OCI

2013
Annual Report

OCI N.V.

GLOBAL ENTREPRENEURIAL GROWTH
WERELDWIJD ONDERNEMENDE GROEI

Picture on cover
The Iowa Fertilizer Company (IFCo)
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OCI N.V. employs over 72,000 people in 35 countries around the globe and is listed on the NYSE Euronext in Amsterdam.

OCI N.V. is a global natural gas-based fertilizer & chemicals producer and engineering & construction contractor based in the Netherlands.

The Fertilizer & Chemicals Group produces nitrogen fertilizers, methanol and other natural gas-based products, serving agricultural and industrial customers from the Americas to Asia. We rank among the world's largest nitrogen fertilizer producers with current production capacity of nearly 7 million metric tons in the Netherlands, the United States, Egypt and Algeria. We are also the largest merchant methanol producer in the United States, and the world's largest melamine producer.

The Engineering & Construction Group provides international engineering and construction services primarily focused on infrastructure, industrial and high-end commercial projects in the United States, Europe, the Middle East, Africa and Central Asia for public and private clients. The Engineering & Construction Group ranks among the world's top global contractors.

OUR MILESTONES

OCI N.V. has grown from a small family-run construction business into a leading global natural gas-based fertilizer and industrial chemicals and construction conglomerate with projects and investments around the world.

THE EARLY YEARS

1950s

In 1950 Onsi Sawiris founded a construction company in Upper Egypt. By digging waterways and paving roads, he built his businesses into one of Egypt's largest general contractors.

1990s

By the early 1990s, Onsi Sawiris had established Orascom as a leading private sector contractor by working in partnership with international companies pursuing projects in Egypt.

1995

Onsi Sawiris transferred management control to his son, Nassef Sawiris, who embarked upon an ambitious diversification strategy through investments in complementary businesses including cement and building materials.

1999

The Company became Orascom Construction Industries S.A.E. (OCI S.A.E.), and was floated on The Egyptian Exchange at a value of approximately $ 600 million.

THE ENGINEERING & CONSTRUCTION GROUP

2004

Acquired 50% of the BESIX Group, located in Belgium, in a leveraged buyout with management.

2012

Acquired The Weitz Company, located in Iowa, USA.

THE CEMENT GROUP*

1999

Our first cement subsidiary, Egyptian Cement Company commenced commercial operations in April 1999 with a total annual capacity of 1.5 million tons.

2007

The Cement Group had grown to a top 10 worldwide player with 35 million tons of capacity in 12 emerging market countries, and an additional 10 million tons under construction. On 10 December 2007, we announced an agreement with Lafarge SA for the divestment of our Cement Group at an enterprise value of $ 15 billion. OCI distributed $ 11 billion in cash dividends to shareholders that year and retained $ 2 billion as seed money for investments in new industries.

* Divested

THE FERTILIZER & CHEMICALS GROUP

2005

Began construction of Egypt Basic Industries Corporation (EBIC) and acquired a 30% stake.

2008

Used proceeds from the Cement Group divestment to acquire 100% of EFC from Abraaj Capital and another 30% of EBIC from minority shareholders.

2010

Acquired 100% of Royal DSM's fertilizer and melamine assets in Geleen, the Netherlands, which we renamed OCI Nitrogen.

2011

Acquired 100% of Pandora Methanol in Texas, USA, which we renamed OCI Beaumont.

2012

Began the construction of Iowa Fertilizer Company, a 1.5 - 2 million metric ton greenfield nitrates plant in Iowa, USA.

2013

Listed 21.7% of OCI Partners LP on the NYSE in New York and announced the development of Natgasoline LLC, a 1.75 million metric ton greenfield methanol plant in Texas, USA.

The Takeover Offer: BECOMING OCI N.V.

2013

18 January: OCI N.V., a 100% owned subsidiary of OCI S.A.E. incorporated in the Netherlands, launched an offer to acquire all of the outstanding Regulation S global depositary receipts (GDRs) of its parent company, OCI S.A.E., in exchange for ordinary shares in OCI N.V.

25 January: OCI N.V. was admitted to trading on the NYSE Euronext in Amsterdam under the symbol "OCI".

21 February: At the close of the offer, GDR holders representing 75.7% of total shares outstanding accepted to exchange their GDRs for OCI N.V. shares. The transaction positioned OCI N.V. as the parent company to OCI S.A.E. owning 75.7%.

27 June: OCI N.V. also launched a tender offer to acquire all of the outstanding ordinary shares in OCI S.A.E. in exchange for OCI N.V. shares or, at the election of the relevant holder, a cash alternative of EGP 255 per share. At the close of the tender offer, OCI N.V. effectively owned 97.44% of OCI S.A.E.

29 September: OCI N.V. reopened the tender offer to acquire all of the outstanding ordinary shares in OCI S.A.E. in exchange for OCI N.V. shares or, at the election of the relevant holder, a cash alternative. At the close of the offer, OCI N.V. owned 98.88% of OCI S.A.E.

3 December: OCI N.V. reopened the GDR exchange offer through 3 December. At the close of the offer, OCI N.V. effectively owned 99.44% of OCI S.A.E.

2014

19 January – 13 March: OCI N.V. reopened the tender offer. With the final close of the offer, OCI N.V. now owns 99.84% of OCI S.A.E.

2013 HIGHLIGHTS

$ million	2013	2012	% Δ
Revenue	**6,131.8**	**5,286.5**	**16.0%**
EBITDA	**742.3**	**754.7**	**(1.6%)**
EBITDA margin	12.1%	14.3%	
EBITDA excl. one-off items	812.2	754.7	7.6%
EBITDA margin	13.2%	14.3%	
Net Income attributable to shareholders	**295.2**	**(1,887.9)**	**NM**
Net income margin	4.8%	NM	
Total assets	11,446.6	11,061.5	3.5%
Gross interest-bearing debt	6,066.1	5,549.2	9.3%
Net debt (reported)	3,800.0	3,302.4	15.1%
Pro forma net debt (Sorfert proportionally consolidated)	2,954.8	2,579.2	14.6%
Capital expenditure	777.7	458.5	69.6%

Fertilizer & Chemicals Group highlights

- Total fertilizer & chemicals volume sold reached 6.6 million metric tons, a 23.9% improvement over 2012.
- Commissioned Sorfert Algérie, the largest integrated nitrogen fertilizer producer in Africa.
- Announced the development of Natgasoline LLC, the largest merchant methanol production facility in the United States.
- Construction at Iowa Fertilizer Company is currently on track to commence commercial production at the end of 2015.
- Completed the debottlenecking of OCI Nitrogen's calcium ammonium nitrate line.
- Listed 21.7% of OCI Partners LP on the NYSE in New York.
- Divested our 18.1% stake in the Gavilon Group for total proceeds of $ 666.7 million.

Engineering & Construction Group highlights

- Total backlog stood at $ 5.9 billion as at 31 December 2013, with $ 2.8 billion in new awards added during the year despite difficult economic conditions in North Africa.
- Fully integrated The Weitz Company into the Group.
- Contrack integrated Watts Constructors, which was originally part of Weitz, into its operations.
- Launched expansion initiatives in the United States, Middle East, and the Pacific Rim.

Revenue

$ **6.1** BN

EBITDA

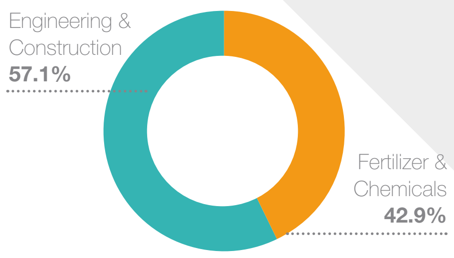
$ **742** M

Net Income

$ **295** M

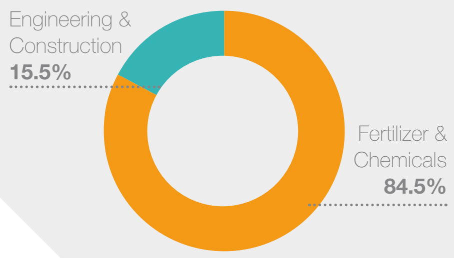
Revenue contribution

%



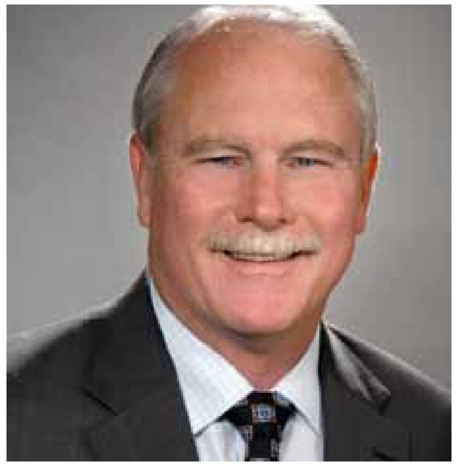
EBITDA contribution

%



WITH OUR LISTING ON THE NYSE EURONEXT IN AMSTERDAM, WE ARE NOW POSITIONED TO FULLY DEDICATE OUR RESOURCES TO PURSUING OUR INVESTMENT MANDATE OF DELIVERING OUTSTANDING VALUE TO OUR SHAREHOLDERS.

LETTER TO SHAREHOLDERS



Michael Bennett
Chairman

Nassef Sawiris
Chief Executive Officer

Dear Shareholders,

We are pleased to present OCI N.V.'s first annual report as a Dutch company listed on the NYSE Euronext in Amsterdam. Our predecessor company, Orascom Construction Industries S.A.E. (OCI S.A.E.) has a long and distinguished history as an Egyptian listed company.

Our origins date back over 60 years; we have grown from a small Egyptian contractor to a global player in natural gas-based fertilizers, industrial chemicals, and engineering and construction.

2013 in perspective

We started 2013 with a full set of challenging assignments that would transform OCI. We are pleased to report that we achieved our goals for the year.

Listing OCI N.V. on the NYSE Euronext in Amsterdam

Our first and foremost challenge was that our growing global businesses demanded a listing location which provided easy access to capital markets. In January 2013, we initiated a series of transactions which repositioned us as a Netherlands-based global construction and chemicals business listed on the NYSE Euronext in Amsterdam.

This was achieved through a tender offer process launched by OCI N.V. to acquire its parent company, at the completion of which OCI N.V. now owns 99.84% of OCI S.A.E. and is the Dutch-listed holding company for all OCI businesses.

Settlement of Disputes in Egypt

We also had to resolve two disputes with the Egyptian government, both of which are described in detail in the Corporate Governance section.

The first was a tax claim regarding the sale of cement assets to Lafarge in December 2007. Despite our conviction that all laws and regulations were soundly applied during the sale of our Cement Group, we entered into a planned payment agreement with the Egyptian Tax Authority.

Following the change in government in July 2013, we decided to appeal the tax claim payments. We presented our case to the Egyptian Public Prosecutor, who investigated over a six month period and exonerated the Company of any tax evasion in a final written opinion published on 18 February, 2014. Based on this assessment, we have petitioned with the Courts in Egypt to nullify the settlement. In anticipation of this petition, we have withheld the second installment of $ 128 million due on 31 December 2013. The Court has set a date of 28 May 2014 for a hearing on the Case.

The second issue was the government's curtailment of the supply of natural gas to our fertilizer plants in Egypt to force us to revise the prices stipulated in our natural gas supply agreements. The dispute was taken to arbitration at the Cairo Regional Centre for International Commercial Arbitration, which ruled in our favour that our commercial contract did not allow for a unilateral price change by the government. Despite this, we agreed on price increases as our Board and management concluded that a prolonged legal process was not in the best interest of our shareholders.

The supply of natural gas improved significantly upon the finalization of the amendment to the natural gas supply agreement, with second half utilization rates improving to 51.5% from 31.2% in the first half at Egypt Basic Industries Corporation, and 61.6% as compared to 44.2% in the first half at Egyptian Fertilizer Company. These were acceptable levels of supply given the fact that 2013 was a difficult year for Egypt's natural gas supply.

Backlog
as at 31 December 2013

$ 5.9 BN

As compared to US 7.0 billion as at 31 December 2012

Fertilizer & Chemicals Group sales volume
as at 31 December 2013

6.6 M

As compared to 5.4 million metric tons in 2012

LETTER TO SHAREHOLDERS
CONTINUED

Growth Initiatives

We maintained our growth focus despite a busy corporate restructuring agenda. Our key achievement in 2013 was the financial closure of a $ 1.194 billion non-recourse project finance municipal bond issuance for Iowa Fertilizer Company (IFCo). IFCo is our wholly owned greenfield 1.5-2 million metric ton capacity nitrogen fertilizer and industrial chemical complex under construction in Wever County, Iowa. The bonds were issued through the Iowa Finance Authority's private activity tax-exempt Midwestern Disaster Area bond program and were rated BB- by rating agencies Standard & Poor's (S&P) and Fitch. The issuance represents the largest non-recourse project finance transaction ever sold in the United States' (US) tax-exempt market.

IFCo is the first world scale natural gas-based fertilizer plant built in the US in nearly 25 years and is a significant milestone in establishing OCI N.V. as a key player in the US nitrogen fertilizer market.

We began developing this project in 2011 with the aim to capitalize on the country's shale gas revolution, which we believed would make the United States a low-cost energy producer. We were also cognizant of the urgency to be a first mover in the greenfield nitrogen fertilizer sphere, as we believed that there was room for only a limited number of new plants in the US. By moving quickly to establish IFCo in the heart of the Corn Belt, we have been able to achieve important business objectives and positioning.

We were also successful in commissioning Sorfert Algérie, a 2.86 million metric ton gross capacity ammonia and granular urea greenfield production facility that we have developed in partnership with Sonatrach, the Algerian oil and gas authority, after overcoming several obstacles. We are pleased to report that the plant is running at full capacity in April 2014.

In addition, we launched an expansion program at OCI Beaumont, our wholly owned integrated ammonia and methanol production facility in Beaumont, Texas. OCI Beaumont is debottlenecking its ammonia and methanol capacity to increase production to 305 thousand metric tons and 913 thousand metric tons of annual capacity, respectively. To finance this debottlenecking, we launched an initial public offering (IPO) for 21.7% of OCI Partners LP in the master limited partnership (MLP) market in October, which raised $ 315 million in total proceeds. OCI Partners LP is the owner and operator of OCI Beaumont. We believe that the listing of OCI Partners LP on the NYSE in New York has increased our visibility in the United States and will enhance our options in positioning our US businesses in the future.

Our Strategy – 2014 Onwards

Our strategy for 2014 and beyond focuses on three key segments:

1. Global Player in Nitrogen Fertilizers

We are on course to significantly grow our position as a leading global player in the nitrogen fertilizer industry, with a uniquely competitive cost model and a significant trade and distribution business. Our total nitrogen fertilizer capacity is expected to reach 8.8 million metric tons in 2016 from 6.6 million metric tons at the end of 2013. We will be comfortably positioned as a top three global producer of nitrogen fertilizers once Iowa Fertilizer Company starts production in the fourth quarter of 2015.

2. A Growing Methanol Business in the United States

In addition to its industrial uses, we believe methanol has further potential as a clean direct fuel substitute for vehicles in the US as is already the case in China. In addition to the debottlenecking program at OCI Beaumont, which will increase our annual methanol production capacity to 913 thousand tons, our Board has approved the development of Nagasoline LLC, a 1.75 million metric ton per year greenfield methanol production facility, which is expected to commission at the end of 2016. This plant will also be located in Beaumont, Texas and will be the largest merchant methanol producer in the country. We held a groundbreaking ceremony to mark the start of site preparation works on 20 March, 2014. Once these initiatives are complete, our methanol production capacity will reach 2.7 million metric tons per annum positioning us as a top five global producer.

We are continually evaluating similar opportunities in the industrial chemicals space where we can benefit from the US's global natural gas price advantage and from our position as a first mover.

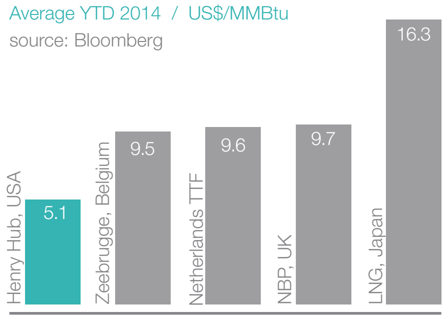
3. Global Infrastructure Recovery through our Engineering & Construction Group

Our strategy for the Engineering & Construction Group going forward is to strengthen our wholly owned entities and focus on our core markets in the Middle East & North Africa and the United States, which are all populous nations with significant infrastructure spending programs.

We have worked diligently to further develop our global construction business. Following the acquisition of The Weitz Company (Weitz) in 2012, we integrated this Iowa-based construction company with over 160 years of experience into our Engineering & Construction Group during 2013. Weitz has contributed 1,120 people on the ground in the US and 2013 revenues of more than $ 400 million to our construction business.

We believe that the US construction market is set to recover and that our other key construction markets in the Middle East will continue to show strength. We are well positioned in our construction markets and will continue to assess and selectively pursue accretive infrastructure investments in which we can utilize our development and construction expertise.

Natural Gas Benchmark Spot Prices
Average YTD 2014 / US$/MMBtu
source: Bloomberg



Our Board has approved the development of Nagasoline LLC, a 1.75 million metric ton per annum greenfield methanol production facility in Beaumont, Texas.

Our Engineering & Construction Group will also continue to play a vital role in our pursuit of value enhancing greenfield opportunities, where we have developed an effective system to self-perform our greenfield and brownfield plants on an accelerated timeline, significantly shrinking the cycle time from conception to production.

Our Divestment Program

It is our policy to evaluate the performance of minority investments in which we have no management control as financial investment assets. If a business becomes non-core or has reached a certain level of maturity, we actively pursue monetizing the business through divestment.

During the year, the Gavilon Group (Gavilon), a commodity management firm owned by Ospraie Management, General Atlantic, Soros Fund Management and OCI N.V., was divested in two transactions.

In July, the Gavilon grains and fertilizer businesses were acquired by Marubeni for $ 2.7 billion equity plus the assumption of $ 2.0 billion in debt. In November, the Gavilon energy business was acquired by NGL Energy Partners LP for a cash purchase price of $ 890 million on a cash-free, debt-free basis. We received total cash proceeds of $ 666.7 million for our 18.1% stake in Gavilon. We acquired a 20% stake in Gavilon in 2008 for $ 340 million.

In line with our strategy for the Engineering & Construction Group, we are considering to divest our 50% stake in BESIX Group, a Belgian engineering and construction contractor that we jointly acquired with its management in a leveraged buyout in 2004. Discussions with interested parties have been initiated. Since its acquisition by OCI and management, BESIX has grown its revenues and profits several fold. We expect to divest our 13.5% share in Notore Chemical Industries, a granular urea and bulk blended NPK producer and exporter in Nigeria, in 2014.

Marching Ahead - A Global Company Listed on the NYSE Euronext in Amsterdam

We are proud of our new identity as a global Dutch company listed on NYSE Euronext in Amsterdam and are committed to delivering outstanding value to our shareholders. In March 2014, we were added to the AEX 25 index, a widely followed index of the largest companies on NYSE Euronext in Amsterdam based on market value and free float.

We are also fully committed to adhering to Dutch corporate governance and risk management best practices. We are working diligently to integrate the policies and controls recommended by the Dutch code, building upon more than a decade of strong and transparent corporate governance frameworks implemented at our predecessor company.

2013 was an exceptional year during which we repositioned the Company for sustainable future growth. Our success in this colossal endeavour would not have been possible without the support of our Board of Directors, who stepped up to their role when we were still going through a tumultuous transition period. This transformation would also not have been possible without the unwavering commitment of our employees, who remained dedicated to the Company and worked tirelessly to achieve our objectives despite having to endure some difficult circumstances.

In 2014, we are energized to achieve our growth objectives.

COMPANY OVERVIEW

We aspire to be a company that our clients are proud to work with and our employees are proud to work for, a company committed to delivering quality work and products safely and on schedule.

OUR STRATEGY

Cement our unique position as a leading global nitrogen fertilizer producer and distributor that is a sustainably low cost producer on a global scale, with production assets in both developed and emerging markets.

Capitalize on opportunities in the United States where we have taken a view on the long-term sustainability of low natural gas prices.

Capture the global infrastructure recovery through our Engineering & Construction Group by targeting large, complex construction projects in developed and emerging markets and working in partnership with global leaders.

Commit to being a good corporate citizen wherever we operate by investing in the best people and technologies and maintaining the highest international standards of quality and safety.

Create exceptional shareholder value.

OUR VALUES

Excellence in every aspect – premium quality and performance resulting from our expertise, passion, and attention to detail.

Exceptional value – value based on the depth of our financial resources, our local knowledge and our technical expertise.

Constructive partnerships – strong, enduring relationships with clients and partners based on trust, transparency and results.

Safety focused – a primary consideration in every aspect of our operations.

Setting global standards and respecting local sensitivities – putting our expertise and experience to work for our clients, our partners and our host communities.

Developing our people to match global standards and maintaining a commitment to use local materials and suppliers.

A company with an entrepreneurial mindset ready to embrace new opportunities and driven to deliver exceptional value.

OUR CORE STRENGTHS

Our people – their expertise, hunger for knowledge and passion to excel. Above all, their loyalty and commitment to OCI N.V.

Our resources – capital resources that enable us to respond faster than our competitors.

Our experience – a tradition of excellence and achievement reaching back over 60 years; an ability to share our clients' perspective that gives us a unique understanding of their needs throughout the project cycle.

Our investment capability – financial resources that allow us to partner with clients as both an investor and a contractor.

Our entrepreneurial attitude – the ability to self-perform coupled with a strong appetite for investment and diversification to grow our business and increase revenue streams.

THE FERTILIZER & CHEMICALS GROUP

OCI N.V. is a leading global producer and distributor of natural gas-based fertilizer and industrial chemicals, with plants in the Netherlands, the United States, Egypt, and Algeria.

We produce a diversified portfolio of nitrogen fertilizers and industrial chemicals, including anhydrous ammonia, granular urea, urea ammonium nitrate (UAN), calcium ammonium nitrate (CAN), methanol, and melamine. We are the world's largest melamine producer, Europe's second largest CAN producer, and the largest merchant methanol producer in the US. In 2016, we will add Diesel Exhaust Fluid (DEF) to our portfolio.

In addition to our production capacity, we are the world's largest distributor of ammonium sulphate (AS), with up to 1.75 million metric tons of capacity available for distribution from two off-take agreements.

Our Fertilizer & Chemicals Group began in 2005 as a single minority investment in Egypt Basic Industries Corporation (EBIC). Today, we have the capacity to produce more than 7.5 million metric tons of nitrogen-based fertilizers and industrial chemicals, and growth initiatives that will take our global capacity to nearly 12 million metric tons in 2017.

Design capacities[1]

Plant	Country	Ammonia Gross	Ammonia Net[5]	Urea	UAN[6]	CAN	Fertilizer for sale	Methanol	Melamine	DEF	Total chemecals for sale
Egyptian Fertilizers Company[2]	Egypt	800	-	1,550	-	-	1,550	-	-	-	1,550
Egypt Basic Industries Corporation	Egypt	730	730	-	-	-	730	-	-	-	730
OCI Nitrogen[3]	Netherlands	1,130	350	-	250	1,400	2,000	-	190	-	2,190
Sorfert Algérie	Algeria	1,600	800	1,260	-	-	2,060	-	-	-	2,060
OCI Beaumont	USA	265	265	-	-	-	265	730	-	-	995
Year end 2013		**4,525**	**2,145**	**2,810**	**250**	**1,400**	**6,605**	**730**	**190**	**-**	**7,525**
OCI Beaumont Post Expansion	USA	305	305	-	-	-	305	913	-	-	1,218
Year end 2014		**4,565**	**2,185**	**2,810**	**250**	**1,400**	**6,645**	**913**	**190**	**-**	**7,748**
Iowa Fertilizer Company[4]	USA	770	185	420	1,505	-	2,110	-	-	315	2,425
Year end 2015		**5,335**	**2,370**	**3,230**	**1,755**	**1,400**	**8,755**	**913**	**190**	**315**	**10,173**
Natgasoline LLC	USA	-	-	-	-	-	-	1,750	-	-	1,750
Year end 2016		**5,335**	**2,370**	**3,230**	**1,755**	**1,400**	**8,755**	**2,663**	**190**	**315**	**11,923**

Note: all tonnage is in thousand metric tons per year and refers to total design capacity, Iowa Fertilizer Company and Natgasoline LLC volumes are estimates.

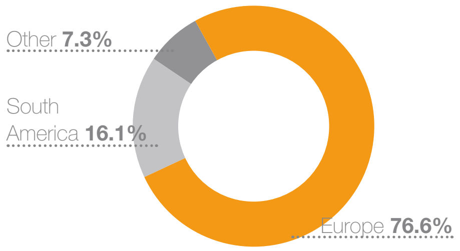
[1] Capacities not adjusted for OCI's stake in considered plant; [2] Also has a 325 thousand metric ton per year (ktpa) UAN line to capitalize on seasonal UAN price premiums over urea (swing capacity); [3] Also has 500 ktpa of captive urea liquor capacity used to produce downstream products; [4] IFCo design capacities apart from net ammonia are gross capacities and cannot all be achieved at the same time; [5] Net ammonia is remaining capacity after downstream products are produced; [6] Excludes EFC UAN swing capacity.




OCI Nitrogen

OCI Nitrogen is Europe's second largest integrated nitrates fertilizer producer and the world's largest melamine producer. It is capable of producing over 2 million metric tons of sellable fertilizer products annually through six interconnected plants located on a fully integrated management site in Geleen, the Netherlands, complemented by a melamine production facility in China.

2013 sales by region



Employees

800

Ownership

100%

Calcium Ammonium Nitrate
Annual capacity / million tons

1.4

Anhydrous Ammonia
Annual gross capacity / million tons

1.1

Urea Ammonium Nitrate
Annual capacity / thousand tons

250

Melamine
Annual capacity / thousand tons

190




OCI Partners LP is a master limited partnership that owns and operates OCI Beaumont, an integrated methanol and ammonia production facility that is strategically located on the Texas Gulf Coast near Beaumont. The Partnership is headquartered in Nederland, Texas.

Methanol
Annual capacity / thousand tons

730

Anhydrous Ammonia
Annual capacity / thousand tons

265

OCI Partners LP (OCI Beaumont)

The plant has two ammonia tanks with a total capacity of 33,000 tons and two methanol storage tanks with a total capacity of 44,000 tons. In addition, the plant has pipeline connections to adjacent customers and port access with dedicated methanol and ammonia import/export jetties to ship both products along the Gulf Coast.

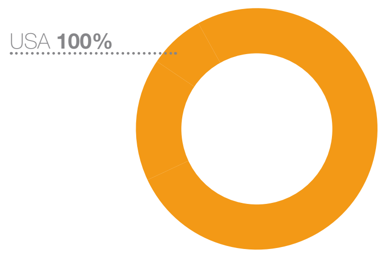
The integrated methanol-ammonia facility was started up in the late 1960's. The methanol unit was modernized in the early 1980's using Lurgi GmbH's Low Pressure Methanol technology and the ammonia line was started up in 2000 based on the Haldor Topsøe technology.

OCI acquired the facility from the Eastman Chemical Company in 2011 and thoroughly rehabilitated both production lines with the ammonia line commissioning in November 2011 and the methanol line commissioning in July 2012.

A 21.7% stake in OCI Partners LP was listed on the NYSE in New York in October 2013 under the symbol "OCIP".

During the fourth quarter of 2014, OCI Beaumont is expected to complete its debottlenecking program of both production lines to increase methanol production by approximately 25% to 913 thousand metric tons per year, and ammonia capacity by approximately 15% to 305 thousand metric tons per year.

2013 sales by region



Employees

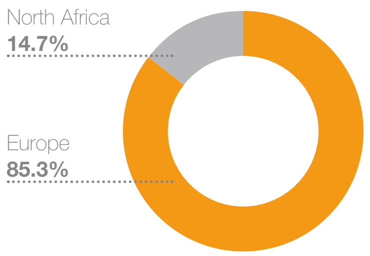
102

Ownership

78.3%

Sorfert Algérie

2013 sales by region



Sorfert Algérie is the largest integrated nitrogen fertilizer producer in Africa, capable of producing 1.26 million tons of granular urea and 1.6 million tons of gross anhydrous ammonia

Formed in 2006, Sorfert is a 51% OCI owned joint venture with Algeria's state-owned oil and gas authority, Sonatrach. The plant's total investment cost was € 1.6 billion and is located in the Arzew industrial complex in northwest Algeria 35 kilometers east of Oran, with direct access to two Algerian ports.

Sorfert commissioned in August 2013 and exports its products primarily to Western Europe, the US and South America.

OCI constructed the plant in partnership with Uhde, which supplied the process technology. As a local Algerian company, Sorfert provided significant employment opportunities during its construction and continues to do so as an operational plant.

Anhydrous Ammonia
Annual gross capacity / million tons

1.6

Granular Urea
Annual capacity / million tons

1.26

Employees

713

Ownership

51%

Iowa Fertilizer Company (IFCo)

The Iowa Fertilizer Company (IFCo) is a wholly owned greenfield nitrogen fertilizer and industrial chemical complex currently under construction in Wever County, Iowa. Scheduled for commissioning in late 2015, the plant is expected to produce 1.5 - 2 million tons of nitrogen fertilizers and diesel exhaust fluid per year.

Ownership

100%

IFCo was first envisioned in November 2011 as part of the OCI Fertilizer & Chemicals Group's strategic expansion into the US. At a total investment cost of $ 1.8 billion, the plant is the first world scale natural gas-based fertilizer plant built in the United States in nearly 25 years.

The plant received its air permit on 26 October 2012 from the Iowa Department of Natural Resources (IDNR). The plant's fixed turnkey Engineering, Procurement, and Construction (EPC) contract was awarded to the OCI Engineering & Construction Group, with subcontracting contracts awarded to several Iowa-based engineering and construction companies.

IFCo will utilize proven state-of-the-art production process technologies from world leaders. Kellogg Brown & Root LLC (KBR), Stamicarbon, and Uhde have been selected to supply the process technologies for the plant.

Construction work on the plant broke ground on 19 November 2012, and commercial operations is anticipated to be in the second half of 2015. The project is funded by a combination of equity and a non-recourse project finance tax-exempt municipal bond issuance. IFCo will create approximately 2,500 construction jobs during the construction period and over 200 permanent jobs once the plant is commissioned.

Urea Ammonium Nitrate
Expected annual gross capacity / million tons

1.5

Anhydrous Ammonia
Expected annual gross capacity / million tons

0.8

Granular Urea
Expected annual gross capacity / thousand tons

420

Diesel Exhaust Fluid
Expected annual gross capacity / thousand tons

315

THE FERTILIZER & CHEMICALS GROUP
CONTINUED

Natgasoline LLC

Natgasoline LLC is a new wholly owned greenfield methanol production complex being developed in Beaumont, Texas. The world-class plant is expected to have a capacity of up to approximately 1.75 million metric tons per year, and is expected to start production in late 2016. It will be the largest methanol production in the US based on nameplate capacity.

The project will use state-of-the-art methanol technology and will incorporate best available environmental control technology. The plant will take up a portion of a 514 acre plot of land owned by OCI, adjacent to OCI Beaumont. The plant's total investment cost is expected to be approximately $ 1 billion. Air Liquide's engineering and construction division, Air Liquide Global E&C Solutions, will supply its proven and efficient Lurgi MegaMethanol® process technology.

The project has been awarded a grant of $ 2.1 million from the Texas Enterprise Fund, as well as incentive commitments from local entities. OCI estimates that the project will create approximately 3,000 construction jobs over the next three years and has committed to create 240 permanent jobs.

Ownership

100%

Methanol
Expected annual capacity / million tons

1.75

Granular Urea
Annual capacity / million tons

1.55

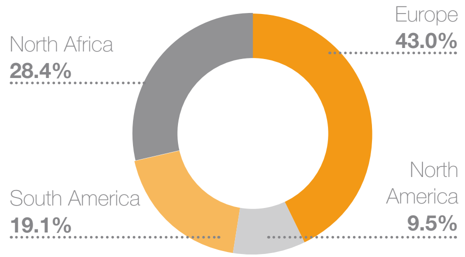
Egyptian Fertilizers Company (EFC)

Egyptian Fertilizers Company (EFC) is the largest private sector integrated nitrogen fertilizer producer in Egypt.

The plant is capable of producing 1.55 million metric tons per year of granular urea through two identical production lines. The production lines were constructed by the OCI Engineering & Construction Group in 2000 and 2006 in collaboration with Uhde. The facility also includes a 325 thousand metric ton per year UAN blending unit, which was added on-site in 2010.

OCI purchased a 20% stake in EFC in 2007 alongside Abraaj Capital (now The Abraaj Group), a leading private equity firm based in the United Arab Emirates (UAE). In 2008, OCI acquired the entire company for a total enterprise value of $ 2.7 billion. OCI paid a combined cash and shares equity consideration of $ 1.59 billion and assumed $ 1.1 billion in net debt.

2013 sales by region



Employees

824

Ownership

100%

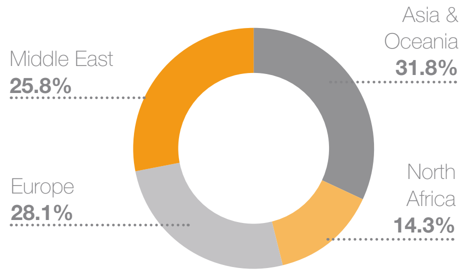
Egypt Basic Industries Corporation (EBIC)

Egypt Basic Industries Corporation (EBIC) is an export-focused state-of-the-art 0.73 million metric ton per year greenfield ammonia plant. It is the only merchant ammonia producer in the Middle East and utilizes KBR's commercially proven KBR Advanced Ammonia Process (KAAP) technology.

The plant also owns and is connected by pipeline to two 40 thousand metric ton refrigerated ammonia storage tanks next to the loading jetty at Sokhna Port.

The plant was established in 2006 in partnership with KBR, government-owned EGAS, and a number of private investors. The OCI Engineering & Construction Group completed construction of the plant in 2009. OCI increased its stake to 60% from 30% in 2008 by buying out several minority investors.

2013 sales by region



Anhydrous Ammonia
Annual capacity / thousand tons

730

Employees

324

Ownership

60%

OCI Fertilizer Trading (OFT)

OCI Fertilizer Trading (OFT) is our in-house global trading and distribution arm based in Dubai, UAE. Over the last four years, OFT has strategically focused on developing a global trading and distribution network that positions us as one of the world's most efficient and accessible nitrogen fertilizer companies. The OCI Fertilizer & Chemicals Group maintains good relations with major international fertilizer traders, but mainly sells directly to customers through a strong distribution presence in Europe and the Americas.

OFT benefits from strategic access to ports in Europe, North Africa, and the US Gulf Coast. OCI Terminal Europoort, our wholly owned ammonia terminal, is located on the port of Rotterdam; OCI Beaumont has access to jetties on the US Gulf Coast; EFC and EBIC are located directly at Sokhna Port on the Red Sea, and Sorfert has direct access to two ports in Algeria on the Mediterranean.

In addition, OFT is the second largest exporter of nitrogen-based fertilizers into Brazil through a 50/50 joint venture with FITCO, the country's largest fertilizer distributor. OFT has also captured a significant share of the Brazilian ammonium sulphate (AS) market through the joint venture.

OFT has further expanded its capabilities into ammonia trading by chartering the Prins Maurits, an 11 thousand metric ton ammonia vessel able to ship up to 250 thousand tons per year to Europe and the Mediterranean, for two years.

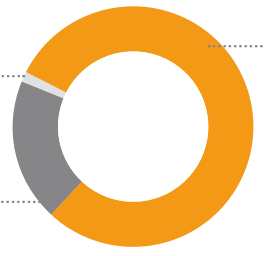
OFT's global warehousing capacity (excluding the FITCO joint venture) exceeds 1.1 million metric tons of liquid and dry bulk storage capacity across Europe, North Africa and the United States.

With offices in Europe, the Americas and the Middle East and sales in over 25 countries, our global presence with centralized management allows us to mitigate the effects of regional demand seasonality and maximize freight advantages across locations and product mix.

Ammonium Sulphate Distribution
Annual capacity / million tons

1.75

2013 Trading by region



Ownership

100%

Warehousing capacity
million metric tons

1.1

THE FERTILIZER & CHEMICALS GROUP MARKET PERFORMANCE

MARKET PERFORMANCE

Nitrogen Fertilizer

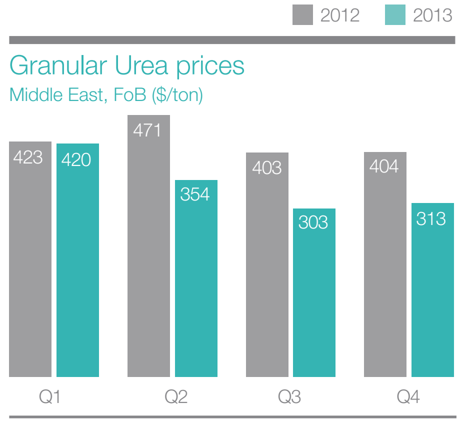
2013 started well with nitrogen prices firming in the first quarter in anticipation of a strong European spring season. However, adverse weather conditions, lower crop prices and high Chinese exports resulted in nitrogen prices declining continuously into the third quarter, despite demand growth of about 2% in 2013.

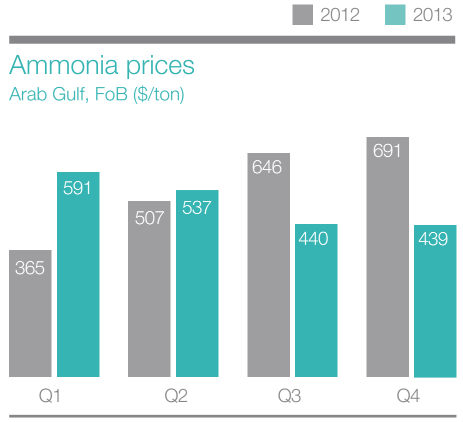
The tightness of the ammonia market in 2012, which had led to a sharp increase in prices, slowly gave way in 2013. Reduced demand from Indian NPK producers, subdued purchasing activity from industrial users in Asia, weaker phosphates markets globally, and falling urea prices resulted in a supply-driven market and ammonia price levels hitting early 2012 levels. This was also compounded by new ammonia capacity coming on-stream in the second half of 2013, but was somewhat offset by limited export availability out of the Middle East and North Africa, cutbacks in Trinidad and shutdowns in Ukraine.

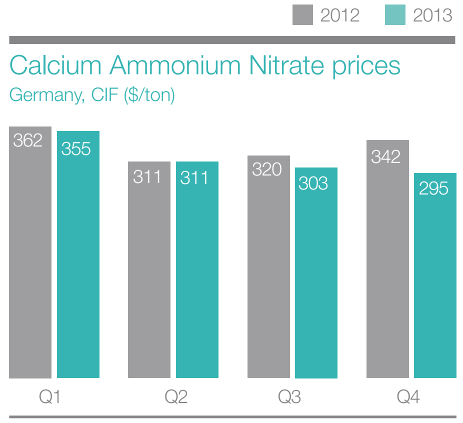
Exports from China increased sharply from the start of the low-tax season on 1 July to 31 October, during which time nitrogen fertilizer exports from China were charged at 2% tax instead of the 77% tax in addition to RMB 40 per ton (c. $ 6.5 per ton) during the rest of the year. Exports from China during the low-tax season were higher than anticipated due to a poor spring season coupled with increased production and lower coal prices, putting further pressure on prices.

Affected by depressed international urea prices, both CAN and UAN prices softened throughout 2013. Whereas in 2012 the usual seasonal CAN price trend was observed with increasing prices towards year end, in 2013 prices did not follow this trend due to the low urea prices at that time.

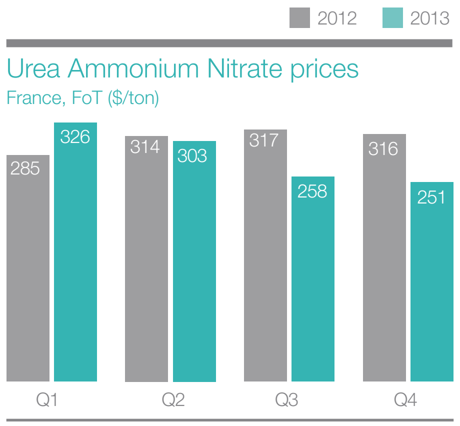
UAN prices in 2012 and 2013 were more or less in line with the price trend for CAN, at some discount to CAN prices. The only exception was the first quarter of 2013, when a combination of abundant supply and very low demand, coupled with low temperatures due to which the first application was significantly delayed, led to temporary depressed UAN prices.

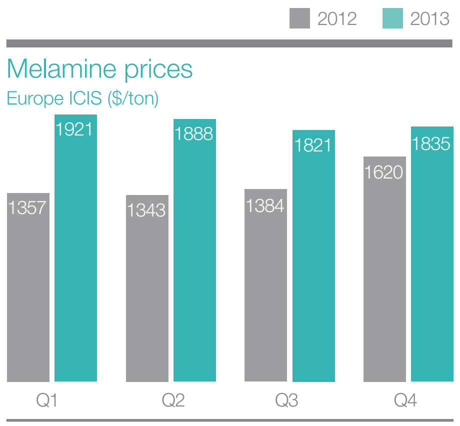


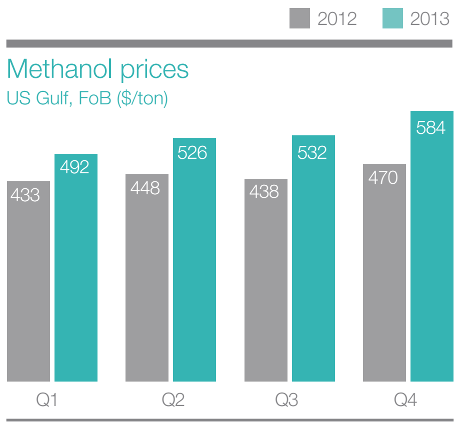




THE FERTILIZER & CHEMICALS GROUP – MARKET PERFORMANCE CONTINUED







Methanol

The primary use of methanol is to produce other chemicals, with approximately two thirds of global methanol demand in 2013 being used to produce formaldehyde, acetic acid and a variety of other chemicals that form the foundation of a large number of chemical derivatives. These derivatives are used to produce a wide range of products, including adhesives for the lumber industry, resins, paints and varnish removers, solvents for the textile industry and polyester fibers for clothing and carpeting. Methanol is also used as a direct fuel for automobile engines, as a fuel blended with gasoline and as an octane booster in reformulated gasoline.

Historically, demand for methanol in chemical derivatives has been closely correlated to levels of global economic activity, industrial production and energy prices, the latter due to the growing use of methanol in energy applications. Because methanol derivatives are used extensively in the building industry, demand for these derivatives rises and falls with building and construction cycles, as well as the level of production of wood products, housing starts, refurbishments and related customer spending. Demand for methanol is also affected by automobile production, durable goods production, industrial investment and environmental and health trends. As a result of improving economic conditions, demand has increased since 2009.

The methanol market continued to be healthy in 2013. Demand and prices increased steadily throughout the year and stronger prices were predominantly due to supply issues over the course of the year caused by political unrest, natural gas supply restrictions or, in some cases, higher natural gas prices.

We believe that we are well-positioned in this market and that our strategic location on the Texas Gulf Coast positions us as a key local supplier. We enjoy a cost advantage relative to producers based outside of the US due to the use of US natural gas feedstock and low transportation costs.

Melamine

The melamine industry has suffered global production problems over the last year, caused by unexpected turnarounds in Europe and shutdowns in Asia. The resulting low producer inventory levels, especially in the Americas and Europe, and lack of sufficient supply put upward pressure on melamine prices between the third quarter of 2012 and the second quarter of 2013, especially in Europe. Prices remained high throughout 2013 due to planned and unplanned turnarounds and a better-than-anticipated global demand for melamine.

THE FERTILIZER & CHEMICALS GROUP OPERATIONAL REVIEW

During 2013, the Fertilizer & Chemicals Group focused on commissioning Sorfert and on completing OCI Nitrogen's CAN debottlenecking program. Both projects were successfully completed during the year to add nearly 2.3 million tons of sellable capacity to our portfolio. We are also making progress in developing new greenfield projects, with IFCo's construction on schedule and Natgasoline LLC breaking ground on 20 March, 2014.

OPERATIONAL PERFORMANCE

Despite a challenging first half of 2013, the Fertilizer & Chemicals Group's revenue grew 7.5% year-on-year to $ 2,633.2 million, driven by an 18.8% improvement in total produced and traded nitrogen fertilizer volumes sold over 2012 reaching 5.9 million metric tons of during the year. Our Fertilizer & Chemicals Group also sold 0.76 million metric tons of downstream nitrogenous products, an 84.7% improvement over 2012.

In total, OCI sold 6.6 million tons of nitrogen-based fertilizer and industrial chemical products in 2013 to customers in more than 25 countries across Europe, the Americas, Asia and Africa. OCI sold 3.3% of the world's traded granular urea, 6.6% of the world's merchant ammonia, 13.2% of traded calcium ammonium nitrate (CAN), 7.6% of traded urea ammonium nitrate (UAN), 14.9% of traded ammonium sulphate (AS), 11.4% of traded melamine and 8.5% of total methanol sold in the US.

Our Fertilizer & Chemicals Group's blended EBITDA margin stood at 23.9% for the year, and was affected by several factors:

Natural Gas Supply Disruptions in Egypt

In Egypt, both EFC and EBIC suffered from significant natural gas supply curtailments resulting in low utilization rates during the year. The curtailments began in November 2012 when the Egyptian government demanded the revision of the natural gas prices paid by each plant. This was despite the fact that our plants had legally water-tight long-term natural gas supply agreements with the government. The government also initiated an arbitration proceeding at the Cairo Regional Centre for International Commercial Arbitration to enforce a unilateral increase of the natural gas price by government decree.

In June 2013, the Cairo Regional Centre for International Commercial Arbitration ruled in our favor that our commercial contract did not allow for a unilateral price change by the government.

Despite the arbitration ruling, the gas curtailments continued. OCI N.V.'s Board and management then decided that it was in the best interest of OCI shareholders to reach an amicable gas price increase settlement with the Egyptian natural gas provider.

000 metric tons	2013	2012	% change
Urea	**1,428.1**	**1,357.3**	**5.2%**
OCI Produced	834.0	1,187.6	(29.8%)
Third Party Traded	594.1	169.7	250.0%
Ammonia	**1,209.5**	**1,264.6**	**(4.4%)**
OCI Produced	1,029.9	1,228.0	(16.1%)
Third Party Traded	179.6	36.6	390.7%
CAN	**1,131.0**	**1,260.0**	**(10.2%)**
OCI Produced	1,131.0	1,260.0	(10.2%)
UAN	**464.0**	**296.0**	**56.8%**
OCI Produced	358.1	276.0	29.7%
Third Party Traded	105.9	20.0	429.5%
AS	**1,648.5**	**771.7**	**113.6%**
Third Party Traded	1,648.5	771.7	113.6%
Total Fertilizers	**5,881.1**	**4,949.7**	**18.8%**
OCI Produced	3,353.0	3,951.7	(15.2%)
Third Party Traded	2,528.1	998.0	153.3%
Melamine	**146.5**	**158.6**	**(7.6%)**
Methanol	**610.9**	**251.5**	**142.9%**
Total Industrial Chemicals	**757.4**	**410.1**	**84.7%**
Total Fertilizer & Chemicals Group	**6,638.5**	**5,359.8**	**23.9%**
OCI Produced	4,110.4	4,361.8	(5.8%)
Third Party Traded	2,528.1	998.0	153.3%

In August 2013, we agreed to amend the natural gas prices subject to final approvals by the government. The basis of the new agreement is a revenue sharing mechanism where the floor price is contingent upon minimum gas supply quantities, as well as a pricing formula based on weighted-average selling price of urea.

The supply of natural gas improved significantly upon the finalization of the amendment to the natural gas supply agreement, with second half utilization rates improving to 51.5% in the second half of 2013 from 31.2% in the first half at Egypt Basic Industries Corporation, and 61.6% in the second half as compared to 44.2% in the first half at Egyptian Fertilizer Company. These were acceptable levels of supply given the fact that 2013 was a difficult year for Egypt's natural gas supply.

Revision of Shareholders Agreement with Sonatrach

As we neared the commissioning for Sorfert, our partner Sonatrach, the Algerian oil and gas authority, felt that it needed to revise the economic profit sharing terms, and required the revision to take place prior to plant commissioning. This resulted in a delay in commissioning of several months as we renegotiated the terms.

In May 2013, we reached a mutually beneficial agreement with Sontrach to amend the economic terms of the Shareholders Agreement. The revised agreement is based on the principle of a super dividend that guarantees OCI N.V. an acceptable compounded return on our investment equivalent to dividends net of any taxes of $ 120 million per year. After we achieve these returns, Sonatrach will get a larger share of any additional dividends.

Once the amendment was reached, Sorfert saw an appreciable progress in commissioning in August 2013. The plant suffered impediments in ramping up its production due to delays in certain regulatory approvals, impacting production in the fourth quarter. We are, however, pleased to report that production has reached full capacity in April 2014.

THE FERTILIZER & CHEMICALS GROUP – OPERATIONAL REVIEW CONTINUED

Prepayment of Long-term Contract at OCI Beaumont

OCI Beaumont contributed positively to EBITDA margins despite a $ 15.6 million prepayment of a long-term contract impacting EBITDA during the first half of the year.

Greenfields and Expansions

During the year, the Fertilizer & Chemicals Group continued to expand its global presence by developing of a strong foothold in the United States.

Iowa Fertilizer Company

Iowa Fertilizer Company (IFCo), our greenfield nitrates plant located in Wever County, Iowa, is the first world scale natural gas-based fertilizer plant built in the United States in nearly 25 years. Construction was 39% complete as at 31 March 2014, and the facility is expected to produce 1.5 - 2 million metric tons of nitrogen fertilizer per year upon commissioning in late 2015. IFCo will sell its products domestically and, as a first mover, will be a key player in the effort to reduce the United States' dependence on imported fertilizers.

The plant's total investment cost is approximately $ 1.8 billion. In May 2013, we successfully closed a $ 1.194 billion non-recourse project finance municipal bond issuance through the Iowa Finance Authority's private activity tax-exempt Midwestern Disaster Area bond program, together with placing $ 576 million in an equity escrow account to achieve financial close. We believe that establishing IFCo is a significant milestone in establishing OCI N.V. as a key player in the United States nitrogen fertilizer market.

The bonds were rated BB- by both ratings agencies Standard & Poor's (S&P) and Fitch. The issuance represents the largest non-recourse project finance transaction ever sold in the US tax-exempt market.

In addition, the Iowa Economic Development Authority (IEDA) board unanimously approved a comprehensive state financial incentive package expected to provide state tax relief in the order of $ 100 million. The Iowa Department of Transportation (IDOT) board will also consider financial assistance for project-related public infrastructure improvements.

We began developing this project in 2011. We were eager to capitalize on the country's shale gas revolution, which we believed would make the United States a low-cost energy producer. We were also cognizant of the urgency to be a first mover in the greenfield nitrogen fertilizer sphere, as we believed that there was room for only a limited number of new plants in the United States. By moving quickly to establish IFCo in the heart of the Corn Belt, we have been able to achieve important business objectives and positioning.

OCI Beaumont Debottlenecking

OCI Beaumont, which is owned and operated by OCI Partners LP, enjoyed its first full year of production in 2013. OCI Beaumont has made significant headway in establishing itself as a key ammonia and methanol producer in the US Gulf.

OCI Beaumont is currently undertaking a debottlenecking project that is expected to increase its annual methanol production capacity by 25% to approximately 913 thousand metric tons and its annual ammonia production capacity by 15% to approximately 305 thousand metric tons. The project is expected to be completed during the fourth quarter of 2014.

Natgasoline LLC

On 21 November, 2013, OCI N.V. announced the establishment of Natgasoline LLC, a wholly owned subsidiary that will construct a new world-scale greenfield methanol plant in Beaumont, Texas. The plant is expected to have a production capacity of up to 5,000 metric tons per day (tpd), equivalent to approximately 1.75 million metric tons per year, and is scheduled to commission in late 2016. It will be the first methanol facility of this scale in the United States and will be the country's largest methanol production facility based on nameplate capacity.

The project will use state-of-the-art methanol technology and will incorporate best available environmental control technology. License and engineering design agreements with Air Liquide for Lurgi MegaMethanol® process technology were signed in February 2014. Natgasoline LLC submitted applications for environmental approvals at both state and federal levels and expects to receive a response in the second quarter of 2014. The plant will take up a portion of a 514 acre plot of land owned by OCI and will be adjacent to the OCI Beaumont facility.

The project has been awarded a grant of $ 2.1 million from the Texas Enterprise Fund, as well as incentive commitments from local entities, including the city of Beaumont, Jefferson County, the Beaumont Independent School District, the Port of Beaumont and the Sabine-Neches Navigation District. The Texas Enterprise Fund is a cash grant used as a financial incentive tool for projects that offer significant projected job creation and capital investment and where a single Texas site is competing with another viable out-of-state option. The project's total investment cost is expected to be approximately $ 1 billion.

OCI Nitrogen CAN Debottlenecking

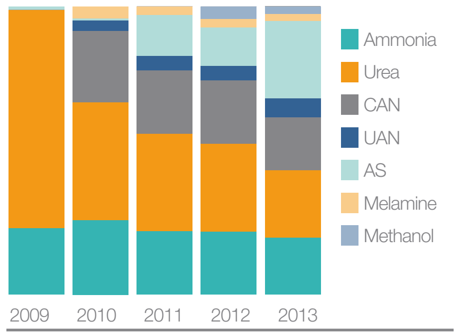
OCI Nitrogen completed the debottlenecking of its calcium ammonium nitrate (CAN) plant during the year and is now capable of producing 1.4 million metric tons, an increase of approximately 20%.

Listings and Divestments

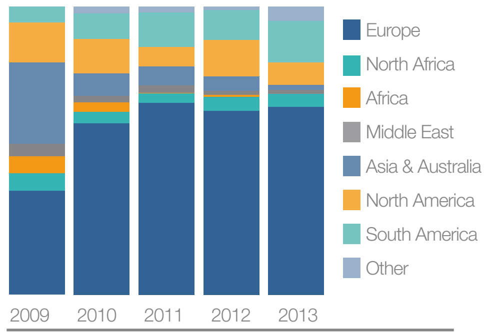
It is part of our business model to develop and nurture businesses relevant to our core activities. These new businesses could be in industries related to construction, infrastructure developments and concessions, or related to our natural gas-based chemicals businesses.

We have a policy of constantly reviewing all businesses to determine whether they continue to be core businesses worth retaining on a long term basis. If a business becomes non-core or has reached a certain level of maturity, we actively pursue monetizing the business through divestment.

Sales contribution by product



Sales contribution by destination



Gavilon

The Gavilon Group (Gavilon), a commodity management firm owned by Ospraie Management, General Atlantic, Soros Fund Management and OCI N.V., was divested in two transactions.

In July, the Gavilon grains and fertilizer businesses were acquired by Marubeni for $ 2.7 billion equity plus the assumption of $ 2.0 billion in debt. In November, the Gavilon energy business was acquired by NGL Energy Partners LP for a cash purchase price of $ 890 million on a cash-free, debt-free basis.

The total consideration for OCI N.V.'s 18.1% share in both businesses was $ 666.7 million, with the net gain from the sale totaling $ 262.1 million. OCI's original share in Gavilon of 20% was acquired in 2008 for $ 340 million. Our stake was diluted to 18.1% when Gavilon acquired the DeBruce Companies in 2011.

NYSE Listing of OCI Partners LP on the MLP Market

On 9 October 2013, OCI Partners LP closed an initial public offering of 17,500,000 common units representing limited partner interests in the company at a price to the public of $ 18 per Common Unit resulting in an enterprise value of approximately $ 2 billion. The listed Common Units represent a 21.7% limited partner interest in OCI Partners LP. OCI USA Inc., an indirect wholly owned subsidiary of OCI N.V., owns a 78.3% limited partner interest. The Common Units trade on the New York Stock Exchange under the ticker symbol "OCIP." The funds raised through the IPO will be used to finance OCI Beaumont's expansion plans and have also allowed OCI Beaumont to repay funds loaned by OCI N.V. We believe that our listing on the NYSE has increased our visibility in the United States and will enhance our options in positioning our US businesses in the future.

STRATEGY

The Fertilizer & Chemicals Group is actively exploring growth opportunities, be it through debottlenecking of existing production capacity, moving up or down the value chain, evaluating investments in new greenfield capacity or entering new geographical markets.

In fertilizers, we are focused on ramping up our production capacity through 2016, when our total nitrogen fertilizer capacity is on track to reach 8.8 million metric tons, comfortably positioning us as a top three global producer of nitrogen fertilizers.

In 2014, we will benefit from the first year of contribution from Sorfert, in 2015, from the additional capacity resulting from the debottlenecking at OCI Beaumont, and in 2016 we will benefit from a full year's production at IFCo for the first time.

Our efforts to conclude all disputes in Algeria and Egypt have allowed us to secure low natural gas prices that are guaranteed through long-term supply contracts. This firmly establishes us as a significantly lower cost franchise versus our peers, and uniquely positions us to be a sustainably low cost producer of nitrogen based fertilizers on a global scale, with production assets in both developed and emerging markets.

Our in-house global distribution network positions us as one of the world's most efficient and accessible nitrogen fertilizer companies with a distribution presence spanning from the Americas to Asia. Additionally, we are the world's largest distributor of ammonium sulphate, with off-take agreements totalling 1.75 million metric tons. By trading our own as well as third party products, we are truly a 'one-stop-shop' for our customers.

Our medium term strategy is to capitalize on the significant opportunities to become leaders in the US methanol industry, as we believe natural gas prices in the country will remain sustainably competitive. To achieve this, we have already created a strong foothold in the methanol industry through OCI Beaumont. We believe that methanol will enjoy a surge in demand in the United States in the near future, as it will be increasingly used as a clean direct fuel substitute for vehicles as it already is in China.

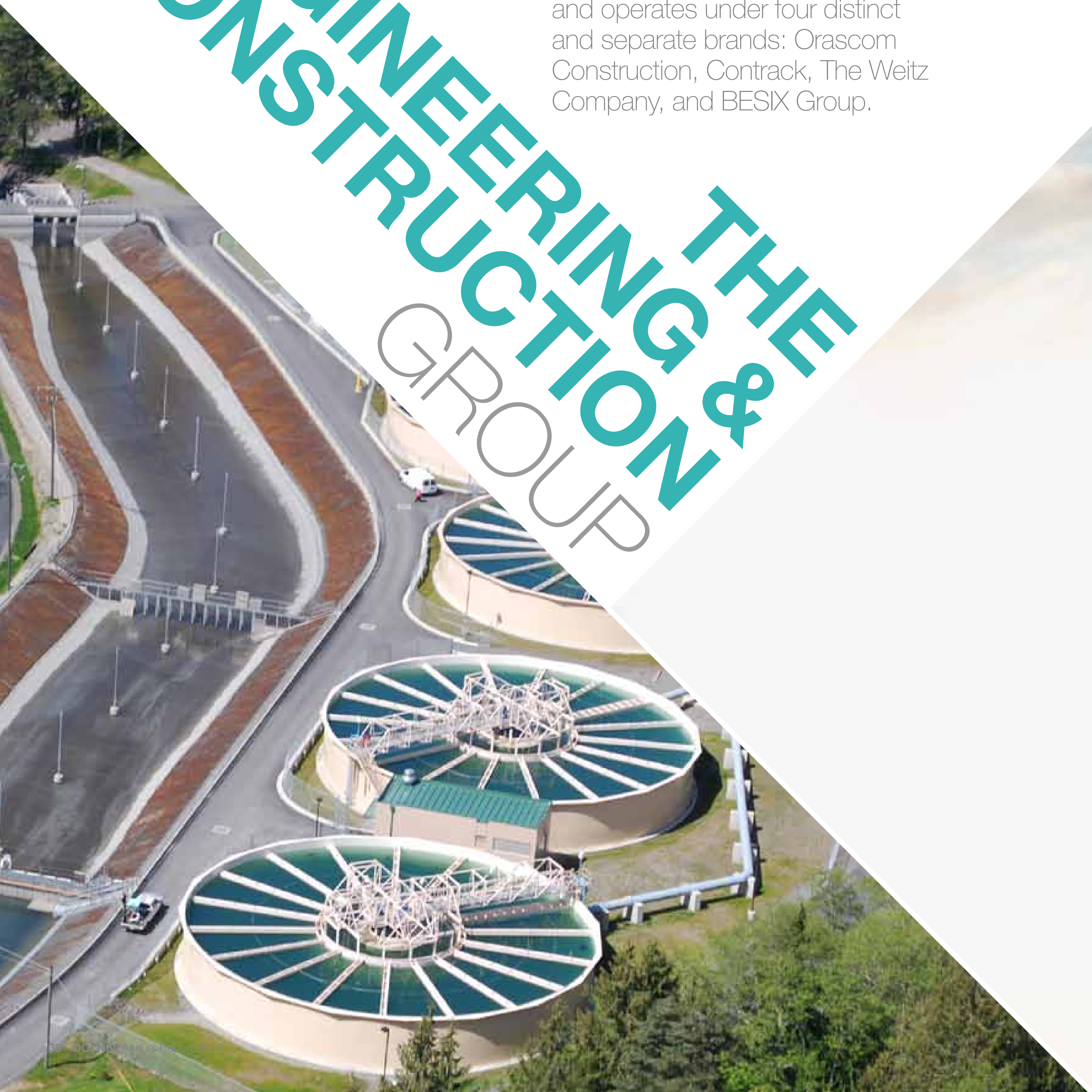
To that end, we have initiated a debottlenecking program at OCI Beaumont which will increase our annual methanol production capacity to 913 thousand tons, and are developing Nagasoline LLC, which will be the largest methanol producer in the country. As a first mover, we are well positioned to benefit from the United States' methanol supply deficit, and to be a leading exporter of methanol to other markets. Once these initiatives are complete, our methanol production capacity will reach 2.7 million metric tons per annum positioning us as a top five global producer.

We are continually evaluating similar opportunities in the industrial chemicals space where we can benefit from a first mover advantage.

We expect to divest our 13.1% share in Notore Chemical Industries, a granular urea and bulk blended NPK producer and exporter, in 2014. OCI's stake in Notore was inherited during our acquisition of EFC in 2008. OCI reduced its stake from 23% in 2010 posting a capital gain of $ 19.1 million or 2.5x book value.

THE ENGINEERING & CONSTRUCTION GROUP

OCI N.V. is a leading engineering and construction contractor focused on infrastructure, industrial and high-end commercial projects in the US, Europe, the Middle East, Africa and Central Asia for public and private clients. The Engineering & Construction Group ranks among the world's top global contractors and operates under four distinct and separate brands: Orascom Construction, Contrack, The Weitz Company, and BESIX Group.



Orascom Construction targets large industrial and infrastructure projects principally in the US, the Middle East and Africa. Contrack undertakes large scale social infrastructure projects in the Middle East, the US, the Pacific Rim, and Central Asia. The Weitz Company is a leading general contractor serving the United States. BESIX Group, in which we own a 50% stake, undertakes major commercial, industrial and infrastructure projects throughout Europe, Africa and the Middle East.

The Engineering & Construction Group has more than 15 years of fertilizer plant construction experience having successfully completed six fertilizer companies in Egypt and Algeria and more than 20 years' experience in the construction of large-scale, complex industrial projects. The Engineering & Construction Group is also building OCI's greenfield facilities in the US.

To complement our construction businesses, we also have investments in manufacturers of fabricated steel products, glass curtain walling, paints and concrete pipes, as well as investments in two facilities management companies.

As at 31 December 2013, the consolidated Engineering & Construction Group backlog stood at $ 5.9 billion.

THE ENGINEERING & CONSTRUCTION GROUP
CONTINUED

Orascom Construction (OC)

OC is a leading engineering, procurement and construction contractor active across the US, the Middle East and Africa.

OC targets large, complex and demanding industrial, commercial and infrastructure projects that by their nature have fewer competitors and higher margins. Emphasizing on turn-key contracting, OC's track record ranges from water treatment plants and power stations to five star hotels and office skyscrapers.

OC has earned a reputation for safely delivering quality work under difficult conditions on schedule and at competitive prices, and prides itself on the ground-breaking quality of its work.

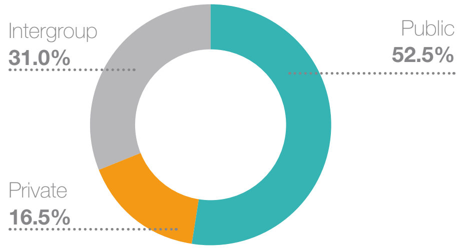
OC is based in Cairo, Egypt, and as the Engineering & Construction Group's mother brand, traces its roots in the construction industry back to 1950. OC has consistently ranked in Engineering News Record magazine's (ENR) International and Global contractors lists, ranking 104th and 182nd, respectively in 2013.

LTIR
0.014

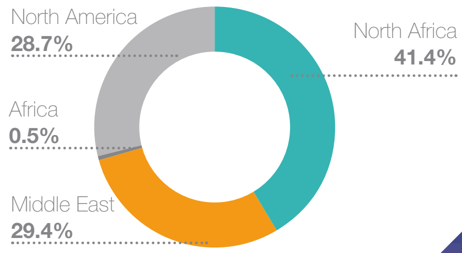
Employees
40,093

Ownership
100%

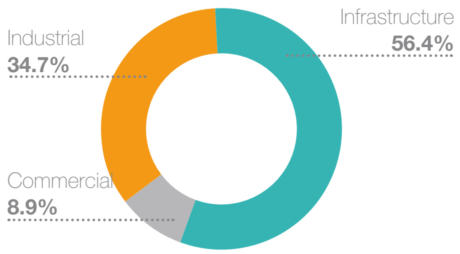
2013 backlog by client



2013 backlog by region



2013 backlog by sector



THE ENGINEERING & CONSTRUCTION GROUP
CONTINUED

Contrack

Founded in 1985, Contrack is a leading international construction company based in McLean, Virginia.

Contrack provides engineering, procurement and construction services as well as facilities operation and maintenance primarily on federal and infrastructure projects throughout the Middle East and Central Asia. OCI acquired 45% of Contrack in 1998 and fully acquired it in 2005. Following OCI's acquisition of The Weitz Company in 2012, Contrack acquired Watts Constructors, a former Weitz-subsidiary focused on federal and military construction services in the US and the Pacific Rim.

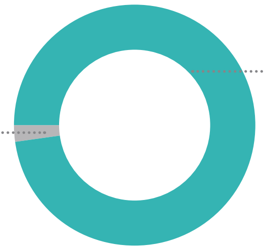
Due to its high standards for excellence in government contracting, Contrack is consistently ranked among the top 400 contractors in ENR's ranking of the United States' top contractors based on revenue, ranking 102nd in 2013.

LTIR
0.032

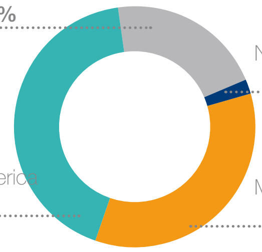
Employees
5,366

Ownership
100%

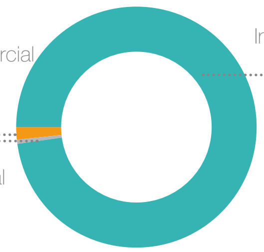
2013 backlog by client



2013 backlog by region



2013 backlog by sector



THE ENGINEERING & CONSTRUCTION GROUP
CONTINUED

The Weitz Company (Weitz)

Founded in 1855, Weitz is a leading general contractor, design-builder and construction manager based in Des Moines, Iowa.

Weitz is one of the oldest commercial general contractors in the United States and typically ranks among the top 50 in ENR's Top 400 Contractors survey, ranking as the 65th largest general contractor in the United States in 2013. Weitz targets commercial, industrial, infrastructure, and plant services construction projects in the US and the Pacific Rim, and is the largest contractor in the state of Iowa.

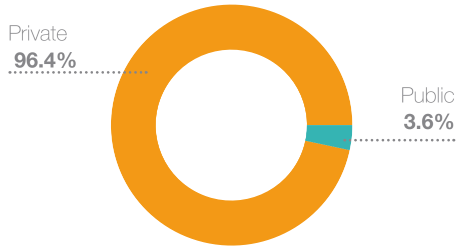
OCI acquired 100% of Weitz in 2012 as a platform for entry into the US's industrial and infrastructure markets, and to support the construction of the OCI Fertilizer & Chemicals Group's projects in the US.

LTIR
0.03

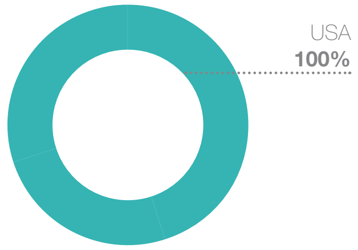
Employees
1,120

Ownership
100%

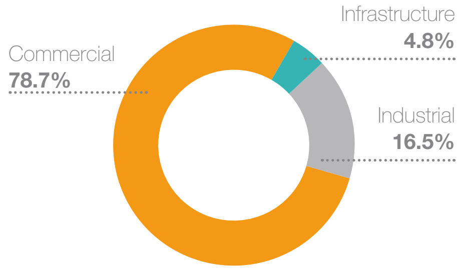
2013 backlog by client



2013 backlog by region



2013 backlog by sector



THE ENGINEERING & CONSTRUCTION GROUP
CONTINUED

BESIX Group (BESIX)

Established in 1909 in Belgium, BESIX is a global multi-service group offering engineering, procurement and construction (EPC) services.

BESIX operates in the construction, real estate and concession sectors of 15 countries focusing on Europe, Africa, the Middle East and Australia. Their core construction competencies include buildings, infrastructure and environmental projects, industrial civil engineering, maritime and port works and real estate development.

In addition to EPC services, BESIX is active in real estate development and holds concessions in several Public Private Partnerships (PPP) and design, build, finance, and maintain/operate (DBFM) contracts, through which it develops, operates and maintains projects.

In 2004, OCI acquired 50% of BESIX in a joint leverage buyout in partnership with BESIX management. BESIX has consistently ranked in ENR's International and Global contractors lists, ranking 63rd and 104th, respectively in 2013.

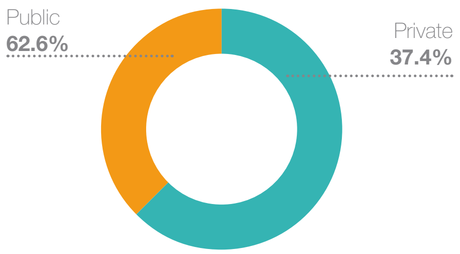
As part of our policy to monetize mature investments in which we do not have management control, our Board will consider divesting our stake in BESIX in 2014.

LTIR
1.63

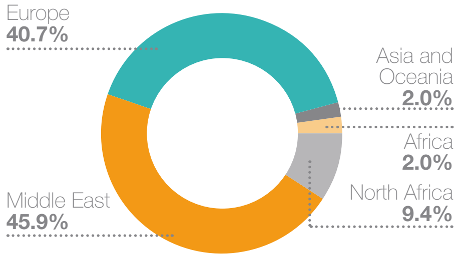
Employees
18,690

Ownership
50%

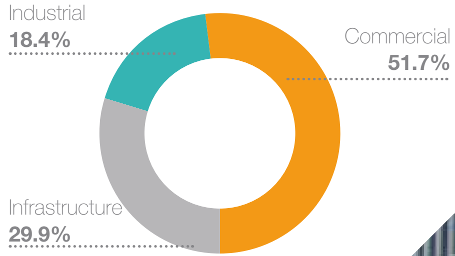
2013 backlog by client



2013 backlog by region



2013 backlog by sector



CONSTRUCTION MATERIALS & PROPERTY MANAGEMENT

To complement our construction businesses, the Engineering & Construction Group has investments in companies focused on the manufacturing of fabricated steel products, glass curtain walling, paints and concrete pipes, as well as investments in two facilities management companies.

Construction mateirals portfolio comprises:

National Steel Fabrication (NSF)

Ownership
100%

Manufactures fabricated steel products primarily for energy, petroleum, industrial and construction clients. NSF was founded in 1995.

Markets
The company operates from two plants in Egypt, supplying clients primarily in North Africa, the Middle East and Europe.

Employees
1,784

Alico Egypt

Ownership
50%

Manufactures and installs glass, aluminum and architectural metal works. With a total production capacity of 250 thousand square meters, Alico leads the market, providing services in landmark projects across its core markets, often in conjunction with Orascom Construction and BESIX. Alico was established in 2000.

Markets
The company operates from a plant in Egypt, supplying products to clients primarily in Egypt and North Africa.

Employees
830

United Paints & Chemicals (UPC)

Ownership
56.5%

Established in 1997, UPC owns DryMix, Egypt's largest manufacturer of cement based ready mixed mortars in powdered form used by the construction industry. It is capable of producing 240 thousand metric tons of product.

Markets
The company operates from a plant in Egypt, supplying products to clients primarily in Egypt and North Africa.

Employees
160

United Holding Company (UHC)

Ownership
56.5%

Holds 50% stakes in BASF Construction Chemicals Egypt, Egyptian Gypsum Company and A-Build Egypt, forming a group of companies that manufacture diversified building materials, construction chemicals and specializing contracting services.

Markets
The company's subsidiaries operate from four plants in Egypt and one in Algeria, supplying products to clients primarily in Egypt and North Africa.

National Pipe Company (NPC)

Ownership
40%

Manufactures precast and pre-stressed concrete cylinder pipes and pre-stressed concrete primarily for infrastructure projects with an annual production capacity of 86 kilometres of concrete piping.

Markets
The company operates from two plants in Egypt, supplying products to clients primarily in Egypt and North Africa.

Employees
700

SCIB Chemical

Ownership
14.7%

Manufactures up to 70 thousand kilolitres of decorative paints and industrial coatings primarily for the construction industry. SCIB was founded in 1981.

Markets
The company operates a plant in Egypt, supplying products to clients primarily in Egypt and North Africa.

Employees
650

Property management portfolio comprises:

Suez Industrial Development Company Company (SIDC)

Ownership
60.5%

Owner, developer, operator and utility facilitator of an 8.75 million square meter industrial park located in Ain Sokhna, Egypt.

Markets
Develops industrial land and provides utility services for light, medium and heavy industrial users in Ain Sokhna, Egypt. SIDC hosts EFC, EBIC and NSF.

Employees
67

Contrack FM

Ownership
100%

Egypt's premier facility and property management services provider, offering expertise in a full range of facility services to assist clients in managing, maintaining and operating their properties. Contrack FM undertakes all non-core services from hard engineering to housekeeping and janitorial needs for the maximization of asset value.

Markets
The company operates from two plants Contrack FM's main clients are large-scale financial and commercial business complexes in Egypt housing the headquarters of regional offices of more than 70 local and international companies.

Employees
2,857 (Included in Contrack's headcount)

THE ENGINEERING & CONSTRUCTION GROUP OPERATIONAL REVIEW

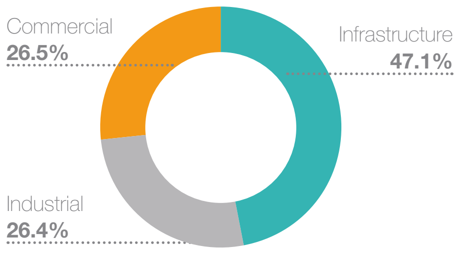
The OCI Engineering & Construction Group specializes in large-scale, complex industrial and infrastructure projects, with core competencies encompassing conventional power and renewable energy, petrochemicals, oil and gas, water and wastewater, and transportation infrastructure. We also take on select high-end commercial projects. Our diversified range of expertise provides us a strong competitive edge and capitalizes on each sector's high barriers to entry, maximizing our ability to secure work at solid margins.

During the year, the Engineering & Construction Group was able to significantly expand its US presence and establish itself as a full service US contractor by fully integrating The Weitz Company (Weitz), a leading general contractor based in Des Moines, Iowa. Acquired in 2012, Weitz provides the Engineering & Construction Group with a strong strategic foothold in the US construction market and complements Contrack's federal work with several US government entities. In addition, Contrack fully integrated Watts Constructors into its operations and launched a substantial expansion effort in the United States and the Pacific Rim.

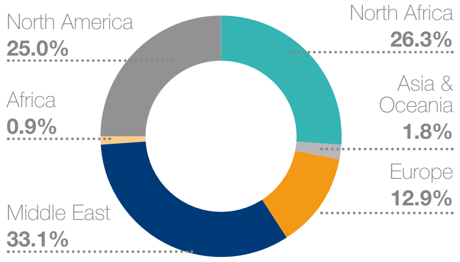
The Engineering & Construction Group has also been instrumental in the development and construction of OCI Chemicals' greenfield activities in the US..

Our consolidated backlog has become increasingly diversified, with no single country representing more than 25%. This provides the Group with an added level of protection against any market fluctuations, in addition to our diversified expertise and sector exposure.

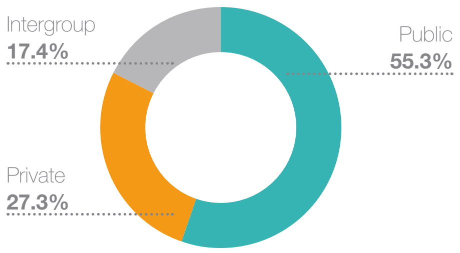
2013 backlog by sector



2013 backlog by region



2013 backlog by client



OPERATIONAL PERFORMANCE

Operational results

The Engineering & Construction Group's revenue grew 23.3% year-on-year to $ 3,498.6 million, primarily driven by the integration of Weitz for the first time. EBITDA margin stood at 3.7% as compared to a restated 1.8% in 2012. Margins were affected by a deteriorating operating environment and productivity in Egypt caused by curfew-related stoppages at construction sites in Cairo and Alexandria, coupled with severe inflationary pressures in the country. Margins were also affected by the full integration of lower margin US-based work from Weitz and by a reduction in Contrack's revenue recognition in Afghanistan where the US government has contracted its activities.

Backlog

OCI N.V. considers "backlog" to be the revenues that the Engineering & Construction Group expects to receive under contracts that have been awarded and signed. Backlog consists of uncompleted portions of engineering and construction contracts, including the company's proportionate share of construction joint-venture contracts.

The Group's backlog declined by 16.3% year-on-year, year, primarily due to the fast-tracked completion of our intercompany projects. The Engineering & Construction Group added $ 2.8 billion in new awards to end the year with a consolidated backlog of $ 5.9 billion. At year end, 47.1% of our backlog was contributed by infrastructure projects, 26.4% by industrial projects, and 26.5% by commercials projects. Our client base remains secure with 55.3% of consolidated backlog commissioned by sovereign clients. Our geographic presence is diversified with 25.0% of our projects located in North America, 33.1% in the Middle East, 26.3% in North Africa, 12.9% in Europe. 0.9% in Africa and 1.8% in Asia and Oceania.

INFRASTRUCTURE

The Engineering & Construction Group ended the year with an infrastructure backlog of $ 2.78 billion.

USA

Work continued on schedule on a **Central Vehicle Wash** facility in Hawaii. The $ 28 million design-bid-build contract was awarded last year by the United States Army Corps of Engineers (USACE). We are building a pre-wash bath, ten wash stations consisting of six single and two tandem wash bays, a sedimentation basin and a separate wash facility to allow detailed washing of tactical vehicles prior to maintenance. Our scope also includes 100 thousand square feet of PCC paving, two 750 thousand gallon water tanks, a 100 thousand cubic foot volume equalization basin, a 50 thousand square foot sand filtration system, and a sanitary sewer system. The project is scheduled for completion in 2015.

Work continued on schedule on phase IA of the **Phoenix Sky Train's guideway system**. The Phoenix Sky Train features a 2.2 mile dual lane guideway system for the Phoenix Sky Harbor Automated Train System. The project scope includes concrete running surfaces, steel guidebeam for guidance, and all electrical work necessary for the operation of the automated train system. In Phase I, we were also the general contractor responsible for the design and construction of the entire Maintenance and Storage Facility including all trades necessary for complete operation of the building. Phase IA's scope adds the design of the concrete running surface and steel guidebeam. Phase IA is scheduled for completion in December 2014.

THE ENGINEERING & CONSTRUCTION GROUP – OPERATIONAL REVIEW CONTINUED




Egypt

During 2013, we completed work on the **Abu Qir Thermal Power Plant 2x650 MW Gas/Oil Fired Units** in Alexandria. Awarded in 2009, our scope of the $ 258 million project included extensive piling, concrete works, two chimney stacks, underground piping, and the procurement, fabrication and erection of steel structures.

During the year, we were awarded a second $ 47 million contract in addition to the Egyptian Airports Company (EAC)'s initial $ 68 million contract to build a new airfield at the **Hurghada International Airport**. The scope includes the construction of a complete airfield composed of a four kilometer long runway, a four kilometer long taxiway, connecting taxiways, and all airfield lighting, power supply, and storm water drainage systems. The airfield is scheduled for completion in 2015.

In July, we were awarded a $ 25 million subcontract by Ansaldo Energia for phase II of the **Sixth October City 600 MW Open Cycle Power Plant**. The plant will be situated near the existing power plant, which we also constructed a portion of in 2012.

Work continued on schedule on another power plant in Egypt, the **Giza North 1,500 MW Combined Cycle Power Plant**. Awarded by the Cairo Electricity Production Company (CEPC) in several phases, we are required to complete all earthworks, concrete works, formwork, piling and rebar works, steel structure, roads, and main buildings. The project is scheduled for completion in 2015.

The civil works package of the **Assiut barrage and 32 MW hydropower plant** is on track for completion in 2017. The $ 200 million contract was awarded to a joint venture comprising of Orascom Construction, VINCI, and Arab Contractors last year by the Reservoirs and Grand Barrages Sector (RGBS) of the Egyptian Ministry of Water Resources and Irrigation. The project is partially funded by Germany's Kreditanstalt für Wiederaufbau (KfW), the government-owned development bank.

Work also continued on schedule for **intake, booster station and pipelines** to the 1.7 million tons per day Sixth October City Water Treatment plant. The $ 312 million contract was awarded by the Egyptian Ministry of Housing, Utilities & Urban Development in 2010 and is scheduled for completion in 2015.

Work continued on schedule on **phase two of line three of the Greater Cairo Metro**. Orascom Construction is partnered with VINCI, Bouygues, Alstom, SPIE Rail, Eurovia Travaux Ferroviaires, and Arab Contractors on the project. Commissioned by the Egyptian National Authority for Tunnels in 2009, the contracts were partially financed by the French government. Our scope covered the project's civil, electromechanical and railway work. The second phase is scheduled for completion in 2014.

Awarded in 2012, work on the $ 810 million turnkey contract to construct the third phase of the **Egyptian Grand Museum** continued on schedule. The museum covers a total land area of 490 thousand square meters will be located on the Cairo-Alexandria highway overlooking the Grand Pyramids. The project is 65% funded by the Japan International Cooperation Agency (JICA). The state-of-the-art Grand Museum's total built-up area will exceed 167 thousand square meters and will showcase approximately 100,000 ancient Egyptian artifacts in the main exhibition hall. It will also include a 1,000 seat conference and learning center to educate visitors on Ancient Egyptian history as well as a dedicated children's museum. The museum will house an advanced security and communication system to ensure the safety of the artifacts and will be host to a sophisticated technological system to maximize viewing pleasure for visitors. The project is scheduled for completion in 2015.

In July, we were awarded **phase II of Dar El Fouad Hospital** in Cairo, Egypt. The $ 53 million project requires the construction, testing and commissioning and furnishing of a 158 bed capacity state-of-the-art hospital and a 220 capacity clinic medical tower, with a total built-up area of 61,000 square meters. The project is scheduled for completion in 2015.

Saudi Arabia

In November, we were awarded a contract valued at $ 173 million for additional infrastructure work at the **King Abdulaziz Airport** in Jeddah, Saudi Arabia. Work continued on schedule on the project's original $ 450 million infrastructure package awarded in 2011. The scope of work comprises major civil, mechanical and electrical works including 1.4 million cubic meters of excavation, 2.1 million square meters of roads, walkways, the supply and installation of 146 kilometers of piping for the storm water, waste and potable water systems. The project is scheduled for completion in 2015.

Work continued on schedule on the Saudi Arabian National Guard's (SANG) **military housing project**, which was awarded in 2011. The $ 212 million project requires us to construct 700 full furnished and air conditioned villas for soldiers with a total built-up area of 206 thousand square meters, 50 full furnished and air conditioned villas for officers with a total built-up area of 24 thousand square meters, and all external infrastructure work including utilities, roads, and landscaping with a total built-up area of 840 thousand square meters. The project is scheduled for completion in 2014.

Work also continued on schedule on the **South security border road** in Saudi Arabia. Awarded in 2011 by the Saudi Arabian Ministry of Interior (MOI), the $ 159 million project requires us to construct and maintain a 200 kilometer asphalt road at the country's southern border. The scope of work includes 31 million cubic meters of earth works and 1.34 million square meters of asphalt works. The road is scheduled for completion in 2015.

Work continued on schedule at Saudi Aramco's $ 5 billion **Jazan Refinery and Terminal Project**, for which we are building a $ 200 million marine terminal consisting of the marine facilities, jetty, quay wall and breakwater. The terminal is located 600 kilometers south of Jeddah and 150 kilometers north of the Yemeni border on the Red Sea. The marine terminal will accommodate Very Large Crude Carriers (VLCCs) for the supply of crude oil to the new refiner and is scheduled for completion in 2016.

The $ 530 million **King Abdullah Sports City** in Jeddah, Saudi Arabia, was completed a year early, in time to host sporting events in December 2013. The project was spread over three million square meters, requiring the construction of a 60,000 seat stadium, a 2,000 seat multi-sports hall, an external athletic stadium with a 1,000 seat tribune, several training fields, a mosque, and parking for 45,000 vehicles.

THE ENGINEERING & CONSTRUCTION GROUP – OPERATIONAL REVIEW CONTINUED



Iraq

We were awarded a $ 44 million construction contract for the F16 Support Facility at Balad Air Base in Iraq. The facility is expected to be operational in the first quarter of 2015.

Awarded in 2012, work continued on schedule on the $ 363 million **1,000 MW Gas Turbine Power Plant** in Baiji, Iraq. Baiji is located 180 km north of Baghdad and is home to the country's largest oil refinery. The project is scheduled for completion at the end of 2014.

Gulf

We began work on two new projects in Kuwait: the $ 19 million **KC130J Maintenance Facility**, and the $ 49 million **APS-5 Warehouses** at Camp Arifjan. Both projects were awarded by the US Army Corps of Engineers.

The $ 265 million **North Manama causeway** in the Kingdom of Bahrain was completed on schedule this year. The project entailed the construction of 2.42 kilometers of causeway road on reclaimed land and 1.6 kilometers of existing road reconstruction and included upgrades to the King Faisal highway and the al-Fateh junction. The causeway provides road access to the Bahrain Financial Harbor and Bahrain Business Bay.

Work was completed at the $ 1.4 billion **Cleveland Clinic** on Sowah Island, Abu Dhabi. Awarded in 2011 to a Six Construct-Samsung joint venture, Six Construct's share of the contract was 60%. Six Construct's scope of work was on a turnkey basis and covered an area of 400,000 cubic meters, including 200,000 cubic meters of parking area and 342 state-of-the-art medical rooms with 364 beds. Six Construct is a BESIX subsidiary.

Awarded last year, work continued on schedule on the third and fourth phases of the United States Army Corps of Engineers' (USACE) **Waterfront Development Program** in Bahrain. We were also awarded the first and second phases in 2010 for a combined contract value of more than $ 78 million. The program requires the development of a 70 acre comprehensive waterfront facility with an adjacent 17 acres of water area. The project is required to meet Leadership in Energy and Environmental Design (LEED) Silver certification standards.

The third phase, valued at US$ 30 million, requires the construction of a number of operational and support buildings, including two guard towers, a small arms range, an Explosive Ordnance Disposal (EOD) team operations building, and a highway flyover bridge. Phase three is scheduled for completion in the second quarter of 2014.

The fourth phase, valued at US$ 15 million, requires the construction of several facilities, including a warehouse, a combat vehicle and equipment wash rack and a recreation center. Phase four is scheduled for completion in the third quarter of 2014.

Work on Contrack's largest project, the **Sidra Medical and Research Center** commissioned by the Qatari Foundation, continued steadily. Contrack and OHL of Spain were awarded the $ 2.3 billion design and build contract in 2008, half of which is Contrack's share.

Europe

Work continued on schedule on the $ 175 million **Parkstad Limburg outer ring road**, connecting several Dutch municipalities. The 26 kilometer motorway is the biggest highway construction project ever undertaken by Limburg and is scheduled for completion in 2015.

Work also continued on schedule on the $ 59 million contract to construct a new building at the SHAPE American High School for the United States Department of Defense. The high school is located at NATO's **Supreme Headquarters Allied Powers Europe** (SHAPE) complex in Mons, Belgium. This is the Engineering & Construction Group's third contract with SHAPE, having already built the NATO headquarters on site and a nursery and primary school.

Work continued on schedule on the fourth lock in **Lanaye**, Belgium. Awarded last year at a value of $ 116 million, the project is the largest civil engineering project to be awarded in the South of Belgium over the last decade, and entails the construction of a 225 meter long by 25 meter wide lock. The project also includes the construction of all connected developments, such as a hydroelectric power plant, pump house, and a quay wall along the left bank of Albert canal in Lixhe. The project is scheduled for completion in 2017.

THE ENGINEERING & CONSTRUCTION GROUP – OPERATIONAL REVIEW
CONTINUED

INDUSTRIAL

The Engineering & Construction Group ended the year with an infrastructure backlog of $ 1.55 billion.

USA

In September 2012, the Engineering & Construction Group was awarded a $ 1.2 billion turnkey EPC contract to construct the OCI Fertilizer & Chemicals Group's new greenfield nitrogen fertilizer production complex, the **Iowa Fertilizer Company**. Under the terms of the EPC contract, the new plant will utilize proven state-of-the-art production process technologies from Kellogg Brown and Root LLC (KBR), Stamicarbon BV (Maire Tecnimont Group) and ThyssenKrupp Uhde (Uhde) to produce between 1.5-2 million metric tons per year of ammonia, urea, urea ammonium nitrate (UAN) as well as diesel exhaust fluid (DEF), an environmentally friendly fuel additive. Tecnimont S.p.A. (Maire Tecnimont Group) will provide engineering and procurement (EP) services for the ammonia line while Uhde will provide EP services for the urea, UAN and DEF lines. Construction began in November and the plant is scheduled for commissioning in 2015.

Work was completed on schedule at Deere & Company's 300 thousand square foot **Sprayer Tractor Assembly Building**, located in Ankeny, Iowa. We constructed a 280 thousand square foot manufacturing and assembly space, and a 20 thousand square foot office, breakroom, locker room, restroom, and mechanical and electrical space. We also constructed a bulk fluids tank farm for controlled fluid delivery to the assembly line, and installing overhead bridge cranes, gorbel air hoist systems, and assembly line equipment. The project was awarded in October 2011 for a total contract value of $ 33 million.

Weitz launched plans to expand our presence in the United States by establishing an industrial sector focused Design Build office in Minneapolis, Minnesota. The Minneapolis office will deliver innovative design and construction services to our partners and customers and will specialize in:

- Design and process expertise serving Ag Process, Seed, Feed, Grain, Food & Beverage, Manufacturing, and Heavy Industrial sectors;
- Mechanical engineering resources in-house to be used for process solutions, estimating, quality control and as a potential resource across our business;
- Modular construction solutions leveraged by integrating in-house design and fabrication capabilities; and
- Slipform concrete design and construction capabilities to serve grain, feed, food, cement and other industries.

MENA

In April, we were awarded a $ 27 million contract by **Mars Inc**. in Egypt to construct an extension to an existing operational production facility. The extension will have a total built up area of 17.4 thousand square meters and is scheduled for completion in 2015.

In July, we were awarded a $ 51 million contract by Technip France to execute greenfield and brownfield work at Sonatrach's **Algiers Refinery** in Sidi Arcine, located approximately 15 kilometres from the Port of Algiers. Technip is the Engineering, Procurement and Construction (EPC) contractor on site and we will execute some of the civil works, paving works, underground piping and related brownfield construction work as part of the rehabilitation and adaptation of the refinery.

During the year, we completed two Liquified Natural Gas (LNG) plants in Algeria for a combined value of $ 3.3 billion. At the **Skikda LNG plant**, Orascom Construction and VINCI were responsible for the construction of 10 buildings over 4,784 cubic meters, including a blast proof laboratory, six substations and field instrument room buildings. The joint venture also constructed the 150 thousand cubic meter capacity LNG storage tank and two 66.6 thousand cubic meter butane and propane storage tanks. At the **El Merk Central Processing Facility**, we were responsible for all civil works, structural steel supply and erection, piping erection, pipe rack supply, galvanized platform supply and fireproofing of the facility.

COMMERCIAL

The Engineering & Construction Group ended the year with an infrastructure backlog of $ 1.56 billion.

USA

In May, we were awarded a $ 16 million contract to construct the **Apex Meridian Apartments** for Shea Properties. The 156 unit multi-family complex is comprised of 140,000 square feet spread over nine wood framed buildings and will be completed on a fast-tracked schedule to accomplish Shea Properties' "speed to market" goal, thus meeting a growing demand for affordable housing in Colorado.

We were also awarded the $ 23 million Green Design award on the **Johnson County Criminalistics Laboratory** in Olathe, Kansas. The project is a LEED Platinum state-of-the-art crime lab with nine specialized laboratories. Sustainable design features include ground-source heat pumps, thermal wells, energy recovery systems, reduced flow chemical hoods, as well as solar panels. Other features include evidence storage and handling areas, conference rooms for public and private meetings, and the facility connects to the existing County Communications Center.

In June, construction began on an $ 80 million campus expansion for **Wells Fargo** located in West Des Moines, Iowa, for which we also constructed the first phase. The project consists of a 265,000 square foot additional office building, a 50,000 square foot kitchen/server and training facility, a 1,400 car cast-in-place parking garage and surface parking. The project is scheduled for completion in 2015.

Work continued on schedule on an $ 84 million contract to construct **Trillium Woods**, a 568 thousand square foot continuing care retirement community. The facility will consist of 208 independent living units, 28 skilled nursing beds, 16 memory care beds, common/community spaces and related site development located in Plymouth, a suburb of Minneapolis, Minnesota. Construction began in May 2013 and will take 17 months to complete.

Work was completed on schedule on phase I of Taubman Prestige Outlets's $ 66 million **Chesterfield Outlet**. Phase I comprised 350 thousand square foot single-story high end outlet retail mall on a 29 acre site next to the Missouri River levy in Chesterfield, Missouri. Offsite work includes a pumping station, road and interchange improvements, and signaling.

THE ENGINEERING & CONSTRUCTION GROUP – OPERATIONAL REVIEW
CONTINUED

Egypt

In February, we were awarded an $ 18 million contract for additional works at the **Grand Heights** development in Sixth of October City in Egypt. The project is awarded by Kuwadico and includes the construction of 110 villas and townhouses with a total built-up area of 78,500 square meters. This package follows the award of the $ 30 million infrastructure package in 2011, which comprises the execution of all phase one infrastructure works at the development including roads, sewerage and potable water and irrigation networks, electrical and telecommunications networks, and structural, mechanical and electrical works for buildings. Both contracts are scheduled for completion at the end of 2014.

In March, we were awarded a $ 55 million contract to construct the **Golf Views** luxury housing development for Palm Hills. The development will consist of 550 units over a built-up scheme of two million square meters. The development is located to the west of Cairo and is scheduled for completion in 2015.

In August, we were awarded a $ 78 million contract to construct the **Golden Domes Hotel and Mall** project for the Egyptian Ministry of Defense's Engineering Organization for Armed Forces. The hotel consists of a ten story building with a total built-up area of 27,500 square meters including 296 guest rooms, 48 suites, and two ballrooms of 400 and 160 seating capacity. The mall consists of a one story building with a total built up area of 11,350 square meters. Other structures include day-use chalets with a total built-up area of 1,260 square meters, an electrical building, and all hard and soft landscaping for an area of 14,700 square meters. The project is scheduled for completion in 2015.

In September 2012, we were awarded a $ 350 million contract to construct Majid Al Futtaim Properties' **Mall of Egypt**. The mall will be located in the Sixth of October City outside of Cairo. Mall of Egypt will be a 162.5 thousand square meter shopping and leisure development that will include an indoor ski park, a 17-screen cinema complex, 380 retail outlets, a Carrefour hypermarket, an outdoor plaza, an amusement park, a car park, and other associated facilities. The ski park, Ski Egypt, will be modeled after the Ski Dubai component in Dubai's Mall of the Emirates, a Majid Al Futtaim Properties development. The joint venture was awarded the project on a lump sum fixed price basis and construction is on schedule for completion in 2015.

Work continued on schedule on the $ 40 million **Credit Agricole Egypt** headquarters in the New Cairo district. Awarded in 2011, the building will comprise of a built-up area of 43 thousand square meters. The building will adhere to the US Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) standards with a gold rating, which signifies that the building exceeded required metrics in water efficiency, carbon dioxide emissions reduction, environmental quality, stewardship of resources and other areas. The project is scheduled for completion in 2014.

MENA

In November, we were awarded a $ 33 million contract to construct **HUB Zero**, a gaming themed family entertainment center to be located at The Avenue retail development in Dubai. HUB Zero will include an indoor theme park, a high-tech entertainment center, a party and hospitality venue, a gaming destination and themed dining, all on a built up area of 160 thousand square meters. The project is scheduled for completion in 2014.

Work was on schedule on the $ 579 million **Yas Island Mall** construction contract by AlDar Properties. Yas Mall is a major retail development on Yas Island, a leading leisure and entertainment destination located in Abu Dhabi. We built the 360,000 square meter retail area, northeast and northwest decked car parks with capacity to house a total of 10,000 cars, and all associated infrastructure. The total built-up area was approximately 1.2 million square meters.

Europe

In May, the Engineering & Construction Group completed the construction of the $ 178 million **Carpe Diem Tower** in Paris. The 162 meter high-rise building has two vertical and two faceted facades. Covering 47 thousand square meters over 35 floors, it includes offices, an auditorium, and retail spaces. The project is awarded LEED Platinum and HQE certifications.

In May, the Engineering & Construction Group was awarded a landmark project to construct the new **European Parliament offices** in Brussels, Belgium. The contract, valued at $ 59 million, requires the construction of a 13 floor building with a three-level underground car park, and the achievement of the BREEAM Excellent certificate. The project is scheduled for completion in 2016.

During the year, the Engineering & Construction Group was awarded a share of the $ 245 million contract to construct EDF's **Research and Development Center** on the Paris-Saclay campus. The project requires the construction of four circular buildings with central courtyards covering a total of 120 thousand square meters on an 8.7 hectare plot. The project targets BREEAM certification.

Work continued on schedule on the four-star **Radisson Blu Hotel** at the Andermatt Resort Development in Switzerland. This is the first contract awarded to the Engineering & Construction Group in Switzerland. The Radisson Blu Hotel is part of a larger resort development that will include a golf course, a ski resort, villas and hotels. The 8 floor hotel will consist of two buildings with wooden façades holding 43 rooms and 154 private apartments. The hotel will also include a 1,700 square meter conference center, a multi-functional concert hall for up to 700 guests, an indoor swimming pool, retail shops, game room and children's club. The hotel is scheduled for completion in 2014.

Construction Materials and Property Management

Our construction materials and property management activities grew 30.8% year-on-year to reach $ 129.8 million in revenue. This was primarily due to improved performance at NSF, where revenues improved significantly due to the completion of larger projects in Algeria and Egypt, and an improvement in land sales at SIDC during the year.

THE ENGINEERING & CONSTRUCTION GROUP MARKET OUTLOOK

Strong pipeline for construction spending in our core markets.

The outlook for new construction awards for the medium term remains positive across our markets, with announced five-year infrastructure and industrial spending packages for our six core MENA markets exceeding $ 777 billion through 2017, excluding oil and gas projects. The outlook is also strong in the United States, where a rebounding economy and an increase in energy spending will bring more than $ 4.5 trillion in new awards opportunities through 2017, of which approximately 26% are infrastructure projects.

USA

The US's construction spending outlook is strong through 2017, boosted by a particularly strong residential market that is estimated to grow approximately 17% each year over the next two years, with housing starts expected to exceed one million in 2014. The resulting expenditure through 2017 is estimated to exceed $ 1.8 trillion. The private non-residential market is estimated to grow approximately 5% each year through 2017 exceeding $ 1.5 trillion, mainly driven by commercial and office construction but with power and manufacturing improving as compared to 2013. Infrastructure spending is estimated to grow approximately 8% per year through 2017, totaling nearly $ 1.2 trillion and supported by increased federal spending. The OCI Engineering & Construction Group has established itself as a significant industrial contractor in the US by building IFCo and Natgasoline, and is a significant commercial and federal player in the market.

Saudi Arabia

With $ 308 billion in projects announced through 2017 excluding oil and gas projects, Saudi Arabia has the largest infrastructure and industrial spending program in the MENA region. The government has announced $ 194 billion worth of power projects with total power generation capacity exceeding 80,100 Megawatts (MW), of which more than 54,000 MW is renewable and alternative energy, including nuclear. The country expects to generate approximately 17% of the MENA region's power by 2015. The country has also announced significant transport infrastructure projects, including the Jeddah Metro valued at $ 12.3 billion, the Mecca Metro valued at $ 11 billion, and the Saudi Landbridge valued at $ 3 billion. OCI has worked diligently to expand its presence in Saudi Arabia over the last three years and has made significant strides in developing its own infrastructure to be a long term player in the Saudi Arabian market. We are well positioned to receive a sizeable portion of the country's awards pipeline in 2014.

Iraq

Excluding oil and gas projects, the Iraqi government has announced $ 91 billion projects through 2017. The government is overhauling the country's transportation sector, with $ 32 billion in transport projects announced including $ 12 billion in airport expansions and $ 15 billion in railway projects. The country has also announced more than $ 5 billion in power projects to add 4,100 MW in power generation capacity as well as more than $ 10 billion in water and wastewater projects. OCI is well positioned to benefit from Iraq's growing spending pipeline, having constructed the country's two largest cement plants in Kurdistan, northern Iraq in 2005 and 2007 and currently constructing the Baiji Power Plant. Iraq is also a major growth area in US government contracting, and Contrack is well positioned to take advantage of this regional expansion.

Egypt

Despite the country's developing political landscape, Egypt has announced $ 78 billion in upcoming projects excluding oil and gas, with a focus on power and transport development at a cost of $ 11 billion and $ 28 billion, respectively. The government's largest transport project is the development of a High Speed Railway linking several major cities at an estimated cost of $ 16 billion. The Egyptian Electricity Holding Company (EEHC) has announced plans to build nuclear power plants across the country, with the first being the $ 1.8 billion 1,650 MW El Dabaa nuclear power plant. As the leading contractor in Egypt, we will continue to bid on the upcoming tendering activity.

Algeria

Algeria has announced $ 144 billion in projects through 2017 excluding oil and gas projects, of which the country's $ 120 billion 22,000 MW power program contributes 83%. The country is also developing its railway network, with nearly $ 15 billion in announced projects, of which the metro expansion is $ 3 billion. OCI has a long-standing presence in Algeria, having constructed several large-scale upstream and downstream natural gas facilities including the El Merck Central Processing Unit, the Skikda LNG terminal, and Sorfert Algérie, our 51% owned ammonia and urea plant. We are well positioned to grow our presence in Algeria through the country's upcoming power project tenders, having constructed Algeria's first 1,200 MW Combined Cycle power plant in Terga.

Qatar

Excluding the $ 8 billion 2022 World Cup announced project pipeline, Qatar has announced $ 77 billion in upcoming projects through 2017 excluding oil and gas projects. Transport infrastructure development represents 48% of the pipeline, with $ 37 billion announced projects including $ 6.5 billion to develop the Doha Metro and $ 15 billion to develop a 400 kilometer passenger and freight rail network connecting major Qatari cities and connecting Qatar to Saudi Arabia and Bahrain. As a leading infrastructure contractor in Qatar, OCI has already been awarded several high profile projects including the SIDRA Medical Center and several packages at the Science and Technology Park. We are confident in our ability to benefit from the growth in award activity in Qatar based on our track record.

UAE

The UAE has announced $ 71 billion in projects through 2017 excluding oil and gas projects, with Abu Dhabi contributing 36% of the pipeline. Key projects in Abu Dhabi include the $ 7 billion Abu Dhabi Metro and the $ 2.5 billion Abu Dhabi Light Rail. In Dubai, key projects include the $ 55 billion Muhammed Bin Rashed City development, the $ 15 billion Dubai Metro, and Dubai Electricity & Water Authority's (DEWA) $ 1.3 billion 1,200 MW Hassyan Coal Fired Power Plant. OCI is constructing several large-scale projects in the UAE, including the $ 1.3 billion Cleveland Clinic and the $ 560 million Yas Island Retail Mall. Given our significant presence in the UAE, we are well positioned to benefit from the country's tendering activity.

STRATEGY

As an inherently cyclical business, we believe the global construction industry is well positioned for an increase in tendering of large-scale infrastructure and industrial projects in 2014 onwards. Our primary focus is on populous countries with major infrastructure development needs, as evidenced by our strong presence in the Middle East and the United States. Our key markets of Saudi Arabia, Egypt, Iraq and Algeria alone constitute approximately 50% of the MENA region's total population.

We believe that 2011-2013 were bottom years for the Engineering & Construction Group in the Middle East and Africa, and that these markets will flourish in the near future, as described in the market outlooks above. As a leading regional engineering and construction contractor, we are well positioned to benefit from this recovery and we are actively pursuing the projects currently at the bidding stage.

We have a strong track record in Algeria, Qatar, Egypt, the United States and the United Arab Emirates, a growing position in Saudi Arabia, and historical presence in Iraq. We have been a top contractor for the US Army Corps of Engineers for over a decade and the Egyptian Armed Forces for over 20 years. Our diversification strategy combined with our wide range of core competencies allows us to be at the forefront of each market's tendering process.

We also believe that the US's burgeoning natural gas market will lend additional support to the recovery of the country's infrastructure, industrial and housing construction markets. We benefit from a strong presence throughout the country through Weitz. In addition, fueled by its acquisition of Watts Constructors, Contrack is embarking on a substantial expansion effort in the United States and the Pacific Rim, through which it has succeeded in adding recent contract awards on the West Coast of the United States and Guam, and has opened a regional office in Tokyo, Japan.

EXPANSIONS

We will focus on expanding our participation in concessionary projects, including Public-Private Partnerships (PPP) and Design Build Finance Maintain (DBFM), both as standalone brands and in consortiums in all of our core markets. This will allow us to pursue larger industrial and infrastructure projects as well as lock in steady returns.

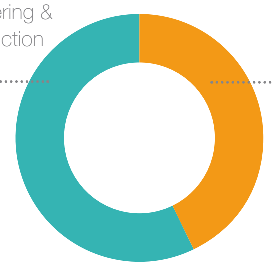
In addition, we will continue to consider strategic tuck-in acquisitions that enhance our core competencies and add valuable human resources to our construction team. We also aim to build our engineering scope to fully cover the engineering portion of our EPC competencies.

DIVESTMENTS

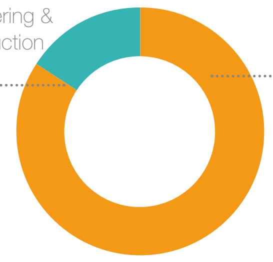
For 2014, our Board will consider divesting our 50% stake in the BESIX Group, which we jointly acquired with its management in a leveraged buyout in 2004.

FINANCIAL PERFORMANCE

Revenue by segment
FY 2013



EBITDA by segment
FY 2013



Income statement

Consolidated statement of comprehensive income for the years ended 31 December

$ millions	2013	2012	Variance (%)
Revenue	**6,131.8**	**5,286.5**	**16.0%**
EBITDA excl. one-off items	812.2	754.7	(7.6%)
EBITDA margin	13.2%	14.3%	
EBITDA	**742.3**	**754.7**	**(1.6%)**
EBITDA margin	12.1%	14.3%	
Net Income attributable to shareholders	**295.2**	**(1,887.9)**	**NM**
Net income* margin	4.8%	NM	
Total assets	11,446.6	11,061.5	3.5%
Gross interest-bearing debt	6,066.1	5,549.2	9.3%
Net debt (reported)	3,800.0	3,302.4	15.1%
Net debt (Sorfert proportionally consolidated)	2,954.8	2,579.2	14.6%
Capital expenditure	777.7	458.5	69.6%

* Net income attributable to shareholders

Revenue

OCI N.V.'s revenue from continuing operations reached $ 6,131.8 million, a 16.0% increase over 2012. Revenue increased year-on-year despite continued unfavorable economic conditions in key Middle Eastern markets, particularly in Egypt, where both the construction and chemicals operations underperformed.

Engineering & Construction Group revenue from continuing operations reached $ 3,498.6 million, a 23.3% increase over 2012. The Engineering & Construction Group's revenue growth was primarily driven by the full integration of the Weitz Group, which was acquired in 2013 and contributed an additional $ 417.4 million to the top-line during the year. Excluding Weitz's contribution, Construction Group revenue increased by 8.6% in 2013. Engineering & Construction Group revenue was impacted by approximately 60 days of reduced operations in Egypt due to curfews imposed across the country during the summer months.

Fertilizer & Chemicals Group revenue from continuing operations reached $ 2,633.2 million, a 7.5% increase over 2012. The Chemicals Group benefitted from:

o First full year of operations at OCI Beaumont,

o A strong increase in traded volumes at OCI Fertilizer Trading (OFT),

o Improved methanol and melamine prices as compared to 2012,

o The start-up of Sorfert's operations in the fourth quarter; and

o OCI Nitrogen completing a debottlenecking of its calcium ammonium nitrate production facility in the Netherlands.

The Fertilizer & Chemicals Group's revenue from continuing operations was impacted by lower nitrogen fertilizer prices as compared to 2012 and continued natural gas supply disruptions in Egypt throughout 2013, resulting in lower utilization rates at both EFC and EBIC.

EBITDA

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) reached $ 742.3 million, a 1.6% decrease over 2012. Excluding $ 69.9 million in one-off costs at OCI Beaumont and Sorfert, 2013 EBITDA stood at $ 812.2 million. The EBITDA margin decreased from 14.3% in 2012 to 12.1% (13.2% excluding one-off items) in 2013. Group EBITDA includes the contribution from both the Chemicals and Construction Groups, offset by corporate costs.

The Fertilizer & Chemicals Group's EBITDA excluding one-off items decreased by 16.6% to $ 708.2 million in 2013 and the EBITDA margin stood at 26.9% for the year as compared to 34.7% in 2012. EBITDA margin stood at 23.5% for the year, as compared to 34.1% in 2012. EBITDA was negatively impacted by natural gas supply disruptions in Egypt, a negative contribution from Sorfert due to a full year's worth of costs supported by only two months' worth of sales, higher traded volumes with lower net margins, and a weaker second half for OCI Nitrogen. This was all partially offset by a strong increase at OCI Beaumont.

The Engineering & Construction Group's EBITDA increased by 143.5% to $ 129.5 million and the EBITDA margin stood at 3.7% for the year as compared to 1.9% in 2012. The 2012 profits have been restated due to changes in the consolidation method for certain joint ventures and the transfer of certain profits from 2012 to 2011.

Construction margins were affected by a deteriorating operating environment and productivity in Egypt, coupled with severe inflationary pressures in the country. Margins were also affected by the full integration of lower margin US-based work from Weitz and by a reduction in revenue in Afghanistan where the US government has contracted its activities.

Number of employees

The number of staff employed in the Group converted into fulltime equivalents (FTE) amounted to 72,418 employees as of 31 December 2013, a decrease of 3.1% from 74,770 at 31 December 2012. Of these employees 2,768 (2012: 2,862) were employed in the Fertilizer & Chemicals segment, 69,460 (2012: 71,728) were employed in the construction segment and 190 employees (2012: 180) were allocated as overhead.

FINANCIAL PERFORMANCE
CONTINUED

Selling, General and Administrative expenses (SG&A)

SG&A expenses as a percentage of revenue were 7.1% in 2013, a decrease from 11.6% in 2012, and amounted to $ 434.4 million in 2013. In 2012, one-off additions to provisions amounting to $ 261.3 million were charged to SG&A expenses. Excluding these incidental items, SG&A expenses were 8% of revenues in 2012. The 2013 SG&A included higher expenses from our operations in the United States, particularly the first-time inclusion of Weitz, as well as a full year's SG&A from Sorfert, which was not offset by a full year of sales. On an on-going basis, the expected SG&A expenses amount to approximately $ 12 million per year for Sorfert.

One-off items

One-off items had a negative impact of $ 69.9 million at the EBITDA level in 2013 compared to the reported EBITDA of $ 742.3 million, comprising $ 15.6 million in one-off costs at OCI Beaumont and $ 54.3 million of one-off start-up costs and idle capacity expenses at Sorfert.

$ millions	2013	2012	P&L Item
Operating profit as reported	**557.1**	(422.1)	
Depreciation, amortization and impairment	327.0	1,176.8	
Transaction cost	89.3		Transaction cost
Change in fair value of natural gas hedge	31.0		Other expenses
Gain on sale of Gavilon	(262.1)		Other income
Reported EBITDA	**742.3**	754.7	
Sorfert start-up and idle capacity expenses	54.3		Other expenses (fully consolidated)
Prepayment of long-term contract	15.6		Selling, general and administrative expenses
EBITDA excluding one-off items	**812.2**	754.7	

Total one-off items had a positive impact of $ 135.8 million at the net income level in 2013. Other income of $ 348.6 million includes a $ 262.1 million gain on the sale of Gavilon. As previously reported, in 2012 a $ 1,048.8 million provision was made for the tax settlement in Egypt. A non-cash interest charge of $ 73.3 million and a foreign exchange gain of $ 88.3 million on this liability were booked in 2013 under Finance Expense and Finance Income respectively. These positive effects were offset by a change in fair value of $ 31.0 million on the natural gas hedge related to Iowa Fertilizer Company, net IPO transaction costs of $ 67.0 million ($ 89.3 million costs and $ 22.3 million tax credit), in addition to the negative impact at the EBITDA level adjusted for OCI N.V.'s 51% share in Sorfert.

$ millions	2013	2012	P&L Item
Reported net income	**295.2**	(1,887.9)	
Additional goodwill amortisation		900.0	Operating expense
Tax dispute settlement		1,048.8	Income tax
Interest on tax settlement (non-cash)	73.3		Finance expense
Forex gain on tax settlement	(88.3)		Finance income
Transaction cost	89.3		Transaction cost
Tax on transaction cost	(22.3)		Income tax
Change in fair value of natural gas hedge	31.0		Other expenses
Gain on sale of Gavilon	(262.1)		Other income
Sorfert start-up and idle capacity expenses	27.7		Other expenses (OCI N.V.'s 51% share)
Prepayment of long-term contract	15.6		Selling, general and administrative expenses
Net income excluding one-off items	**159.4**	60.9	

Net financing expenses

Net finance expenses amounted to $ 233.6 million, a 6.9% increase as compared to 2012. Net interest expenses increased from $ 238.8 million in 2012 to $ 373.0 million in 2013 primarily due to:

- Sorfert's net financing costs of $ 62.8 million, which were expensed rather than capitalized in 2013
- Interest of $73.3 million on the tax settlement mentioned above
- Increased borrowing costs at the corporate level

The net foreign exchange gain amounted to $ 140.5 million in 2013 compared to $ 20.2 million in 2012 and $127.9 million in the first half of 2013.

Net income attributable to shareholders and earnings per share

Income tax expense on profit from continuing operations in 2013 was $ 86.0 million (effective tax rate 24.9%). Net income for 2013 stood at $ 295.2 million as compared to a loss in 2012 of $ 1,877.9 million. Net income excluding one-off items stood at $ 159.4 million compared to $ 60.9 million in 2012. Basic earnings per share (EPS) stood at $ 1.449 per share as compared to a loss of $ 9.208 per share during 2012. Diluted EPS stood at $ 1.408 per share as compared to a loss of $ 9.208 per share during 2012.

Dividend

The OCI N.V. Board has recommended no dividends for 2013. The OCI N.V. Board of Directors intends to design and propose a dividend policy with a view to balancing the availability of funds for dividend distribution while pursuing growth opportunities that generate solid returns.

Consolidated Statement of Cash Flows for the years ended 31 December

$ millions	2013	2012
Profit for the year	**259.2**	**(1,859.2)**
Adjustments:		
Depreciation of PPE & amortization	327.0	276.8
Goodwill impairment	-	900.0
Gain on sale of Gavilon	(262.1)	-
Income tax litigation payment	(360.2)	-
Tax expense	86.0	1,243.3
Transaction expenses paid	(242.0)	-
Changes in working capital	(376.2)	(97.0)
Other operating cash flow	(144.4)	(140.1)
Cash flow from operating activities	**(712.7)**	**323.8**
Investments in property, plant and equipment	(777.7)	(458.5)
Proceeds from assets held for sale	629.0	-
Other cash flow from investing activities	1,233.3	(1,105.5)
Cash flow from investing activities	**1,084.6**	**(1,564.0)**
Proceeds from share issuance	355.6	
Proceeds from treasury share	70.7	28.7
Proceeds from borrowings	2,964.7	1,880.7
Payment of borrowings	(2,411.8)	(651.5)
Purchase of OCI S.A.E. shares	(90.0)	-
Other cash flow from financing activities	(39.7)	(70.1)
Cash flow from financing activities	**849.5**	**1,187.9**
Currency translation differences	11.3	2.1
Net increase (decrease) in cash and cash equivalents	**1,232.7**	**(50.3)**
Cash and cash equivalents at 1 January	1,033.4	1,083.7
Cash and cash equivalents at 31 December	2,266.1	1,033.4

Cash Flows from operating activities

Cash provided by continuing activities in 2013 totaled a negative of $ 712.7 million, down from $ 324.8 million in 2012. 2013 cash flows from operating activities were impacted by $ 360.2 million for tax settlement with the Egyptian Tax Authority, and $ 242.0 million transaction expenses.

Cash Flows from investing activities

Cash used in investing activities reached $ 1,084.6 million. Total capital expenditures in 2013 increased to $ 777.7 million compared with $ 458.5 million in 2012, and was used for our development of the Iowa Fertilizer Company, the final construction phase of Sorfert Algérie, which commissioned in August, and the expansion of the CAN line at OCI Nitrogen. Cash flows from divestments (Gavilon) totaled $ 629.0 million in 2013.

Cash Flows from financing activities

Cash provided by financing continuing activities in 2013 totaled $ 849.5 million. This consisted principally of IPO proceeds of a minority stake in OCI Partners LP, bank borrowings to finance our investments, a convertible bond issue, and issuance of equity, offset by repayment of borrowings and cash outflows for the acquisition of our former parent company, Orascom Construction Industries S.A.E..

Financial liquidity and position

Consolidated Statement of Financial Position as at 31 December

$ millions	2013	2012
Total non-current assets	6,419.3	5,879.3
Total current assets	5,027.3	5,182.2
Total assets	**11,446.6**	**11,061.5**
Shareholders' equity	**1,721.3**	**1,281.7**
Non-controlling interest	366.3	418.9
Total equity	**2,087.6**	**1,700.6**
Total non-current liabilities	5,567.0	3,667.0
Total current liabilities	3,792.0	5,693.9
Total liabilities	**9,359.0**	**9,360.9**
Total equity and liabilities	**11,446.6**	**11,061.5**

Gross and net debt

2013 was a transformational year, with large cash outflows at a time when cash generation at our assets in Egypt was significantly reduced. Capital expenditure amounted to $ 777.7 million during 2013, largely directed to our major growth initiatives in the United States, the first installment of $ 360.2 million for the settlement of tax claims in Egypt was paid in May 2013, whereas costs for the relisting from Egypt to The Netherlands amounted to $ 242.0 million, of which $ 89.3 million has been recorded in the income statement and the remainder directly in equity.

In the second half of the year we rebalanced to financial strength with the issuance of equity (€ 100 million) and a convertible bond (€ 339 million) in September, the IPO of a minority stake in OCI Partners (proceeds $ 291.0 million) and the divestment of Gavilon (cash proceeds during 2013 $ 629.0 million). As a result, we reduced our net debt by $ 341.1 million in the second half of the year. With no major debt maturing over the next twelve months and all growth capex apart from Natgasoline prefunded, we are now well positioned to focus on a return to growth and the creation of shareholder value.

As at 31 December 2013, OCI N.V. had total gross debt outstanding of $ 6,066.1 million, a 9.3% increase over 31 December 2012.

- $ 2.7 billion in 2012 and $ 2.9 billion in 2013 (or about 48% of gross debt in both years) is debt related to Sorfert and Iowa Fertilizer Company. These two projects were under completion or construction and did not contribute to EBITDA
- Our debt position increased due to the full consolidation of Sorfert Algérie's $ 1,732 million non-recourse project finance debt, which was previously proportionately consolidated. If Sorfert were still on a proportional (51%) basis, OCI's pro forma gross debt would have been $ 5,217.4 million

The majority of OCI N.V.'s total debt outstanding is held at the operating company level and is financed through operating cash flows. OCI N.V.'s debt profile is detailed in the table below:

FINANCIAL PERFORMANCE
CONTINUED

OCI N.V. Consolidated Debt Breakdown as at 31 December 2013

$ millions	Description	Companies	Gross Debt	Cash	Net Debt
Joint venture debt	• Debt at entities where OCI's stake is less than 100% • Debt is non-recourse to OCI N.V., although consolidated on the group's balance sheet	• Sorfert • EBIC • OCI Beaumont • Construction JVs • BESIX	2,469	617	1,852
Operating company debt	• 100% owned operating companies' debt is organized against operating company cash flow and is non-recourse to HoldCo • Corporate support is available from OCI N.V. with Board approvals.	• OCI Nitrogen • EFC • Orascom Construction • Other Construction Debt	1,787	359	1,428
Project finance debt	• Project finance debt which can remain with companies after completion of construction • All project finance debt is ring-fenced and non-recourse to OCI N.V. • Debt is raised through banks or capital markets • Long tenures financed by operating cash flow	• IFCo	1,169	1,156	13
Holding Company debt	• Full responsibility of OCI N.V. • Supported by investment asset values and dividends received from subsidiaries	• OCI N.V. • OCI S.A.E	641	134	507
Total debt			**6,066**	**2,266**	**3,800**

OCI N.V.'s net debt position of $ 3,800.0 million as at 31 December 2013 is a 15.1% increase over 31 December 2012, but a decrease of $ 341.1 million from 30 June 2013 to 31 December 2013.

- $ 1.5 billion in 2012 and $ 1.7 billion in 2013 (or about 45% and of net debt in 2012 and 2013 respectively) is related to Sorfert and Iowa Fertilizer Company. Excluding Sorfert and Iowa Fertilizer Company, net debt amounted to $ 2,075.0 million
- If Sorfert were still on a proportional (51%) basis, OCI's net debt would have been $ 2,954.8 million as at 31 December 2013 (compared with $ 2,579.2 million as of 31 December 2012 and $ 3,295.8 million as of 30 June 2013).

$ millions	2013	2012
Long-term interest-bearing debt	4,591.9	2,651.6
Short-term interest-bearing debt	1,474.2	2,897.6
Gross interest-bearing debt	**6,066.1**	**5,549.2**
Cash	2,266.1	1,033.4
Marketable Securities (Iowa Fertilizer Company)	-	1,213.4
Net debt	**3,800.0**	**3,302.4**
Sorfert net debt (fully consolidated)	1,725.0	1,476.0
Sorfert net debt (proportionally consolidated)	879.8	752.8
Pro forma net debt with Sorfert proportionally consolidated	**2,954.8**	**2,579.2**

OCI S.A.E. Tax Liability

As previously reported, OCI S.A.E., a subsidiary of OCI N.V. in Egypt, entered into a tax settlement in April 2013 for a total of EGP 7.1 billion (equivalent to approximately $ 1.0 billion). The initial installment of EGP 2.5 billion ($ 360.3 million) was paid in May 2013. Following the change in government in Egypt in July 2013, OCI S.A.E. approached the Egyptian Public Prosecutor to re-open the tax settlement file with our position being that we were politically forced into signing the settlement agreement. Accordingly, OCI S.A.E. suspended the second installment of about $ 128 million due on 31 December 2013 on the grounds that the settlement has no basis. After a six month investigation, the Public Prosecutor exonerated the Company of any tax evasion in a final written opinion published on 18 February 2014. OCI S.A.E. launched an appeals process in the Egyptian Courts and the hearing has been scheduled for 28 May 2014.

As at December 31 2013, $ 673.7 million remains on the balance sheet as a liability until a final court order is issued. Further, a non-cash interest charge of $ 73.3 million and a foreign exchange gain of $ 88.3 million on this liability were booked in 2013 under Finance Expense and Finance Income respectively.

2012 IFRS Audited Accounts

Effective 2013, Orascom Construction Industries (OCI S.A.E.) is a subsidiary of OCI N.V. and as such OCI N.V. is the accounting successor to OCI S.A.E. Therefore, the 2012 audited financial statements for OCI S.A.E. have been prepared in compliance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and are shown as the comparative figures in the 2013 financial statements of OCI N.V.

The final audited 2012 accounts prepared under EU-IFRS differ from the unaudited 2012 accounts prepared under Egyptian GAAP and those presented with 2013 half yearly accounts. The differences relate to accounting for goodwill and changes in consolidation method for certain joint ventures. The principal change in respect of joint ventures in the 2012 balance sheet was the full consolidation of Sorfert. This has resulted in adjustments to assets and liabilities including additional net debt of $ 723.2 million as at 31 December 2012.

EFC Goodwill Impairments in 2012-13

A further goodwill impairment charge of $ 490.1 million, bringing the total charge to $ 900.0 million has been recorded in 2012. There is no further impairment required in 2013. Going forward, we are considering to combine certain fertilizer assets including goodwill into one cash generation unit (CGU), given the organizational changes initiated at the end of 2013.

Outlook

We expect improvements in EBITDA, net income and FTE in 2014:

- Sorfert is expected to produce at capacity from April 2014 onwards as the export license issues have been resolved
- Visibility on Egyptian gas supply remains limited. We have been advised by Egyptian Natural Gas Holding Company (EGAS) to plan gas supply levels of around 70% for 2014
- All other fertilizer and industrial chemicals assets are operating normally
- Construction margins in Q1 2014 to remain similar to 2013
- We expect an EBITDA margin improvement for the Construction Group starting Q2 2014, when new construction projects, which are at higher margin levels, start contributing
- From January 2014 onwards, OCI will recognize BESIX according to the equity method, rather than proportional consolidation as was the case until 31 December 2013
- We expect the number of FTE to move in line with the revenues of the Engineering & Construction Group, the segment that employs the majority of FTE.

Expected 2014 Capital expenditures

Apart from Natgasoline LLC, all capital expenditure requirements for OCI N.V.'s announced greenfield and growth related debottlenecking projects already under construction are fully funded as at 31 December 2013. OCI N.V.'s expansions and greenfield projects currently include Iowa Fertilizer Company, the debottlenecking at OCI Beaumont, and Natgasoline LLC. OCI N.V.'s production plants are relatively new, minimizing required maintenance capital expenditures. The capital expenditure requirements for our Engineering & Construction Group are relatively low and generally blended into working capital as part of the upfront costs associated with the start of new construction projects.

Project	Description	Investment cost	Funding	2014 Capex
Iowa Fertilizer Company	Fertilizer plant in Iowa, USA. Scheduled to begin commissioning in Q4 2015 to produce up to 2 million tons of nitrogen fertilizer and DEF.	$ 1.8 billion	$ 1.2 billion Midwest Disaster Area tax-exempt bond.	Approximately $ 650 million – fully funded by project finance bonds.
OCI Beaumont	Debottlenecking initiative expected to increase ammonia capacity by 15% and methanol capacity by 25% in Q4 2014, to reach total consolidated capacity of 1.2 mtpa.	$ 150 million	Fully funded by IPO proceeds raised in Q4 2013.	$ 125 – 135 million fully funded through IPO proceeds.
Natgasoline LLC	Greenfield methanol plant in Texas, USA. Scheduled to begin commissioning in Q4 2016 to produce up to 1.75 million tons of methanol.	$ 1 billion	During 2H2014, OCI N.V. management will decide on project financing for the company.	Approximately $ 150 million 2014 capex will be funded by OCI N.V. equity;
Maintenance capex at EFC, EBIC, OCI Nitrogen and Sorfert				$ 75 - 125 million
Total[1]				**$ 1.0 – 1.1 billion**

[1] Accounts for 100% of capex at all the plants, in $ millions

Divestment program

We expect to divest our 13.5% share in Notore Chemical Industries (Notore), a granular urea and bulk blended NPK producer and exporter, in 2014.

We are considering divesting our 50% stake in BESIX Group, which we jointly acquired with its management in a leveraged buyout in 2004. Discussions with interested parties have been initiated, which may lead to the sale of our 50% stake.

By being a good corporate citizen, we consider ourselves a local company in each of our host communities. We support the economic and social well-being of our communities by setting global good corporate citizenship standards, while respecting local sensitivities. By promoting environmental stewardship and fostering growth in our communities, we seek to create a sustainable environment to continue to grow our business.

CORPORATE AND SOCIAL RESPONSIBILITY

Number or employees
as at 31 December 2013

72,418

OUR COMMUNITIES

Working in partnership with local and global leaders

We are active in over 35 countries across Europe, the Americas, Asia and Africa. Our construction business focuses on large-scale infrastructure projects that provide essential services to large populations globally. Similarly, our natural gas-based products optimize yields, strengthen crops and accelerate growth and maturity on a global level and in our local communities.

As at 31 December 2013, we employ over 72,400 people and provide goods and services to thousands of clients around the world. We have a commitment to maximize the use of local resources whenever possible by drawing local people into our company and developing their skills, and by choosing local partners to supply materials and other services.

CORPORATE AND SOCIAL RESPONSIBILITY
CONTINUED

OUR INTERNAL COMMUNITY

INVESTING IN THE BEST PEOPLE AND TECHNOLOGIES

We strongly feel our internal community is fundamental to the success of our business; we have invested and are committed to continuing to invest in the best people and the best technologies. We offer training and development programs on a continuous basis to improve the knowledge and expertise of our employees.

Training & development

OCI Academy

Founded in 2009, the OCI Academy aims to foster an environment that encourages individuals to seek opportunities for professional growth and enrichment by providing training and learning opportunities.

OCI Academy's Talent Management Unit aims to develop the capabilities and competencies of new and experienced employees by providing training programs that meet changing business needs and improve work performance. Accordingly, all training programs are on-site and job-related.

The OCI Academy has a vocational Talent Program aimed at engineering graduates with up to two years' experience working in the field. Since its establishment, the Academy's 'Talent Program' has graduated 92 professional engineers. During the program participants rotate for 27 months through different key projects and departments in our Engineering & Construction Group, in order to develop a thorough understanding of our business, increase their knowledge and develop their on-site skills. Participants also receive advanced theory training and a Project Management Professional diploma. The Talent Program expects to graduate another 28 participants by the end of 2014.

Number of OCI Academy 'Talent Program' graduates to date

92

Fertilizer & Chemicals Group

2013 Lost Time Injury Rate (LTIR)
Number of lost time injuries/ 1 million hours worked

0.29

Engineering & Construction Group

2013 Lost Time Injury Rate (LTIR)
Number of lost time injuries/ 1 million hours worked

0.494

GHG emissions

87% improvement since 2009

2013	0.62
2012	0.59
2011	0.84
2010	0.77
2009	4.93

Leadership programs

The OCI Academy also offers a Leadership Program. This is a competitive management development program designed to identify, and retain excellent employees by providing continuous training and feedback. To date, 22 employees have followed this program and have been assigned new roles in the organization based on their acquired skills and strengths.

In addition, the OCI Future Leaders Program is designed to prepare high caliber professionals for a future leadership role at OCI through an intensive managerial and technical development track varying from 3 to 5 years. The program, which aims to secure OCI's management succession plan, is applicable to all employees who demonstrate exceptional and consistent performance.

Professional Enhancement Framework

We are constantly looking for effective solutions to enhance our people's performance. During 2010, the Human Resources department, in collaboration with CEB SHL Group Talent Measurement, a leading workplace talent assessment solutions consultant, designed and implemented an organization wide leadership model and competency framework for all employees. The framework creates a foundation to develop OCI's selection, succession planning and performance management practices.

As part of this framework a company-wide performance management system was developed. This system provides employees with a detailed post-assessment professional enhancement guide, and includes on and off-the-job recommendations and training courses offered both in the classroom, online and on the job.

PRODUCT STEWARDSHIP & HEALTH, SAFETY & ENVIRONMENT

As a global natural gas-based chemicals producer and engineering & construction company, our employees are the backbone of our business. OCI N.V. is committed to meeting or exceeding international product stewardship and health, safety, quality and environment standards. We train all employees to implement the best sustainable practices.

We are committed to being an environmental steward by implementing the best technology available to minimize our environmental footprint and promote sustainable business best practices.

Fertilizer & Chemicals Group

Product stewardship

Product stewardship ensures that fertilizers and their raw materials, additives and intermediate products are processed and manufactured, handled, stored, distributed and used in a way which safeguards health, occupational and public safety, the environment, and ensures security. We comply with international standards as members of the International Fertilizer Association, Fertilizers Europe (formerly EFMA), The Fertilizer Institute (TFI), and the International Methanol Producers & Consumers Association (IMPCA), among others.

Certifications

EFC, EBIC, and OCI Nitrogen are ISO 9001 certified. EBIC and EFC also hold ISO 1400. EBIC and EFC also hold ISO 14001 and OHSAS 18001 certifications, certifying each plant's commitment to excellence in product quality and management controls and procedures as per global standards. OCI Nitrogen also has a Product Stewardship certificate.

All of our operating plants hold REACH registration certificates from the European Chemicals Agency, ensuring a high level of protection of human health and the environment from the risks that can be posed by chemicals.

Safety first

We are committed to providing a safe and healthy workplace for all employees by implementing the highest international safety standards.

This commitment is underscored by several safety development initiatives recently undertaken at our plants.

OCI Beaumont is pursuing the Voluntary Protection Program of the Occupational Safety and Health Administration (OSHA) to achieve 'star' qualification, designed for exemplary worksites with comprehensive, successful safety and health management systems. OCI Beaumont's safety record has been lauded as best in class by OSHA standards with a Total Recordable Incidence Rate (TRIR) of 0.5 and a Lost Time Injury Rate of zero, with 386,596 hours worked in 2013.

Over the past two years, EBIC collaborated with DuPont, a leading science-based products and sustainable solutions services company, to assess and improve EBIC's safety culture. EBIC completed the implementation of a comprehensive global safety standards policy during 2012 to ensure a safe working environment for its employees.

Our Lost Time Injury Rates (LTIR) at our plants as outlined below are good, and we are constantly looking for areas to improve.

CORPORATE AND SOCIAL RESPONSIBILITY / OUR INTERNAL COMMUNITY CONTINUED

Safety first (continued)

LTIR	2009	2010	2011	2012	2013
OCI Nitrogen	N/A	1.00	0.86	0.77	0.14
EFC	0.97	0.97	0.50	1.17	0.00
EBIC	0.78	0.57	0.57	4.19	0.00
OCI Beaumont	N/A	N/A	N/A	0.13	0.00
Sorfert	N/A	N/A	N/A	N/A	1.30
OCI Average	**0.88**	**0.85**	**0.64**	**1.57**	**0.29**
Indicative Industry Average from US Bureau of Labor Statistics	1.2	0.8	0.8	0.8	N/A

Environmental excellence

We are committed to being an environmental steward by implementing the best technology available where applicable to minimize our environmental footprint and promote sustainable business best practices. Our resolve to reduce our environmental impact as nitrogen-based chemicals producer is proven by our 87% reduction in carbon dioxide (CO_2) emissions since 2009, despite the addition of three more production facilities during the last five years.

As a testament to EFC's commitment to producing urea at the lowest possible impact on the environment, EFC is the only plant in Egypt that has implemented a novel solution to the large quantity of water produced as a by-product of the urea manufacturing process. In 2010, the plant invested $ 1.2 million for the construction of two irrigation ponds capable of holding up to 10,000 cubic meters of water. The water is used to irrigate 50 acres of forestry near the plant in an environmentally friendly manner.

At EBIC, the plant supplies EFC with the excess CO_2 produced in the manufacture of ammonia. Through this shared pipeline, EFC is able to produce additional urea and EBIC is able to decrease its pollutant CO_2 emissions. During 2013, EBIC reduced its carbon emissions by approximately 185 thousand tons, a 12% improvement over last year and equivalent to CO_2 consumption by 4.7 million tree seedlings grown for ten years. In addition, both plants have been tuned to share some utilities, primarily electricity and waste water. This not only generates savings in capital expenditure, but also allows each plant to depend on the other for backup in case of a malfunction, making our operations at both plants even more reliable.

OCI Beaumont is implementing Best Available Control Technology (BACT), a pollution control standard mandated by the United States Clean Air Act, during its next plant turnaround to reduce its environmental impact. The plant will install a Selective Catalytic Reduction Unit, a Saturator and a Prereformer in conjunction with a scheduled turnaround in the fall of 2014.

OCI Nitrogen's plants all operate at excellent energy efficiency rates, with energy consumption and CO_2 emissions are at levels close to the chemical and physical minimum, thereby leading to a positive CO_2 balance under the current European Trading Scheme for CO_2 emission trading.

During the year, OCI Nitrogen implemented a new cooling system that was awarded the Responsible Care prize by the Dutch Chemical Industry Association (VNCI). The Responsible Care prize is awarded each year by the VNCI to chemical companies that excel in health, safety, the environment and sustainability. The "COOL" cooling technology has allowed OCI Nitrogen to reduce its annual fine particle emissions from 174 metric tons to zero.

GHG emissions (Million tons of CO_2 equivalent)	2009	2010	2011	2012	2013
OCI Nitrogen	9.40	1.10	1.30	1.20	1.30
EFC	0.45	0.45	0.43	0.43	0.36
EBIC	-	0.76	0.78	0.68	0.39
OCI Beaumont	-	-	-	0.26	0.49
Sorfert	-	-	-	0.40	0.55
OCI Average	**4.93**	**0.77**	**0.84**	**0.59**	**0.62**

Engineering & Construction Group

Safe construction sites

We are responsible for the safety of our employees and are fully committed to providing a safe and unpolluted working environment that meets the most stringent international benchmarks. Our goal is to achieve leadership in safety and occupational health standards in the regions in which we operate. We have integrated this goal into our corporate values, and into the programs and policies of each of our businesses, joint ventures and on our construction sites. Safety is considered an integral part of quality control, cost reduction and efficiency, and we are committed to providing resources to enable this.

Each of our construction brands has developed stringent rules and regulations that are implemented and enforced on all projects and tailored to meet the unique environments of the locations in which they operate.

Prior to the start of any construction project, a safety and accident prevention plan is prepared stating the health and safety rules to be applied in the project, how to conduct safe work, and preserve personnel, property, and equipment. The plan includes an activity hazard analysis to address the different hazards associated with the work and the means of preventing them from happening. All our subcontractors are required to abide by the same rules and regulations.

Employees are provided ongoing continuous safety training during projects, beginning with an induction session prior to arriving on site. Weekly tool-box meetings are conducted to keep the workers aware of the safety hazards associated with their specific tasks. Safety personnel are trained and certified by recognized international safety organizations, including OSHA and NEBOSH.

We provide materials, tools, equipment, and to the best of our ability a hazard-free environment to ensure all tasks can be safely completed. No person shall be required or instructed to work in surroundings or under conditions that are unsafe or dangerous to their health. Each worker is responsible for complying with applicable safety requirements, wearing prescribed safety equipment, and preventing avoidable accidents. Each employee has a duty to report workplace conditions or practices that pose a safety hazard or threaten the environment and to take reasonable actions to alleviate such risks.

Our LTIR statistics are as follows:

LTIR	2009	2010	2011	2012	2013
Orascom Construction	0.033	0.024	0.014	0.016	0.014
Contrack	0.023	0.025	0.025	0.081	0.032
Weitz	0.200	0.100	0.100	0.200	0.300
BESIX	3.390	3.020	4.170	2.670	1.630
OCI Average	**0.912**	**0.792**	**1.077**	**0.742**	**0.494**
Indicative Industry Average from US Bureau of Labor Statistics	1.6	1.5	1.5	1.4	N/A

For our commitment to health and safety, and for no 'lost time injuries', we have received safety awards and recognition letters from several international partners and clients, including the US Army Corps of Engineers, Kellogg Brown & Root, and ThyssenKrupp Uhde. These awards include:

Project name	Location	Client	Million Manhours without LTIs
OC			
El Merk Project, Lot 1 and 7	Algeria	Petrofac UAE International Limited	9
King Abdel Aziz	Saudi Arabia	Saudi Binladin Group	7
Baiji Power Plant	Iraq	The Iraqi Ministry of Electricity	4
Marassi Project, PKG 13	Egypt	Turner International Middle East	3.6
Credit Agricole Egypt Head Office	Egypt	Credit Agricole Bank	3
Terga Power Station Combined Cycle	Algeria	The Algerian Ministry of Electricity	2.5
National Eye Hospital	Egypt	National Hospital Eye	2
Contrack			
SIDRA Medical Center	Qatar	Qatar Foundation	10
Al Reem Island Roads and Utilities Infrastructure Package 1	UAE	Sorouh	9.6
Navy Milcon (all phases)	Bahrain	US Army Corps of Engineers	6
Waterfront Phases I and II	Bahrain	US Army Corps of Engineers	4
Peace Vector Village	Egypt	US Army Corps of Engineers	1

Multiple Weitz locations have also worked over 1 million man-hours without a lost time accident:

Location	Million Manhours without LTIs
Florida	2.6
Phoenix	2.4
Iowa	1.3
Denver	1

Weitz was awarded the following in 2013 in recognition of its safety performance:

- OSHA CHASE Partnership Blue Level - Associated General Contractors
- Award of Honor with Distinction - National Safety Council

HSE Training Division

Training and HSE site audits

Similar to previous years, six engineers were trained by our HSE Training Division to become qualified HSE managers in 2013. In addition, the Training Division, in collaboration with our Human Recourses Department, trained 1,239 employees during the year.

OC's internal HSE audit team conducted 158 project site audits and 38 environmental audits, including surprise spot checks as well as scheduled reviews.

Weitz provided training to all employees on Hazard Communications, Fall Protection, Trenching, and Electrical safety. Additionally, all senior management participated in a "Safety Boot Camp" to reaffirm our safety commitment and expectations. All projects continued to receive weekly safety inspections performed by our project teams and Safety Managers.

At Contrack, health and safety standards are closely monitored by frequent inspections and audits. An award scheme is also included to encourage the attention and participation by all working on the project along with a system of safety warnings and fines to promote and ensure compliance with safety standards.

CORPORATE AND SOCIAL RESPONSIBILITY
CONTINUED

OUR GREATER COMMUNITY

Over the last 60 years, we have grown from a small family business to a global leader in our industries. Throughout our growth, we have always done our utmost to contribute to the economic and social wellbeing of the communities we operate in. We continue to match our growth in operations with a tangible impact towards the communities around us by providing a sustainable success model for human development. We believe that the key to this is a high quality, well-rounded education promoting critical thinking and entrepreneurship.

Accordingly, we have endowed time and resources into the entire education value chain, from building, renovating, and refurbishing schools and training facilities, to the funding of training and scholarship programs for teachers and students, financing and coordinating exchange programs between Egyptian and American institutions, and the sponsoring of extracurricular educational programs and competitions.

PROVIDING A WORLD CLASS EDUCATION

OCI Foundation

Formed in 2000, the OCI Foundation invests company resources in educational programs that improve the communities in which we operate. OCI was the first private company in Egypt to provide full scholarships to Egyptian students wishing to study abroad. OCI has cultivated strong ties with several leading universities, including the University of Chicago (Onsi Sawiris Scholars Exchange Program), Stanford (The American Middle Eastern Network Dialogue) and Yale (Master of Advanced Management program and Global Network for Advanced Management program).

Through the Onsi Sawiris Scholarship Program, the OCI Foundation has provided scholarships to 68 extraordinary Egyptian graduate and undergraduate students. To date, we have sent 18 students to Harvard University, 11 students to the University of Pennsylvania, 11 students to Stanford University and two students to the University of Chicago. In 2013, we provided scholarships to five students who are attending Yale, Stanford, Wharton, and Northwestern for graduate studies.

OCI furthermore sponsors the greater community educational value chain by, among other initiatives, covering school expenses of more than 200 underprivileged students in the governorate of Suez, by funding the establishment of the first English lab for the visually impaired in the Middle East, and by providing an Internship Program for undergraduate engineering students during summer.

Education Infrastructure

OCI has built schools and training facilities across Egypt and Afghanistan.

A highlight of our educational infrastructure development is the Sohag Military School for Boys in Egypt; we completely renovated the historic building established in 1927 under King Fouad I's rule. Our construction team completed the interior and exterior restoration of the Refaa El Tahtawy building and the installation of the state-of-the-art Onsi Sawiris Audio-Visual Conference Hall. We renewed the school's sports complex, including a multipurpose gymnasium fitted with wood flooring and state-of-the-art athletic equipment, fitted the playgrounds, fences, gardens, exteriors and corridors with completely rewired lighting infrastructure and system, re-landscaped the schools gardens and refurbished the fountain, resorted the school's walls to their original architectural style and rebuilt auxiliary buildings including completely upgraded utilities systems, wiring, carpentry, blacksmithing and ventilation.

In Afghanistan, we established a vocational training program in Kabul to provide job training and employment opportunities for local skilled labor. The Construction Training Center is a model program visited frequently by high-ranking officials from the United Nations, the Afghan Ministry of Education, USAID and the US Army Corps of Engineers.

The Training Center offers daily classes 6 days per week, 8 hours per day with focus on practical skills such as plumbing, electrical work, painting, masonry, steel fixing, HVAC, welding, and carpentry. All students are required to learn safety and quality control methods as part of their training. The trainees receive a daily stipend in addition to food and transportation and are awarded a certificate of completion once their courses requirements have been met. We have graduated over 1,800 students (including 113 deaf students and 49 mine victims). More than 80% of the graduates of the program are employed by Contrack on its various construction projects throughout Afghanistan. The Center is truly a success story on how to work with the local Afghani population, enhance their skills and knowledge and increase their participation in the reconstruction efforts

Sawiris Foundation

The Sawiris Foundation for Social Development, founded in 2001, and of which OCI is the primary source of funding, provides grants to fund projects implemented by charitable organizations, educational institutions, local government and private business. Projects that apply for funding should be innovative, answer to socioeconomic needs, and should clearly demonstrate potential for success. The Foundation's work can be found at www.sawirisfoundation.org.

Onsi Sawiris Scholarship Program
number of scholars to date

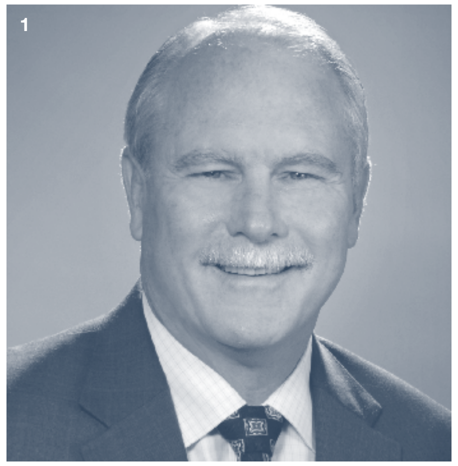
68

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

OCI N.V. (the Company) has a one-tier Board of Directors (the Board), which is responsible for the management, general affairs, strategy, and long-term success of the business as a whole. The Board comprises a majority of five Non-Executive Directors and a minority of two Executive Directors whose responsibility is collective, taking into account their respective roles as Executive Directors and Non-Executive Directors. In April 2014, Jan Ter Wisch was appointed Vice-Chairman, and Kees van der Graaf was appointed Senior Independent Non-Executive Director.



1 **Michael Bennett**
Chairman and Independent
Non-Executive Director

Appointed: 25 January 2013.

Michael Bennett has 36 years' experience in the nitrogen industry and is a past Chairman of both The Fertilizer Institute and The Methanol Institute in the United States. He served as the Chief Executive Officer and a Director of Terra Industries Inc., a producer of nitrogen fertilizer products, from 2001 until its acquisition by CF Industries Holdings in April 2010. He also served as Chairman and President for Terra Nitrogen Company, L.P., a publicly listed subsidiary of Terra Industries Inc. Mr. Bennett currently serves as a director of Alliant Energy Corporation and Arclin, Inc., as well as the Chairman of the Board at Morningside College in Sioux City, Iowa.

Born in 1953 and is a United States citizen.

2 **Nassef Sawiris**
Chief Executive Officer

Appointed: 16 January 2013.

Nassef Sawiris is the major shareholder and the Chief Executive Officer of OCI N.V. Mr. Sawiris is also a board member and shareholder in Lafarge S.A. He is also a Director of the BESIX Group. Mr. Sawiris joined the Orascom Group in 1992, became the Chief Executive Officer of OCI N.V.'s predecessor, Orascom Construction Industries (OCI S.A.E.), in 1998 and was also appointed Chairman of OCI S.A.E. in 2009.

Mr. Sawiris holds a BA in Economics from the University of Chicago, USA.

Born in 1961 and is an Egyptian citizen.

3 **Salman Butt**
Chief Financial Officer

Appointed: 25 January 2013.

Salman Butt is Chief Financial Officer of OCI N.V. Mr. Butt joined OCI S.A.E. as CFO in 2005. He is an international banker with over 20 years of banking experience. He was Head of Investment Banking for the Samba Financial Group in Saudi Arabia from 2003-2005. For 18 years prior to this, he worked with Citibank in Pakistan, Hong Kong, the United Kingdom, Egypt and Saudi Arabia. He holds no other board positions.

Mr. Butt holds a Masters degree in Business Administration from the University of Texas at Austin, USA, and a Bachelor of Science degree in Industrial Engineering from the Middle East Technical University, Ankara, Turkey.

Born in 1959 and is a Pakistani citizen.

4 **Jan Ter Wisch**
Vice-Chairman and Independent
Non-Executive Director

Appointed: 25 January 2013.

Jan Ter Wisch is both a lawyer and an economist. He has been a partner at Deloitte, Loeff Claeys Verbeke and lastly at Allen & Overy. At Deloitte he was a member of the Global Tax Policy Group and the European Tax Board. At Loeff he was a member of the Board. At Allen & Overy he served as a member and Chairman of its Global Tax Board. He has a wide range of experience advising multinationals on major merger and acquisitions transactions, several of which involved the world wide co-ordination of tax advice.

Mr. Ter Wisch is the Chairman of Stichting De Westberg, a charity foundation funding projects in underprivileged communities around the world, and is the sole board member of Stichting Administratiekantoor Grass, a foundation owning the legal title on behalf of several investors in a variety of Private Equity firms. He currently holds no other public board positions.

He lectured at a postgraduate course in association with Erasmus University Rotterdam and he has been a Dutch correspondent for Tax Notes International for almost 20 years.

Mr. Ter Wisch holds a Masters degree in Fiscal Economics and a Masters degree in Civil Law and Business Law, all from Erasmus University Rotterdam.

Born in 1952 and is a Dutch citizen.

5 **Arif Naqvi**
Independent Non-Executive Director

Appointed: 25 January 2013.

Arif Naqvi is the Founder, Group Chief Executive and Board member of The Abraaj Group which he established in 2002. Under his leadership, The Abraaj Group has emerged as a leading investor in growth markets with $ 7.5 billion in assets under management and returning c. $ 4 billion to investors. With over 25 years' experience of investing in public and private companies, Mr. Naqvi has led the Group's involvement in some of the most notable private equity transactions in growth markets over the last decade.

Mr. Naqvi has been the recipient of numerous awards, including the Oslo Business for Peace Award, the highest form of recognition given to individual business leaders for fostering peace and stability through creating shared value between business and society, and the Sitara-i-Imtiaz, a prominent civilian honor awarded by the Government of Pakistan.

Mr. Naqvi is a graduate of the London School of Economics and Political Science.

Born in 1960 and is a Pakistani citizen.

6 **Kees van der Graaf**
Senior Independent
Non-Executive Director

Appointed: 9 December 2013.

Kees van der Graaf has more than 35 years of global management and consulting experience. From 2004 to 2008, Mr. van der Graaf was a Member of Unilever's Board of Directors and Executive Committee. Mr. van der Graaf has acquired extensive international management experience through his many years in management positions in Unilever.

Mr. van der Graaf is a member of the Supervisory Boards of Carlsberg, EnPro Industries, Ben&Jerry's, GrandVision BV, MyLaps BV and the University of Twente. From 2008 until 2011 Mr. van der Graaf served as an Executive-in-Residence of IMD, the Lausanne-based Business School, in Switzerland.

Mr. van der Graaf is the founder and president of the FSHD Foundation, which is raising funds to support scientific research into this muscular dystrophy.

Born in 1950 and is a Dutch citizen.

7 **Sipko Schat**
Independent Non-Executive Director

Appointed: 9 December 2013.

Sipko Schat has over 25 years of banking and finance experience and was a member of the Executive Board of Rabobank Group from July 2006 until November 2013. During his career with Rabobank, Mr. Schat was responsible for International Wholesale, Corporate Clients, Corporate Finance, Trade & Commodity Finance, Global Financial Markets, Private Equity and Real Estate. He has extensive international experience.

Mr. Schat holds board positions at J. Safra Sarasin Holding AG, and Paris Orléans S.A. Mr. Schat is a member of the Advisory Council of the Executive Masters in Business Valuation program at the State University of Groningen.

Mr. Schat holds a Masters degree in Civil Law from Groningen University, The Netherlands.

Born in 1960 and is a Dutch citizen.

CORPORATE GOVERNANCE

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

I am pleased to present OCI N.V.'s first Board of Directors report. During our first year as a Dutch company listed on the NYSE Euronext in Amsterdam, we began to work diligently to develop and adopt corporate governance guidelines that will adhere to the applicable standards of good corporate governance and will comply with all applicable laws and stock exchange regulations, including the revised Dutch Corporate Governance Code. This process will be continued in the forthcoming years.

We focused on building a comprehensive understanding of OCI N.V.'s businesses that allowed us to approve several key financing, operational and investment activities as well as other business development activities as described in this annual report.

We also worked to expand our Board by nominating three new Non-Executive Director candidates, with Mr. Kees van der Graaf and Mr. Sipko Schat voted in by our shareholders in December, and Mr. Robert Jan van de Kraats to be presented for appointment at the 2014 Annual General Meeting (AGM). Our current Board includes members representing four nationalities and several industries, including finance, agriculture, construction, human resources, safety, consumer goods, industrials, taxation, and law. The Board's collective expertise lend OCI N.V. a wealth of diversified experience to draw from.

We believe that good corporate governance practices align the interests of all stakeholders by putting structures in place that ensure the business is managed with integrity and efficiency, thereby maximizing the profitability and long-term value of the Company. The Board of Directors is committed to continuously monitor and strenthen the Company's corporate governance, and will continue to prioritize our many projects to achieve our governance and business objectives, some of which are works in progress and others are being implemented.

As Chairman, I appreciate the importance of the Board of Directors' role in efficiently guiding OCI N.V. and place great importance in ensuring that our corporate governance standards, policies, and processes are effectively and consistently implemented. We will continue to develop our corporate governance structures in line with international best practices.

Michael Bennett
Chairman

REPORT OF THE BOARD OF DIRECTORS

Activities of the Board

During the year we worked diligently to expand our Board, with Kees van der Graaf and Sipko Schat elected in December and Robert Jan van de Kraats nominated for appointment at the 2014 AGM. Robert Jan van de Kraats was invited by the Board to participate in meetings in order to prepare for his role to support the Company. We focused on creating appropriate structures and guidelines for the functioning of the Board as well as establishing and implementing the corporate governance structure of the company. We drafted and approved several Board governance documents including By-Laws, the Board profile and the Terms of Reference of the different committees. As the Board of Directors was being populated with new Non-Executive Directors during the year, the existing Directors conducted the responsibilities of our Audit, Nomination, and Remuneration committees in the interim period.

Board meetings

The Board met four times during the year and several conference calls were held. The issues on which the Board focused on during 2013 comprised:

Strategic

- Development and implementation of the Company's structure and governance charters, including but not limited to the Articles of Association, By-Laws, Code of Business Principles and Conduct, Code of Ethics, and committee charters;
- Establishment and population of the Board's governance committees, which comprise the Audit Committee, the Nomination Committee, and the Remuneration Committee, and are described on pages 85-86; and
- Development of the Board of Directors to increase the number of Independent Non-Executive Members from three to five by nominating Sipko Schat and Kees van der Graaf at the Extraordinary General Meeting of Shareholders held on 9 December 2013.

Operational

- Full understanding of the businesses and training from third party advisors on topics including tax, industry, audit controls and risk assessment, legal and compliance;
- Establishment of OCI N.V.'s Dutch office in Geleen;
- Discussion of the audit approach and risk assessment for the year 2013 with KPMG, and approval the Charter of the Internal Audit function;
- Approval of the appointment of key corporate governance and compliance officers;
- Approval of the Employee Share Incentive Plan; and
- Approval of key financing, operational, investment activities and other business developments as described below:

Issuance of a € 339 million Convertible Bond and Equity Offering of € 100 million

In September, the Board approved the launch of an equity offering of € 100 million together with € 339 million aggregate principal amount of senior unsecured bonds (the "Bonds") convertible into ordinary shares of OCI N.V.

The € 339 million in aggregate principal amount of Bonds convertible into Ordinary Shares of OCI N.V. were admitted to trading on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange and included the exercise of an over-allotment option of € 39 million granted by OCI N.V. to the Joint Bookrunners and Joint Lead Managers.

Investment in a New Greenfield World Scale Methanol Plant in the United States

In November, the Board approved plans to establish Natgasoline LLC, a wholly owned subsidiary, to build a new world scale greenfield methanol plant in Beaumont, Texas. The plant is expected to have a capacity of up to 5,000 metric tons per day (tpd), equivalent to approximately 1.75 million metric tons per annum (mtpa), and is expected to start production in late 2016. It will be the first methanol facility of this scale in the United States and will be the country's largest methanol production facility based on nameplate capacity.

The project will use state-of-the-art methanol technology and will incorporate best available environmental control technology. Natgasoline LLC submitted applications for environmental approvals at both state and federal levels and expects to receive a response in the second quarter of 2014. The plant will take up a portion of a 514 acre plot of land owned by OCI.

Arbitral Proceedings against The Egyptian Fertilizer Company (EFC) and Amendment to the Plant's Natural Gas Supply Agreement

In 2008 and in breach of the terms of the Gas Supply Agreement (GSA), the Egyptian Government represented by Egyptian Natural Gas Holding Company (EGAS), sent a letter informing EFC of its desire to change the gas supply price to $ 3.00/MMBtu. In addition, the letter also stipulated that if EFC consumes more than the contractual quantities of gas, the excess consumption will be charged at $ 5.00/MMBtu as of 1 January 2008. EFC refused this request as it had already signed two long term contacts (25 years) for the supply of natural gas with a pricing formula linked to international fertilizer prices. On 13 June 2011, the gas supplier GASCO initiated arbitral proceedings against EFC. On 16 May 2013, the court rendered its award in favour of EFC and concluded that the terms of the agreement; specifically the contractually agreed-upon natural gas price and volume of supply are valid, legally binding, and apply to the exclusion of any contrary pricing decrees.

Notwithstanding the final arbitral award, OCI N.V.'s management recognized that it was in the best interest of both parties to reach an amicable settlement on the basis of new mutually-agreed-upon commercial terms in the form of an amendment to the gas supply agreement.

CORPORATE GOVERNANCE

REPORT OF THE BOARD OF DIRECTORS
CONTINUED

In August 2013, EFC reached an agreement on the amendment to its existing natural gas supply agreement with the gas supplier. The amendment incorporates an increased revenue sharing mechanism through a natural gas pricing formula that is contingent upon a definite volume of gas supply to the plant as well as the weighted-average selling price of urea.

Both EFC and Egypt Basic Industries Corporation (EBIC) have experienced significant improvements in natural gas supply upon the finalization of the amendment to the natural gas supply agreement, with second half utilization rates improving to 51.5% from 31.2% in the first half at EBIC, and 61.6% as compared to 44.2% in the first half at EFC. These were acceptable levels of supply given the fact that 2013 was a difficult year for Egypt's gas supply.

Conclusion of Tax Dispute between OCI S.A.E. and the Egyptian Tax Authority

In October, 2012, the Egyptian Tax Authority (ETA) raised a tax evasion case against Orascom Construction Industries S.A.E. (OCI S.A.E.). The tax claims against OCI S.A.E. were related to the divestment of its Cement Group to Lafarge in 2008.

In April 2013, after a lengthy and difficult period of negotiation, OCI S.A.E. reached a settlement with the Egyptian Tax Authority (ETA) whereby the Company would pay EGP 7.1 billion (equivalent to $ 1.01 billion based on the exchange rate as at 30 June 2013) over a 5-year period in 10 installments. OCI S.A.E. paid the first installment of $ 360 million in May 2013. OCI N.V. lent OCI S.A.E the necessary funds to finance the initial payment. The net balance of the tax settlement was reflected in the 2012 financial statements.

The Company agreed to this settlement, despite the unified view by the board, management and auditors in Egypt that all laws and regulations were soundly applied and followed at all times. However, the Board and management concluded that a prolonged legal process would take up a significant part of management's time and attention, stall our future investment and growth plans, and cause greater uncertainty for our shareholders, creditors and other stakeholders.

Following the change in government in the summer of 2013, the Company began pursuing legal recourse to appeal the settlement and requested the new Public Prosecutor in Egypt to reinvestigate the case. During his investigation, OCI did not pay the second installment of $ 128 million due on 31 December 2013. After a six month investigation, the Egyptian Public Prosecutor found that OCI was not guilty of tax evasion. The Company is therefore reverting to its legal right to an appeals process.

Revised Sorfert Algérie Shareholders Agreement with Sonatrach

In Algeria, we have developed a 2 million metric ton per year ammonia and urea complex in partnership with Sonatrach, the Algerian Oil and Gas Authority. As we neared the production phase, Sonatrach felt that it needed to revise the economic profit sharing terms, and required the revision to take place prior to plant commissioning.

In May 2013, we reached a mutually beneficial agreement with Sontrach to amend the economic terms of the Sorfert Shareholders Agreement. The revised agreement is based on the principle of a super dividend after OCI has achieved a pre-determined normalized dividend. This guarantees OCI N.V. an acceptable compounded return on our investment equal to dividends net of any taxes of $ 120 million per year. After we achieve these returns, Sonatrach will get a larger share of any additional dividends.

Sorfert was able to begin production in the fourth quarter following the finalization of the amendment, and we are please to report that the plant was operating at full capacity in April 2014.

Extraordinary General Meeting of Shareholders

On 9 December 2013, an Extraordinary General Meeting of Shareholders was held in Amsterdam. No shareholders added items to the agenda, which comprised the following resolutions:

- Appointment of Sipko Schat as an Independent Non-Executive member of the Board;
- Appointment of Kees van der Graaf as an Independent Non-Executive member of the Board;
- Cancelation of 45,000 ordinary shares; and
- Preparation of the annual accounts and annual report in the English language.

All resolutions were adopted and the minutes of the meeting are published on the corporate website.

Directors statement pursuant to article 5:25c of the Dutch Financial Supervision Act (wft)

In accordance with Article 5:25C of the Dutch Financial Supervision Act (WFT), OCI N.V.'s Board declares that to the best of its knowledge, (i) the 2013 financial statements provide a true and fair view of the assets, liabilities, financial position and results of the Company and its subsidiaries included in the consolidated statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU); and (ii) the annual report provides a true and fair view of the situation as at 31 December, 2013, and of the Company's state of affairs for the financial year 2013, as well as the principal risks faced by OCI N.V.

Corporate Governance

OCI N.V. is committed to the principles of good corporate governance and is in the process of implementing corporate governance processes which comply with all applicable laws and stock exchange regulations, including the revised Dutch Corporate Governance Code (the Dutch Code).

We believe that good corporate governance practices align the interests of all stakeholders by putting structures in place that ensure the business is managed with integrity and efficiency, thereby maximizing the profitability and long-term value of the company. The Board of Directors is committed to continue to monitor and strengthen the Company's corporate governance processes.

In this section, we provide a brief outline of the ways in which we have worked to implement the recommendations from the Dutch Code as well as a description of proposed measures designed to further improve our Corporate Governance structure where possible.

OCI N.V. is a public limited liability company under Dutch law, with its official seat in Amsterdam, the Netherlands. The authorized capital of the Company amounts to EUR 300,000,000. The authorized capital is divided into three hundred million Shares, having a nominal value of EUR 1 each. All Shares are registered Shares. No share certificates are issued. OCI's shares are listed and quoted in Euros on NYSE Euronext's Amsterdam market. A level I over-the-counter American Depository Receipts (ADR) program is listed on the OTCQX International Premier marketplace. Each ADR is equivalent to one OCI N.V. ordinary share and is fully fungible. The company reports its financial statements in US Dollars.

The corporate website www.ocinv.nl contains the articles of association, By-Laws and other corporate governance related documents.

Corporate Governance structure

OCI N.V.'s organizational structure is split between the two main business units: the OCI Engineering & Construction Group and the OCI Fertilizer & Chemicals Group. Each Group is empowered to manage its day-to-day operations under the supervision of its respective Chief Operating Officer (COO). Each subsidiary is led by a General Manager and Chief Financial Officer who report to their respective COO.

The Board sets the strategic mandate for the Company with operational and financial goals relayed to each COO and subsidiary management team. The Executive Directors supervise the achievement of these goals through regular reporting from the COO's and each subsidiary's management team and report progress to the OCI N.V. Board. Further details on the reporting structure at the business group levels are provided in the Internal Financial Reporting section under Risk Management.

The reporting structure at OCI N.V. optimizes each business segment's ability to respond effectively to changes in their respective industries and ensures the financial and strategic cohesion of two inherently different businesses that operate in many markets.

Below is set out a simplified corporate structure[1] illustrating each business segment's grouping, through which the construction and chemicals brands report to their respective COO's:

OCI NV	
OCI ENGINEERING & CONSTRUCTION GROUP	**OCI FERTILIZER & CHEMICALS GROUP**
Engineering & Construction Brands	**Fertilizer**
Orascom Construction (100%)	OCI Nitrogen (100%)
Contrack (100%)	Iowa Fertilizer Co. (100%)
Weitz (100%)	Sorfert (51%)
BESIX (50%)	EFC (100%)
Construction Materials and Facilities Management	EBIC (100%)
Construction Materials subsidaries	Fertilizer Trading subsidiaries (100%)
Facilities Management subsidiaries	**Industrial Chemicals**
	Natgasoline LLC (100%)
	OCI Partners LLP (OCI Beaumont) (78.3%)

[1] This does not represent a legal structure and is for illustrative purposes only.

CORPORATE GOVERNANCE

REPORT OF THE BOARD OF DIRECTORS CONTINUED

Requirements and compliance

OCI N.V. is subject to corporate governance requirements in the Netherlands and certain subsidiaries are also subject to requirements for listed companies in the United States. Our corporate governance structure is formulated in compliance with the Dutch Civil Code, applicable securities laws, and the rules and regulations applicable to companies listed on the NYSE Euronext in Amsterdam.

We are in the process of becoming compliant with the Dutch Corporate Governance Code. Our Articles of Association and Codes of Conduct & Business Principles and Ethics are available on the corporate website www.ocinv.nl.

OCI N.V.'s Corporate Governance structure establishes a framework for the effective governance of the Company in an effort to enhance long-term shareholder value. The structure addresses several key governance issues and principles including board responsibilities, director qualifications, director responsibilities, board structure and operations, board committees, executive sessions, access to management and independent advisors, director compensation, director orientation and training, management evaluation and succession, board performance evaluation, and relations with shareholders.

OCI N.V.'s Corporate Governance structure includes procedures for risk management and control, and assurance of compliance with laws and regulations, including whistleblowing. The Board confirms that throughout the year, the company has complied with the Dutch Code, and any departures from the Dutch Code are explained in accordance with the Dutch Code's "comply or explain" principle. Any substantial changes to the Corporate Governance structure undertaken by the Board will be submitted to shareholder approval at the Company's general meetings.

Compliance with the Dutch Corporate Governance Code

The Board agrees with the Dutch Code's principles and best practice provisions. In accordance with the Dutch Code's 'apply or explain' principle, OCI N.V. has outlined below departures from the Dutch Code to ensure full transparency.

- Provisions II.1 and III.1 and III.1-4: OCI N.V. has a one-tier Board. We comply with the applicable provisions related to the Board of Directors as outlined in provision III.8. In addition, our Non-Executive Directors comply to the extent practically possible with provisions III.1-4. Our Articles of Association and Board regulations limit the length of each term the CEO and CFO may serve on the Board of Directors to four years. All Non-Executive Directors are limited to three four year terms. One Board member was unable to attend all but one of the Board meetings held in 2013; all other Board members attended all Board meetings.
- Principle III.5: The key Board of Directors committees were formed and populated in December 2013 after the appointment of Kees van der Graaf and Sipko Schat which resulted in the Board consisting of more than four Non-Executive Directors as referred to in principle III.5. The Committees will hold their first meetings in 2014. Accordingly, no committee reports are available for 2013.
- Provision III.6: In January 2013, OCI N.V. launched a tender offer to acquire its Parent Company, OCI S.A.E. As part of this transaction, The Sawiris Family and Abraaj, both shareholders of OCI N.V., each committed to provide stand-by funding to OCI N.V. at a maximum commitment of $ 1 billion and $ 500 million respectively. The commitments provided by both The Sawiris Family and Abraaj were to be used subsequent to the first $ 1 billion required to satisfy cash elections under the offer to acquire 100% of OCI S.A.E., which were funded by investors other than The Sawiris Family and Abraaj. In consideration for the commitment agreements, OCI N.V. agreed to pay both The Sawiris Family and Abraaj certain fees, which are described in detail in Note 32 of the financial statements.

The Board of Directors

OCI N.V. has a one-tier Board comprising five Independent Non-Executive Directors and two Executive Directors: the Chief Executive Officer and the Chief Financial Officer. The Board has ultimate responsibility for the management, general affairs, strategy, and long-term success of the business as a whole.

The Board has delegated the operational management of the business to the Chief Executive Officer and Chief Financial Officer, who can take day-to-day decisions within the boundary conditions as being defined without the need to revert to the Board for approval. Matters reserved for the Board include structure, risk management and control systems, corporate governance, approval of dividends, approval of overall strategy, approval of significant transactions, and financial reporting and compliance.

Composition, independence, assessment and evaluation of the Board

The composition of the Board strives to arm OCI N.V. with leadership that is diverse in skills, experience, and background, thereby maximizing the Board's ability to independently and critically act without emphasis on particular interests. The Board seeks to further diversify its composition, particularly by nominating female Independent, Non-Executive Board Members. Though we have worked diligently to find female nominees who fit our criteria, we regrettably have not yet been successful. The Board maintains independence by ensuring the majority of members including the Chairman are independent Non-Executives.

The Board's composition, independence, competencies, and qualifications are detailed in the Board Profile adopted on 13 May 2013 and available on the corporate website.

Every year, the Board evaluates its performance and functions based on a questionnaire that is completed by all board members. This evaluation was carried out in December 2013. The general conclusion was that the board is satisfied with its own functioning and is improving. The evaluation is performed every three years with the aid of an external consultant.

The Board is assisted by the Company Secretary, Elise Fokkens, who was appointed to the role in May 2013.

Board rotation schedule

The Board adopted its rotation schedule on 13 May 2013, available on the corporate website. Directors shall retire periodically in accordance with the Rotation Plan, outlined in the table below, in order to avoid, as far as possible, a situation in which many directors retire at the same time. Each Non-Executive director is in principle appointed for a maximum term of four years and can be reappointed for not more than three times. There is no maximum term for executive directors.

Board Member	Date of first appointment	Reappointment	Final retirement
Nassef Sawiris	16-Jan-13	2017 (4 yrs)	None
Salman Butt	25-Jan-13	2017 (4 yrs)	None
Arif Naqvi	25-Jan-13	2015 (2 yrs)	2023
Michael Bennett	25-Jan-13	2016 (3 yrs)	2024
Jan Ter Wisch	25-Jan-13	2016 (3 yrs)	2024
Sipko Schat	9-Dec-13	2017 (4 yrs)	2025
Kees van der Graaf	9-Dec-13	2017 (4 yrs)	2025

Board committees

The Board has established three committees: the Nomination Committee, the Audit Committee, and the Remuneration Committee. All committees are made up of Independent Non-Executive members who meet the independence and experience requirements to the extent required under applicable securities laws, stock exchange regulations and By-Laws and will report regularly to the Board. The duties of each committee are described in their respective charters, found on the corporate website. As the Board of Directors of OCI was significantly expanded during the year the Committees were not installed until the end of the year 2013. Therefore, the first full reports for each committee will be published after the close of the 2014 fiscal year. For 2013, meetings held in 2014 during which 2013 topics were discussed are reported on.

The Audit Committee consists of four Independent Non-Executive Directors: Robert Jan van de Kraats (chair) [1] , Arif Naqvi, Jan Ter Wisch, and Sipko Schat. The primary purpose of the Audit Committee is to (a) supervise and monitor the operation of (i) the internal risk management and control system, (ii) the provision of financial information by the Company and the financing of the Company, (iii) compliance with recommendations and observations of internal and external auditors, (iv) internal audit and tax planning, and (v) relations with the external auditor; (b) advise the Board on the nomination and polices related to the external auditor; (c) prepare meetings of the Board where the annual report, the financial statements, the half-yearly and the quarterly figures of the Company are discussed; and (d) prepare and publish an annual Committee report and such other reports to the extent required under any applicable securities laws and regulations. The role and responsibilities of the Audit Committee are set out in written terms of reference, the Audit Committee Charter. At least one committee member is a financial expert.

[1] Mr. Van de Kraats has been nominated as an Independent Non-Executive board member and will in anticipation of his expected formal appointment in June 2014 act as chairman of the Audit committee and member of the Remuneration committee. The population of the committees will be reviewed after the June 2014 annual general meeting of shareholders.

CORPORATE GOVERNANCE

REPORT OF THE BOARD OF DIRECTORS CONTINUED

The Nomination Committee consists of three Independent Non-Executive Directors: Jan Ter Wisch (chair), Kees van de Graaf, and Arif Naqvi. The primary purpose of the Nomination Committee is to (a) draft selection criteria and appointment procedures for Directors; (b) assess at least once a year the size and composition of the Board, and to make proposals for the Board Profile and (re)appointments; (c) assess at least once a year the functioning of individual Board members, and report their findings to the Board; (d) supervise the policy of the Board on the selection criteria and appointment procedures for senior management; (e) prepare the decision-making process of the Board on the acceptance by an Executive-Director of the membership of the supervisory board of a listed company; (f) evaluate the Company's governance and reporting the results thereof to the Board; and (g) prepare the decision-making process of the Board concerning any conflicts of interest that may arise in the acceptance by members of the Board of additional positions.

The Remuneration Committee consists of three Independent Non-Executive Directors Sipko Schat (chair), Michael Bennett, and Robert Jan van de Kraats. The primary purpose of the Remuneration Committee is to (a) draft proposals to the Board for the remuneration policy to be pursued for the Directors, as well as the remuneration structure; (b) prepare the Remuneration Report referred to in clause 22 of the By-Laws of the Board; and (c) make proposals to the Board for the remuneration of the individual Non-Executive Director.

Report of the Audit Committee

As explained in the 'Board Committees' overview above, the Audit Committee currently consists of four members who are mandated with monitoring and supervising activities related to the Company's financial, audit, and tax performance and compliance.

Three Audit Committee meetings have been held to date, with the most recent held on 22 April 2014 to review and discuss the 2013 full year financial results and statements. The meeting was attended by all Audit Committee members, as well as the Chief Financial Officer, the Group Controller, the Internal Auditor, and the External Auditor. As these are the first financial statements issued for the Company, the Audit Committee extensively discussed and reviewed significant accounting topics from 2012 and 2013.

In accordance with its Charter, the Audit Committee reviewed the annual financial statements and the annual report including non-financial information prior to its publication. The Audit Committee also:

- Reviewed the Company's framework for assessing and mitigating business risks, its financial strategy and key accounting standards, compliance with IFRS-EU, and compliance with other legal financial requirements and regulations; and
- Reviewed the Company's overall internal controls processes, internal audit function and its plan for 2014.

Financial Reporting and External Auditor

OCI N.V.'s external auditor is KPMG as established by an engagement letter signed on 21 May 2013. The external auditor may attend meetings of the Audit Committee and certain meetings of the Board at which annual financial statements are presented for approval, if required.

The Board has responsibility for preparing the financial statements and financial reporting process, including the system of internal control. The Company's independent auditors, KPMG, are responsible for expressing an opinion as to whether those financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with International Financial Reporting Standards as adopted by the European Union.

In this context, the Board hereby reports as follows:

1. The Board has reviewed and discussed the audited financial statements for the year ended 31 December 2013.
2. The Board discussed with the External Auditors the outcome of their performed audits in accordance with International Financial Reporting Standards.
3. The Board has received written confirmation of the External Auditors' independence.
4. Based on the review and discussions referred to above, the Board has approved that the audited consolidated financial statements be included in the 2013 Annual Report.

Conflicts of interest

OCI N.V.'s Board members are bound by the Company's Code of Business Principles and Conduct, and Code of Ethics. Potential or actual conflicts of interest are governed by OCI N.V.'s Articles of Association and By-Laws. A Director shall immediately report any conflict of interest or potential conflict of interest that is of material significance and may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Company.

Indemnifications

The Company grants an indemnity to all of its Directors to the extent permitted by law. These indemnity amounts are uncapped in relation to losses and liabilities which Directors may incur to third parties in the course of acting as a Director of the Company, or in any office where such duties are performed at the request of the Board, or as a result of their appointment as Directors.

Codes of Business Principles & Conduct and Ethics

The Board has adopted a Code of Business Principles & Conduct and a Code of Ethics which contain the policies that relate to the legal and ethical standards of conduct that the directors, executive officers and employees of the Company are expected to comply with while carrying out their duties and responsibilities on behalf of the Company. These codes are intended to focus the Board and management on areas of ethical risk, provide guidance to personnel to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help to foster a culture of honesty and accountability.

No code or policy can anticipate every situation that may arise. The Company expects each director, executive officer and employee to act with honesty and integrity, to exercise independent professional judgment and to deter wrongdoing in the conduct of all duties and responsibilities on behalf of the Company.

The Company is in the process of embedding these codes into the organization.

The Board would like to thank all OCI N.V. employees for their hard work and loyalty to the Company during 2013.

Amsterdam, the Netherlands, 28 April 2014

The OCI N.V. Board of Directors

Michael Bennett, Chairman

Nassef Sawiris

Salman Butt

Jan Ter Wisch

Arif Naqvi

Kees van der Graaf

Sipko Schat

CORPORATE GOVERNANCE

REPORT OF THE BOARD OF DIRECTORS CONTINUED

General meeting of shareholders

A notice convening a General Meeting of Shareholders shall be issued on behalf of the Board of Directors by no later than the 42nd day prior to the day of the meeting. Parties who have the right to vote and attend the meeting and who are registered as such in a designated (sub)register on the 28th day prior to the day of the meeting (registratiedatum) will be entitled to attend the meeting and vote, irrespective of the identity of the entitled party with respect to those shares at the time of the meeting.

Votes representing shares can be cast at the General Meeting of Shareholders either personally or by proxy. No restrictions are imposed on these proxies, which can be granted electronically or in writing to the company, or to independent third parties. OCI N.V. shareholders may cast one vote for each share, be it in the form of ordinary shares or American Depository Receipts. All resolutions adopted by the General Meeting of Shareholders are passed by an absolute majority of the votes cast, unless the law or the Articles of Association prescribe a larger majority. The shareholders possess the rights conferred by OCI's Articles of Association and by law.

Information pertaining to the structure of, admission to, and shareholders' voting rights at the General Meeting of Shareholders can be found on the corporate website.

Important matters that require the approval of the (Annual) General Meeting of shareholders are:

o adoption of the annual accounts;

o declaration of dividends;

o significant changes to the company's corporate governance;

o remuneration policy;

o remuneration of the Non-Executive Directors;

o discharge from liability of the Board of Directors;

o appointment of the external auditor;

o appointment, suspension or dismissal of the members of Board of Directors;

o issuance of shares or rights to shares, restriction or exclusion of pre-emptive rights of shareholders and repurchase or cancellation of shares;

o amendments to the Articles of Association.

The Company's Articles of Association detail the proposals that the Board of Directors may submit to the meeting, and the procedure according to which shareholders may submit matters for consideration by the meeting. Within three months of the meeting, the draft report of the meeting is made available for three months for comments. The definitive report is published on our corporate website.

Going concern

After making enquires, the directors have formed a judgment, at the time of approving the accounts, that there is a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, the directors applied the going concern basis in preparing the accounts.

Corporate governance statement

As referred to in article 2a of the Decree laying down additional requirements for annual reports 'Vaststellingsbesluit nadere voorschriften inhoud jaarverslag' effective 1 January 2010 (the 'Decree'), OCI N.V. is required to make a statement on corporate goverance.

The information required to be included in this corporate governance statement as described in articles 3, 3a and 3b of the Decree can be found in the following sections of this Annual Report and Accounts:

- the information concerning compliance with the Dutch Code, as required by article 3 of the Decree, can be found under 'Corporate Governance';
- the information concerning OCI N.V.'s risk management and control frameworks relating to the financial reporting process, as required by article 3a(a) of the Decree, can be found under 'Risk Management';
- the information regarding the functioning of OCI N.V.'s General Meeting of shareholders, and the authority and rights of OCI N.V.'s shareholders and holders of depositary receipts, as required by article 3a(b) of the Decree, can be found within the relevant sections under 'Corporate Governance';
- the information regarding the composition and functioning of OCI N.V.'s Board and its Committees, as required by article 3a(c) of the Decree, can be found within the relevant sections under 'Corporate Governance'; and
- the information concerning the inclusion of the information required by the decree Article 10 European Takeover Directive, as required by article 3b of the Decree, can be found within the notes to the financial statements and the Shareholder Information section on page 164.

RISK MANAGEMENT

Introduction

Our businesses inherently involve risks. Our management is cognizant of these risks and takes a measured mitigation approach to maximize our ability to successfully pursue sustained growth. Our Board and management foster a transparent company-wide approach to risk management and internal controls as outlined in our corporate governance section, which allows our businesses to operate effectively. We are working diligently to further enhance our Risk Management within the Company; as part of this process Non-Financial Letters of Representation have been issued by key operating units.

Our risk appetite is flexible to account for our diversified market presence and industries, and is tailored to four main categories:

- Strategic: As a leading player in our markets and industries, we are able to take certain calculated strategic risks that create opportunities to maximize our ability to deliver outstanding value to our shareholders. Our ability to adapt our risk management to meet the requirements of our global positioning and diversified exposure to emerging and developed markets is key to maintaining our success.
- Operational: We aim to minimize operational risks while maximising our ability to capitalize on our leadership positions in our markets. We strive to maximise operational efficiency while fostering a safe and entrepreneurial environment for our employees.
- Financial: We implement a prudent financial and reporting strategy to maintain a strong financial position. Our key financial policies are described in the notes to the financial statements beginning page 104.
- Compliance: We maintain a zero tolerance policy to legal, regulatory, and compliance infractions. All employees are bound by our Code of Business Principles & Conduct and Code of Ethics, which we are in the process of embedding throughout the Company.

Key risk factors

Our key risks as perceived by management are outlined below, accompanied by an overview of how these risks are mitigated and the opportunities that can arise from these actions. The sequence in which these risks are presented in no way reflects any order of importance, chance or materiality. If any of the following risks actually occurs, the Company's business, prospects, financial condition or results of operations may be materially affected.

Although management believes that the risks and uncertainties described below are the most material risks, they are not the only ones OCI N.V. may face. All of these factors are contingencies which may or may not occur. Additional risks and uncertainties not presently known to management or are currently deemed immaterial may also have a material adverse effect on the Company, results of operations or financial condition.

CORPORATE GOVERNANCE

RISK MANAGEMENT CONTINUED

Risk	Mitigating Actions
Strategic	
Economic and political conditions in the markets in which we operate	
OCI N.V. is present in more than 35 countries, with exposure to vastly different political, social, and economic situations. We do business in both developed and emerging markets, which means that we are exposed to some countries where there is a risk of adverse sovereign action. Accordingly, developments in any of the countries in which we operate can create an uncertain environment for investment and business activity and may adversely impact our business.	We mitigate the impact of any single market by diversifying our presence in terms of industry and market, ensuring no single country represents more than 25% of our revenue. We actively monitor economic, political and legal developments and strive to be a 'local' player in each of our markets.
Tax liability risk in Egypt	
In October 2012, the Egyptian Tax Authority (ETA) raised a tax evasion case against Construction Industries S.A.E. (OCI S.A.E.). The tax claims against OCI S.A.E. were related to the divestment of its Cement Group to Lafarge in 2008. In April 2013, after a lengthy and difficult negotiation, OCI S.A.E. reached a settlement with the Egyptian Tax Authority (ETA) whereby the Company would pay EGP 7.1 billion (equivalent to $ 1.01 billion based on the exchange rate as at 30 June 2013) over a 5-year period in 10 instalments. OCI S.A.E. paid the first instalment of $ 360 million in May 2013. The Company agreed to this settlement, despite the unified view by the board, management and our auditors KPMG Egypt that all laws and regulations were soundly applied and followed at all times. However, the board and management concluded that a prolonged legal process would create uncertainty with our creditors and other stakeholders and would stall our future investment and growth plans. The Company is currently appealing the settlement. Although the Company believes that it did not violate any laws or avoid any taxes, there remains a risk that OCI S.A.E. may be required to pay the remaining nine instalments should it lose the appeal. The Company believes that it did not violate any laws or avoid any taxes for the following reasons: 1. Orascom Building Materials Holding (OBMH) was a listed entity on the Egyptian Stock Exchange (EGX).As a listed entity, the sale of OBMH to Lafarge was tax exempt in accordance with paragraph 8 of article no. 50 of Income Tax Law no. 91 of 2005, which exempts all capital gains resulting from the sale of shares listed on the EGX from tax. 2. The ETA had originally reviewed and approved all tax filings related to the transaction, which were prepared and signed by OCI S.A.E.'s auditors KPMG Egypt.	Following the change in government in July 2013, OCI S.A.E. requested that the Egyptian Public Prosecutor reinvestigate the case. Accordingly, OCI S.A.E. did not pay the second instalment of $ 128 million due on 31 December 2013. After a six month investigation, the Public Prosecutor found the Company to be innocent of any tax evasion, as announced in the Public Prosecutor in decision No. 21/2014 on 18 February, 2014. This has allowed OCI S.A.E. to re-launch an appeals process and a court case is scheduled for 28 May 2014.
Risk of adverse sovereign action	
We do business in locations where we are exposed to a greater-than-average risk of adverse sovereign action, including overt or effective expropriation or nationalisation of property, the renegotiation of contract terms, the implementation of export controls on commodities regarded by them as strategic or the placement restrictions on foreign ownership, or operation of strategic assets.	We work closely with the governments in the countries in which we do business to maintain positive working relationships. Although we have been faced with adverse sovereign action in Egypt, we believe our position in Egypt has strengthened significantly now that these issues have been resolved by working with the government. Although there is no guarantee that the government of a location in which we operate will not adopt adverse policies going forward, we have worked to minimize this risk through water-tight contracts for our assets and government agreements. Our legal team also works diligently to monitor and review our practices and any changes in laws or regulations in the countries in which we operate to provide reasonable assurances that we remain in line with all relevant laws. Management has also drafted contingency plans for various unforeseen events and adverse scenarios.

Risk	Mitigating Actions
Strategic	
Global economic conditions	
Economic changes may result in business interruption, inflation, deflation or decreased demand for our products. Our success will depend in part on our ability to manage continued global economic uncertainty, especially in our markets.	We aim to maintain a strong financial position that would cushion any global economic or cyclical downturns. As a fertilizer producer, our long-term natural gas supply contracts provide us with competitive feedstock prices, allowing us to withstand a decline in global economic conditions. As a contractor, we maintain a healthy backlog level that would allow us to continue to generate revenue for approximately 18-24 months if no new awards were attained.
Ability to execute large greenfield projects on time	
OCI N.V. is developing two large-scale greenfield production facilities in the United States: Iowa Fertilizer Company (IFCo) and Natgasoline LLC. Our ability to achieve our growth targets is in part dependent on our ability to complete these projects on time.	Both greenfield projects are being executed by our Engineering & Construction Group, which has more than 15 years of fertilizer plant construction experience and more than 20 years' experience in the construction of large-scale, complex industrial projects. Our Engineering & Construction Group successfully completed six fertilizer companies in Egypt and Algeria, including our own greenfield assets. Apart from Sorfert Algérie, which was delayed primarily due to regulatory issues, the assets built by the Engineering & Construction Group have been delivered on time and at international standards. In addition, the existing supportive regulatory and physical infrastructure in the United States is conducive to new investments, as demonstrated by the early assistance received for both projects on the state and federal levels.
Operational	
Raw material supply risk	
Our operations depend on the supply of key raw materials to manufacture our products and provide our construction services. Our production facilities can be adversely impacted by supply interruptions.	We maintain good relationships with a wide network of suppliers and subcontractors, and capitalize on our purchasing power as a global player to reduce raw material costs through favorable commercial terms where possible. Where possible, we reduce our dependence on third party suppliers by producing our own intermediary products. We continuously look for opportunities to streamline our purchasing strategy to operate as efficiently as possible.

RISK MANAGEMENT CONTINUED

Risk	Mitigating Actions
Operational	
Natural gas supply risk in Egypt	
Our anhydrous ammonia and granular urea production assets in Egypt are highly dependent on consistent natural gas supply from the Egyptian Natural Gas Holding Company (EGAS), a government owned natural gas supplier. Natural gas supply in Egypt has experienced volatility since 2012.	In June 2011, EGAS and Egyptian Natural Gas Company (GASCO) commenced arbitral proceedings under the auspices of the Cairo Regional Centre for International Commercial Arbitration (CRCICA) against the Egyptian Fertilizers Company (EFC) regarding EFC's long term natural gas supply agreement disputing its commercial terms. On 16 May 2013, the international arbitral tribunal, constituted in accordance with the applicable CRCICA arbitration rules, rendered its award in favour of EFC and concluded that the terms of the agreement; specifically the contractually agreed upon natural gas price and volume of supply are valid, legally binding, and apply to the exclusion of any contrary pricing decrees. Notwithstanding the final arbitral award, OCI N.V.'s management recognized that it was in the best interest of both parties to reach an amicable settlement on the basis of new mutually-agreed-upon commercial terms in the form of an amendment to the gas supply agreement. In August 2013, EFC reached an agreement on the amendment to its existing natural gas supply agreement with the GASCO. The amendment incorporates an increased revenue sharing mechanism through a natural gas pricing formula that is contingent upon a definite volume of gas supply to the plant as well as the weighted-average selling price of urea. Both EFC and Egypt Basic Industries Corporation (EBIC) have experienced significant improvements in natural gas supply upon the finalization of the amendment to the natural gas supply agreement, with second half utilization rates improving to 51.5% in the second half of 2013 from 31.2% in the first half at EBIC, and 61.6% in the second half as compared to 44.2% in the first half at EFC. These are acceptable levels of supply given the fact that 2013 was a difficult year for Egypt's gas supply.
Cost pressures	
Our costs are subject to fluctuations, particularly due to changes in building material prices, raw material prices, cost of labour and foreign exchange rates. We must implement, achieve and sustain cost improvement plans, including our outsourcing projects and those related to general overhead and workforce rationalization.	Our success is dependent, in part, on our continued ability to manage cost fluctuations through pricing actions, cost savings, sourcing decisions and sound contracting practices. We have cost control measures imbedded in every construction contract, including cost escalation clauses which act as a hedge against unforeseen inflation in key building material prices and components related to the contract. Our primary cost in producing fertilizers is natural gas, for which we have hedged our global exposure through a mix of long-term contracts in Egypt, the United States and Algeria, and spot prices in the United States and The Netherlands.

Risk	Mitigating Actions
Operational	
Business continuity and competition risk	
As a chemicals producer and construction contractor, we rely on continued demand for our services and on the distribution of our products at favourable prices. To achieve business goals, we must develop and provide services that appeal to our customers and sell these at competitive prices. Our continued success is dependent on the quality and pricing of services and operations, and on our continued positive reputation. This means we must be able to obtain and manage our resources at competitive cost. Our success is also dependent on effective marketing programs in an increasingly difficult environment and conditions. There are high levels of competitive activity in the environments in which we operate.	To address these challenges, we have policies in place to respond to competitive factors, including pricing and industry terms, and carefully select our partners. We manage each of these factors, as well as maintain mutually beneficial relationships with our key customers, in order to effectively compete and achieve our business plans. Since our goals include a growth component tied to acquisitions, we manage and integrate key acquisitions, including achieving the cost and growth synergies in accordance with stated goals.
Commodity pricing and over-supply risk	
A change in market dynamics in our fertilizer and industrial chemicals production portfolio, such as over-supply, may result in lower product prices, which would adversely impact our margins.	We operate businesses in different industries. This allows us to mitigate the impact of any potential downturns in the chemicals or construction sectors. In addition, we have a diversified production portfolio comprising fertilizers, downstream products, and industrial chemicals, which further mitigates the risk of potential downturns in any natural gas linked sector. As a contractor, we specialize in complex, large-scale industrial and infrastructure projects, with core competencies, which by their nature have fewer competitors and stronger pricing, and are geographically diversified in emerging and developed markets to reduce market-related risks.
Risks associated with our joint ventures	
We participate in joint ventures and other partnerships including Sorfert Algérie, Egyptian Basic Industries Corporation, the BESIX Group, Alico Egypt, United Paints & Chemicals, United Holding Company, National Pipe Company, SCIB Chemical, Orasqualia, and the Suez Industrial Development Company. Our partners may share or have majority control over the operations of these ventures. As a result, our investments in joint ventures involve risks that are different from the risks involved in owning facilities and operations independently.	The Shareholders Agreements for our joint ventures include clauses that protect OCI N.V.'s economic and operating interests as applicable. We maintain close working relationships with our partners and monitor the operating and financial results of the joint ventures in which we hold minority stakes or do not have management control. In our larger joint ventures, such as BESIX and Sorfert, we have seats on each joint venture's Board of Directors. In addition, we have a policy of constantly reviewing all businesses to determine whether they continue to be core businesses worth retaining on a long term basis. This is particularly applicable to businesses in which we do not have control. If a business becomes non-core or has reached a certain level of maturity, we actively pursue monetizing the business through divestment.
Human Capital	
Our ability to employ, develop, and retain talented employees is essential to maintain our high quality operations and management.	We have been able to attract, motivate and retain knowledgeable and experienced employees due to our reputation and market position, our in-house training programs run by the OCI Academy, our Employee Incentive Plan, as well as our strategic partnerships with industry leaders, which offer employees exposure to high profile projects and advanced technologies.

RISK MANAGEMENT CONTINUED

Risk	Mitigating Actions
Financial	
Ability to raise debt or meet financing requirements	
Our ability to complete strategic acquisitions and greenfields or refinancing existing debt is contingent on our access to new funding. Although we strive to ensure that adequate levels of working capital and liquidity are maintained, unfavorable financial market conditions may adversely affect our financing costs, hinder our ability to achieve additional financing, hinder our ability to refinancing existing debt, and/or postpone new projects. This could therefore have an adverse effect on business prospects, earnings and/or our financial position.	We maintain a strong financial position and strive to maintain our creditworthiness with our creditors. Our treasury department closely monitors our cash position and credit lines to ensure our financial flexibility. We have also diversified our funding sources to avoid dependence on a single market, and have staggered our debt maturity profile to reduce repayment burdens.
Credit risk	
We may face delayed payments from clients and customers, adversely impacting our working capital position.	We monitor our credit risk through our credit management system, which is implemented at every project and plant. We mitigate credit risk through bank guarantees, letters of credit, and other instruments. We set limits on credit levels and extend credit only to government entities, associated companies, and a large number of credit-worthy private sector customers.
Currency fluctuations	
A substantial portion of the company's consolidated revenue, operating expenses and long-term debt is denominated in foreign currencies. As such, OCI uses US Dollars as its functional currency. Significant changes in the exchanges rates of operational currencies, which include the US Dollar, the Euro, the Egyptian Pound, and the Algerian Dinar, can have a material effect on the reported and actual financial performance of the company.	We hedge our foreign exchange cash flow risk on a consolidated basis by matching our foreign currency-denominated liabilities with continuing sources of foreign currencies through a centralized treasury.
Compliance	
Regulatory conditions in the markets in which we operate	
Changes in laws, regulations and the related interpretations may alter the environment in which we do business. This includes changes in environmental, competitive and product-related laws, as well as changes in accounting standards and taxation requirements. In addition, this includes regions where corrupt behaviour exists that could impair our ability to do business in the future or result in significant fines or penalties. Our ability to manage regulatory, tax and legal matters, and to resolve pending matters within current estimates may impact our results.	We closely monitor the legal developments in each of our markets and strive to be a 'local' player. Our Code of Business Principles and Conduct, and Code of Ethics sets out our commitment to comply with the laws and regulations of the countries in which we operate. We adhere to a strict risk management, internal control, integrity and compliance framework, ensuring local and international best practices, transparency and compliance objectives are achieved.
Health, Safety and Environment	
Ability to maintain our health, safety and environment (HSE) standards	
HSE is a vital aspect in both of our business lines. We have a deep commitment to maintaining our strong HSE track record. Despite the nature of our businesses, we aim to prevent every accident through stringent HSE rules, standards and training programs	We implement strict HSE training and operating discipline at every plant and every construction site in order to minimize HSE risks, and closely monitor our plants and construction sites through regular audits. Our safety and emissions records meet or exceed international standards, underscoring our commitment to providing our employees with a safe, secure and environmentally conscious workplace.

Risk management approach

Our risk management framework is being developed to align with the Dutch Corporate Governance Code. Our risk management framework is devised to provide reasonable assurances that the risks we face are properly evaluated and mitigated, and that management is provided with information necessary to make informed decisions in a timely manner.

The key elements of our internal risk management and control systems in 2013 were:

Code of Conduct

OCI N.V. is committed to conducting all business activities responsibly, efficiently, transparently, and with integrity and respect towards all stakeholders. Our values underpin everything we do and form the essence of the Company's Code of Business Principles & Conduct, which should be read in conjunction with our Code of Ethics (together forming the Code of Conduct). The Code of Conduct contains the policies and principles that govern how each director, executive officer and employee of OCI N.V. is expected to conduct his or her self while carrying out his or her duties and responsibilities on behalf of the Company.

Whistleblower Policy

The Whistleblower Policy applies to all employees, officers and directors of OCI N.V. internal reporting of suspected criminal or unethical conduct by or within the Company is vital for maintaining our success. If received, all reports are treated with the utmost confidentiality and are promptly investigated without the risk of recourse for the reporting employee so long as their report is made in good faith.

Insider Trading Policy

The Insider Trading Policy applies to all employees, officers and directors of OCI N.V. and prohibits every employee from using insider information to a transaction in OCI securities, or executing a transaction in OCI securities if that transaction may reasonably appear to have been executed while the employee was in possession or had access to insider information.

Internal Financial Reporting

Subsidiaries are required to provide management with weekly activity reports, with a detailed monthly review of performance, financials and operating issues held for each subsidiary and led by the Chief Executive Officer, Chief Financial Officer, and the relevant Chief Operating Officer for either the Fertilizer & Chemicals or Engineering & Construction Group.

A detailed budget for each subsidiary is prepared and presented to management in the fourth quarter of each preceding year, and includes a one year forecast. The subsidiary budgets are updated monthly to account for actuals, and the forecasts are updated at a mid-year review. These budgets and forecasts are consolidated into an OCI N.V. budget and forecast, which is used by management as a tool to evaluate the Company's investment strategy, performance indicators, and operations.

Periodic Internal Audits are conducted to review any specific issues at the subsidiary level, and management is consulted on performance developments and variations.

The Board of Directors is given a full financial, operational, and strategic update by the Executive directors at each Board meeting.

The Group Controller provides guidance on internal and financial controls that must exist for each process and monitors the implementation of these controls in collaboration with the internal audit and controls department.

Strategic and Operational Risk Management

Each subsidiary reports on the top risks it faces at its monthly review either in writing or verbally, including the nature of the risk, the likelihood of it materialising, and the financial and operational impact it may have on the subsidiary. Management monitors these risks and provides guidance where necessary.

Operationally, health, safety, environmental, and quality systems are in place at each subsidiary. All our subsidiaries have been awarded relevant certifications, including ISO, REACH, OHSAS, United States Green Building Council (USGBC), and Society of American Military Engineers (SAME), among others. In addition, insurance policies have been taken out for operating entities to provide full coverage.

In control statement

The Board believes that, to the best of its knowledge and in accordance with best practice provisions of section II.1.4 and II.1.5 of the Dutch Corporate Governance Code, OCI N.V. is in control of its business processes through its internal risk management and control structures, which were assessed and found to have functioned properly during the year. In its assessment, the Board identified certain improvement areas in the accounting and reporting cycle, which will be addressed in 2014. This provides reasonable assurance that OCI N.V.'s financial reporting for the financial year 2013 does not contain any material misstatements.

Amsterdam, the Netherlands, 28 April 2014

The OCI N.V. Board of Directors

Michael Bennett, Chairman

Nassef Sawiris

Salman Butt

Jan Ter Wisch

Arif Naqvi

Kees van der Graaf

Sipko Schat

CORPORATE GOVERNANCE

REMUNERATION REPORT

The Remuneration Committee ("the Committee") oversees the remuneration policy, plans and practices of OCI N.V. and recommends changes when appropriate. The Committee is comprised solely of Non-Executive Directors from the OCI N.V. Board of Directors.

In light of the listing of OCI N.V. on the NYSE Euronext in Amsterdam, the Committee appointed Mercer to provide independent advice on the remuneration arrangements of the Executive and Non-Executive Directors, current competitive market practices, and Dutch and international best practice in corporate governance. During the year, Mercer submitted a remuneration benchmark report, supported the Committee in its review of the Remuneration Policy, and assisted with the design of incentive plans for the Executive Directors and employees including the OCI N.V. Employees Incentive Plan, which was approved by the Committee on 20 December 2013.

The Committee, with assistance from Mercer, is preparing a new Remuneration Policy for the Executive and Non-Executive Directors which will be presented to Shareholders for approval at the upcoming Annual Meeting of Shareholders on 26 June 2014. The new Remuneration Policy will be applied for 2014. Shareholder approval will also be sought for a long-term incentive plan of the Executive Directors and for the extension of the long-term incentive plan of the employees.

The first part of this remuneration report describes the current Executive and Non-Executive Director's remuneration arrangements as applied in 2013, the second sets out the likely direction of the new Remuneration Policy that will be presented for approval to Shareholders, while the third part provides details of the actual remuneration provided to the Executive and Non-Executive Directors in 2013.

Current remuneration policy

The objective of OCI's remuneration policy is to attract, motivate and retain the qualified individuals that it needs in order to achieve its strategic and operational objectives. The policy is designed in the context of international competitive market trends, the relevant provisions of statutory requirements, corporate governance best practice, the societal context around remuneration and the interests of OCI's shareholders and other stakeholders. The policy is simple and transparent, promotes the interests of the company in the medium and long term, and encourages a "pay for performance" culture.

The remuneration policy consists of four main elements:

- Base salaries: fixed cash compensation set in line with individual performance and contribution to company goals with reference to external market data;
- Short-term incentives (annual bonus): performance-based annual bonus to encourage and reward the achievement of annual financial performance measures and other specified corporate objectives;
- Long-term incentives: share-based compensation focusing on shareholder value creation and retention; and
- Other benefits: simple benefit plans focusing on key needs.

Base salaries

The current base salaries reflect the size and international scope of the Executive Director roles and the calibre and experience of the individuals. The base salaries include a fixed cash allowance which is designed to compensate the Executive Directors for their personal provision of key benefits such as pension, car, and life and disability insurance (see below).

Short term incentives (annual bonus)

The annual bonus is a key element of a "pay for performance" culture and is linked to pre-determined, assessable and influenceable targets set and assessed by the Committee. Short-term incentives provide context for management decisions, ensure focus on primary corporate financial, operational or strategic goals, and reward decisions that drive short-term results and support long-term strategy. The annual bonus is currently capped at 150% of base salary and for below threshold performance, no bonus will be awarded. In 2013, no annual bonus was awarded.

Long term incentives

Share-based compensation aligns the interests of the Executive Directors with shareholders and also serves to retain the Executive Directors in their position. Long-term incentives are awarded based on performance level, potential contribution, and value to the business. Stock options have been granted to the Executive Directors in prior years.

Other benefits

As mentioned, the base salaries provided to the Executive Directors include a fixed cash allowance, which is 25% of the total, in lieu of pension, car and other key benefits. No material pension benefits in excess of statutory requirements are offered and the Executive Directors are not eligible for a car benefit. The Committee believes that this is a transparent approach that offers good value-for-money for shareholders. In 2013, no other benefits were awarded.

The Executive Directors receive medical insurance, use of a mobile phone, and reimbursement of business expenses. They also benefit from directors' and officers' liability insurance coverage. In addition, the Chief Executive Officer is able to expense the use of a private aircraft for business travel.

Loans and guarantees

No personal loans or guarantees, including mortgage loans, are offered to members of the Board.

Term of Employment

Executive Directors have entered into service agreements for a fixed term after which the agreements are renewable. Termination by either party is possible with a three months' notice period.

Severance arrangements

If the Company terminates a service agreement with an Executive Director other than due to an urgent cause or serious culpability, the Executive Director is entitled to a severance payment of an amount equal to 100% of base salary.

Claw back

A "claw-back" clause is included in the service agreements of the Executive Directors, applicable in the situation that the financial or other information on which the pay-out of variable remuneration was based is determined to be incorrect.

Non-Executive Directors

The remuneration of the Non-Executive Directors consists of fixed fee payments for Board membership and for service on the audit committee. The fees are not linked to the financial results of the company. Non-Executive Directors do not receive any performance or equity-related compensation and do not accrue any pension rights with the company. Non-Executive Directors benefit from directors' and officers' liability insurance coverage, and are not entitled to any benefits upon the termination of their appointment.

New remuneration policy – key information

As mentioned, a new OCI remuneration policy is currently being prepared for presentation and approval by Shareholders on 26 June 2014 and follows an extensive review by the Committee with support from Mercer. The policy will cover remuneration arrangements for the Executive and Non-Executive Directors from 2014.

The Committee has concluded that the remuneration policy does require amendments with regard to the short-term and long-term incentive schemes of the Executive Directors. It will also be proposed that Non-Executive Directors will be entitled to fees for service on each committee.

For information, at the time of writing, the new remuneration policy is being designed to achieve the following principles and objectives:

- Aligns to Dutch and international best practice in corporate governance
- Takes account of pay practices in international and Dutch labour-market peer groups
- Rewards value creation by means of incentive plans that are linked to stretching performance targets and are weighted towards the long-term.
- Is cognisant of and compatible with the remuneration structures for the wider group
- Provides a more balanced relationship between the fixed and variable pay components
- Is tested by means of a scenario analysis for possible variable pay outcomes

Actual remuneration for 2013

The details of the individual remuneration of the Executive and Non-Executive Directors and its costs to the company are presented in Note 32 – Remuneration of the Directors in the consolidated financial statements.

Executive Directors

The base salary of the Chief Executive Officer was $ 2,000,000 and remained unchanged during 2013. The base salary of the Chief Financial Officer was increased to $ 1,689,180 following his transfer from Cairo to London in recognition of the higher levels of pay and the substantially higher cost of living that apply in the United Kingdom market. For the avoidance of doubt, the Executive Directors do not receive housing allowances or other expatriate-style benefits.

The base salaries of the Executive Directors include their fees for their positions on the OCI N.V. Board of Directors. As note, their base salaries also include a fixed cash allowance, which is 25% of the base salary, in lieu of pension, car and other key benefits.

Both of the Executive Directors asked not to be considered for an annual bonus in respect of the financial year 2013.

Non-Executive Directors

The Chairman of the Board received an annual fixed fee of $ 260,000. The Chairman received an additional fixed fee of $ 150,000 for service on the board of a publicly-traded subsidiary of the company in the United States. The other Non-Executive Directors each received an annual fixed fee of $ 130,000. Audit Committee membership is annually awarded $ 20,000 per member. Sipko Schat and Kees van der Graaf received no remuneration during the year. Non-Executive Directors are reimbursed for all reasonable costs of travel, accommodation and representation incurred in the performance of their duties.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER

$ millions	Note	2013	2012
Assets			
Non-current assets			
Goodwill and other intangible assets	(7)	986.0	996.2
Property, plant and equipment	(8)	4,918.4	4,446.6
Trade and other receivables	(9)	198.7	232.1
Associates	(10)	188.2	144.9
Other investments	(11)	51.9	54.9
Deferred tax assets	(12)	76.1	4.6
Total non-current assets		**6,419.3**	**5,879.3**
Current assets			
Inventories	(13)	479.7	378.9
Trade and other receivables	(9)	1,865.1	1,735.8
Contracts receivables	(14)	414.0	448.9
Other investments	(11)	-	1,213.4
Cash and cash equivalents	(15)	2,266.1	1,033.4
Assets held for sale	(16)	2.4	371.8
Total current assets		**5,027.3**	**5,182.2**
Total assets		**11,446.6**	**11,061.5**
Equity			
Share capital	(17)	272.1	191.6
Share premium		1,441.8	725.7
Reserves	(18)	109.6	(14.4)
Retained earnings		(102.2)	378.8
Equity attributable to owners of the Company		**1,721.3**	**1,281.7**
Non-controlling interest		366.3	418.9
Total equity		**2,087.6**	**1,700.6**
Liabilities			
Non-current liabilities			
Loans and borrowings	(19)	4,591.9	2,651.6
Trade and other payables	(20)	118.9	134.4
Provisions	(21)	48.2	43.1
Deferred tax liabilities	(12)	393.3	323.3
Income tax payables	(12)	414.7	514.6
Total non-current liabilities		**5,567.0**	**3,667.0**
Current liabilities			
Loans and borrowings	(19)	1,474.2	2,897.6
Trade and other payables	(20)	1,616.3	1,799.9
Billing in excess on construction contracts	(14)	218.9	175.3
Provisions	(21)	130.5	136.0
Income tax payables	(12)	352.1	685.1
Total current liabilities		**3,792.0**	**5,693.9**
Total liabilities		**9,359.0**	**9,360.9**
Total equity and liabilities		**11,446.6**	**11,061.5**

The notes on pages 104 to 161 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER

$ millions	Note	2013	2012
Revenue	(22)	6,131.8	5,286.5
Cost of sales		(5,270.4)	(4,249.9)
Gross profit		**861.4**	**1,036.6**
Other income	(23)	316.9	85.6
Selling, general and administrative expenses	(22)	(434.4)	(614.2)
Other expenses	(24)	(97.5)	(30.1)
Transaction costs	(1)	(89.3)	-
Impairment loss on goodwill	(7)	-	(900.0)
Operating profit / (loss)		**557.1**	**(422.1)**
Finance income	(25)	178.5	55.6
Finance cost	(25)	(412.1)	(274.2)
Net finance cost	(25)	**(233.6)**	**(218.6)**
Income from associates (net of tax)	(10)	21.7	24.8
Profit / (loss) before income tax		**345.2**	**(615.9)**
Income tax	(12)	(86.0)	(1,243.3)
Net profit / (loss)		**259.2**	**(1,859.2)**
Other comprehensive income:			
Items that may be subsequently reclassify to profit or loss			
Net change in fair value of available-for-sale financial assets		(1.9)	(0.1)
Changes in fair value of cash flow hedges		10.6	35.5
Foreign currency translation differences		(104.0)	(25.0)
Tax on other comprehensive income	(12)	-	0.1
Other comprehensive income, net of tax		**(95.3)**	**10.5**
Total comprehensive income		**163.9**	**(1,848.7)**
Profit / (loss) attributable to:			
Owners of the Company		295.2	(1,887.9)
Non-controlling interest		(36.0)	28.7
Net profit / (loss)		**259.2**	**(1,859.2)**
Total comprehensive income attributable to:			
Owners of the Company		199.9	(1,877.7)
Non-controlling interest		(36.0)	29.0
Total comprehensive income		**163.9**	**(1,848.7)**
Earnings / (loss) per share (in USD)			
Basic earnings (loss) per share	(26)	1.449	(9.208)
Diluted earnings (loss) per share	(26)	1.408	(9.208)

The notes on pages 104 to 161 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

$ millions	Note	Share capital (17)	Share premium (17)	Reserves (18)	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2012		191.6	725.7	(74.5)	2,249.7	3,092.5	458.7	3,551.2
Net profit (loss)		-	-	-	(1,887.9)	(1887.9)	28.7	(1,859.2)
Other comprehensive income		-	-	10.2	-	10.2	0.3	10.5
Total comprehensive income		-	-	**10.2**	**(1,887.9)**	**(1,877.7)**	**29.0**	**(1,848.7)**
Treasury shares sold	(17)	-	-	28.7	-	28.7	-	28.7
Dividends	(35)	-	-	-	-	-	(59.3)	(59.3)
Equity-settled share-based payment transactions	(22)	-	-	21.2	17.0	38.2	-	38.2
Non-controlling interest		-	-	-	-	-	(9.5)	(9.5)
Balance at 31 December 2012		**191.6**	**725.7**	**(14.4)**	**378.8**	**1,281.7**	**418.9**	**1,700.6**
Net profit / (loss)		-	-	-	295.2	295.2	(36.0)	259.2
Other comprehensive income		-	-	(95.3)	-	(95.3)	-	(95.3)
Total comprehensive income		-	-	**(95.3)**	**295.2**	**199.9**	**(36.0)**	**163.9**
Corporate restructuring	(1)	78.1	653.8	105.6	(1,044.2)	(206.7)	-	(206.7)
OCI Partnership IPO	(28)	-	-	-	268.0	268.0	23.0	291.0
Treasury shares sold	(17)	-	-	91.2	-	91.2	-	91.2
Treasury shares acquired	(17)	-	-	(20.5)	-	(20.5)	-	(20.5)
Dividends	(35)	-	-	-	-	-	(39.6)	(39.6)
Share issuance	(22)	2.4	62.3	-	-	64.7	-	64.7
Share-based payments	(22)	-	-	11.6	-	11.6	-	11.6
Convertible bond issuance (net of taxes)	(19)	-	-	31.4	-	31.4	-	31.4
Balance at 31 December 2013		**272.1**	**1,441.8**	**109.6**	**(102.2)**	**1,721.3**	**366.3**	**2,087.6**

The notes on pages 104 to 161 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER

$ millions	Note	2013	2012
Net profit / (loss)		259.2	(1,859.2)
Adjustments for:			
Depreciation and amortisation	(7),(8)	327.0	276.8
Impairment of goodwill	(7)	-	900.0
Interest income	(25)	(17.7)	(26.3)
Interest expense	(25)	390.7	265.1
Impairment of property, plant and equipment	(8)	-	11.8
Foreign exchange gain and loss and others		(144.5)	(32.1)
Share in income of associates	(10)	(21.7)	(24.8)
Gain from sale of assets held for sale	(16),(28)	(262.1)	-
Equity-settled share-based payment transactions	(22)	11.6	-
Income tax expense	(12)	86.0	1,243.3
Transaction costs	(1)	89.3	-
Changes in:			
Inventories	(13)	(100.8)	45.5
Trade and other receivables	(9)	(100.9)	40.8
Construction contract receivable	(14)	34.9	12.4
Assets held for sale		-	4.8
Trade and other payables	(20)	(208.6)	(176.6)
Provisions	(21)	(0.8)	(23.9)
Cash flows:			
Interest paid	(25)	(383.9)	(232.4)
Interest received from affiliate	(25)	17.7	26.3
Income taxes paid	(12)	(85.8)	(127.7)
Income tax litigation payment	(12)	(360.3)	-
Transaction expenses paid	(1)	(242.0)	-
Cash flow from / (used in) operating activities		**(712.7)**	**323.8**
Proceeds from sale of property, plant and equipment		43.5	64.0
Investments in property, plant and equipment		(777.7)	(458.5)
Proceeds from sale of investments	(16)	629.0	-
Investments in associates, net	(10)	(31.3)	-
Proceeds from sale of associates	(10)	-	2.5
Dividends from equity accounted investees	(10)	7.7	6.7
Proceeds from sale of other investments		1,213.4	-
Acquisition of other investments		-	(1,191.0)
Acquisition of subsidiary, net of cash acquired		-	12.3
Cash flow from / (used in) investing activities		**1,084.6**	**(1,564.0)**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER (CONTINUED)

$ millions	Note	2013	2012
Proceeds from share issuance	(17)	355.6	-
Proceeds from sale of treasury share	(18)	91.2	28.7
Purchase of treasury shares	(18)	(20.5)	-
Proceeds from borrowings	(19)	2,964.7	1,880.7
Repayment of borrowings	(19)	(2,411.8)	(651.5)
Non-controlling interest		-	(10.8)
Orascom Construction Industries S.A.E. shares acquired		(90.0)	-
Dividends paid		(39.7)	(59.3)
Cash flow from / (used in) financing activities		**849.5**	**1,187.8**
Net increase (decrease) in cash and cash equivalents		**1,221.4**	**(52.4)**
Cash and cash equivalents at 1 January		1,033.4	1,083.7
Currency translation differences	(15)	11.3	2.1
Cash and cash equivalents at 31 December	(15)	2,266.1	1,033.4

The notes on pages 104 to 162 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER

1. General

1.1 Incorporation

OCI N.V. ('OCI', 'the Group' or 'the Company') was established on 2 January 2013 as a public limited liability company incorporated under Dutch law, with its head office located at Mijnweg 1, 6167 AC Geleen, the Netherlands. OCI is registered in the Dutch commercial register under No. 56821166 dated 2 January 2013. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and joint ventures.

The Group is primarily involved in the production of nitrogen based fertilizers and industrial chemicals, and in engineering and construction activities.

1.2 Group restructuring

The exchange offers

Soon after the establishment of OCI N.V. in January 2013, the Company launched exchange offers to acquire both all outstanding Regulation S global depositary receipts (GDRs) of Orascom Construction Industries S.A.E. in exchange for ordinary shares in OCI N.V. and to acquire all the outstanding ordinary shares of Orascom Construction Industries S.A.E. listed on the Egyptian Stock Exchange.

The steps in acquiring all outstanding GDRs and ordinary shares of Orascom Construction Industries S.A.E. in 2013 can be summarized as follows:

- On 21 February 2013, OCI N.V. successfully completed an exchange offer ('Exchange Offer') for Orascom Construction Industries S.A.E.'s GDRs listed on the London Stock Exchange, acquiring approximately 99% of Orascom Construction Industries S.A.E.'s GDRs representing 75.7 % of the total shares outstanding.
- In addition to the exchange offer of the GDRs, the Company formally filed a Mandatory Tender Mixed Offer (MTO) to acquire all the outstanding ordinary shares of Orascom Construction Industries S.A.E listed on the Egyptian Stock Exchange with the Egyptian Financial Supervisory Authority (EFSA). The offer included the option to exchange the ordinary share of Orascom Construction Industries S.A.E by the ordinary share of OCI N.V. at a ratio of 1:1 or the option to make use of the cash alternative. On 25 June 2013, the EFSA approved the offer submitted by OCI N.V. to acquire all remaining outstanding ordinary shares of Orascom Construction Industries S.A.E listed on the Egyptian Stock Exchange representing about 24%. At 28 July 2013, the offer was closed and at that moment OCI N.V. had acquired 97.4% of the ordinary shares and GDRs in Orascom Construction Industries S.A.E.
- Subsequent to the closing of the MTO, the Company has undertaken offers to purchase the remaining part of the outstanding shares and GDRs in Orascom Construction Industries S.A.E. At year-end 2013, OCI N.V.'s share in Orascom Construction Industries S.A.E. was further increased to 99.44%.

OCI N.V. closed the tender offer for Orascom Construction Industries S.A.E. on 13 March 2014 resulting in OCI N.V. owning 99.84 % of Orascom Construction Industries S.A.E. Following the equalization agreement and MTO offer, the Company still has committed itself to settle with the shareholders that have not yet made use of the exchange offer. The total value of this commitment is USD 12.1 million at the MTO price of EGP 255/share.

On 25 January 2013 the Company began trading on the NYSE Euronext Amsterdam.

Transaction costs

For the Exchange Offer and the Tender Offer, the Company incurred total transaction costs of USD 242 million. Transaction costs totalling USD 89.0 million, including underwriter fees of USD 84 million to the Sawiris Family and Abraaj (further reference is made to note 32) and professional advisory fees amounting to USD 5 million have been expensed through profit or loss. The remaining transaction costs (net of taxes) are considered an integral part of the equity transaction and were debited to both the share premium reserve and retained earnings in shareholders' equity in the statement of financial position as at 31 December 2013.

Accounting of the transaction

The Company has accounted for the transaction using the guidance included in IFRS 3 in respect to reverse acquisition accounting. Assets and liabilities have been recognized upon consolidation at their consolidated carrying amounts in Orascom Construction Industries S.A.E. under International Financial Reporting Standards as adopted by the European Union (IFRS-EU) prior to transition. The comparable figures 2012 have been derived from the financial statements of Orascom Construction Industries S.A.E. No goodwill is recognized nor step-up accounting has been applied. The consolidated financial statements of the Group as of and for the year ended 31 December 2012 include the financial statements of Orascom Construction Industries S.A.E. and its subsidiaries.

Financial impact of the restructuring transaction

The financial impact of this Group restructuring on the Group's equity can be summarized as follows:

$ millions	Note	Share Capital (17)	Share Premium (17)	Reserves (18)	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Corporate restructuring (*)		78.1	831.8	105.6	(1,015.5)	-	-	-
Transaction costs incurred for financing cash alternative, net of taxes (*)		-	(88.0)	-	-	(88.0)	-	(88.0)
Other transaction costs incurred, net of taxes		-	-	-	(28.7)	(28.7)	-	(28.7)
Orascom Construction Industries S.A.E. shares acquired (**)		-	(90.0)	-	-	(90.0)	-	(90.0)
Total		**78.1**	**653.8**	**105.6**	**(1,044.2)**	**(206.7)**	**-**	**(206.7)**

(*) Financial impact of "exchange offer" completed on 21 February 2013 and MTO completed on 28 July 2013.

(**) Financial impact of acquiring shares of Orascom Construction Industries S.A.E. by OCI N.V. without issuance of new shares OCI N.V.

Equalisation Agreement

On 17 January 2013, OCI N.V. and Orascom Construction Industries S.A.E. have entered into an equalisation agreement. The equalisation agreement was subsequently amended on 29 April 2013 to reflect certain conditions that were requested by EFSA.

The purpose of this agreement is to ensure that the traded shares of Orascom Construction Industries S.A.E. have equal economic rights compared to the traded shares of OCI. These economic similarities refer to dividends to be paid and rights in case of a liquidations the rights to the net assets of the entity liquidated. However, the dividend will not include amounts that have been set aside or restricted because of any tax claims outside the ordinary course of business or those amounts relating to any financial year prior to the financial year ended 31 December 2013.

The equalisation agreement became effective on the listing date of OCI N.V. shares on the Amsterdam Stock Exchange NYSE/Euronext Amsterdam and is applied for the financial year 2013 in accordance with the Dutch laws and regulations.

The Group accounts for the equalisation agreement as a profit sharing agreement. Under this agreement, Orascom Construction Industries S.A.E. minority shareholders are entitled to an equal share of the profit (and net asset) compared to OCI N.V. shareholders and therefore, the Company recognizes non-controlling interest within its consolidated equity equal to the interest held by the minority shareholders in Orascom Construction Industries S.A.E. As at 31 December 2013, the non-controlling interest represented 0.7% of the outstanding shares of Orascom Construction Industries S.A.E.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU).

The consolidated financial statements have been prepared on the historical cost basis, except when otherwise indicated.

The financial year of the Group commences on 1 January and ends on 31 December.

The Parent Company statement of profit or loss is presented in abbreviated format in accordance with article 2:402 of Part 9 of the Dutch Civil Code.

These consolidated financial statements are presented in US dollars ('USD'), which is the Group's presentation currency. All values are rounded to the nearest tenth million (in millions of USD), except when stated otherwise.

The financial statements have been authorised for issue by the Company's board of directors on 28 April 2014. The financial statements are subject to adoption of the Annual General Meeting of Shareholders on 26 June 2014.

3. Summary of significant accounting policies

3.1 Consolidation

The consolidated financial statements include the financial statements of OCI N.V., its subsidiaries and the proportion of OCI's ownership of joint ventures.

Subsidiaries

Subsidiaries are all companies over which OCI N.V. has directly or indirectly the power to control the financial and operating policies, generally accompanying a shareholding of more than half of the shares issued and related voting power. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss including related cumulative translation differences accumulated in other comprehensive income. If it becomes an associate, the interest retained is subsequently valued in accordance with the equity method. The principal subsidiaries are listed in the section 'Miscellaneous' on page 164 of this report.

Transactions eliminated on the consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted-investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognized either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity. For accounting principles relating to goodwill references is made to note 3.9 'Goodwill and other intangible assets'.

Non-controlling interest

Non-controlling interest are presented as a separate component in equity. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as an equity transaction.

3.3 Associates

Associates are those companies in which the Group exercises significant influence, but does not have control over the financial and operating policies, which is presumed to exist when the Group holds 20 percent to 50 percent of the shareholding and related voting rights of the other entity. Associates are accounted for by the 'equity method'. The Group's share of profit or loss of an investee is recognized in profit or loss from the date when significant influence begins up to the date when that influence ceases. Investments in associates with negative shareholder's equity are impaired and a provision for its losses is recognized only if the Group has a legal or constructive obligation to cover the losses. Equity changes in investees accounted for using the equity method that do not result from profit or loss are recognized directly in other comprehensive income. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.4 Joint ventures

Jointly ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

The Group recognizes its interest in joint ventures using the proportionate consolidation method. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint ventures with similar items, line by line, in its consolidated financial statements. The financial statements of the joint ventures are prepared for the same reporting period as the Group. Adjustments are made, where necessary, to bring the accounting policies in line with those of the Group.

The Group's share of intra-group balances, transactions and unrealized gains and losses on such transactions between the Group and its joint ventures are eliminated on consolidation. Losses on transactions are recognized immediately if there is evidence of a reduction in the net realisable value of current assets or an impairment loss. A joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture. Upon loss of joint control, the Group measures and recognizes its remaining investment at its fair value. The difference between the carrying amount of the investment upon loss of joint control and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as an investment in an associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

3.5 Foreign currency translation

Foreign currency transactions

The financial statements of subsidiaries and joint ventures are prepared in the currencies which are determined based on the primary economic environment in which they operate ('the functional currency'). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing closing-rates. Exchange differences arising on the settlement and translation of monetary items are included in profit or loss for the period except when deferred to other comprehensive income for available-for-sale assets, the effective part of qualifying cash flow hedges.

Foreign currency operations

Upon consolidation, the assets and liabilities of subsidiaries with a functional currency other than the US dollar are translated into US dollar using the exchange rates prevailing at the balance sheet date. Income and expense items are translated using exchange rates prevailing at the date of the transactions. Investments in joint ventures and associates with a functional currency other than the US dollar are translated into US dollar using exchange rates prevailing on the balance sheet date. Exchange rate differences arising during consolidation and on the translation of investments in subsidiaries, joint ventures and associates are included in other comprehensive income, as 'currency translation differences'. When a foreign operation is (partly) disposed of or sold, (the proportionate share of) the related currency translation differences that were recorded in other comprehensive income are reclassified to profit or loss as part of the gain and loss on disposal or sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign subsidiary are considered as assets and liabilities denominated in the functional currency of the foreign subsidiary.

3.6 Financial instruments

The Group classifies financial instruments into the following categories: (i) financial instruments at fair value through profit or loss, (ii) derivatives designated in a hedge relationship, (iii) loans and receivables and (iv) available-for-sale financial assets. Financial instruments with a remaining term of 12 months or more are classified as non-current, otherwise they are classified as current. The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability. The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. Compound financial instruments are bifurcated and the components are presented as separately as financial liabilities, financial assets or as equity instruments.

Financial instruments at fair value through profit or loss

A financial instrument is classified as at fair value through profit or loss if it is classified as held-for-trading or designated into this category. Directly attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss. Financial instruments classified as at fair value through profit or loss are initially recognized on the trade date and the changes in fair value are accounted for under finance income and expenses, note 3.17.

Embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not clearly and closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in the fair value of separated embedded derivatives are recognized immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognized immediately in profit or loss.

Derivatives designated in a hedge relationship

In order to mitigate risk, the Group applies hedging in case by case situations. The Group holds derivative financial instruments to hedge its foreign currency, interest rate risk, and fluctuating gas prices exposures. On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 - 125 percent.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect reported profit or loss. Derivatives are recognized initially at fair value. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as described below:

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income as 'hedging reserve', net of related tax. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset. In other cases, the amounts recognized as other comprehensive income are reclassified to profit or loss when the hedged transaction affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

Loans and receivables

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost, using the effective interest method (EIR) and any impairment losses.

The Group recognizes a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value on initial recognition and classified as loans and receivables. Subsequent to initial recognition, the financial assets are measured at amortized cost.

If the Group has paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is initially recognized at the fair value of the consideration.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories of financial instruments under IAS 39. Available for sale financial assets include debt and equity securities, for available-for-sale debt securities interest income is recognized using the effective interest method. Available-for-sale financial assets are accounted for using trade date accounting and are carried at fair value. The change in fair value is recognized in other comprehensive income after tax. When securities classified as available-for-sale are sold or impaired, the accumulated gains and losses are reclassified to profit or loss. Available-for-sale financial assets are included in non-current assets unless the Group intends to dispose of the available-for-sale financial assets within 12 months after the balance sheet date. The dividend income from equity instruments is recognized in profit or loss as 'Other income' when the Groups right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date (original maturity) that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Restricted cash is where specific restrictions exist on the Company's ability to use this cash. Restricted cash includes cash which has been deposited as collateral for letters of credit issued by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

3.7 Share capital

Ordinary shares are classified as equity. When ordinary share are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from 'Reserves'. Repurchased shares are classified as treasury shares and are presented in 'Shares'. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in 'Reserves', and the resulting surplus or deficit on the transaction is presented in share premium.

3.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of material, direct labour;
- any other directly attributable cost incurred to bring the asset ready to its intended use;
- cost of asset retirement obligations; and
- capitalized borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance costs are expensed as incurred. Spare part of property, plant and equipment are recognized under property, plant and equipment if the average turn-over exceeds 12 months or more, otherwise they are recognized within 'Inventory' (note 13).

Finance leases

Leased assets in which the Group has substantially all the risks and rewards of ownership are classified as finance leases and recognized under property, plant and equipment. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of minimum lease payments. Minimum lease payments made under finance leases are apportioned between the interest expenses and the reduction of the outstanding liability. The interest expenses are recognized as other financing expenses over the lease term. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Property, plant and equipment under construction

Expenditures incurred for purchasing and constructing property, plant and equipment are initially recorded as 'under construction' until the asset is completed and becomes ready for use. Upon the completion of the assets, the recognized costs are reclassified from 'under construction' to its final category of property, plant and equipment. Projects under construction are not depreciated and measured at cost less any impairment losses.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis in profit or loss over the estimated useful lives of each component lives, taking into account any residual values. Finance lease assets are depreciated over the shorter of the lease term and their useful lives. If it is reasonably certain that the Group will obtain ownership by the end of the lease term, the finance lease assets are depreciated over their useful lives. Land is not depreciated. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for items of property, plant and equipment are as follows:	Years
Buildings	10 - 50
Plant and equipment	5 - 25
Fixtures and fittings	3 - 10

Depreciation methods, useful lives and residual values are reviewed at each reporting date for the Group.

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for its intended use or sale, are recognized as part of the cost of those assets. All other borrowing costs are recognized as 'Finance cost' in the period in which they are incurred.

3.9 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share in the net identifiable assets of the acquired subsidiary at the date of acquisition. 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 the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

Goodwill on acquisition of entities that qualify as subsidiaries is presented under 'Intangible assets'. Goodwill on acquisitions of entities that qualify as associates is included in 'Associates' (note 10). Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of units that are expected to benefit from the business combination through which the goodwill arose, based on past experience. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested annually for impairment; an impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of the cash-generating unit is determined by the higher of its fair value less cost to sell and its value in use. Goodwill is carried at cost less any impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold. All other expenditure on internally generated goodwill and other intangible assets is recognized in profit or loss as incurred.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any impairment losses.

Amortization

Intangible assets with a defined useful life (licenses, customer relations, brand names and other rights that are acquired separately or through business combinations) are amortized on a straight-line basis in profit or loss over their estimated useful lives taking into account any residual value, from the date that they are available for use.

The estimated useful lives of intangible assets are as follows:	Years
Licenses and trade names	4 - 10
Purchased rights and other	4 - 10

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.10 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories of raw materials, spare parts and supplies cost are based on weighted average principle or the first-in-first-out method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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3.11 Non-current assets held for sale / discontinued operations

Non-current assets (or disposal groups) for which the carrying amounts are highly probable to be recovered primarily through sale rather than through continuing use, are classified as 'held for sale'. Immediately before classification as held for sale, the non-current assets or disposal groups are measured in accordance with their applicable IFRSs. Thereafter, the non-current assets or disposal groups are measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with their applicable IFRSs. Impairment losses on initial classification as held for sale and subsequent gains and losses in fair value less cost of disposal are recognized in profit or loss. Subsequent gains in fair value less cost of disposal are not recognized in excess of any cumulative impairment loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is represented as if the operation has been discontinued from the start of the comparative year.

3.12 Impairment of assets

Non-derivative financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a non-derivative financial assets or a group of non-derivative financial assets is impaired. An impairment loss is recognized for the amount by which the carrying amount of a non-derivative financial asset exceeds its estimated discounted future cash flows using the original interest rate. Objective evidence may include amongst other circumstances in which a counterparty has been placed in bankruptcies or has failed on the repayments of principal and interest. Impaired non-derivative financial assets are tested periodically to determine whether the estimated future cash flows have increased and the impairment has to be reversed. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized (such as an improvement in the debtor's credit rating). In the case of a financial asset classified as available-for-sale, a significant or prolonged decline in the fair value of the available-for-sale financial asset below its acquisition cost (for more than 25 percent and more than 6 months) is considered as an indicator that the available-for-sale financial asset is impaired. If any such evidence exists for an available-for-sale financial asset, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss. For debt-securities, an impairment trigger exist when the counterpart fails to meet its contractual payment obligations or there is evidence that the counterpart has encountered financial difficulties.

Derivative financial assets

Derivative financial assets are measured at fair value and the Group investigated whether the counterparty creditworthiness gives rise to an impairment.

Non-financial assets

Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment or more frequently when indicators arise. Assets with a finite useful life are subject to depreciation or amortization and are reviewed (at least at the balance sheet date) for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment is recognized as an expense in profit or loss. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased and the impairment has to be reversed. Impairment losses on goodwill are not reversed. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized (such as an improvement in the debtor's credit rating). Present value of estimated future cash flows using the original effective interest rate.

3.13 Provisions

We recognize provisions when a present legal or constructive obligation as a result of a past event exists, and it is probable that an outflow of economic benefits is required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Significant estimates are involved in the determination of provisions related to onerous contracts, warranty costs, asset retirement obligations and legal proceedings.

Warranties

A provision for warranties is recognized when the underlying services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognized when the land is contaminated.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract, reference is made to note 3.12 'Impairment of assets'.

Asset retirement obligations

Significant estimates and assumptions are also involved in the determination of provisions related to major asset retirement obligations. Uncertainties surrounding the amount to be recognized include, for example, the estimated costs of decommissioning because of the long time frame over which future cash outflows are expected to occur including the respective interest accretion. Amongst others, the estimated cash outflows could alter significantly if, and when, political developments affect future laws and regulation with respect to asset retirements.

Legal

The Group is subject to legal and regulatory proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties or disgorgements against the Company. If it is more likely than not that an obligation of the Company exists and will result in an outflow of resources, a provision is recorded if the amount of the obligation can be reliably estimated. Regulatory and legal proceedings as well as government investigations often involve complex legal issues and are subject to substantial uncertainties. Accordingly, management exercises considerable judgment in determining whether there is a present obligation as a result of a past event at the end of the reporting period, whether it is more likely than not that such a proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. The Company periodically reviews the status of these proceedings with both the internal and external legal counsel. These judgements are subject to change as new information becomes available. The required amount of a provision may change in the future due to new developments in the particular matter. Revisions to estimates may significantly impact future profit or loss. Upon resolution, The Group may incur charges in excess of the recorded provisions for such matters.

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3.14 Revenue recognition

Revenues comprise the fair value of the considerations received or receivable from the sale of goods and services to third parties in the ordinary course of the Group's activities excluding the taxes levied on revenues and taking into account any discounts granted. OCI recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to OCI and specific criteria have been met as described below.

Construction contracts

Construction contracts are stated at cost incurred and allocated result in line with the progress of the construction, less total expected losses and invoiced installments. The cost price consists of all costs which are directly related to the project and directly attributable indirect cost based on the normal production capacity. If the outcome of a contract can be estimated reliably, project revenue and cost are recognized in profit or loss based on the progress of work performed. If the outcome of a contract cannot be estimated reliably, revenue is recognized only to the extent of the contract costs incurred that are likely to be recoverable. Onerous sales contracts are identified by monitoring the progress of the project and updating the estimate of total contract costs which also requires significant judgment relating to achieving certain performance standards as well as estimates involving warranty costs and estimates regarding project delays including the assessment of responsibility splits between the contract partners for these delays. If it is probable that the total contract cost exceed the total contract revenue, the total expected loss is recognized as an expense.

The Group uses the 'percentage of completion method' to determine the appropriate amount of revenue (and cost) to be recognized in a given period. The stage of completion is measured by reference to the contract cost incurred as a percentage of total actual or estimated project cost. In case of fixed price contracts, revenue is recognized when the total contract revenue can be measured reliable, it is probable that future economic benefits will flow to the entity, both the contract cost and the stage of completion can be measured reliably at the end of the period and the contract cost attributable to the contract can be clearly identified so that actual cost incurred can be compared with prior periods. For cost plus contract revenue is recognized when it is probable that future economic benefits associated with the contract will flow to the entity and the contract cost attributable to the contract whether or not specifically reimbursable, can be clearly identified and measured reliable. Projects are presented in the statement of financial position as receivables from or payables to customers on behalf of the contract. If the costs incurred (including the result recognized) exceed the invoiced installments, the net contract position is presented as a receivable. If the invoiced installments exceed the costs incurred (including the result recognized) the net contract position is presented as a liability.

Contracts containing the construction of a project and the possibility of subsequent long-term maintenance of that project as separate components, or for which these components could be negotiated individually in the market, are accounted for as two separate contracts. Revenue and results are recognized accordingly in the consolidated statement of comprehensive income as construction contract revenue or the rendering of services, respectively.

Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognizing revenue on construction contracts. Operation or service revenue is recognized in the period in which the services are provided by the Group. If the Group provides more than one service in a service concession arrangement, then the consideration received is allocated with reference to the relative fair values of the services delivered if the amounts are separately identifiable.

Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement, which usually transfer occurs when the product is received at the customer's warehouse or the products leave the Company's warehouse; however, for some international shipments transfer occurs on loading the goods onto the relevant carrier at the port. Generally for such products the customer has no right of return.

3.15 Government grants

An unconditional government grant related to an asset is recognized in profit or loss as other income when the grant becomes receivable. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. Grants that compensate the Group for expenses incurred are recognized in profit or loss as other income on a systematic basis in the periods in which the expenses are recognized. Other government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

3.16 Operating leases

Assets classified as operating leases are not recognized. Operating lease payments are recognized in profit or loss on a straight-line basis over the term of the lease, including any lease incentives received.

3.17 Financing income and cost

Finance income comprises:

- interest income on funds invested (including available-for-sale financial assets);
- gains on the disposal of available-for-sale financial assets;
- fair value gains on financial assets at fair value through profit or loss;
- gains on the re-measurement to fair value of any pre-existing interest in an acquired business combination;
- gains on hedging instruments that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- interest income is recognized as it accrues in profit or loss, using the effective interest method.

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance cost comprise:

- interest expense on borrowings;
- unwinding of the discount on provisions and contingent consideration;
- losses on disposal of available-for-sale financial assets;
- fair value losses on financial assets at fair value through profit or loss; and
- impairment losses recognized on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3.18 Employee benefits

Defined contribution plan

Certain Group subsidiaries provide pension plans, end of service remuneration plans and long-term service benefits. These pension plans qualify as defined contribution plans. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

The Group employee benefits are recognized if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably to determine its present value. The discount rate is the yield at the balance sheet date on AAA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. Re-measurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. OCI recognizes termination benefits when OCI is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when OCI is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted at present value.

Share-based payments

Employees (including Senior Executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The grant-date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period (the vesting period) that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

3.19 Income tax

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax

Deferred income tax liabilities are recognized for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements ('liability' method). Deferred income tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred income tax assets can be utilized.

Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Also no deferred income tax is recognized regarding the initial recognition of goodwill.

Deferred income tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

3.20 Segment reporting

An operating segment is a component of an entity that engages in business activities for which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resource allocation to the segment and to assess its performance, and for which discrete financial information is available. The Group determines and presents operating segments on the information that internally is provided to the Chief Operating Decision Maker during the period. The Group has identified two reportable segments, 'Fertilizers & Chemicals' and 'Engineering & Construction'. Both segments are managed separately because they require different operating strategies and use their own assets and employees. Prices for transactions between segments are determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can reasonably and consistently be allocated. Selected information on a country and regional basis is provided in addition to the information about operating segments.

3.21 Consolidated cash flow statement

The consolidated cash flow statement has been prepared using the 'indirect' method. Cash flows in foreign currencies have been translated at average exchange rates. Currency translation differences are shown separately in the consolidated cash flow statement. Cash flows from investing activities consist mostly of investments and divestments in property, plant and equipment, intangible assets, and acquisitions insofar as these are paid for in cash. Acquisitions or disposals of subsidiaries are presented as 'Net of cash balances acquired'.

3.22 Earnings per share

Earnings per ordinary share are calculated by dividing the profit or loss (net) attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. In making this calculation the (ordinary) treasury shares are deducted from the number of ordinary shares outstanding.

The calculation of the diluted earnings per share is based on the weighted average number of ordinary shares outstanding plus the potential increase as a result of the conversion of convertible bonds and the settlement of share-based compensation plans (share option plans). Anti-dilutive effects are not included in the calculation. With regard to convertible bond it is assumed that these are converted in full. An adjustment is made to profit or loss (net) to eliminate interest charges, whilst allowing for effect of taxation. Regarding equity-settled share option plans it is assumed that all outstanding plans will vest. The potential increase arising from share option plans is based on a calculation of the value of the options outstanding. This is the number of options times the exercise price, divided by the average share price during the financial year. This potential increase is only applied if the option has intrinsic value.

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4. New accounting standards and policies

On a regular basis, the IASB issues new accounting standards, amendments and revisions to existing standards and interpretations. These new accounting standards, amendments and revisions to existing standards and interpretations are subject to endorsement by the European Union. In 2013, the following new accounting standards, amendments and revisions to existing standards and interpretations were issued by the IASB, which will become or became effective to OCI.

4.1 Standards, amendments, revisions and interpretations effective to OCI in 2013

IFRS 13 'Fair Value Measurement' IFRS 13 is applicable for annual periods beginning on or after 1 January 2013. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS and when fair value is required or permitted. The application of the IFRS 13 did not have an significant impact on the consolidated financial statements.

IAS 1 (Amendment) 'Presentation of items in Other Comprehensive Income' The amendment to IAS 1 is applicable for annual periods beginning on or after 1 July 2012. The amendment to IAS 1 requires companies to group together items within Other Comprehensive Income that may be reclassified to the profit or loss section of profit or loss. The amendment also reaffirms existing requirements that items in Other Comprehensive Income and profit or loss should be presented as either a single statement or two consecutive statements. The application of the amendment to IAS 1 resulted in a different presentation of the statement of comprehensive income.

IAS 19 (Amendment) 'Employee Benefits' The amendment to IAS 19 is applicable for annual periods beginning on or after 1 January 2013. The amendment makes important improvements by:

- eliminating an option to defer the recognition of gains and losses, known as the 'corridor method';
- improving comparability and faithfulness of presentation;
- streamlining the presentation of changes in assets and liabilities arising from defined benefit plans;
- including requiring remeasurements to be presented in Other Comprehensive Income, thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations; and
- enhancing the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. The elimination of the 'corridor approach' did not result in a significant impact of the previously unrecognized actuarial gains and losses and unrecognized past service cost.

Amendment to IAS 36 'Recoverable Amount Disclosure Non-Financial Assets' The amendment issued on 29 May 2013 is effective for annual periods beginning on or after 1 January 2014. The amendment clarifies the IASB's original intention: that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. The Group early adopted this amendment, which had no significant impact on the consolidated financial statements.

4.2 Standards, amendments, revisions and interpretations not yet effective to OCI:

The European Union has stated that: each company shall apply IFRS 10, IFRS 11, IFRS 12, the amended IAS 27, the amended IAS 28, and the consequential amendments, at the latest, as from the commencement date of its first financial year starting on or after 1 January 2014. OCI has elected to apply this exemption and will apply these standards as of 1 January 2014.

IFRS 9 'Financial Instruments' IFRS 9 is applicable for annual periods beginning on or after 1 January 2018 (tentative). IFRS 9 addresses the classification and measurement of financial assets. The publication of IFRS 9 represents the completion of the first part of a three-part project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 enhances the ability of investors and other users of financial information to understand the accounting of financial assets and reduces complexity. OCI is currently investigating the impact of IFRS 9 on the consolidated financial statements.

IFRS 10 'Consolidated Financial Statements' IFRS 10 is applicable for annual periods beginning on or after 1 January 2014, earlier application is permitted. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation-Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the Parent Company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. OCI is currently investigating the impact of IFRS 10 on the consolidated financial statements.

4.2 Standards, amendments, revisions and interpretations not yet effective to OCI (continued)

IFRS 11 'Joint Arrangements' IFRS 11 is applicable for annual periods beginning on or after 1 January 2014. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities/ Non-monetary Contributions by Ventures'. The application of this new standard will impact the financial position of the Group by eliminating proportionate consolidation of the joint ventures in Orasqualia for Development, Orasqualia for Construction, Alico and BESIX. With the application of the new standard, the investment in these entities will be accounted for using the equity method of accounting. This standard becomes effective for annual periods beginning on or after 1 January 2014, and is to be applied retrospectively for joint arrangements held at the date of initial application. The impact of IFRS 11 on the current period (which will be the comparative period in the financial statements as of 31 December 2014), of certain line items, is estimated to be a reduction of revenue of USD 1,687.0 million and a reduction of operating profit of USD 86.0 million as income from joint ventures will be presented outside operating profit going forward. Current assets and current liabilities will be reduced by USD 1,150.7 million and USD 732.0 million respectively, while the impact on non-current assets will be USD 277.0 million and the non-current liabilities will be reduced by USD 219.0 million.

IFRS 12 'Disclosure of interest in other Entities' IFRS 12 is applicable for annual periods beginning on or after 1 January 2013. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. OCI is currently investigating the impact of IFRS 12 on the consolidated financial statements.

IAS 27 (as revised in 2011) 'Separate Financial Statements' IAS 27 is applicable for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associated in separate financial statements.

IAS 28 'Investments in Associates and Joint Ventures' IAS 28 is applicable for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed 'Investments in associates and Joint Ventures', and describes the application of the equity method to investments in joint ventures in addition to associates. OCI is currently investigating the impact of IAS 28 on the consolidated financial statements.

Amendments to IFRS 10, IFRS 11 and IFRS 12 'Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance' The amendments issued in June, 2012 are effective for annual periods beginning on or after January 1, 2013 and include certain clarifications to the various standards previously issued. The transaction guidance is subject to endorsement by the European Union.

Amendment to IFRS 10, IFRS 12, and IAS 27 'Investment Entities' The amendments issued in October, 2012 are effective for annual periods beginning on or after 1 January 2013 and apply to particular classes of business that qualify as investment entities. The IASB uses the term investment entity to refer to an entity whose financial statements business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments are subject to endorsement by the European Union. The amendments will not have an impact on the consolidated financial statements, because OCI does not qualify as an investment entity.

IAS 32 (Amendments) 'Offsetting Financial Assets and Financial Liabilities' Effective for annual periods beginning on or after January 1, 2014. The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically the amendments clarify the meaning of currency has a legally enforceable right of setoff' and simultaneous realization and settlement'. OCI does not anticipate material impact on the consolidated financial statements upon adoption.

Amendment to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting' The amendment issued on 27 June 2013 is effective for annual periods beginning on or after 1 January 2014. The amendment allows hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. OCI does not expect that this amendment will have an impact on the consolidated financial statements.

Amendment to IAS 19 'Defined Benefit Plans: Employee Contributions' The amendments issued on 21 November 2013 are effective for annual periods beginning on or after 1 January 2014. The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. OCI does not anticipate material impact on the consolidated financial statements upon adoption.

IFRIC Interpretation 21 'Levies' The interpretation issued on 20 May 2013 is effective for annual periods beginning on or after 1 January 2014. IFRIC 21 is an interpretation of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. IAS 37 sets out criteria for recognition of a liability, one of which is the requirement for an entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay levy is the activity described in the relevant legislation that trigger the payment of the levy. OCI is currently investigating the impact of the IFRIC on the consolidated financial statements, but does not expect a significant impact.

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5. Critical accounting estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect amounts reported in the consolidated financial statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods. The most critical accounting policies involving a higher degree of judgment and complexity in applying principles of valuation and for which changes in the assumptions and estimates could result in significantly different results than those recorded in the financial statements are the following:

Estimation and assumptions uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Intangible assets

Intangible assets with defined useful lives are carried at cost less cumulative amortization and any impairment. Amortization is calculated using the 'straight-line' method based on the estimated useful lives. Management makes estimates regarding the useful lives and residual values and assumes that amortization takes place on a 'straight-line' basis. The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. OCI tests annually or more frequently when indicators arise whether intangible assets with undefined lives have suffered any impairment by comparing the recoverable amounts of the other intangible assets with their carrying amounts. For intangible assets with defined useful lives, OCI test for impairment when indictors exist that suggest that the intangible asset might be impaired. In determining the recoverable amounts of intangible assets, OCI makes estimates and assumptions about the net present value of future cash flows based on the value in use. In doing so OCI also makes assumptions and estimates regarding the discount rate used for calculating the net present value. OCI tests at least annually whether goodwill has suffered any impairment (see note 7) by comparing the recoverable amounts of cash-generating units with their carrying amounts. The recoverable amount is the higher of the fair value less cost to sell and the value in use. In determining the recoverable amount, OCI makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital (WACC) and future inflation rates.

Property, plant and equipment

Property, plant and equipment is carried at cost less cumulative depreciation and any impairment. Depreciation is calculated using the 'straight-line' method based on the estimated useful lives, taking into account any residual values. Management makes estimates regarding the useful lives and residual values and assumes that depreciation takes place on a 'straight-line' basis. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Financial instruments and fair value measurement

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is determined using generally accepted valuation techniques. These valuation techniques include estimates and assumptions about forward rates, discount rates based on a single interest rate or on a yield-curve based on market conditions existing at the balance sheet date. The fair value of borrowings and interest rate swaps is calculated based on the present value of the estimated future cash flows based on the yield-curve applicable at the balance sheet date. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The net carrying amount of trade receivables and trade payables is assumed to approximate the fair value due to the short term nature. The fair value of non-current financial liabilities is estimated by discounting the future cash flows using yield-curves. For unlisted equity securities is the available-for-sale category the equity-method is used as a proxy for fair value. In using the equity method, input is derived from the financial statements of the unlisted equity investments.

Counterparty risk in connection with triggers for impairment are based on judgment of the financial position of the counterparty. A significant and prolonged decline in fair value of available-for-sale financial assets is depending on the average volatility of the instrument, if an instrument exceeds certain ranges in both time frame and negative volatility, a trigger for impairment is considered. This is considered on an item by item bases.

Inventories

In determining the net realisable value of inventories, OCI estimates the selling prices in the ordinary course of business, cost of completion and cost to sell. In doing so, OCI makes estimates and assumptions based on current market prices, historical usage of various product categories versus current inventory levels and specific identified obsolescence risks (e.g. end of life of related machines, the remaining service period of these machines and the impact of new environmental legislation).

Provision for impairment of trade receivables

In determining the provision for impairment of trade OCI makes its estimates and assumptions based on aging and specific developments and past experience regarding customers (e.g. creditworthiness and market developments). The provision for impairment of trade is reviewed periodically to assess the adequacy of the provision.

Provision for restructuring

OCI recognizes a provision for restructuring regarding cost-saving restructuring measures. Provisions for restructuring include, amongst other, estimates and assumptions about severance payments and termination fees.

Revenue recognition on construction contracts

The Company conducts a significant portion of its business under construction contracts with customers. The Company generally accounts for construction projects using the percentage-of-completion method, recognizing revenue as performance on contract progresses. This method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. Depending on the methodology to determine contract progress, the significant estimates include total contract costs, remaining costs to completion, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. Management of the operating divisions continually reviews all estimates involved in such construction contracts, including commercial feasibility, and adjusts them as necessary. Under the percentage-of-completion method, such changes in estimates may lead to an increase or decrease of revenues in the respective reporting period.

Income taxes

OCI is subject to income taxes in numerous jurisdictions. Estimates are required in determining the worldwide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. OCI recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available for the deferred tax asset to be recovered. This is based on estimates of taxable future income by jurisdiction in which OCI operates and the period over which deferred tax assets are recoverable. In the event that actual results or new estimates differ from previous estimates and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and profit or loss. For outstanding tax disputes reference is made to note 12 'Income taxes'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

6. Financial risk and capital management

Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

These risks arise from exposures that occur in the normal course of business and are managed on a consolidated company basis. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Senior management has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the Internal Audit department. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

6.1 Exposure to credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk is the carrying amount of financial instruments. For an overview reference is made to the tables financial instruments by category.

The major exposure to credit risk at the reporting date was as follows:

$ millions	Note	2013	2012
Trade and other receivables:	9		
- Chemicals business		465.7	491.9
- Construction business		1,598.1	1,476.0
Subtotal:		**2,063.8**	**1,967.9**
Marketable securities	11	-	1,213.4
Contract receivables	14	414.0	448.9
Cash and cash equivalents	15	2,266.1	1,033.4
Total		**4,743.9**	**4,663.7**

The major exposure to credit risk for trade and other receivables by geographic region was as follows:

$ millions	2013	2012
Middle East and Africa	794.3	647.5
Asia and Oceania	537.2	428.2
Europe and United States	732.3	892.2
Total	**2,063.8**	**1,967.9**

6.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is also safeguarded by using multiple financial institutions in order the mitigate any concentration of liquidity risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

At 31 December 2013 $ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years	More than 5 years
Financial liabilities							
Loans and borrowings	(19)	6,066.1	7,873.7	284.1	553.7	4,522.0	2,513.9
Trade and other payables	(20)	1,735.2	1,735.2	1,201.6	-	533.6	-
Total		**7,801.3**	**9,608.9**	**1,485.7**	**553.7**	**5,055.6**	**2,513.9**

At 31 December 2012 $ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years	More than 5 years
Financial liabilities							
Loans and borrowings	(19)	5,549.2	8,300.8	198.2	596.5	3,835.3	3,670.8
Trade and other payables	(20)	1,934.3	1,934.3	1,285.3	-	649.0	-
Total		**7,483.5**	**10,235.1**	**1,483.5**	**596.5**	**4,484.3**	**3,670.8**

The carrying value of most of the non-derivative financial liabilities stated on the consolidated statement of financial position is approximately equal to their contractual cash flows with the exception of borrowings.

6.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

6. Financial risk and capital management (continued)

The Group is exposed to foreign currency risk arising in separate ways:

Foreign exchange operations risk

The Group entities predominantly execute their activities in their respective functional currencies. Some Group subsidiaries are however exposed to foreign currency risks in connection with the scheduled payments in currencies that are not their functional currencies. In general this relates to foreign currency denominated supplier payables due to capital expenditures and receivables. The Group monitors the exposure to foreign currency risk arising from operating activities. The Group does not use Foreign exchange contracts for hedge accounting purposes therefore all changes in fair value adjustments are recognized in profit or loss.

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Euro, US Dollar, Egyptian Pound and Algerian Dinar.

For details reference is made to note 9 'Trade and other receivables', which includes derivative financial instruments.

As of 31 December 2013, if the functional currencies had strengthened/weakened by 10 percent against the Euro, US Dollar, Egyptian Pound and Algerian Dinar with all other variables held constant, the translation of foreign currency receivables and payables that would have resulted in an increase/decrease of USD 1.8 million of the profit of the year.

Foreign exchange translation exposure

Due to the Group's international presence, OCI's Financial Statements are exposed to Foreign exchange fluctuations as these affect the translation of the subsidiaries' assets and liabilities denominated in foreign currencies to the US dollar (the Group's presentation currency). The currencies concerned are mainly the Egyptian pound and Euro. Foreign exchange translation risk is considered a part of doing business on an international level; this risk is not actively managed nor is it hedged.

The summary of quantitative data about the Group's exposure to foreign operation currency risk provided to management of the Group based on its risk management policy for the main currencies was as follows:

At 31 December 2013 $ millions	USD	EUR	EGP	DZD
Trade and other receivable	395.3	400.2	2,216.9	11,703.3
Trade and other payable	(90.2)	(408.3)	(3,311.1)	(3,390.7)
Loans and borrowings	(2,575.7)	(890.1)	(2,719.5)	(141,162.1)

At 31 December 2012 $ millions	USD	EUR	EGP	DZD
Trade and other receivable	1,051.0	437.6	(474.5)	9,255.5
Trade and other payable	(1,198.6)	(259.1)	(4,543.1)	(2,135.3)
Loans and borrowings	(4,371.6)	(521.9)	(2,623.3)	(6,149.6)

Significant rates

The following significant exchange rates applied during the year:

	Average 2013	Average 2012	Closing 2013	Closing 2012
Euro	1.3284	1.3041	1.3761	1.3190
Egyptian pound	0.1454	0.1651	0.1439	0.1571
Algerian Dinar	0.0124	0.0131	0.0127	0.0125

The following tables demonstrate the sensitivity to a reasonably possible change in EUR and EGP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Group's equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Group's exposure to foreign currency changes for all other currencies is not material.

Loans and borrowings are contractually arranged in the functional currency of the reporting entity. The reporting entity in general will not incur foreign exchange gains or losses from the outstanding loans. Within OCI several entities have a different functional currency compared to the functional currency of the group. Foreign exchange results arising from the currency translation of loans and borrowings from entities using a functional currency different from the functional currency of the group are recognized in the currency translation differences in equity. This is reflected in the sensitivity table below.

$ millions	Change in EUR rate	Effect on profit before tax	Effect on equity
2013	10 percent	0.3	(136.2)
	-10 percent	(0.3)	136.2

$ millions	Change in EGP rate	Effect on profit before tax	Effect on equity
2013	10 percent	(9.2)	(42.8)
	- 10 percent	9.2	42.8

$ millions	Change in DZD rate	Effect on profit before tax	Effect on equity
2013	10 percent	10.7	(181.7)
	- 10 percent	(10.7)	181.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

6. Financial risk and capital management (continued)

Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings received at variable interest rates expose the Group to cash flow interest rate risk. The Group reviews it in light of global interest rate environment after consulting with a consortium of global banks.

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

$ millions	Increase/decrease in basis points	2013 Effect of profit before tax	212 Effect of profit before tax
2013	+10 bps	(5.1)	(5.1)
	- 10 bps	5.1	4.8

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Categories of financial instruments

2013 $ millions	Note	Loans and recivables	Derivatives	Available-for-sale financial assest
Assets				
Trade and other receivables	9	2,027.0	36.8	-
Available-sale-financial assets	11	-	-	51.9
Cash and cash equivalents	15	2,266.1	-	-
Total		**4,293.1**	**36.8**	**51.9**
Liabilities				
Loans and Borrowings	19	6,066.1	-	-
Trade and other payables	20	1,735.2	1.0	-
Total		**7,801.3**	**1.0**	**-**

Categories of financial instruments

2012 $ millions	Note	Loans and recivables	Derivatives	Available-for-sale financial assest
Assets				
Trade and other receivables	9	1,958.1	9.8	-
Available-sale-financial assets	11	-	-	1,268.3
Cash and cash equivalents	15	1,033.4	-	-
Total		**2,991.5**	**9.8**	**1,268.3**
Liabilities				
Loans and Borrowings	19	5,549.2	-	-
Trade and other payables	20	1,934.3	-	-
Total		**7,483.5**	**-**	**-**

Most financial instruments are in the fair value hierarchy category level 2, with the exception of financial assets in de available-for-sale category. An amount of USD 51.0 million (2012: 53.0 million) was recognized as level 3 and was measured using the equity-method, reference is made to note 11.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, retained earnings and non-controlling interest of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group's net debt to adjusted equity ratio at the reporting date was as follows:

$ millions	Notes	2013	2012
Loans and borrowings	19	6,066.1	5,549.2
Less: cash and cash equivalents	15	2,266.1	1,033.4
Net debt		**3,800.0**	**4,515.8**
Total equity		2,087.6	1,700.6
Net debt to equity ratio at 31 December		**1.82**	**2.66**

The group is imposed by external financial institution to maintain certain capital requirements compared to its debt. Reference is made to note 19 'Loans and borrowing' for a specification for covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. Goodwill and other intangible assets

$ millions	Goodwill	Licenses and trademarks	Purchase rights and other	Total
Cost	1,817.5	85.5	3.7	1,906.7
Accumulated amortization and impairment	-	(29.2)	(2.8)	(32.0)
At 1 January 2012	**1,817.5**	**56.3**	**0.9**	**1,874.7**
Movements in the carrying amount:				
Acquisition of subsidiary	8.5	-	1.3	9.8
Additions	-	-	31.4	31.4
Amortization	-	(16.8)	(3.6)	(20.4)
Impairment	(900.0)	-	-	(900.0)
Exchange	-	0.7	-	0.7
At 31 December 2012	**926.0**	**40.2**	**30.0**	**996.2**
Cost	1,826.0	86.2	36.4	1,948.6
Accumulated amortization and impairment	(900.0)	(46.0)	(6.4)	(952.4)
At 1 January 2013	**926.0**	**40.2**	**30.0**	**996.2**
Movements in the carrying amount:				
Additions	4.6	-	5.8	10.4
Amortization	-	(15.1)	(7.2)	(22.3)
Exchange	0.4	1.3	-	1.7
At 31 December 2013	**931.0**	**26.4**	**28.6**	**986.0**
Cost	1,831.0	87.5	42.2	1,960.7
Accumulated amortization and impairment	(900.0)	(61.1)	(13.6)	(974.7)
At 31 December 2013	931.0	26.4	28.6	986.0

The Weitz Company (Weitz) purchase price adjustment:

On 31 December 2012, OCI Construction Holdings, a subsidiary of Orascom Construction Industries S.A.E., acquired all the membership units of The Weitz Company, LLC. for net consideration of USD 27.4 million, which includes an amount of goodwill of USD 8.5 million. The agreement provided for a contingent consideration arrangement, which is based upon the ultimate collection of specific assets, originally valued at USD 43.2 million, including and the ultimate resolution of other contract receivables (claims). The fair value of the contingent consideration at the time of acquisition was estimated based upon the assessment of collectability by a third party.

Certain measurement period adjustments relating to real estate for sale, an investment in a joint venture and a judgement on other contract receivables totalling USD 4.6 million have been adjusted through goodwill during the year ended 31 December 2013 as purchase price adjustments.

Licenses and trademarks

In 2013, the total licences and trademarks have a carrying amount of USD 26.4 million as compared to an amount of USD 40.2 million in 2012. The licences and trademarks relate to the customer relationships, trademarks and technology assets of OCI Nitrogen. These intangible assets were identified during the acquisition of OCI Nitrogen in 2010. The useful economic life of the customer relationships, trademarks and technology assets are respectively 5 to 10 years, 3 years and 5 years except the brand name 'Nutramon' which has an indefinite useful life.

Purchase rights and other

In 2013, the 'Purchase rights and other' has a carrying amount of USD 28.6 million (2012: USD 30.0 million). The purchase rights and other mostly relates to the Ammonium Sulphate supply agreement between Fertiva GmbH and Orascom Construction Industries S.A.E., where Orascom Construction Industries S.A.E. is entitled to all rights, benefits and obligations relating the supply of Ammonium Sulphate by LANXESS. The term of the contract is from 1 November 2012 through 31 December 2016.

Goodwill and goodwill impairment testing

Goodwill has been allocated to the cash generating units as follows:

Cash generating units $ millions	2013	2012
EFC Co SAE (EFC) - Fertilizer & Chemicals segment	877.6	877.6
Other - Fertilizer & Chemicals segment	34.4	34.0
Other - Engineering & Construction segment	19.0	14.4
Total	**931.0**	**926.0**

For all cash generating units (except EFC in 2012), the recoverable amounts exceed carrying values.

For EFC, details of the goodwill impairment test are as follows.

Key assumptions

The determination of the recoverable amount for the cash generating unit EFC requires us to make significant judgments and estimates, including projections of future cash flows from the business. We base our estimates on assumptions we deem reasonable, but that are unpredictable and inherently uncertain. Actual future results may differ from these estimates.

The impairment test is based on specific estimates for the cash flow projections for the years 2014 to 2019 and a terminal growth rate thereafter. The estimated pre-tax cash flows are discounted to their present value using a pre-tax weighted average cost of capital.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the industry and geography and were based on data from both external and internal sources.

Percentage	2013	2012
Discount rate (pre tax weighted average cost of capital)	13.9%	14.0%
Perpetual growth rate	2.5%	2.5%

Operating cash flows for the forecasting period are based on the latest approved business plan for EFC. The two most important assumptions in the corporate business plan are the urea price outlook and natural gas availability in Egypt. Urea price assumptions are based on published independent price outlook prepared by global fertilizer experts.

Results of the impairment test

In 2012, the carrying value of EFC exceeded the recoverable amount, estimated using discounted cash flows, by USD 900 million. Factors contributing to the impairment were:

- A decline in urea prices in the second half of 2012, driven by a surplus of global urea capacity; and
- Discussions with the Egyptian government regarding the gas prices as contracted.

An impairment charge of USD 900 million was recognized, which is disclosed on a separate line in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. After this impairment loss the residual goodwill of the CGU EFC amounted to USD 877.6 million.

For 2013, the result of the impairment test was that the recoverable amount exceeded the carrying value by USD 30 million and no further impairment was identified.

Sensitivity analysis

When performing the annual impairment test, we performed sensitivity analyses. The effect on the recoverable amount of 1 percent point modifications in the assumed WACC and the terminal growth rate can be summarized as follows:

- A 1 percent point change in the discount rate (Post tax WACC) will change the recoverable amount by approximately USD 165 million.
- A 1 percent point change in the assumed terminal growth rate will change the recoverable amount by approximately 130 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

8. Property plant and equipment

$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	320.3	2,545.8	14.4	2,306.1	**5,186.6**
Accumulated depreciation	(66.0)	(828.6)	(2.6)	-	**(897.2)**
At 1 January 2012	254.3	1,717.2	11.8	2,306.1	**4,289.4**
Movements in the carrying amount:					
Additions	35.7	322.6	13.6	105.5	**477.4**
Disposals	(3.5)	(48.4)	(0.5)	-	**(52.4)**
Depreciation	(14.4)	(217.6)	(24.0)	-	**(256.0)**
Impairment	(11.8)	-	-	-	**(11.8)**
Acquisition of subsidiary	-	6.3	-	-	**6.3**
Sale of subsidiaries	-	(1.9)	(0.1)	-	**(2.0)**
Transfers	0.5	207.8	9.5	(217.8)	**-**
Exchange rates effects	(4.5)	0.1	0.1	-	**(4.3)**
At 31 December 2012	256.3	1,986.1	10.4	2,193.8	**4,446.6**
Cost	345.7	2,985.8	31.1	2,193.8	**5,556.4**
Accumulated depreciation	(89.4)	(999.7)	(20.7)	-	**(1,109.8)**
At 1 January 2013	256.3	1,986.1	10.4	2,193.8	**4,446.6**
Movements in the carrying amount:					
Additions	171.9	80.0	4.8	515.2	**771.9**
Disposals	(2.6)	(34.8)	(1.1)	-	**(38.5)**
Depreciation	(16.0)	(283.5)	(5.2)	-	**(304.7)**
Transfers	(4.0)	2,056.1	0.8	(2,052.9)	**-**
Exchange rates effects	(3.4)	57.9	0.2	(11.6)	**43.1**
At 31 December 2013	402.2	3,861.8	9.9	644.5	**4,918.4**
Cost	494.1	5,025.3	43.8	644.5	**6,207.7**
Accumulated depreciation	(91.9)	(1,163.5)	(33.9)	-	**(1,289.3)**
At 31 December 2013	402.2	3,861.8	9.9	644.5	**4,918.4**

As at 31 December 2013, the group had land with a carrying amount of USD 88.5 million (2012: USD 59.7 million).

In 2013, primarily due to Sorfert's completion of the commissioning and testing period USD 2,052.9 million of asset under construction were transferred to 'plant and equipment'. Additions to assets under construction in 2013 are mainly related to the construction of Iowa Fertilizer Company (IFCo), which is a 1.5 - 2.0 million metric tons per annum nitrates plant in Iowa, USA.

The capitalized borrowing costs during the year ended 31 December 2013 amounted to USD 40.7 million (2012: 26.2 million).

For capital commitments reference is made to note 30.

9. Trade and other receivables

$ millions	2013	2012
Trade receivables net	1,120.2	1,097.4
Trade receivables due from related parties (note 32)	23.4	4.7
Prepayments	174.6	164.8
Derivative financial instruments	36.8	9.8
Financial assets	81.5	103.7
Retentions	163.8	110.0
Other tax receivable	141.3	129.9
Other receivables	322.2	347.6
Total	**2,063.8**	**1,967.9**
Non-current	198.7	232.1
Current	1,865.1	1,735.8
Total	**2,063.8**	**1,967.9**

The carrying amount of 'Trade and other receivables' as at 31 December 2013 approximates its fair value.

Prepayments relate for the largest part to the amounts prepaid to sub-contractors, retentions related for the largest part to amounts withheld from customers. See note 6 for details on derivative financial instruments.

The aging of current trade and other receivables at the reporting date that were not impaired was as follows:

$ millions	2013	2012
Neither past due nor impaired	1,167.7	784.6
Past due 1 - 30 days	132.9	186.8
Past due 31 - 90 days	222.1	160.3
Past due 91 - 360 days	256.3	545.3
More than 360 days	86.1	58.8
Total	**1,865.1**	**1,735.8**

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

For trade and other receivables pledged as securities, reference is made to note 19.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

$ millions	2013	2012
At 1 January	**88.5**	69.2
Unused amounts reversed	(31.6)	(24.7)
Used amounts	(12.5)	(0.5)
Impairment losses recognised	33.8	45.8
Exchange rates differences	(1.4)	(1.3)
At 31 December	**76.8**	**88.5**

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9. Trade and other receivables (continued)

Derivative financial instruments include the following:

Gas price derivative

IFCo has entered into a swaption (option to swap) to attempt to mitigate the potential impact of commodity price movements with respect to changes in natural gas prices for a portion of the expected usage upon completion of construction and each year from 2015 to 2021. The group does not apply hedge accounting therefore all fair value changes related to this financial instrument are recognized in profit or loss. The derivative has a quantity of 95,887,500 MMBTU and a strike price of USD 6.0/ MMBTU for years 2015-2018 and USD 6.5/ MMBTU for years 2019-2022. The group is exposed to commodity prices market risks, but partly addresses this through derivatives.

On 31 December 2013, IFCo had a derivative asset of USD 9.5 million.

Foreign exchange contracts

On 23 March 2012, the Group used forward exchange contracts to hedge its currency risk exposure to the Japanese Yen that matures in October 2015. The contract has a notional amount of USD 320.7 million at the inception of the contract. The Group does not apply hedge accounting therefore all fair value changes related to this financial instrument is recognized in profit or loss. The foreign exchange hedge had a fair value of USD 27.3 million as at 31 December 2013 (2012: USD 9.8 million).

OCI Nitrogen interest rate swap

As of 27 April 2012, Nitrogen entered into an interest rate swap for a nominal amount of EUR 150 million (equivalent to USD 206.4 million) with Commerzbank by means of an amortizing plain vanilla interest rate swap. The swap matures on 27 April 2014, and has a fixed interest rate payable of 0.8085% for an interest receivable of 3 months EURIBOR. As at 31 December 2013, the fair value of the swap amounted to USD 0.5 million liability (2012: USD 2.0 million).

Financial assets include the following:

$ millions	2013	2012
Loans granted to personnel in relation to share-based payment arrangement	36.2	47.4
Financial assets under service concession arrangements	45.3	56.3
Total financial fixed assets	**81.5**	**103.7**

Service concession arrangements

On 29 June 2009 Orasqualia, a partnership between OCI and Aqualia (a Spanish company specialized in water treatment) entered into an agreement with 'The New Urban Communities Authority' (further referred to as 'NUCA') for the availability and operation of a wastewater treatment plant in New Cairo, Egypt. NUCA is a governmental body under the direction of the Minister of Housing, Utilities and Urban Development in Egypt.

The purpose of the agreement with NUCA is to design, finance, construct, operate, maintain, renew and transfer the ownership back to NUCA at the expiry date; therefore NUCA will become the owner of the infrastructure after the expiration date. NUCA controls and regulates what services Orasqualia must provide with the infrastructure, to whom it must provide them, and at what price.

The agreement has a predefined and fixed-term of 20 years from the effective date (September 2013). Orasqualia will perform the sewage treatment services in compliance with the performance criteria determined by NUCA and good industry practice for the contract duration.

NUCA will pay a quarterly sewage treatment charge to Orasqualia, existing of a fixed and a variable component. Furthermore, NUCA will pay a pass-through charge to reimburse Orasqualia for the full cost of electricity consumption.

Orasqualia performs both construction of the plant and operation services under a single contract. Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognizing revenue on construction contracts. As at 31 December 2013, revenue related to construction totalled USD 13.7 million, interest income totalled USD 4.8 million, with a service fee of USD 1 million. The Group recognizes financial assets arising from a service concession arrangement as at 31 December 2013 totalling USD 45.3 million (2012: USD 56.3 million).

10. Associates

(i) The following table analysis the carrying amount of the Groups' associates:

$ millions	2013	2012
At 1 January	**144.9**	**129.2**
Share in income	21.7	24.8
Investment/divestment	31.3	(2.5)
Dividend	(7.7)	(6.7)
Exchange rate differences	(2.0)	0.1
At 31 December	**188.2**	**144.9**

The lager part of the 2013 investment in associates relates to BESIX' investment in Watpac Limited, listed in Australia (9.95%). The investment also increased through income from associates by USD 8.4 million.

(ii) The Group has interests in a number of associates including the following:

Name	Country	Participation %
Obrascon Huarte Lain SA / Contrack Cyprus Limited JV (participation through Contrack Cyprus)	Qatar	45.0
Egyptian Gypsum Company (participation through United Holding Company (UHC))	Egypt	50.0
Societe en Participation (80% participation through Medrail Limited, having a 50% participation)	France	40.0
Sitech Manufacturing Services C.V. (participation through OCI Nitrogen, Netherlands)	The Netherlands	35.0
Sitech Utility Holding Beheer B.V. (participation through OCI Nitrogen, Netherlands)	The Netherlands	40.0
Sitech Utility Holding C.V. (participation through OCI Nitrogen, Netherlands)	The Netherlands	39.9
Sitech Services B.V. (participation through OCI Nitrogen, Netherlands)	The Netherlands	23.0
National Pipe Company (participation through OCI S.A.E.)	Egypt	40.0
El Yamama (participation through OCI S.A.E.)	Egypt	50.0
Watpac Limited (participation through BESIX)	Australia	9.95

(iii) The following chart summarizes the financial information of OCI N.V's significant associates (100%) including El Yamama, National Pipe Company, all of Weitz's associates, Egyptian Gypsum Company, Sitech Services B.V. and Obrascon Huarte Lain SA / Contrack Cyprus Limited JV:

$ millions	2013	2012
Assets	598.3	754.2
Liabilities	(207.0)	(348.6)
Net assets	391.3	405.6
Revenue	459.5	747.8
Expenses	(352.6)	(595.3)
Net profit / (loss)	**106.9**	**152.5**

As at 30 June 2013, Watpac had current assets of AUD 378.4 million (2012: 496.9 million), non-current assets of AUD 263.0 million (2012: AUD 274.3 million), current liabilities of AUD 314.4 million (2012: AUD 414.9 million), and non-current liabilities of AUD 88.8 million (2012: AUD 113.9 million). Revenue for the financial year ended 30 June 2013 amounted to AUD 1,475.1 million (2012: AUD 1,177.4 million) and expenses of AUD 1,373.0 million (2012: AUD 1,075.7 million).

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11. Other investments

$ millions	2013	2012
Non-current investments		
Available-for-sale / debt securities	1.4	1.9
Available-for-sale / equity securities	50.5	53.0
Sub-total	**51.9**	**54.9**
Current investments		
Other investments	-	1,213.4
Sub-total	**-**	**1,213.4**
Total	**51.9**	**1,268.3**

Available-for-sale debt securities

Available-for-sale debt securities are primarily comprised of USD 0.9 million which relates to hedge funds and corporate bonds held by the Weitz Group.

Available-for-sale equity securities

The amount of the equity securities include USD 26.0 million representing the Group's 13.07 percent share in Notore Chemicals Industries (Mauritius). USD 24.1 million represents the Group's interest in the Infrastructure and Growth Capital Fund LP. The fund is managed by the Abraaj Group which is a related party. The remainder USD 0.4 million relates to BESIX's investment in equity securities.

Other investments

Other investments in 2012 consist for the majority (USD 1,196.1 million) of US Treasury Bills held by IFCo.

12. Income taxes

12.1 Income tax in the statement of profit or loss

$ millions	2013	2012
Current tax	(82.4)	(1,195.1)
Deferred tax	(3.6)	(48.2)
Total Income tax in profit or loss	**(86.0)**	**(1,243.3)**

Reconciliation of the statutory income tax rate in the Netherlands with the effective tax rate can be summarized as follows:

$ millions	2013	%	2012	%
Profit / (loss) before income tax	345.2		(615.9)	
Enacted income tax rate in the Netherlands	25%		25%	
Tax calculated at statutory tax rate	**(86.3)**	**(25.0)**	**154.0**	**25.0**
Effect tax rates in foreign jurisdictions	(33.1)	(9.6)	(0.8)	(0.1)
Losses for which no tax asset is recognized	(43.2)	(12.5)	(97.6)	(15.8)
Non-taxable income on sale of Gavilon	65.5	19.0	-	-
Tax liability related to sale of Orascom Building Material Holding	-	-	(1,048.8)	(170.4)
Non-deductible impairment loss on goodwill	-	-	(225.0)	(36.5)
Other	11.1	3.2	(25.1)	(4.1)
Total Income tax in profit or loss	(86.0)	(24.9)	(1,243.3)	(201.9)

12.2 Deferred income tax assets and liabilities

Changes in deferred tax asset and liabilities

$ millions	2013	2012
At 1 January	**(318.7)**	**(261.1)**
Profit or loss	(3.6)	(48.2)
Others	5.1	(9.4)
At 31 December	**(317.2)**	**(318.7)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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12.2 Deferred income tax assets and liabilities (continued)

Recognized deferred tax assets and liabilities

	Assets		Liabilities		Net	
$ millions	2013	2012	2013	2012	2013	2012
Property, plant and equipment	12.6	1.6	(301.4)	(254.9)	(288.8)	(253.3)
Inventories	-	-	(6.6)	(10.9)	(6.6)	(10.9)
Intangible assets	0.7	0.5	(52.2)	(49.1)	(51.5)	(48.6)
Provisions	1.0	1.2	(12.2)	(7.5)	(11.2)	(6.3)
Carry forward losses	57.8	-	-	-	57.8	-
Convertible note	-	-	(9.7)	-	(9.7)	-
Other items	4.0	1.3	(11.2)	(0.9)	(7.2)	0.4
Total	**76.1**	**4.6**	**(393.3)**	**(323.3)**	**(317.2)**	**(318.7)**

Most of the carry forward losses were sustained in countries with no statute of limitation. Unrecognized deferred tax assets on tax losses carry forwards mainly refer to carry forward losses of BESIX (jointly controlled group entity).

Deferred tax liabilities recognized in relation to property, plant and equipment will be realized over the amortization period of the related asset. Carry forward losses recognized in the balance sheet are expected to be realized in the period 2014-2018.

12.3 Current income tax payable

Orascom Construction Industries S.A.E. Financial Tax liability

Orascom Construction Industries S.A.E. filed its corporate tax returns for the years 2007 to 2010 on the due dates according to corporate tax law No. (91) for the year 2005 and paid the corporate tax amount due for these years.

In 2012, a tax claim was initiated in Egypt accusing Orascom Construction Industries S.A.E. of tax evasion pertaining to the sale of the total number of shares owned by Orascom Construction Industries S.A.E. in the issued capital of Orascom Building Materials Holding S.A.E. ('OBMH') to Lafarge in December 2007 (Sale of Shares). OBMH was an Egyptian joint stock company that was listed on the Egyptian Stock Exchange (EGX).

Management consulted tax and legal advisors and all parties believed that the aforementioned transaction was a sale of shares that settled for cash. Accordingly, this meant that the transaction was exempted of tax in accordance with item No. (8) of article 50 of the tax law No. (91) for the year 2005 and that such exemption is unconditional and unrestricted. In addition, the shares were fully and unconditionally registered on the EGX in accordance with the registration rules applicable at the date the transaction was executed. Therefore, Orascom Construction Industries S.A.E. and its tax and legal advisors believe that no capital gain tax on the transaction was to be due.

Despite our conviction that all laws and regulations were soundly applied during the sale of OBMH, Orascom Construction Industries S.A.E.'s management entered into a planned payment agreement with the Egyptian Tax Authority (ETA) amounting to EGP 7.1 billion (around USD 1 billion) to resolve the tax dispute. Under this agreement Orascom Construction Industries S.A.E. was to submit modified tax returns for the years 2007 to 2010 to modify the amount of accrued tax. These amended returns were submitted on 29 April 2013.

Payment terms

The parties agreed to pay the amount in installments with the first installment of USD 360 million (equivalent to EGP 2.5 billion) paid on 10 May 2013. A second installment of USD 128 million (EGP 900 million) was scheduled to be paid on 31 December 2013, followed by semi-annual installments until December 2017 bringing the total to USD 1.01 billion (equivalent to EGP 7.1 billion). OCI issued post-dated cheques to the ETA for all the installments. Following the change in government in Egypt in the summer of 2013, OCI S.A.E. decided to appeal the case. Accordingly, OCI S.A.E. suspended the second installment of USD 128 million (EGP 900 million) due on 31 December 2013 on the grounds that the settlement has no basis and consequently the cheques should be returned and the first installment should be reimbursed to OCI S.A.E. (see subsequent events note).

As at 31 December 2013 the liability totalling USD 673.7 million (USD 259.0 million current and USD 414.7 million non-current) was recognized under IAS 39, and is measured at amortized cost. It is not discounted, since it is an interest bearing liability. Interest expenses (USD 73.3 million) and foreign currency (USD 88.3 million) have been recognized in profit or loss.

EBIC tax exemption arbitration

Based on Law No. 114 for the year 2008, the tax exemption for activities related to fertilizers, iron and steel, oil production and liquidation and transmission of natural gas in free zones has been rescinded, and those activities became subject to Tax Law No. 91 for the year 2005.

EBIC filed a lawsuit against the Minister of Finance in his capacity, the Chairman of the Egyptian Tax Authority in his capacity, Chairman of the General Authority for Investment and Free Zones in his capacity, and the Chairman of the Egyptian Customs Authority requesting the cessation of the execution of Decision no. 78 for the year 2008 related to Law No. 114 for the year 2008 (the 'Decision') and reinstating the status of EBIC as a free zone company. On the hearing of 20 April 2013, the Administrative Court, Seventh Circuit, Investment Disputes Circuit, ruled in favor of EBIC and ordered for the revocation of the disputed Decision, and reinstating EBIC to its previous status as a company not subject to the prevailing tax laws in Egypt. On 1 June 2013, the General Authority for Investment and Free Zones filed appeal No. 24764 to stop the execution of the ruling. The appeal has been lodged, however, it has not been reviewed by the court nor has a hearing been scheduled until the date of this letter. The Group, despite its strong position, awaits the final judgment and is, therefore, unable to predict the final outcome. Income tax payable includes USD 48.5 million and deferred tax liability includes USD 88.8 million related to EBIC tax liability.

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13. Inventories

$ millions	2013	2012
Finished goods	97.5	79.2
Raw materials and consumables	199.1	153.8
Spare parts, fuels and others	79.3	79.4
Real estates	103.8	66.5
Total	**479.7**	**378.9**

In 2013, the total write-downs amount to USD 2.5 million of which USD 2.1 million related to raw materials. In 2013 there were no reversals of write downs (2012: nil). For inventory pledged as securities, reference is made to note 19.

The real estate relates to concession projects of BESIX and the Suez industrial zone in Egypt. Spare parts relate to the chemical business.

14. Contract receivables / billing in excess of construction contracts

$ millions	2013	2012
Costs incurred on incomplete contracts	13,581.2	11,241.7
Estimated earnings	1,218.8	1,197.5
	14,800.0	**12,439.2**
Less: billings to date	(14,604.9)	(12,165.6)
Total	**195.1**	**273.6**

$ millions	2013	2012
Presented in the consolidated statements of financial position as follows:		
Construction contracts in progress - current assets	**414.0**	448.9
Billing in excess on construction contracts - current liabilities	(218.9)	(175.3)
Total	**195.1**	**273.6**

The group claims in certain instances amounts (such as variations and additional works) or pending proceedings and disputes with clients. It is not possible to reasonably determine the extent and timing of possible inflow of economic benefits.

15. Cash and cash equivalents

$ millions	2013	2012
Cash on hand	3.0	0.8
Bank balances	884.6	705.9
Restricted funds	1,162.7	-
Call deposits	163.4	279.1
Restricted cash	52.4	47.6
Total	**2,266.1**	**1,033.4**

Restricted funds

On May 2013, Iowa Fertilizer Company (IFCo) entered into a Bond Financing Agreement with Iowa Finance Authority. IFCo entered into a Collateral Agency and Account Agreement with Citibank, N.A. The company moved the funds during the year to UMB Bank. The cash was invested under an Investment Agreement with Natixis Funding Corporation and are restricted to the requisition procedures in the agreement. As at 31 December 2013, the invested funds had a carrying amount of USD 1,142.8 million (2012: USD 1,194.0 million). The invested funds have a maturity date of 4 January 2016, except for the Debt Service Reserve Funds which have a maturity of 1 July, 2014. Requisitions are submitted for reimbursement of eligible project and construction costs.

Restricted cash

Restricted cash held as collateral against letters of credit and letter of guarantees issued.

16. Asset held for sale

As at 31 December 2013, the total current assets held for sale amounted to USD 2.4 million as compared to an amount of USD 371.8 million in 2012. Asset held for sale in 2012 was fully impacted by the Gavilon Group ('Gavilon') disposal. On 3 December 2013, the sale of Gavilon was completed for a total amount of USD 666.7 million (see note 28).

17. Share capital

The movements in share capital can be summarized as follows:

	2013 OCI N.V.	2012 Orascom Construction Industries S.A.E.
Number of shares at 1 January	-	208,938,419
Establishment of Company	45,000	-
Number of issued shares in restructuring	203,067,159	-
Number of issued shares	1,773,585	-
Shares cancelled in AGM December 2013	(45,000)	-
On issue at 31 December - fully paid	**204,840,744**	**208,938,419**
At 31 December (in millions of USD)	**272.1**	**191.6**

OCI N.V. (2013)

The Company was incorporated on 2 January 2013 with authorised capital amounting to EUR 225 thousand and issued capital, paid up in full, in the amount of EUR 45 thousand, owned by OCI Overseas Holding Limited (indirectly owned by Orascom Construction Industries S.A.E.) As of 31 December 2013, the Company's authorised share capital increased to EUR 300 million and the issued capital, paid up in full, has increased to EUR 204,840,744, divided into 204,840,744 shares at the par value per share of EUR 1 per share (1 Euro per share).

The issued share capital has increased through the total number of shares swapped during the offers for ordinary shares and depository receipts in Orascom Construction Industries S.A.E. (totalling 203,067,159 shares), and the 1,773,585 shares issued during OCI N.V.'s Accelerated Book Build in September 2013. Further reference is made to note 1 'Group restructuring'.

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17. Share capital (continued)

Orascom Construction Industries S.A.E. (2012)

During 2012, prior to the incorporation of the Company, the ultimate Parent Company of the Group was Orascom Construction Industries S.A.E. As at 31 December 2012, the issued share capital of Orascom Construction Industries S.A.E. amounted to USD 208.9 million at the par value of USD 0.91 per share(equivalent to EGP 5 per share). All issued shares were fully paid up. Reference is made to the statement of changes in equity.

18. Reserves

$ millions	Hedge reserve	Available-for-sale	Currency translation	Other reserve	Convertible notes*	Treasury shares	Employees stock option	Total
At 1 January 2012	**(52.8)**	**-**	**(79.0)**	**119.4**	**-**	**(116.3)**	**54.2**	**(74.5)**
Fair value changes in cash flow hedge reserve	35.5	-	-	-	-	-	-	**35.5**
Currency translation differences	-	-	(25.0)	(0.3)	-	-	-	(25.3)
Other comprehensive income	**35.5**	**-**	**(25.0)**	**(0.3)**	**-**	**-**	**-**	**10.2**
Equity-settled share-based payment transactions	-	-	-	-	-	-	21.2	21.2
Net treasury shares acquires / sold	-	-	-	-	-	28.7	-	28.7
At 31 December 2012	**(17.3)**	**-**	**(104.0)**	**119.1**	**-**	**(87.6)**	**75.4**	**(14.4)**
Fair value changes in cash flow hedge reserve	10.6	-	-	-	-	-	-	10.6
Currency translation differences	-	-	(104.0)	-	-	-	-	(104.0)
Available-for-sale financial assets	-	(1.9)	-	-	-	-	-	(1.9)
Other comprehensive income	**10.6**	**(1.9)**	**(104.0)**	**-**	**-**	**-**	**-**	**(95.3)**
Corporate restructuring	-	-	-	105.6	-	-	-	105.6
Treasury shares acquired	-	-	-	-	-	(20.5)	-	(20.5)
Share-based payments transactions	-	-	-	-	-	-	11.6	11.6
Convertible note issue	-	-	-	-	31.4	-	-	31.4
Treasury shares sold	-	-	-	-	-	91.2	-	91.2
At 31 December 2013	**(6.7)**	**(1.9)**	**(208.0)**	**224.7**	**31.4**	**(16.9)**	**87.0**	**109.6**

OCI N.V. is a company incorporated under Dutch law. In accordance with the Dutch Civil Code, legal reserves have to be established in certain circumstances.

*Relates to equity component convertible Euro-notes, net of taxes (note 19).

Treasury shares

During the financial year ended 31 December 2013 the company reissued 2,000,000 of its own shares and acquired 505,925 shares. At 31 December 2013, the treasury shares represent 391,320 GDRs of Orascom Construction Industries which were acquired by OCI-ESOP Limited (a subsidiary) and the net cost of own shares acquired was as follows:

	2013	2012
Number of shares	391,320	**1.885,396**
Cost of acquiring the shares (In millions of USD)	**16.9**	85.8
Average cost per share (USD)	43.2	45.5

19. Loans and borrowings

$ millions	2013	2012
Non-current liabilities:		
Secured bank loans	3,002.8	2,651.6
IFCo financing arrangement	1,168.7	-
Convertible notes	420.4	-
Sub-total	**4,591.9**	**2,651.6**
Current liabilities:		
Secured bank loans	157.3	1,066.3
Unsecured bank loans	634.5	-
Secured bond issues	-	1,194.1
Bank facilities and overdraft	682.4	637.2
Sub-total	**1,474.2**	**2,897.6**
Total	**6,066.1**	**5,549.2**

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in the Financial risk and capital management paragraph in note 6.

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19. Loans and borrowings (continued)

Borrowing Company	Type of loan	Interest rate	Date of maturity	Carrying amount	Long term portion	Short term portion	Bank facility and overdraft	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA	Secured	Interest rate is fixed during the plant construction period to 5.95% per annum. After the completion of construction period it will be referred to Algerian bank interest rate plus rate of 1.95% per annum,0.25% arrangement fees and 0.5% commitment fees	2024	1,494.2	1,189.3	304.9	-	Blocking certain bank accounts, ban for any disposal or decrease of the company share and assets.
Iowa Fertilizer Company (IFCo.)	Secured		2013	1,194.1	-	1,194.1	-	All assets pledged.
EFC	Secured	LIBOR + 3% margin and CEB Mid Corridor +2.25% margin for EGP denominated borrowings	October 2016	904.7	743.7	161.0	-	Pledge EFC shares 99.9% owned by 'Orascom Fertilizer plant maintenance'.
OCI Nitrogen	Secured	Variable	December 2013	66.3	-	66.3	-	Pledge of OCI Fertilizer International shares in OCI Nitrogen, Pledge of moveable assets, trade receivables and company accounts, Property mortgage.
	Secured	LIBOR /EURIBOR + a variable margin based on leverage ratio ranging 2.25%-3.5%	December 2016	551.2	551.2	-	-	
OCI Beaumont LLC	Secured	5.3% fixed	December 2013	126.0	-	126.0	-	
Orascom Construction	Unsecured	Variable	2013	386.7	-	75.0	311.7	Corporate guarantee from OCI S.A.E.
Orascom Construction Industries	Unsecured	10.85% on the EGP portion and 2.65% annually for the USD portion	2013	257.7	-	-	257.7	Promissory notes guarantee.
BESIX Group	Secured	Variable	2015	67.8	38.3	20.2	9.3	
Egypt Basic Industries Corporation (EBIC)	Secured	3.5% over LIBOR	December 2017	100.0	87.5	12.5	-	
Orascom Construction Industries - Algeria	Secured	Variable 5.8%	2013	52.3	-	52.3	-	Promissory notes guarantee from OCI S.A.E.
	Secured	Variable 7%	2013	24.6	-	-	24.6	
Orasqualia for the development of wastewater treatment plant	Secured	3% over corridor declared by central bank	March 2025	42.8	41.6	1.2	-	Mortgaged all machinery and equipment, goodwill and industrial property rights except the land.
Contrack international	Unsecured	3.95 fixed	2013	10.0	-	-	10.0	Corporate guarantee from OCI S.A.E.
	Unsecured	3.95 fixed	2013	22.4	-	-	22.4	
The Weitz Group, LLC	Unsecured	Multiple rates	March 2018	2.9	-	2.9	-	
Alico Egypt	Unsecured	Variable	2013	3.4	-	2.1	1.3	Corporate guarantee from OCI S.A.E.
OCI Fertilizer Holding Cyprus	Secured	3.75 yearly over EURIBOR.	December 2013	211.7	-	211.7	-	The company has the right to extend the facility up to USD 300 million and guarantees through OCI Overseas Holding Limited, Egyptian Fertilizer Trading Limited.
OCI Overseas Holding Cyprus	Unsecured	7.31%	2013	30.1	-	30.1	-	
Contrack International W.L.L.	Unsecured	Variable	2013	0.2	-	-	0.2	
United Paints Chemicals	Unsecured	Variable	2013	0.1	-	0.1	-	
Total as per 31 December 2012				**5,549.2**	**2,651.6**	**2,260.4**	**637.2**	

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19. Loans and borrowings (continued)

Borrowing Company	Type of loan	Interest rate	Date of maturity	Carrying amount	Long term portion	Short term portion	Bank facility and overdraft	Collateral / Guarantee given (if applicable)
Sorfert Algeria SPA	Secured	Interest rate is fixed during the plant construction period to 5.95% per annum. After completion of the construction period it will be referred to Algerian bank interest rate plus rate of 1.95% per annum, 0.25% arrangement fees and 0.5% commitment fees	2024	1,732.0	1,316.7	415.3	-	Blocking certain bank accounts, ban for any disposal or decrease of the company share and assets.
Iowa Fertilizer Company (IFCo.)	Secured	Current Yields and pricing: 2019: 4.9% on 100,48 2022: 5.59% on 99,375 2025: 5.68% on 96,346	December 2025	1,168.7	1,168.7	-	-	All assets pledged.
EFC	Secured	LIBOR +3% margin and CEB Mid Corridor +2.25% margin for EGP denominated borrowings	October 2016	733.6	572.4	161.2	-	Pledge EFC shares 99.9% owned by 'Orascom Fertilizer plant maintenance'. Power of Attorney for perfection of commercial and real estate mortgages
OCI Nitrogen	Secured	Variable	December 2014	81.7	-	81.7	-	Pledge of OCI Fertilizer International shares in OCI Nitrogen, Pledge of moveable assets, trade receivables and company accounts, property mortgage.
	Secured	LIBOR /EURIBOR + a variable margin based on leverage ratio ranging 2.25%-3.5%	December 2016	498.4	498.4	-	-	
OCI NV	Unsecured	Fixed at 3.875%	September 2018	420.4	420.4	-	-	
OCI Partners LP	Secured	USD LIBOR + 4% margin, with USD LIBOR Floor of 1%	August 2019	397.7	391.1	6.6	-	
Orascom Construction	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8-12.95%	Renewed annually	385.4	-	-	385.4	Corporate guarantee from OCI S.A.E. and promissory notes from Orascom Construction.
Orascom Construction Industries	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8-12.95%	Renewed annually	221.2	-	-	221.2	Promissory notes.
Egypt Basic Industries Corporation (EBIC)	Secured	LIBOR +3.25%	December 2017	85.9	73.4	12.5	-	
BESIX Group	Secured	Variable	2015	137.0	93.4	34.5	9.1	Commercial lien on the company's assets and shares in amount of Euro 40.5 million.
Orascom Saudi	Secured	LIBOR +2.0%	2014	34.1	-	-	34.1	Guarantee letter with 710M signed by the client and guarantor, obligation letter for the client invoices to be paid in ANB Bank.
	Secured	LIBOR +2.75%	2014	42.6	21.3	21.3	-	
Orascom Construction Industries - Algeria	Secured	Variable 6.5%	2014	61.4	-	53.1	8.3	USD 62.4 mln cash cover at Citi Bank Dubai.
Orasqualia for the development of wastewater treatment plant	Secured	3% over corridor declared by central bank	March 2025	38.1	36.1	2.0	-	Mortgaged all machinery and equipment, goodwill and industrial property rights, except the land. Also pledged company shares.
Contrack international	Unsecured	LIBOR +3.7%	2014	10.0	-	-	10.0	Corporate guarantee from OCI S.A.E.
	Unsecured	LIBOR +2.5%	2014	13.5	-	-	13.5	
The Weitz Group, LLC	Unsecured	Multiple rates	March 2018	3.6	-	3.6	-	
Alico Egypt	Unsecured	Variable	Renewed annually	0.8	-	-	0.8	Corporate guarantee from OCI S.A.E.
Total as per 31 December 2013				**6,066.1**	**4,591.9**	**791.8**	**682.4**	

The fair value of loans and borrowings is USD 1,254.5 million higher than the carrying amount (2012: USD 1,145.8 million).

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19. Loans and borrowings (continued)

New Financing Arrangements in 2013:

Iowa Fertilizer Company (IFCo)

On 15 May 2013, Iowa Fertilizer Company (IFCo) entered into a Financing Agreement with Iowa Finance Authority. IFCo entered into a Collateral Agency and Account Agreement with Citibank, N.A. The company moved the funds during the year to UMB Bank. The cash was invested under an Investment Agreement with Natixis Funding Corporation and are restricted to the requisition procedures in the agreement, reference is made to note 15. The invested funds have a maturity date of 4 January 2016, except for the Debt Service Reserve Funds which have a maturity of 1 July, 2014. Requisitions are submitted for reimbursement of eligible project and construction costs.

OCI Fertilizer B.V.

In May 2013, OCI Fertilizers B.V., entered into a loan agreement with J.P. Morgan for the amount of USD 400 million, with a maturity date of 18 September 2013. The loan carried an interest rate of LIBOR + 6.925 percent. This amount was fully repaid by OCI N.V. in 2013.

OCI Partners LP

On 20 August 2013, OCI Partners LP entered into a new senior secured term loan credit facility for USD 235 million ('Term B-2 loans'). The loan carries an interest rate of LIBOR +6.25 percent and matures in 2019. On 27 November 2013, OCI Partners also entered into a loan agreement for USD 165 million to refinance a loan.

OCI N.V.

OCI N.V. increased total debt by EUR 308 million (USD 424.1 million) due to issuance of the compound convertible bonds with proceeds of EUR 339 Million (USD 466.5 million).

EFC Finance Restructuring

In March 2014, EFC signed restructuring agreements to extend the maturity to October 2019. Installments of 1.85 percent of original Facility amounts are payable quarterly, and with interest rate of USD: LIBOR plus margin of 5.0 percent and for EGP loan: CBE Mid Corridor plus margin of 2.9 percent. OCI N.V. will fund any payment shortfall that EFC has in relation to this loan.

Covenants

Certain covenants apply to the aforementioned borrowings. Covenants include compliance with the following financial ratios: Debt to equity ratio, debt-service coverage ratio, net debt/EBITDA, interest coverage ratio, cash flow coverage threshold, and tangible net worth threshold.

Convertible Euro notes

$ millions	
Proceeds from issue of convertible notes	466.5
Transaction costs	(11.7)
Net proceeds	454.8
Accrued interest	6.8
Amount classified as equity	(41.2)
Liability at 31 December 2013	**420.4**

Convertible note terms

In September, 2013, OCI N.V. issued convertible Euro notes with proceeds of USD 466.5 million. The notes have a 5 year maturity date and a coupon rate of 3.875 percent per annum, payable semi-annually in arrears. The issued convertible notes qualify as compound financial instruments, since each note contains both an equity and liability component. These notes contain an equity component since they entitle the holder the right to convert a fixed amount of EUR 100,000 into new/or existing shares at a conversion fixed price of EUR 34.45 per share and also contain a liability component for the issuer's obligation to pay interest and potentially, to redeem the note in cash.

Transaction costs that are directly attributable for the issuance of the shares and convertible notes totalled USD 11.7 million This includes fees and commissions paid to advisers, brokers, dealers and lawyers. These costs are allocated to the liability and equity component on a pro rate basis. The transaction costs related to the liability component will be recognized in accordance with the effective interest rate method over the term of the convertible bond and will be recognized under finance expenses in the profit or loss statement.

Management has measured the liability component by establishing the fair value of a similar note, with similar terms, credit status and containing similar non-equity derivative features, yet without the conversion option. This results in a fair value of the liability component of EUR 308.2 million (USD equivalent 420.2 million). The group did not recognise separately an embedded derivative as it is closely relate to the host contract and therefore it is included as part of the liability component. Transaction costs allocated to the liability component represent 90 percent of the total transaction cost, totalling USD 10.5 million.

The equity component is calculated by deducting the fair value attributable to the bonds (USD 466.5 million) from the liability component (USD 424.1 million). The amount recognized, net of taxes, for the equity component is USD 31.4 million. Transaction costs allocated to the equity component represents 10 percent of the total transaction cost, totalling USD 1.2 million.

20. Trade and other payables

$ millions	2013	2012
Trade payables	791.5	857.6
Trade payable due to related party (note 32)	41.1	21.7
Customer - advance payments	308.6	341.6
Other payables	253.6	256.3
Accrued expenses	169.3	206.0
Other non-current liabilities	118.9	134.4
Other tax payable	36.0	33.9
Retentions payable	15.2	82.8
Derivative financial instrument	1.0	-
Total	**1,735.2**	**1,934.3**
Non-current	118.9	134.4
Current	1,616.3	1,799.9
Total	**1,735.2**	**1,934.3**

Information about the Group's exposure to currency and liquidity risk is included in note 6. The carrying amount of 'Trade and other payables' approximated the fair value.

Customer - advance payments relate to the prepayments made by construction-customers in order to prepare for the start constructions. Retentions payable relate to amounts withheld from sub-contractors.

21. Provisions

$ millions	Warranties	Asset retirement obligation	Onerous contracts	Legal	Other	Total
At 1 January 2013	**85.5**	**5.9**	**17.1**	**18.2**	**52.4**	**179.1**
Provision made during the year	21.4	10.5	19.5	10.7	24.1	86.2
Provision used during the year	-	(0.5)	-	-	(9.8)	(10.3)
Provision reversed during the year	(20.2)	-	(5.9)	(9.2)	(41.4)	(76.7)
Reclassifications	22.1	(5.0)	(9.0)	(8.1)	-	-
Exchange rate differences	0.4	(0.4)	0.2	0.1	0.1	0.4
At 31 December 2013	**109.2**	**10.5**	**21.9**	**11.7**	**25.4**	**178.7**
Non-current	21.3	9.4	4.3	1.2	12.0	48.2
Current	87.9	1.1	17.6	10.5	13.4	130.5
Total	**109.2**	**10.5**	**21.9**	**11.7**	**25.4**	**178.7**

Warranties

The warranties are based on historical warranty data and a weighting of possible outcomes against their associated probabilities. The warranty provision includes a provision for aftercare services and warranties provided for BESIX's and OCI S.A.E.'s of USD 36.1 million and USD 65.8 million.

Asset retirement obligation

The provision includes an asset retirement obligation of USD 9.4 million relating to the Group's Algerian plant (Sorfert). According to the agreement, the land must be restored to its original state at the end of the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

21. Provisions (continued)

Other

The other provisions include BESIX's employee benefits (USD 13.6 million) mainly to 'end of service' arrangements in the Middle-East whereby at end of service the employee/worker receives an indemnity based upon actual salary and years of service.

Furthermore this includes OCI S.A.E.'s employee benefits (USD 4.3 million) mainly due to "end of service" engagements in whereby at end of service the employee/worker receives an indemnity based upon actual salary and years of service.

22. Development of total revenues, cost of sales and gross margin

a. Revenue

$ millions	2013	2012
Construction contract revenue	3,498.6	2,838.0
Sale of goods (natural gas-based chemicals)	2,633.2	2,448.5
Total	**6,131.8**	**5,286.5**

b. Expenses by nature

$ millions	2013	2012
Cost of projects, changes in raw materials and consumables, finished goods and work in progress	4,344.1	3,657.6
Employee benefit expenses (c)	854.0	779.1
Depreciation, amortisation	327.0	276.4
Impairment Goodwill	-	900.0
Transaction costs	89.3	-
Consultancy expenses	74.2	44.3
Other	105.5	106.7
Total	**5,794.1**	**5,764.1**

The expenses by nature comprise 'cost of sales', 'selling, general and administrative expenses', 'impairment loss on goodwill' and 'transaction costs'. The other expenses are disclosed in note 24.

The transaction costs of USD 89.3 million relate to the Group restructuring, and are explained in detail in note 1 of the financial statements. Selling, general and administrative expenses include provisions for USD 12.0 million (2012: USD 261.3 million).

c. Employee benefit expenses

$ millions	2013	2012
Wages and salaries	781.8	697.3
Social securities	21.0	12.3
Employee profit sharing (recognized in cost of sale)	16.4	22.4
Employee profit sharing (recognized in general, selling and administrative expenses)	7.8	13.0
Pension cost	10.8	10.5
Share-based payment expense (d)	11.6	20.0
Other employee expenses	4.6	3.6
Total	**854.0**	**779.1**

During the financial year ended 31 December 2013, the number of key executives was 2 (2012: 2 key executives), which represents the Executive Board members; Nassef Sawiris (CEO), and Salman Butt (CFO). During the financial year ended 31 December 2013, the average number of staff employed in the Group converted into fulltime equivalents amounted to 72,418 employees (2012: 74,770 employees). Of these employees 2,768 (2012: 2,862 employees) were employed in the Fertilizer & Chemicals segment, 69,460 (2012: 71,728) were employed in the Engineering & Construction segment and 190 employees (2012: 180) were allocated as overhead. Furthermore, the numbers of employees employed in the Netherlands were 2,399, of which 20 were full time employees at OCI N.V.

d. Share-based payment arrangements

OCI N.V. currently has two incentive plans which are intended to (i) attract and retain the best available personnel for positions of substantial responsibility, (ii) provide additional incentive to management and employees, (iii) promote the success of the Company's business, and (iv) align the economic interests of key personnel directly with those of shareholders. Under both plans, stock options have been granted to management and employees. Both plans are 'equity-settled share-based compensation plans'.

As a result of the reverse takeover and group restructuring that took place during 2013 as described in note 1, OCI N.V. acquired the assets and liabilities of the OCI S.A.E. Stock Incentive Plan (the first plan). Under the terms of the OCI S.A.E. incentive plan, in the event of a change of control of OCI S.A.E., each outstanding option or right shall be assumed or an equivalent option or right substituted by the successor company or a subsidiary of the successor company. In the event that the successor company refuses to assume or substitute for the option or right, all outstanding options or rights shall fully vest and become immediately exercisable. OCI N.V. elected that holders of options or rights under the OCI S.A.E. incentive plan exchange each of their existing options or rights for an option or right in respect of shares of OCI N.V. on the same terms and conditions as the existing options or rights. The options under the OCI S.A.E. plan were generally granted at the fair market value on the date of grant, vested after four years (cliff vesting) and expired after five years. On 28 August 2013, following the commencement of OCI N.V. 's share trading in Euros, the options under the OCI S.A.E. plan were replaced by the Company's options and accounted for as a modification of the original grant of options. Furthermore, under existing authority, 1,529,598 shares were repurchased from employees to facilitate the administration of the OCI S.A.E. plan during the year.

Under the terms of the OCI S.A.E. plan, certain employees were allowed to vest their options immediately and purchase the respective shares with a promissory note (as a payment method in order to be able to finance the exercise price) bearing interest at the "applicable federal rate prescribed under the United States Internal Revenue Code" at the time of purchase, secured by a pledge of the shares purchased by the note pursuant to a security agreement. The notes generally have a term of nine years, and may not be prepaid until four years after issuance which necessitates that the employee remain a shareholder for at least four years. As of 31 December 2012, 1,360,406 shares were pledged by employees as security against their notes valued at USD 47,356,963.28. As at 31 December 2013, 926,700 shares were pledged by employees as security against their notes valued at USD 36,096,988.75. Employees held 548,000 vested options which were exercisable as at 31 December 2013 for which payment of the purchase price could be made with a promissory note.

On 20 December 2013, the non-executive board members of OCI N.V. adopted an additional Employees Incentive Plan (the second plan). The second plan authorized the issuance of up to 1 million shares to employees and excludes the executive directors. The exercise price of the options granted to employees is equal to the fair market value of the shares on the date of grant. The options granted under this plan generally vest after three years (cliff vesting) and expire after seven years.

The following table summarizes information about the stock options outstanding at 31 December 2013

Grant date (1)	Number of options outstanding at 31 December 2013	Exercise price per share (EUR)	Weighted average remaining life (in years)	Number of options exercisable at 31 December 2013	Weighted average exercise price per share (USD)
4 January 2010	1,097,500	26.71	1.00	-	36.76
1 June 2010	154,000	29.99	1.42	-	41.27
31 March 2011	1,318,500	26.43	2.25	-	36.37
31 March 2011	202,400	31.48	2.25	-	43.32
28 November 2012	1,544,300	25.45	3.91	-	35.02
28 November 2012	548,000	26.46	3.91	548,000	36.42
31 December 2013	940,740	32.74	7.00	-	45.05

(1) In the table above, options granted between 2010 and 2012 are a part of the first plan described above replaced in August 2013. Options granted in December 2013 are a part of the second plan described above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22. Development of total revenues, cost of sales and gross margin (continued)

Measurement of fair values

The fair value of the options granted to employees has been measured using the Black-Scholes option valuation model. The inputs used in the measurement of the fair values at grant date of plans were as follows:

	2013[1]	2012
Fair value at grant date	USD 13.42	USD 9.69
Share price at grant date	USD 45.05	USD 35.29
Exercise price	USD 45.05	USD 33.95
Expected volatility (weighted average)	31.86%	39.8%
Expected life (weighted average in years)	5.0	3.5
Expected dividends	none	1.5%
Risk-free interest rate (based on government bonds)	1.07%	0.35%

[1] In the table above, options granted in December 2013 had a fair value of EUR 9.75 based on an exercise price of EUR 32.74, the share price at the grant date.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans and replacement awards were as follows:

Options	Number of options 2013 [1]	Weighted-average exercise price 2013 (USD)	Number of options 2012 [2]	Weighted- average exercise price 2012 (USD)
Outstanding at 1 January	7,091,011	36.46	5,787,830	37.71
Forfeited during the year	(502,100)	33.07	(137,910)	34.60
Granted during the year	940,740	45.05	2,340,336	34.28
Exercised during the year	(1,095,892)	17.96	(899,245)	39.16
Expired during the year	(628,319)	57.26	-	-
Outstanding at 31 December	**5,805,440**	**37.87**	7,091,011	36.46
Exercisable at 31 December	**548,000**	**36.41**	673,000	33.15

[1] In August 2013 options under the OCI S.A.E. plan were replaced by the Company's options

[2] 2012 comparatives information is taken the original OCI S.A.E. incentive plan

The options outstanding at 31 December 2013 had an exercise price in the range of USD 36.76 to USD 45.05 (2012: USD 19.48 to USD 88.03) and a weighted-average contractual life of 3.36 years (2012: 2.94 years).

Compensation of share-based payment for key management personnel is shown in note 32.

23. Other income

$ millions	2013	2012
Net gains on sale of Property, plant and equipment	5.1	11.9
Result on sale of non-controlling interest (Gavilon)	262.1	-
Other income	49.7	73.7
Total	**316.9**	**85.6**

Other income

Other income in 2013 includes USD 7.2 million insurance claims received.

24. Other expenses

'Other expenses' totalling to USD 97.5 million (2012: USD 30.1 million), comprised for the largest part of start-up cost and idle capacity of the plant in Algeria (sorfert), an amount of USD 54.3 million in 2013 which did not qualify for capitalization. An amount of USD 31.0 was related to IFCo's loss on its gas price hedge during 2013.

25. Net finance cost

$ millions	2013	2012
Interest income on loans and receivables	13.6	25.4
Interest income on available-for-sale financial assets	3.9	0.9
Interest income on finance lease	0.2	-
Foreign exchange gain	160.8	29.3
Finance Income	**178.5**	**55.6**
Interest expense on financial liabilities measured at amortised cost	(390.7)	(265.1)
Foreign exchange loss	(20.3)	(9.1)
Changes in fair values of cash flow hedges	(1.1)	-
Finance costs	**(412.1)**	**(274.2)**
Net finance costs recognised in profit or loss	**(233.6)**	**(218.6)**

The amount of USD 160.8 million, includes an amount of USD 88.3 million relating to the EGP-USD revaluation of the tax dispute liability, reference is made to note 12 'Income taxes'.

The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not measured at fair value through profit or loss:

$ millions	2013	2012
Total interest income on financial assets	17.7	26.3
Total interest expenses on financial liability	(390.7)	(265.1)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26. Earnings per share

	2013	2012
i. Basic		
Net Profit / (Loss) attributable to shareholders	295.2	(1,887.9)
Weighted average number of ordinary share (Basic)	203,751,864	205,033,065
Basic earnings per ordinary share	**1.449**	**(9.208)**
ii. Diluted		
Net Profit / (Loss) attributable to holders of ordinary shareholders	295.2	(1,887.9)
Interest expense on convertible notes	6.1	-
Net Profit / (Loss) attributable to holders of ordinary shareholders based on full conversion	301.3	(1,887.9)
Weighted average number of ordinary shares (Basic)	203,751,864	205,033,065
Adjustment for assumed conversion of convertible notes	9,840,348	-
Adjustment for assumed equity - settled share-based compensation	365.315	-
Weighted average number of ordinary shares outstanding on the basis of full conversion	213,958,027	205,033,065
Diluted earnings per ordinary share	**1.408**	**(9.208)**

(i) Weighted average number of ordinary shares calculation

shares	2013	2012
Issued ordinary shares at 1 January	203,127,669	208,938,419
Effect of treasury shares held	127,677	(3,905,354)
Effect of shares issued during the year	496,518	-
Weighted average number of ordinary shares outstanding at 31 December	**203,751,864**	**205,033,065**

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

27. Segment reporting

The Group determines and presents operating segments on the information that internally is provided to the board and the Chief Executive Officer during the period. The Group has two reportable segments, as described below. Each of the segments is managed separately because they require different operating strategies and use their own assets and employees. Factors used to identify OCI's reportable segments, are a combination of factors and whether operating segments have been aggregated and types of products and services from which each reportable segment derives its revenues.

Business information

	Engineering & Construction		Fertilizer & Chemicals		Total	
$ millions	2013	2012	2013	2012	2013	2012
Segment revenue	4,012.0	2,874.1	2,633.3	2,448.5	6,645.3	5,322.6
Inter-segment revenue	(513.4)	(36.1)	(0.1)	-	(513.5)	(36.1)
Total revenue	**3,498.6**	**2,838.0**	**2,633.2**	**2,448.5**	**6,131.8**	**5,286.5**
Share in profit of associates	17.4	15.8	4.3	9.0	21.7	24.8
Depreciation and amortisation	(103.2)	(125.0)	(223.8)	(151.4)	(327.0)	(276.4)
Impairment Goodwill	-	-	-	(900.0)	-	(900.0)
Interest income	12.1	24.2	5.6	2.1	17.7	26.3
Interest expense	(95.3)	(67.7)	(295.4)	(197.4)	(390.7)	(265.1)
Inter-segment profits	-	-	(8.4)	(3.4)	(8.4)	(3.4)
Profit before tax	**3.5**	**(280.2)**	**341.7**	**(335.7)**	**345.2**	**(615.9)**
Net capital expenditure PPE	88.1	128.9	618.8	348.5	771.9	477.4
Net capital expenditure intangible assets	5.1	9.8	5.3	21.6	10.4	31.4
Total assets	**2,328.3**	**4,417.0**	**9,118.3**	**6,644.5**	**11,446.6**	**11,061.5**
Total liabilities	**3,359.7**	**3,710.8**	**5,999.3**	**5,650.1**	**9,359.0**	**9,360.9**

Income taxes have not been disclosed by segment, because the majority of the income tax liability relates to previous discontinued operations (segment 'Cement') and has therefore not been allocated.

The amount of USD 513.5 million of inter-segment revenues relates for the majority to the in-house construction of the Iowa Fertilizer Company.

Geographical information

The geographic information below analyses the Group's revenue and non-current assets by the Company where the activities are being operated. OCI N.V. has no single customer that represents 10 percent or more of revenues and therefore information about major customers is not provided.

	Revenue		Non-current assets	
$ millions	2013	2012	2013	2012
Europe	2,261.6	2,071.2	715.8	563.3
North America	1,284.2	631.4	918.5	369.0
South America	186.8	240.5	-	-
Middle East	1,577.9	1,604.5	2,556.1	2,764.7
Africa	140.6	271.9	2,163.6	2,140.3
Asia & Oceania	680.7	467.0	65.3	42.0
Total	**6,131.8**	**5,286.5**	**6,419.3**	**5,879.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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28. Acquisitions and Disposals

During 2013, OCI Fertilizer Holding Limited ('OCI FH') sold its full ownership in Gavilon Group for a total consideration of USD 666.7 million. As at 31 December, USD 629.0 million was received in cash, and the remaining outstanding balance of USD 41.1 million was held in escrow accounts.

The group's management believes there is great uncertainty surrounding the collection of these escrow amounts. Given that these amounts are held back by the sellers' representative to deal with any post-closing expenses and claims, management has not recorded these escrow amounts as an asset and therefore resulted in a reduction of consideration value. OCI N.V. has recorded a gain on the sale of these transactions of USD 262.1 million in other income in the consolidated statement of profit or loss.

Incorporation of OCI Partners LP and IPO

OCI Partners LP is a Delaware limited partnership formed on 7 February 2013 with the purpose to own and operate OCI Beaumont LLC. On 24 September 2013, OCI N.V. launched an initial public offering ('IPO') for 21.7 percent of OCI Partners LP in the Master Limited Partnership ('MLP') market and on 4 October 2013, the Partnership's common units began trading on the New York Stock Exchange under the symbol 'OCIP'.

On 9 October 2013, the Partnership closed its IPO of 17,500,000 common units, at a price to the public of USD 18 per unit, and issued 60,375,000 common units to OCI USA.

On 4 November 2013, in connection with the expiration of the underwriters' over-allotment option period, the Partnership issued an additional 2,625,000 common units to OCI USA pursuant to the terms of the underwriting agreement and contribution agreement entered into in connection with the IPO.

The net proceeds from the IPO are USD 291 million after deducting the underwriting discount and the structuring fee.

In connection with the closing of the IPO by OCI Partners LP, OCI USA Inc. contributed its 100 percent interest in OCI Beaumont LLC to the Partnership and was issued 60,375,000 common units in the Partnership.

After the IPO, OCI USA Inc. owns approximately 78.3 percent of the common units in OCI Partners LP (being 60,375 thousand units plus 2,625 thousand units divided by 80,500 units) and public shareholders own 21.7 percent of the common units in OCI Partners LP (17,500 thousand units divided by 80,500 units).

29. Contingencies

Contingent liabilities

Letters of guarantee

Letters of guarantee issued by banks for OCI N.V. and its subsidiaries in favor of others as at 31 December 2013 amounted to USD 1.6 billion (2012: USD 0.7 billion). Outstanding letters of credit as at 31 December 2013 (uncovered portion) amounted to USD 52.2 million (2012: USD 76.4 million).

Litigations and claims

In the normal course of business, the Group entities and joint ventures are involved in some arbitration or court cases as defenders or claimants. These litigations are carefully monitored by the entities management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties. OCI does not expect these proceedings to result in liabilities that have a material effect on the company's financial position. In case where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements which is disclosed in note 20 'Provisions'. It should be understood that, in light of possible future developments, such as (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, OCI cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialize, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence. While the outcome of said cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice and information received, that the final outcome will not materially affect our consolidated financial position but could be material to our results of operations or cash flows in any one accounting period.

Administrative court against Suez Industrial Development Company

A decision was issued against Suez Industrial Development Company, which operates in the field of land development in the North West of the Gulf of Suez, for the cessation of dealings on any of its allocated plots of land as of mid-November 2011 until the investigations, conducted by the Public Fund Prosecution and Military Prosecution and relating to the allocation and sale of lands located in the North West of the Gulf of Suez, are concluded. On 28 May 2012, the company has submitted a request to the Dispute Settlement Committee at the General Authority of Investment and Free Zones to cancel the said decision. On 25 July 2012, the decision issued by the Prime Minister to withdraw the plot of land allocated to the company was challenged before the Administrative Court and the hearing was postponed to 2 November 2013. On the hearing of November 2, 2013, the hearing was referred to a different court on the grounds of jurisdiction and accordingly the case was referred to the 8th District Contracts and during the hearing of 4 March 2014 the case was referred to the commissioners to prepare their report. For the Suez case a reliably outcome of the financial impact cannot be estimated.

It is noteworthy to mention that on 22 April 2013, another decision was issued by the Ministerial Group Committee for Investment Dispute Settlement verifying the land contracts entered into by the company and ratified by Suez Governorate. On 14 May 2013, the company was notified with the ratification of the said decision by the Council of Ministers.

Administrative court against Egyptian Gypsum Company S.A.E

A lawsuit was filed before the Administrative Court against Egyptian Gypsum Company S.A.E. which operates in the field of Gypsum manufacturing, to nullify the sale contract of the company on the grounds that it is one of the companies sold under the privatization scheme. The report of the commissioners is being currently prepared. On the hearing of 17 March 2014, the case was postponed again to the hearing of 16 June 2014 pending the commissioners' report. If the final award is against the company, the ownership of the plant will be transferred to its original owner and the company will get the sales price back.

Court against former owner of Weitz

The previous owner of The Weitz Company ('Weitz') filed a variety of claims against Weitz arising out of alleged breaches of the Separation Agreement and Buy-Sell Agreements executed upon his departure from Weitz. He also filed a claim for tortious interference with contract against Orascom Construction Industries S.A.E., arising out of the same alleged breaches of the Separation Agreement and Buy-Sell Agreements. Weitz filed a motion for summary judgment on the ground that the proper purchase price had been paid for his stock pursuant to the Separation Agreement and Buy-Sell Agreements. On July 23, 2012, the ruling on the Motions for Summary Judgment was entered, which found "the Weitz defendants properly valued the stock for each transaction according to the stock's value at the end of the fiscal year immediately preceding the transaction," granted the motion for summary judgment, dismissed Count I – Breach of Contract of his Second Amended Petition seeking to recover damages resulting from breaches of the Separation Agreement and Buy-Sell Agreements, and dismissed the Weitz Companies as defendants. Weitz filed another motion for partial summary judgment on his Count V - Wrongful Misevaluation of Stock and Count VI - Equitable Accounting.

On December 30, 2013, the court held that Counts V and VI of the Forth Amended Petition are barred to the extent his allegations pertain to misevaluation of the stock for purposes of the July 31, 2011 payment and the July 31, 2012 payment.

As per December 31, 2013 the remaining claim against the Weitz is Count VII - Breach of Contract regarding Promissory Notes and the previous owner recently served OCI SAE with an amended complaint asserting very generally that OCI tortuously interfered with its separation agreements with Weitz. OCI SAE is seeking dismissal of that claim. The court decided that Weitz properly valued the stock for each transaction according to the stock's value at the end of the fiscal year, therefore Count VII remains. Management cannot make a reliable estimate on the outcome of this case.

Contingent assets

Arbitration against the Golden Pyramids Plaza

OCI and Consolidated Contractors International Co. SAL ('CCC') have commenced arbitration against Golden Pyramids Plaza regarding the performance of its obligations relating to the City Stars Project. The claim was filed in 2005 and relates to the value of additional work performed, extension of time for all delays, return of the improperly liquidated bonds and payment for outstanding re-measurement items. The estimated total value of this claim is USD 191.9 million (of which OCI's share is 50 percent).

Currently a number of procedural hearings for the submission of documents are taking place before the final award will be issued on 30 May 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

30. Capital commitments

As at 31 December 2013, the Group entered into contracts to buy property, plant and equipment for USD 1.39 billion, of which USD 1.09 billion represents capital commitments pertaining to the Group's company in the United States of America (Iowa Fertilizer Company).

31. Operating lease commitments

The Group leases a number of office space, computers, machinery and cars under operating leases. The leases typically run for a period of 10 years, with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

(i) Future minimum lease payments

$ millions	2013	2012
Less than one year	28.8	11.0
Between one and five years	14.0	13.1
More than five years	0.9	1.2
Total	**43.7**	25.3

(ii) Amount recognized in profit or loss

$ millions	2013	2012
Lease expense	41.5	25.3
Contingent rent expense	2.2	-
Total	**43.7**	25.3

32. Related party transactions

The following is a list of relating party transactions and outstanding amounts as at 31 December 2013:

Related party	Relation	Revenue Transactions during the year	AR outstanding at year end	Purchases Transactions during the year	AP outstanding at year end	Loans outstanding to associates
Egyptian Gypsum Company	Associate	0.2	-	1.1	0.2	-
Orascom Trading	Related by member of key management personnel	0.1	-	0.2	-	-
National Equipment	Related by member of key management personnel	-	-	-	-	-
Nile City Investment	Related by member of key management personnel	0.5	-	3.1	0.2	-
Orascom Tech	Related by member of key management personnel	0.1	-	0.2	0.1	-
Orascom free zone	Related by member of key management personnel	2.6	-	5.2	-	-
Obrascon Huarte Lain SA/ Contrack Cyprus Limited JV	Associate	14.0	2.8	-	-	-
Sitech Utility Holding C.V.	Associate	44.9	4.1	133.0	0.7	14.7
Sitech Manufacturing Services C.V.	Associate	-	-	171.1	39.7	-

(i) Transactions with related party – Normal course of business

Transactions with related parties occur when a relationship exists between the company, its participating interest and their directors and key management personnel. In the normal course of business, the company buys and sells goods and services from and to various related parties (including associates) within the Group. These transactions are conducted on a commercial basis under comparable conditions that apply to transactions with third parties.

(ii) Transactions with related party – Transactions related to 2013

During 2013 OCI N.V. acquired 99.3 percentage of the issued share capital of Orascom Construction Industries S.A.E. To do so, the Sawiris Family and The Abraaj Group, both shareholders of OCI N.V., each provided a maximum commitment of USD 1 billion and USD 500 million respectively. The commitments provided by both The Sawiris Family and Abraaj were to be used subsequent to other investor's funding of USD 1 billion required to satisfy the cash elections to acquire 100 percent of Orascom Construction Industries S.A.E. In consideration for the commitment agreements, OCI N.V. agreed to pay both The Sawiris Family and Abraaj a commission of 8.0 percent on their respective maximum commitments. In June 2013, OCI N.V. renewed commitments from both The Sawiris Family and Abraaj to provide stand-by funding. OCI N.V. agreed to pay both The Sawiris Family and Abraaj a commission of 3.0 percent on their respective maximum commitments. In relation to both sets of commitments above, OCI N.V. paid The Sawiris Family USD 56 million and Abraaj USD 28 million representing the break-up fee on the initial maximum commitment and commission on the subsequent maximum commitment. As at 31 December 2013 both commitments totalling USD 84 million were expensed under 'transaction costs'.

In May 2013, OCI Fertilizers B.V. entered into a loan agreement with J.P. Morgan for the amount of USD 400 million. Another loan was also entered into with JP Morgan by OCI overseas Holding Limited for the amount of USD 30 million. Both loans were fully repaid in September 2013 using proceeds from the convertible bond. Both loans were supported by an entity beneficially owned by Mr. Nassef Sawiris. This entity did not charge any support fees to the Company.

OCI Foundation and Sawiris Foundation

The OCI Foundation invests company resources in educational programs that improve the communities in which we operate. OCI has cultivated strong ties with several leading universities, including the University of Chicago (Onsi Sawiris Scholars Exchange Program), Stanford (The American Middle Eastern Network Dialogue) and Yale (Master of Advanced Management program and Global Network for Advanced Management program).

In 2013, through the Onsi Sawiris Scholarship Program, the Group provided scholarships to five students who are attending Yale, Stanford, Wharton, and Northwestern for graduate studies.

Furthermore, the Sawiris Foundation for Social Development also provides grants to fund projects implemented by charitable organizations, educational institutions, local government and private business. These related charitable organizations have a total transaction amount during 2013 of USD 1.3 million (2012: USD 1.8 million).

Remuneration of the Executive Directors (Key management personnel)

During 2013, we considered the members of the Board of Directors (Executive and Non-executive) to be the key management personnel as defined in IAS 24 'Related parties'. In the ordinary course of business, the Group restructuring involves certain members of the Supervisory Board or Executive Committee is limited to transactions as disclosed in note 1. Likewise, there have not been any transactions with any other senior management personnel or any family member of such persons. No other benefits or remuneration were provided or have been extended to members of the Board of Directors or any other senior management personnel or any family member of such persons. The total remuneration of the Key-Management personnel amounts in 2013 to USD 5.2 million.

Remuneration of the Directors

In 2013, the total remuneration costs relating to the Executive Directors amounted to USD 5,188,052 consisting of the elements in the table below:

	Age	Base salary	Annual bonus	Share-based compensation	Other benefits	Total remuneration
N. Sawiris	52	2,000,000	-	1,498,872	-	3,498,872
S. Butt	54	1,689,180	-	-	-	1,689,180
		3,689,180	**-**	**1,498,872**	**-**	**5,188,052**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

32. Related party transactions(continued)

As at December 31, 2013, the Executive Directors held 590,000 stock options (2012: 1,031,369) at a weighted average exercise price of USD 36.03.

	Outstanding Year end '12	Granted	Exercised	Expired	Outstanding Year End '13	Exercise Price	Expiration
N. Sawiris	106,965	-	-	106,965	-	EGP 560.45	
	190,894	-	190,894	-	-	EGP 124.00	
	190,000	-	-	-	190,000	EUR 26.71	4-Jan-15
	200,000	-	-	-	200,000	EUR 26.43	31-Mar-16
	200,000	-	-	-	200,000	EUR 25.45	28-Nov-17
S. Butt	43,510	-	-	43,510	-	EGP 398.51	
	100,000	-	100,000	-	-	EGP 133.00	
	1,031,369	**-**	**290,894**	**150,475**	**590,000**		

In 2013, the total remuneration costs relating to the Non-Executive Directors amounted to USD 710,000 consisting of the elements in the table below:

	Annual fixed fee	Audit Committee membership	Additional fixed fee	Total
M. Bennett	260,000	-	150,000	410,000
J. Ter Wisch	130,000	20,000	-	150,000
A. Naqvi	130,000	20,000	-	150,000
S. N. Schat	-	-	-	-
K. van der Graaf	-	-	-	-
	520,000	**40,000**	**150,000**	**710,000**

The additional fixed fee is for service on the Board of the publicly traded company in the US.

33. Subsequent events

In March 2014, Natgasoline LLC held a groundbreaking ceremony to mark the commencement of site preparation works for its new greenfield methanol production plant in Beaumont, Texas. Natgasoline LLC is expected to have a capacity of up to 5,000 metric tons per day, equivalent to approximately 1.75 million metric tons per year and is expected to start production in 2016.

34. External auditors' fee

The service fees recognized in the financial statements 2013 for the service of KPMG amounted to USD 7.7 million (2012: USD 5.9 million).

The amounts per service category are shown in the following table:

	Total service fee		of which KPMG N.V (the Netherlands)	
$ millions	2013	2012	2013	2012
Audit of Group Financial Statements	4.6	4.0	1.6	0.5
Other assurance services	1.9	0.5	0.3	0.1
Total assurance services	**6.5**	**4.5**	**1.9**	**0.6**
Tax services	0.8	1.2	-	-
Sundry services	0.4	0.2	-	-
Total	**7.7**	**5.9**	**1.9**	**0.6**

PARENT COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

$ millions	Note	2013
Assets		
Non-current assets		
Financial assets	(36)	2,002.2
Deferred tax assets		47.6
Total non-current assets		**2,049.8**
Current assets		
Receivables	(37)	679.2
Cash and cash equivalents		5.4
Total current assets		**684.6**
Total assets		**2,734.4**
Equity		
Share capital	(38)	272.1
Share premium		1,441.8
Other reserves		(287.8)
Retained earnings		-
Net profit/ (loss) for the year		295.2
Total equity		**1,721.3**
Liabilities		
Non-current liabilities		
Loans and borrowings	(39)	969.8
Total non-current liabilities		**969.8**
Current liabilities		
Trade payables and other liabilities	(40)	43.3
Total current liabilities		**43.3**
Total liabilities		**1,013.1**
Total equity and liabilities		**2,734.4**

PARENT COMPANY STATEMENT OF PROFIT OR LOSS AS AT 31 DECEMBER

$ millions	Note	2013
Net profit / (loss) from subsidiaries, joint ventures and associates		393.9
Other net income / (loss)		(98.7)
Net profit / (loss) for the year		**295.2**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
CONTINUED

35. General

The Parent Company financial statements of OCI N.V. have been prepared in accordance with provisions of Part 9, Book 2 of the Dutch Civil Code. OCI N.V. has applied the option in article 2:362 paragraph 8 of Part 9, of the Dutch Civil Code to use the same accounting principles for the recognition and measurement of assets and liabilities and determination of results for the corporate financial statements as the consolidated financial statements. Investments in subsidiaries are carried at net asset value. The net asset value is established by valuing assets, provisions and liabilities and calculating the result in accordance with the accounting policies applied in the consolidated financial statements. For a list of principal subsidiaries reference is made to the section 'Miscellaneous' on page 164 of this report. Investments in Group companies are included at the pro rata value of OCI's share in their net assets value. For principles of recognition and measurement of assets, liabilities and results, reference is made to the notes to the consolidated financial statements. The Parent Company financial statements cover the period 2 January until 31 December 2013. No comparative figures are disclosed since the Company was established in 2013.

OCI N.V. has the Euro as its functional currency, to align with the consolidated financial statements, the Parent Company financial statements are also presented in US dollars.

36. Financial assets

	Subsidiaries			
$ millions	Share in capital	Loans	Other loans	Total
Balance at 1 January 2013	-	-	-	-
Acquisitions/ capital contributions	1,674.7	-	-	1,674.7
Share in profit	393.9	-	-	393.9
Exchange rate differences	(104.0)	-	-	(104.0)
New loans	-	1.5	36.1	37.6
Balance at 31 December 2013	1,964.6	1.5	36.1	2,002.2

The loans included under Other loans fully consist of loans granted to employees as part of a share incentive plan. For details see note 22(d) in the consolidated financial statements.

37. Receivables

$ millions	2013
Receivables from subsidiaries	649.9
Other receivables	29.3
Total	**679.2**

No receivables have a maturity longer than one year.

38. Shareholders' equity

For details on the statement of changes in equity of the Parent Company see the consolidated statement of changes in equity.

39. Loans and borrowings

$ millions	2013
Convertible bond	420.4
Loans from subsidiaries	549.4
Total	**969.8**

Reference is made to note 19 'Loans and borrowings' of the consolidated financial statements for detailed information on the convertible bond.

$ millions	2013
2014	-
2015	48.3
2016	-
2017	-
2018	420.4
2019	501.1
Total	**969.8**

40. Trade payables and other current liabilities

$ millions	2013
Owing to subsidiaries	36.9
Other current liabilities	6.4
Total	**43.3**

41. Contingent liabilities

OCI N.V. standalone has provided financial guarantees to certain subsidiaries including OCI S.A.E. related to its International Finance Corporation ('IFC') bank loan and OCI Construction B.V. regarding its bank loan with Credit Agricole.

42. Employees

The total number of employees in 2013 was 7.

43. Fiscal unity

OCI N.V. forms a fiscal unity with several Dutch entities for corporation tax purposes. The full list of Dutch entities which are part of the fiscal unity is included in the list containing the information referred to in article 2:379 and article 2:1 of the Dutch Civil Code, which is filed at the office of the Chamber of Commerce. In accordance with the standard conditions, a company and its subsidiaries that form the fiscal unity are jointly and severally liable for taxation payable by the fiscal unity.

OTHER INFORMATION

PROPOSED APPROPRIATION OF NET PROFIT / (LOSS)

$ millions	2013	2012
Cash dividend interim	-	-
Cash dividend final	-	-
Added to retained earnings	295.2	(1,887.9)
Total net profit / (loss) attributable to shareholders	**295.2**	**(1,887.9)**

Upon adoption of this proposed Net Profit / (Loss) appropriation, the dividend for the 2013 financial year will be nil. This proposed Net Profit / (Loss) appropriation is in conformity with article 26 of the Company's Articles of Association.

Extract from the Articles of Association relating to Net Profit / (Loss) appropriation

Article 26. 'Profits and Distributions'.

26.1 The Board may decide that the profits realized during a financial year will fully or partially be appropriated to increase and/or from reserves.

26.2 The profits remaining after application of Article 26.1 shall be put at the disposal of the General Meeting. The Board shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders.

26.3 Distributions from the Company's distributable reserves are made pursuant to a resolution of the General Meeting at the proposal of the Board.

26.4 Provided it appears from an interim statement of assets signed by the Board that the requirement mentioned in Article 26.8 concerning the position of the Company's assets has been fulfilled, the Board may make one or more interim distributions to the holders of Shares.

26.5 The Board may decide that a distribution on Shares shall not take place as a cash payment but as a payment in Shares, or decide that holders of Shares shall have the option to receive a distribution as a cash payment and/or as a payment in Shares, out of the profit and/or at the expense of reserves, provided that the Board is designated by the General Meeting pursuant to Articles 6.2. The Board shall determine the conditions applicable to the aforementioned choices.

26.6 The Company's policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.

26.7 The Company may further have a policy with respect to profit participation for employees which policy will be established by the Board.

26.8 Distributions may be made only insofar as the Company's equity exceeds the amount of the paid in and called up part of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.

Amsterdam, the Netherlands, 28 April 2014

The OCI N.V. Board of Directors

Michael Bennett, Chairman

Nassef Sawiris

Salman Butt

Jan Ter Wisch

Arif Naqvi

Kees van der Graaf

Sipko Schat

INDEPENDENT AUDITORS' REPORT

To: the Board of Directors and the General Meeting of Shareholders of OCI N.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of OCI N.V., Amsterdam, as set out on pages 98 to 161. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the Consolidated Statement of Financial Position as at 31 December 2013, the Consolidated Statements of Profit or Loss and Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the Parent company Financial Position as at 31 December 2013, the Parent company Statement of Income for the year then ended and the notes which contain the accounting policies and other explanatory information.

The Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the annual report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the 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 Dutch law, including the Dutch Standards on Auditing. This requires 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, 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.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of OCI N.V. as at 31 December 2013 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of OCI N.V. as at 31 December 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the annual report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the annual report as set out on pages 1 to 97, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 28 April 2014

KPMG Accountants N.V.

M.W. Littel RA

MISCELLANEOUS

SHAREHOLDER INFORMATION

Board of Directors

Michael Bennett – Chairman

Nassef Sawiris – Chief Executive Officer

Salman Butt – Chief Financial Officer

Jan Ter Wisch – Vice-Chairman

Kees van der Graaf – Senior Independent Non-Executive Director

Sipko Schat – Independent Non-Executive Director

Arif Naqvi – Independent Non-Executive Director

Annex: List of principal subsidiaries

Companies	Country	Construction	Chemicals	Other	Percentage of interest	Consolidation Method
Orascom Construction Industries Algeria Spa	Algeria	•	-	-	99.90	Full
Sorfert Algérie Spa	Algeria	-	•	-	50.99	Full
BESIX Group SA	Belgium	•	-	-	50.00	Proportion
OCI Fertilizer Trading Limited	Dubai	-	•	-	100.00	Full
Contrack Cyprus Limited	Cyprus	•	-	-	100.00	Full
OCI Construction Limited	Cyprus	•	-	-	100.00	Full
Egypt Basic Industries Corporation	Egypt	-	•	-	60.00	Full
Egyptian Fertilizers Company	Egypt	-	•	-	99.90	Full
Orascom Construction	Egypt	•	-	-	100.00	Full
Orascom Construction Industries	Egypt	•	-	-	99.82	Full
Orasqualia for the Development of the Wastewater Treatment Plant	Egypt	•	-	-	50.00	Proportion
Suez Industrial Development Company	Egypt	-	-	•	60.50	Full
Orascom Saudi Company	Kingdom of Saudi Arabia	-	-	•	60.00	Full
OCI Nitrogen B.V.	the Netherlands	•	-	-	100.00	Full
Contrack International Inc	USA	-	•	-	100.00	Full
Iowa Fertilizer Company LLC	USA	•	-	-	100.00	Full
OCI Partners LP	USA	-	•	-	78.30	Full
Orascom E&C USA Inc	USA	•	-	-	100.00	Full
The Weitz Group LLC	USA	•	-	-	100.00	Full

A full list of affiliated companies will be available for public inspection at the Commercial Registry in conformity with the provisions of Article 2:379 of the Dutch Civil Code.

Share Listing

OCI N.V.'s shares have been listed on the NYSE Euronext in Amsterdam as of 25 January 2013. A level I over-the-counter American Depository Receipts (ADR) program was listed on the OTCQX International Premier marketplace on 15 May 2013. Each ADR is equivalent to one OCI N.V. ordinary share and is fully fungible. In September 2013, OCI N.V. became a constituent of the AMX-Index, the index for mid-sized companies listed on Euronext Amsterdam. In March 2014, OCI N.V. became a constituent of the AEX-Index, the NYSE Euronext Amsterdam's largest index.

On 13 December 2013, Euronext N.V., a wholly owned subsidiary of IntercontinentalExchange Group, Inc. (NYSE: ICE), introduced options on OCI N.V. shares. The options are available on the derivatives market of Euronext Amsterdam. The options trade under the symbol OCI and will expire on the third Friday of the contract month with initial maturities of 1, 2, 3 and 6 months. Each option represents 100 shares in OCI N.V. and will be cleared via LCH.Clearnet SA.

The OCI N.V. share in 2013

Number of outstanding ordinary shares end of year	204,840,744
Average share price	€ 26.11
Lowest share price	€ 18.00
Highest share price	€ 36.00
Share price at year end	€ 32.735
Market capitalization at year end	€ 6.71 million

Share capital

All of the Company's issued shares are ordinary shares with authorized par value of 1 Euro. The number of paid-up ordinary shares outstanding is disclosed in note 17 of the financial statements.

Major Shareholders

The Dutch Financial Markets Supervision Act (Wet op het financieel toezicht) requires shareholders to disclose a substantial holding of 3% or more of a company's capital and/or voting rights.

OCI N.V. is aware, on the basis of the information in the registers of the Netherlands Authority for the Financial Markets (AFM), that the following shareholders possessed an interest of more than 3% on 31 December 2013:

- Nassef Sawiris
- Onsi Sawiris
- Samih Sawiris
- IGCF General Partner Limited
- W.H. Gates III
- Genesis Asset Managers, LLP
- Davis Selected Advisors, LP
- Southeastern Asset Managers, Inc

Although the members of the Sawiris family have not entered into any formal shareholders agreement, they have historically coordinated their voting on the OCI shares and should therefore be regarded as parties acting in concert ('personen die in onderling overleg handelen') as defined in section 1:1 of the Dutch Financial Supervision Act.

Their collective voting rights of 54.48% as at 31 December 2013 acts as an implicit anti-takeover element.

MISCELLANEOUS

SHAREHOLDER INFORMATION
CONTINUED

Board holdings in 2013

As at 31 December, 2013 the following Board members held OCI N.V. shares purchased privately:

- Nassef Sawiris: 61,404,132 shares
- Salman Butt: 167,000 shares
- Jan Ter Wisch: 8,500 shares
- Kees van der Graaf: 2,000 shares

Dividend policy

The Board intends to design a flexible dividend policy with a view to balancing the availability of funds for dividend distribution with pursuing growth opportunities that generate solid returns. The Dividend policy will be articulated once it is finalized.

Employee Incentive Plan

OCI N.V. has an Employee Incentive Plan that is designed to (i) to attract and retain the best available personnel for positions of substantial responsibility, (ii) to provide additional incentive to Employees, (iii) to promote the success of the Company's business, and (iv) to align the economic interests of key personnel directly with those of shareholders. Management and other key employees participate in the program.

The Employee Incentive Plan is described in Note 22 of the financial statements. The Chief Executive Officer and Chief Financial Officer's grants for 2013 are provided in the Remuneration Report on page 96.

Financial calendar

19 May 2014	Publication of Q1 trading update
26 June 2014	General Meeting of Shareholders
28 August 2014	Publication of Interim Financial Statements
12 November 2014	Publication of Q3 trading update

Preventing insider trading

OCI N.V. has rules to prevent the use of inside knowledge by its managers and employees, as well as other 'insiders'. The Company's insider trading policy is available on the corporate website. Mr. Hans Zayed serves as the company's compliance officer and is tasked with supervising compliance with the rules and regulations, and communication with the Dutch Financial Markets Authority.

Investor relations

OCI N.V. places great importance on maintaining active dialogue with existing and potential shareholders, banks, and analysts. OCI N.V. is committed to providing relevant, high-quality and timely information to all stakeholders, and to giving current and potential shareholders, analysts and financial press broader insight into the Company and the industries in which we operate. To this end, OCI N.V. strives to ensure that relevant information is provided equally and simultaneously to all interested parties.

As per the Company's by-laws, OCI N.V. observes a 'black-out' period during which analysts' meetings and presentations to and/or direct discussions with current or potential shareholders do not take place shortly before the publication of the regular financial information.

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CASE STUDIES – VALUE CREATION

It is part of our business model to develop and nurture businesses relevant to our core activities. These new businesses could be in industries related to construction, infrastructure developments and concessions, or related to our natural gas based chemicals businesses.

However, we have a policy of constantly reviewing all businesses to determine whether they continue to be core businesses worth retaining on a long term basis. If we find that a business has become non-core or has reached a certain level of maturity, we monetize the business through divestment. Here are some examples highlighting our success in monetizing our investments.

Cement Group Development and Divestment

Sale of cement group: $ 14.9 BN

Reinvested into OCI: $ 1.9 BN

Return to Shareholders: $ 11.2 BN

In less than 10 years, the OCI Cement Group grew from a single 1.5 million metric ton cement production line in 1999 in Egypt to a top ten global producer with a total capacity of 34 million metric tons per year in 2007.

By then the OCI Cement Group was the largest cement producer in the Middle East and a leading regional cement exporter. Our cement plants were widely recognized as efficient, low cost and environmentally friendly producers of high quality cement. The plants were located in Egypt, Algeria, Pakistan, Iraq, the United Arab Emirates, Spain, and Turkey, with additional capacity under construction in Nigeria, Syria, Saudi Arabia, North Korea and South Africa. Upon the completion of these projects in 2010, total capacity reached 45 million metric tons. In addition to exporting cement to 30 counties, the Cement Group also produced and distributed aggregates, ready mixed concrete and cement bags in Spain, Egypt and Algeria.

On 10 December 2007 we announced the divestment of our cement group to Lafarge SA for a total payment of € 8.8 billion ($12.9 billion) plus the assumption by Lafarge of $ 2 billion in debt.

The divestment crystallized the value that was created through the significant growth of the cement group, and allowed OCI to pursue superior growth opportunities in the construction, infrastructure and natural gas industries.

The Board returned approximately $ 11.2 billion to shareholders in the form of extraordinary dividends. The remaining proceeds were retained to finance new investments and expansion projects.

Timeline

6 October 2007	Initiation of discussion with Lafarge
10 December 2007	Announcement
29 December 2007	OCI EGM approves transaction
18 January 2008	Lafarge EGM approves transaction
24 January 2008	Orascom Building Materials Holdings shares transferred to Lafarge
27 March 2008	First dividend payment
3 April 2008	Second dividend payment
10 July 2008	Third dividend payment

Sokna Port

Egyptian Container Handling Company (ECHCO), in which OCI had a 50% stake at the time, was established in 1998 to provide terminal handling and port management services. ECHCO was the majority shareholder of Sokhna Port Development Company (SPDC), which had a Build-Operate-Transfer concession agreement with the Egyptian Government to manage and operate the Sokhna port facility, located on the Red Sea south of Suez. This was the first private sector port concession in Egypt and was constructed by OCI to handle the largest container vessels serving the European and Far Eastern routes as well as bulk carriers.

In October 2007, we announced the sale of our stake in ECHCO to Dubai Ports World for an equity consideration of $ 372 million, resulting in a gain on sale of $ 265 million. At an exit multiple of 20.6x EV/EBITDA and an investment rate of return (IRR) of 49% over an 8.5 year investment period, the transaction represented an exceptional return on our investment. At the same time it highlights the value created by our strategy of pursuing equity participation in the infrastructure projects for which we provide construction services.

Sale of ECHCO: $ 372 M

IRR: 49%

Gavilon

Proceeds from sale: $ 666.7 M

In 2008, we invested a total consideration of $ 340 million to acquire a 20% stake in the acquisition of the ConAgra Trade Group alongside Osperaie Management, Soros Fund Management, and General Atlantic. The company was subsequently renamed the Gavilon Group LLC.

Gavilon provided physical distribution, merchandising and trading across basic inputs and outputs, including grains, feed ingredients, fertilizer and energy products. They also provided comprehensive logistical and risk-management services to customers in the agriculture and energy markets including commodity infrastructure for agricultural activities. At the time, Gavilon was the largest independent importer of fertilizer into the United States. Our stake was diluted to 18.1% when Gavilon acquired the DeBruce Companies in 2011.

In 2013, the Gavilon Group was divested in two transactions. In July, the Gavilon grains and fertilizer businesses were acquired by Marubeni for $ 2.7 billion equity plus the assumption of $ 2 billion in debt. In November 2013, the Gavilon energy business was acquired by NGL Energy Partners LP for a cash purchase price of $ 890 million on a cash-free, debt-free basis. OCI received total cash proceeds from its share of ownership in both businesses of $ 666.7 million.

CONTACT US

This annual report is available online at www.ocinv.nl

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