the trading recommendations.

The selection of trading recommendations is based on the evaluation of short-term market fundamentals, performance of the peer stock prices, expected news flow as well as the companies' fundamental valuation. The comments given with the trading recommendations show the reasoning for them.

Historic and future returns

Please note that historic returns do not guarantee future positive returns from suggested trades. The client may not be able to achieve the same entry and exit prices for his positions. The client return will then deviate from the reported results of the trading. The commission and clearing cost will further reduce the return achieved by the client. Any trade can give a substantial negative result.

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Bond issues: Borgestad, Simtronics.

Advisory: 24SevenOffice, Borgestad, DiaGenic, NattoPharma, NorDiag, Simtronics, Terra Gruppen, Transeuro Energy Corporation.

Market making: 24SevenOffice, AF Gruppen, Aurskog Sparebank, Bellit, Borgestad, Borgestad Industries, Comrod Communication, ContextVision, DiaGenic, Dolphin Interconnect Solutions, Eitzen Maritime Services, Fairstar Heavy Transport, Fara, Hexagon Composites, Indre Sogn Sparebank, Infratek, Kitron, Kongsberg Automotive Holding, NattoPharma, Nes Prestegjelds Sparebank, NorDiag, Nordic Health, Nutri Pharma, Photocure, Playsafe Holding, Scana Industrier, Scandinavian Clinical Nutrition, Simrad Optronics, Simtronics, Teco Maritime, Totens Sparebank, Unison Forsikring, Zoncolan.

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