



Press Release

Amsterdam, the Netherlands / 8 March, 2013 6:00 PM

OCI Comments on Statements from Egyptian Tax Authority and Reiterates Strong Position on Tax Case

OCI N.V.'s subsidiary, Orascom Construction Industries (OCI), in response to yesterday's statement from the Egyptian Tax Authority (ETA), reiterated its strong position on the alleged tax claim further undermining any allegations of tax evasion. The company clarified the following key points:

- In accordance with paragraph 8 of article no. 50 of law no. 91 of 2005, all capital gains resulting from the sale of shares listed on the Egyptian Stock Exchange (EGX) are tax exempt; consequently the sale of Orascom Building Materials Holding (OBMH) to Lafarge SA in 2007 is exempt of any capital gains tax. This law has been the cornerstone of the Egyptian Tax Code and has not been challenged or objected since its ratification. It is important to note that the ETA has not communicated any claims to any listed company on the EGX during the past 7 years.
- The current dispute between the company and the ETA is matter of differences over interpretation of the applicable tax laws and not a matter of tax evasion. The company has been accused of tax evasion even though article no. 133 of law no. 91 of 2005 is not applicable on the transaction. It is important to note that a tax audit on a given company cannot take place unless certain evidence is presented that provides reason to warrant a tax audit.
- The ETA performed a tax audit on the transaction to study the company's rights for tax exemption and concluded that EGP 22.6 billion of the total transaction value of EGP 68.6 billion is subject to tax. The ETA claims that a portion of the transaction occurred in the form of a direct "share swap" despite the fact that the company presented supporting evidence (trade confirmations from various brokers involved in the transaction as well as Lafarge SA's share register immediately after conclusion of the transaction) proving that the sale of OBMH occurred on the EGX in its entirety and that no share swap took place. Today, OCI does not have any ownership in Lafarge SA and never did in the past.
- OCI and its affiliates present their annual tax returns and pay their dues on the legally set dates; the company has consistently filed its tax returns in a timely manner and has provided supporting evidence to the ETA for the period 2007 – 2010. In light of that fact, the company fails to understand how the ETA never brought to its attention an alleged tax claim on the transaction. Furthermore, the company fails to understand how the ETA can simply blame the delay in submitting the tax claim on "errors in examination" by former tax officials.



Press Release

- The ETA claims that the sale of OBMH to Lafarge SA occurred prior to the listing date of OBMH on the EGX. These claims are false as the actual sale never occurred prior to the listing date but occurred 2 months after the company was listed on the EGX.
- The Egyptian Tax code stipulates that a positive revaluation of a company's assets and liabilities is subject to tax. The ETA claims that profits generated from the sale of OBMH should be considered as profits from a revaluation of the company's assets and liabilities. OCI emphasizes that this is void and erroneous. It is clear that the ETA is trying to create a context for tax that does not exist and/or is not applicable. OBMH's shares were sold to Lafarge SA on the EGX through a registered sale and all available evidence of such a sale has been presented.
- The ETA claims that the fees related to the sale of OBMH to Lafarge SA were EGP 3 billion and constituted fees for an investment bank to revalue the company's assets and liabilities. The company fails to understand how the ETA can misconstrue such information when all disclosures related to the transaction have consistently quoted EGP 250 million in fees and the settlement of EGP 2.3 billion in debt to various counterparties. Moreover, the EGP 250 million figure covers conventional transaction fees for bankers, lawyers, advisors and consultants and was not for a revaluation of the company's assets and liabilities as suggested by the ETA. It is again clear that the ETA is attempting to create a context for a tax liability when an incidence does not exist and/or is not applicable.
- Under any normal tax claim, a given company has the right to submit a direct appeal to the ETA's Appeals Committees to request a study of the ETA's objections before a specialized appeals committee, consisting of a justice from the Egyptian Ministry of Justice, two legal auditors and two representatives from the ETA. The role of this committee is to provide an unbiased and independent assessment of the tax claim and help resolve outstanding tax-related matters between the ETA and a given company. The ETA Appeals Committee has requested information pertaining to the claim from the ETA but the request has not been fulfilled to date. It is again indicative that the ETA intends to deprive the company of its legal rights as guaranteed by the law.



Press Release

About OCI N.V.:

OCI N.V. is a global nitrogen-based fertilizer producer and engineering & construction company based in Amsterdam, the Netherlands with operations and plants across the United States, Europe, the Middle East, North Africa, and Central Asia. The Fertilizer Group owns and operates nitrogen fertilizer plants in the Netherlands, the United States, Egypt and Algeria and has an international distribution platform spanning from the Americas to Asia. The Fertilizer Group ranks among the world's top fertilizer producers with a fertilizer production capacity of nearly 7 million metric tons. The Construction Group provides international engineering and construction services primarily on infrastructure, industrial and high-end commercial projects in Europe, the Middle East and North Africa for public and private clients. The Construction Group ranks among the world's top global contractors. OCI N.V. employs more than 90,000 people in 35 countries around the globe and is listed on the NYSE Euronext in Amsterdam.

For additional information contact:

Investor Relations Department

Omar Darwazah
Email: omar.darwazah@orascomci.com

Erika Wakid
Email: erika.wakid@orascomci.com

Hassan Badrawi
Director

Tel: +202 2461 1036/0727/0917

Fax: +202 2461 9409

For additional information about OCI N.V.:

www.ocinv.nl

Herikerbergweg 238,
1101 CM Amsterdam Zuidoost
The Netherlands

OCI N.V. stock symbols: OCI / OCI.NA / OCI.AS