# OCI N.V.

# First Half 2014 Results Report

**Amsterdam, the Netherlands**
**27 August 2014**

# OCI N.V. Increases EBITDA in the First Half of 2014
# Announces Intention to Proceed with Demerger/IPO of Construction Business

**Summary of Consolidated Results for H1 2014:**

- Revenue increased 3% to $ 2,320 million
- EBITDA increased 25% to $ 413 million
- Fertilizer & Chemicals and Engineering & Construction EBITDA margins were 31% and 4% respectively
- Net income decreased from $ 56 million to $ 40 million
- Sorfert's growing contribution could not yet offset lower results from EFC, investment income and FX

**Business Highlights:**

- Sorfert is performing well and expected to run at high utilization rates for the remainder of 2014
- Utilization rates at our Egyptian plants are expected to be low in the third quarter
- Capacity additions of the Fertilizer & Chemicals Group in the United States are on track
- Strong second quarter for new construction awards ($ 1.8 billion) in the Engineering & Construction Group
- Construction backlog as at 30 June 2014 stood at $ 5.0 billion, up 28% from $ 3.9 billion as at 31 March 2014

**Statement from the Chief Executive Officer – Nassef Sawiris:**

The EBITDA improvement of more than 30% in the Fertilizer & Chemicals Group in the first half of 2014, despite low utilization rates at our Egyptian plants and lower product pricing in the second quarter, was encouraging. Ramping up of Sorfert has been going well and we expect significantly higher operating rates in the second half of the year, while our plants in the United States and The Netherlands performed as planned. Our growth strategy for the Fertilizer & Chemicals Group and our greenfield investments in the United States remain on track. Iowa Fertilizer Company is now 63% complete, on track to start production in the fourth quarter of 2015. OCI Beaumont has received all permits for its debottlenecking project, and both the engineering and the full permit processes for Natgasoline LLC are in progress. These projects will expand our sellable capacity by almost 60% between now and the end of 2016 to reach nearly 12 million tons per annum.

The Engineering & Construction Group's EBITDA margin of 4% in the first half of the year is an improvement compared with 2013. We expect margins to start improving later this year when new projects with higher margins fully come onstream and some older projects with low profitability close. The Group secured $ 2.3 billion of new awards during the first half, already exceeding the $ 1.4 billion achieved in 2013. Our Board of Directors has approved the company's intention to proceed with the demerger/IPO of the Engineering & Construction Group. We believe that this will create value for our shareholders and that this will enable the two businesses to focus on their separate growth strategies. We also continue to evaluate our strategic options for BESIX.

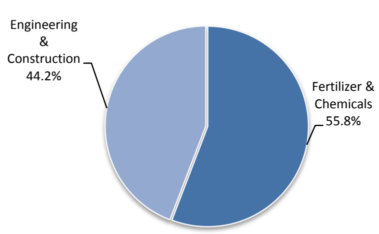
# Consolidated Financial Results at a Glance[1]

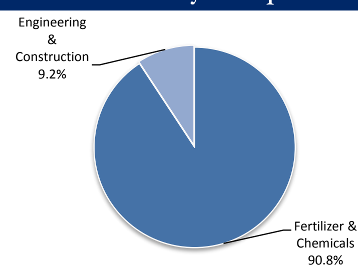
| $ Million | H1 2014 | H1 2013* | % Δ | 2013* |
|---|---|---|---|---|
| **Revenue** | **2,320.3** | **2,252.7** | ***3.0%*** | **4,460.7** |
| **EBITDA** | **412.5** | **330.9** | ***24.7%*** | **637.8** |
| *EBITDA Margin* | *17.8%* | *14.7%* | | *14.3%* |
| **Net Income Attributable to Shareholders** | **39.5** | **55.9** | ***-29.3%*** | **295.2** |
| *Net Income Margin* | *1.7%* | *2.5%* | | *6.6%* |
| Total Assets | 10,714.5 | | | 10,496.4 |
| Gross Interest-Bearing Debt | 5,939.1 | | | 5,890.3 |
| Cash and Cash Equivalents | 1,704.5 | | | 1,990.2 |
| Net Debt | 4,234.6 | | | 3,900.1 |

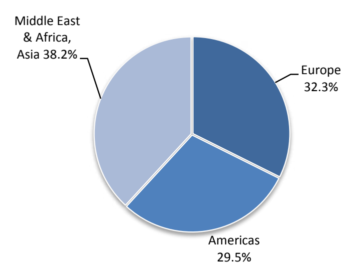
** Restated – as of 1st January 2014, BESIX and certain other joint ventures (JVs) in both the Fertilizer & Chemicals Group and Engineering & Construction Group are accounted for under the equity method (IFRS 11)*

## Revenue split H1 2014

**Revenue by Group** | **EBITDA by Group*** | **Revenue by Geography**




** EBITDA before corporate expenses*

[1] *All figures in this report are based on unaudited financials. Financials have been prepared in accordance with IFRS as adopted by the European Union*

# Fertilizer & Chemicals Group

## Business Highlights

- Total fertilizer & chemicals volume sold reached 3.7 million metric tons in the first half of 2014, a 16.9% improvement over the first half of 2013
- Total fertilizer & chemicals volume sold that was produced by OCI reached 2.5 million metric tons in the first half of 2014, a 35.0% improvement over the first half of 2013
- OCI Beaumont received all permits for its debottlenecking project during July and August 2014
- Construction at Iowa Fertilizer Company (IFCo) was almost 63% complete as at 31 July 2014
- Ground-breaking for Natgasoline LLC was achieved in March 2014 and the full permit process is ongoing

## Financial Highlights

| $ Million | H1 2014 | H1 2013* | % Δ | 2013* |
|---|---|---|---|---|
| **Revenue** | **1,298.1** | **1,307.6** | ***-0.7%*** | **2,516.0** |
| **EBITDA** | **403.5** | **308.4** | ***30.8%*** | **635.0** |
| *EBITDA Margin* | *31.1%* | *23.6%* | | *25.2%* |

** 2013 results have been restated to comply with IFRS 11*

### Revenue

The adoption of IFRS 11 has resulted in about $ 117 million lower revenue and $ 3 million lower EBITDA on a consolidated basis for the Fertilizer & Chemicals Group in 2013 (full year), compared with the figures previously reported.

The Fertilizer & Chemicals Group's revenue decreased 0.7% year-on-year to $ 1,298.1 million during the first half of 2014, as higher volumes, primarily driven by Sorfert, were offset by generally lower product prices.

Total product volume sold that was produced by OCI reached 2.5 million metric tons during the first half of 2014, and 1.1 million metric tons during the second quarter of 2014, a 35.0% and 20.4% increase respectively over the same periods last year. Third party traded volumes improved by 6.0% in the second quarter of 2014, but dropped 9.3% in the first half of 2014 compared with the same period last year. The main factors driving product volume growth were:

- Sorfert was the main driver of strong increases in urea and ammonia production, despite intermittent shutdowns in January and February caused by new export license requirements for all producers in Algeria. These issues were resolved in March and the plant has been operating at high capacity utilization rates since

April. We expect Sorfert to continuously improve utilization rates to higher levels during the remainder of the year.

- Operating rates at Egyptian Fertilizers Company (EFC) and Egypt Basic Industries Corporation (EBIC) were higher during the first half of 2014 compared to the first half of 2013, despite continued gas supply volatility in the country. However, utilization rates at both plants dropped during the second quarter compared with the first quarter of 2014 as a result of continued gas shortages due to higher demand during the summer months. During the second quarter of 2014, EFC's utilization rate was 47.7% and EBIC's utilization rate 40.6%, compared with 40.5% and 32.6% respectively during the second quarter of 2013.
- In the first half of 2014, calcium ammonium nitrate (CAN) and urea ammonium nitrate (UAN) volumes at OCI Nitrogen were up about 2%, and could have been higher if there had not been a scheduled maintenance and an earlier start of the fertilizer season during 2014 compared with 2013.
- OCI Beaumont had an excellent second quarter operationally with methanol and ammonia production lines running at capacity utilization rates of 98% and 112%, respectively. Volumes at OCI Beaumont were affected by unplanned downtime during the first quarter of 2014, but ammonia sales volumes at OCI Beaumont improved in the first half of 2014 compared with the same period last year.

## EBITDA

The Fertilizer & Chemicals Group's EBITDA improved 30.8% from $ 308.4 million in the first half of 2013 to $ 403.5 million in the first half of 2014. The EBITDA margin stood at 31.1% for the half year, as compared to 23.6% in the first half of 2013. Higher volumes, primarily from Sorfert, were the main driver of EBITDA growth.

The Group's second quarter EBITDA was higher than in the first quarter, despite lower result from EFC, as all other plants improved quarter on quarter. OCI Nitrogen benefited from lower spot gas prices in Europe and solid product pricing, offsetting the lower CAN and UAN volumes in the second quarter.

## Benchmark Prices*

| $ / Metric Ton | | Q2 2014 | Q1 2014 | % Δ | Q2 2013 | % Δ | H1 2014 | H1 2013 | % Δ |
|---|---|---|---|---|---|---|---|---|---|
| **Granular Urea** | Middle East, FOB | 294 | 340 | -14% | 354 | -17% | 321 | 380 | -16% |
| **Granular Urea** | Egypt, FOB | 360 | 414 | -13% | 380 | -5% | 387 | 424 | -9% |
| **Ammonia** | Arab Gulf, FOB | 467 | 452 | 3% | 537 | -13% | 457 | 564 | -19% |
| **Ammonia** | Yuzhnyy, FOB | 489 | 439 | 11% | 501 | -2% | 464 | 530 | -13% |
| **CAN** | Germany, CIF | 349 | 346 | 1% | 331 | 6% | 348 | 343 | 1% |
| **UAN** | France, FOT | 267 | 295 | -9% | 303 | -12% | 281 | 314 | -11% |
| **Melamine** | Europe ICIS | 1,817 | 1,841 | -1% | 1,888 | -4% | 1,829 | 1,905 | -4% |
| **Methanol** | US Gulf, FOB | 560 | 627 | -11% | 492 | 14% | 595 | 509 | 17% |

** Note that AS benchmark prices have not been provided, as the product is traded volume only*

## Product Volumes ('000 metric tons)

| Product – Sales Volumes | Q2 2014 | Q2 2013 | % Δ | Q1 2014 | Q1 2013 | % Δ | H1 2014 | H1 2013 | % Δ |
|---|---|---|---|---|---|---|---|---|---|
| **Granular Urea** | | | | | | | | | |
| *OCI Product Sold* | *315.7* | *116.1* | *171.8%* | *429.7* | *158.5* | *171.1%* | *745.4* | *274.7* | *171.4%* |
| *Third Party Traded* | *0.9* | *36.7* | *-97.6%* | *25.6* | *343.6* | *-92.6%* | *26.5* | *380.3* | *-93.0%* |
| **Total Granular Urea** | **316.6** | **152.8** | *107.1%* | **455.3** | **502.1** | *-9.3%* | **771.9** | **655.0** | *17.9%* |
| **Ammonia** | | | | | | | | | |
| *OCI Product Sold* | *360.1* | *254.5* | *41.5%* | *313.0* | *208.6* | *50.1%* | *673.1* | *463.1* | *45.4%* |
| *Third Party Traded* | *135.4* | *40.6* | *233.5%* | *112.0* | *28.0* | *300.1%* | *247.4* | *68.6* | *260.7%* |
| **Total Ammonia** | **495.5** | **295.1** | *67.9%* | **425.0** | **236.6** | *79.7%* | **920.6** | **531.7** | *73.1%* |
| **Calcium Ammonium Nitrate (CAN)** | | | | | | | | | |
| *OCI Product Sold* | *177.3* | *274.0* | *-35.3%* | *383.0* | *268.0* | *42.9%* | *560.3* | *542.0* | *3.4%* |
| **Total CAN** | **177.3** | **274.0** | *-35.3%* | **383.0** | **268.0** | *42.9%* | **560.3** | **542.0** | *3.4%* |
| **Urea Ammonium Nitrate (UAN)** | | | | | | | | | |
| *OCI Product Sold* | *50.3* | *72.0* | *-30.1%* | *104.9* | *90.1* | *16.4%* | *155.2* | *162.1* | *-4.3%* |
| *Third Party Traded* | *7.3* | *55.9* | *-86.9%* | *36.3* | *13.0* | *179.1%* | *43.6* | *68.9* | *-36.7%* |
| **Total UAN** | **57.6** | **127.9** | *-54.9%* | **141.2** | **103.1** | *36.9%* | **198.8** | **231.0** | *-13.9%* |
| **Ammonium Sulphate (AS)** | | | | | | | | | |
| *Third Party Traded* | *381.2* | *362.0* | *5.3%* | *475.4* | *414.5* | *14.7%* | *856.6* | *776.5* | *10.3%* |
| **Total (AS)** | **381.2** | **362.0** | *5.3%* | **475.4** | **414.5** | *14.7%* | **856.6** | **776.5** | *10.3%* |
| **Total Fertilizers** | | | | | | | | | |
| *Total OCI Product Sold* | *903.4* | *716.6* | *26.1%* | *1,230.6* | *725.2* | *69.7%* | *2,134.0* | *1,441.9* | *48.0%* |
| *Total Third Party Traded* | *524.8* | *495.2* | *6.0%* | *649.3* | *799.1* | *-18.7%* | *1,174.1* | *1,294.3* | *-9.3%* |
| **Total Fertilizers** | **1,428.2** | **1,211.8** | *17.9%* | **1,879.9** | **1,524.3** | *23.3%* | **3,308.1** | **2,736.2** | *20.9%* |
| **Industrial Chemicals** | | | | | | | | | |
| **Melamine** | **43.6** | **35.0** | *24.7%* | **41.8** | **38.7** | *8.2%* | **85.5** | **73.7** | *16.0%* |
| **Methanol** | **161.6** | **169.4** | *-4.6%* | **141.4** | **182.9** | *-22.7%* | **303.0** | **352.3** | *-14.0%* |
| **Total Industrial Chemicals** | **205.2** | **204.4** | *0.4%* | **183.2** | **221.6** | *-17.3%* | **388.5** | **426.0** | *-8.8%* |
| **Total** | | | | | | | | | |
| *Total OCI Product Sold* | *1,108.6* | *921.0* | *20.4%* | *1,413.9* | *946.8* | *49.3%* | *2,522.5* | *1,867.9* | *35.0%* |
| *Total Third Party Traded* | *524.8* | *495.2* | *6.0%* | *649.3* | *799.1* | *-18.7%* | *1,174.1* | *1,294.3* | *-9.3%* |
| **Total Product Volumes** | **1,633.4** | **1,416.2** | *15.3%* | **2,063.2** | **1,745.9** | *18.2%* | **3,696.6** | **3,162.1** | *16.9%* |

## Update on Growth Initiatives

The Fertilizer & Chemicals Group currently has three major expansions underway and is on track to increase sellable capacity by another 4.4 million tons between now and the end of 2016 to reach nearly 12 million tons per annum.

### *Iowa Fertilizer Company*

Iowa Fertilizer Company, our greenfield nitrogen fertilizer 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 at IFCo was almost 63% complete as at 31 July 2014, on track to start production in the fourth quarter of 2015.

### *OCI Beaumont Debottlenecking*

OCI Beaumont is currently undertaking a debottlenecking project that is expected to increase the facility's annual methanol production capacity by 25% to approximately 912,500 metric tons and annual ammonia production capacity by 15% to approximately 305,000 metric tons. The Texas Commission for Environmental Quality (TCEQ) permit was received on 22 July 2014 and the EPA permit on 1 August 2014, constituting important milestones in the overall progress of the project. The project is expected to be completed during the fourth quarter of 2014. It is expected that the methanol and ammonia production lines will be shut down during the fourth quarter for approximately 48 days and 28 days, respectively, to complete the plant upgrade and turnaround.

As of 30 June 2014, the project had incurred approximately $106 million in expenditures. Current estimate of the cash cost to complete the debottlenecking project and the concurrent plant turnaround has increased by $50 to $60 million, to a total of $220 million to $230 million. The increase in cost is due to additional piping and structural steel quantities needed to complete the project, as well as an increase in labor and crane costs. In addition, management has decided to increase the scope of the turnaround project and replace additional refractories during the upcoming downtime.

### *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. OCI NV signed Basic Engineering and License agreements with Air Liquide in February 2014 and an Engineering and Procurement contract with Air Liquide in March 2014. On 20 March 2014, OCI N.V. held a ground-breaking ceremony to mark the start of site preparation works and has since then signed an agreement with Air Liquide for the supply of 2,400 metric tons of oxygen per day in addition to the supply of other industrial gases. The plant is expected to have a production capacity of up to approximately 1.75 million metric tons per annum, and is scheduled to commission in late 2016.

# Engineering & Construction Group

## Business Highlights

- New awards totalled $ 1.8 billion during the second quarter of 2014
- New awards included about $ 950 million related to Natgasoline and Iowa Fertilizer Company in the second quarter of 2014
- Consolidated backlog stood at $ 5.0 billion as at 30 June 2014, a 28% increase compared with the backlog of $ 3.9 billion as at 31 March 2014
- New awards in Saudi Arabia amounted to about $ 460 million during the second quarter of 2014
- Infrastructure and industrial work constitute 89% of the backlog as at 30 June 2014

## Financial highlights

| $ Million | H1 2014 | H1 2013* | % Δ | 2013* |
|---|---|---|---|---|
| **Revenue** | 1,022.2 | 945.1 | 8.2% | 1,976.5 |
| **EBITDA** | 41.1 | 46.7 | -12.0% | 28.0 |
| EBITDA margin | 4.0% | 4.9% | | 1.4% |

** The 2013 results have been restated and now equity account for BESIX and certain other construction JVs rather than proportionate consolidation (IFRS 11)*

### Revenue

From the 1st of January 2014 onwards, OCI has started recognizing BESIX and certain other construction JVs according to the equity method rather than proportional consolidation, in compliance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU). The adoption of IFRS 11 has resulted in about $ 1,522 million lower revenue and $ 102 million lower EBITDA on a consolidated basis for the Engineering & Construction Group in 2013 (full year), compared with the figures previously reported under proportionate consolidation. The consolidated backlog figures now also exclude joint ventures that are accounted for under the equity method and the 2013 backlog number has been restated.

On a comparable basis, the Engineering & Construction Group's first half revenue grew 8.2% year-on-year to $ 1,022.2 million, as revenue in Egypt recovered, in addition to a pick-up in revenue in the United States and Saudi Arabia.

### EBITDA

The Engineering & Construction Group's EBITDA margin stood at 4.0% for the first half of 2014, versus 4.9% in the same period last year, but represents a strong increase compared to the 1.4% achieved during the full year 2013.

EBITDA margins in the first half of this year reflect the impact of closure of some older projects with low profitability and cancellation of some projects in Afghanistan where the US government has contracted its activities.

### Backlog and New Awards

Consolidated backlog stood at $ 5.0 billion as at 30 June 2014, up 28% from the $ 3.9 billion at 31 March 2013. New awards totalled $ 1.8 billion million during the second quarter, compared with $ 504 million during the first quarter of 2014 and $1.4 billion during calendar year 2013.

We made significant progress in particular in Saudi Arabia with the addition of about $ 460 million and Egypt, with the addition of about $ 90 million to the backlog and a strong pipeline of potential new awards. These two countries represent 22.6% and 25.0% of consolidated backlog respectively.

In the US, the Group added Natgasoline and additional work for IFCo to the backlog for a total amount in the region of $ 950 million.

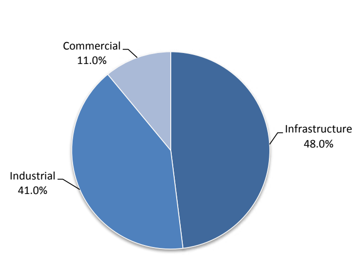
Had we continued to consolidate BESIX and certain other construction JV's proportionately, backlog would have stood at US$ 7.4 billion as of 30 June 2014 (compared to US$ 5.9 billion as of 31 March 2014) and new awards US$ 2.5 billion during the second quarter ($ 1.0 billion during the first quarter of 2014).

### Consolidated Backlog and New Awards

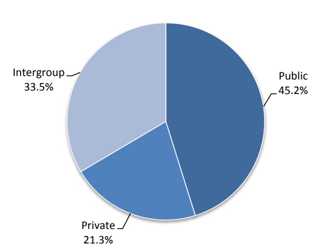
| $ Million | Q2 2014 | Q1 2014 | % Δ | Q2 2013 | % Δ | H1 2014 | H1 2013 | % Δ |
|---|---|---|---|---|---|---|---|---|
| Backlog | 4,994.2 | 3,896.0 | 28.2% | 4,223.7 | 18.2% | 4,994.2 | 4,223.7 | 18.2% |
| New awards | 1,795.7 | 503.9 | 256.3% | 309.3 | 480.6% | 2,299.6 | 523.2 | 339.6% |

### Consolidated Backlog as at 30 June 2014

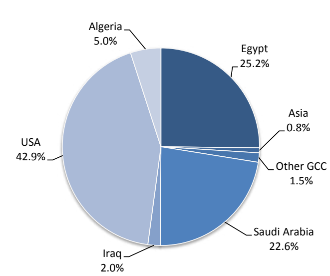
**Backlog By Sector**




**Backlog By Client**




**Backlog By Geography**



# Consolidated Financial Overview

## Income Statement

### Revenue

OCI N.V.'s first half 2014 revenue from continuing operations reached $ 2,320.3 million, a 3.0% increase over the same period last year, driven by a decrease of 0.7% in Fertilizer & Chemicals Group revenue and an increase of 8.2% in Engineering & Construction Group revenue.

### EBITDA

EBITDA reached $ 412.5 million in the first half of 2014, a 24.7% increase from the $ 330.9 million in the first half of 2013. The EBITDA margin stood at 17.8% in the first half of 2014, up from 14.7% in the first half of 2013.

The gain on the sale of Gavilon represents the partial release of the escrow account that was withheld last year to cover indemnities in the contract. We did not record this amount as a receivable in our 2013 financials, as the realization was not certain at the time.

| $ Million | H1 2014 | H1 2013* | One-off item in P&L |
|---|---|---|---|
| **Operating profit as reported** | **244.5** | **123.5** | |
| Depreciation, amortization and impairments | 179.8 | 127.4 | |
| Transaction cost | 0.0 | 80.0 | Transaction cost |
| Change in fair value of natural gas hedge | -6.5 | 0.0 | Other expenses |
| Gain on sale of Gavilon | -5.3 | 0.0 | Other income |
| **EBITDA** | **412.5** | **330.9** | |
| Prepayment of long-term contract | 0.0 | 15.6 | Selling, general and administrative expenses |
| **EBITDA excluding one-off items** | **412.5** | **346.5** | |

The Fertilizer & Chemicals Group contributed $ 403.5 million and the Engineering & Construction Group $ 41.1 million to EBITDA during the first half of 2014, compared with $ 308.4 million and $ 46.7 million during the same period last year respectively. Corporate Costs amounted to $ 32.1 million in the first half of 2014 and $ 23.9 million in the same period last year.

### Selling, General and Administrative (SG&A) expenses

SG&A expenses as a percentage of revenue were 7.8% in the first half of 2014, at a similar level as in the same period in 2013 (8.0%), and amounted to $ 179.9 million.

## Net Financing Expenses

Net interest expenses amounted to $ 171.8 million in the first half of 2014, a 14.8% increase as compared to the same period last year, primarily due to an increase of net financing costs for Sorfert and higher borrowing costs at the corporate level. During the first half of 2013, interest expense at Sorfert was capitalized rather than expensed.

The net foreign exchange gain amounted to $ 26.7 million in the first half of 2014 compared to $ 127.8 million in the first half of 2013. Net interest includes a net non-cash interest charge of $ 14.7 million ($ 33.4 million interest and a foreign exchange gain of $ 18.7 million) on the tax dispute liability in Egypt.

## Income from Associates

Income from associates amounted to $ 16.7 million in the first half of 2014, compared with $ 27.8 million in the first half of 2013. BESIX contributed $ 10.8 million to income from associates in the first half of 2014 ($ 21.1 million).

## Net Income Attributable to Shareholders

Income tax expense on profit from operations in the first half of 2014 was $ 29.6 million (effective tax rate 25.7%).

Net income for the first half of 2014 stood at $ 39.5 million as compared to $ 55.9 million during the same period last year. Total one-off items had a negative impact of $ 9.4 million at the net income level in the first half of 2014 compared with $ 20.0 million in the first half of 2013. Net income excluding one-off items stood at $ 48.9 million compared to $ 75.9 million in 2013.

Sorfert contributed positively to net income during the first half of the 2014, but not yet at its expected full potential. Net income decreased despite the 25% increase in EBITDA, as Sorfert's growing contribution could not yet offset lower results from EFC, investment income (BESIX) and foreign exchange.

| $ Million | H1 2014 | H1 2013 | One-off item in P&L |
|---|---|---|---|
| **Reported net income** | **39.5** | **55.9** | |
| Add: Interest on tax settlement (non-cash) | 33.4 | 30.1 | Finance expenses |
| Less: Forex gain on tax settlement | -18.7 | -94.4 | Finance income |
| Add: Net transaction cost | 0.0 | 45.1 | Transaction cost |
| Add: Minority interest in OCI SAE | 0.0 | 23.6 | Income tax |
| Less: Gain on sale of Gavilon | -5.3 | 0.0 | Other income |
| Add: Prepayment of long-term contract | 0.0 | 15.6 | Selling, general and administrative expenses |
| **Net income excluding non-recurring items** | **48.9** | **75.9** | |

** Restated – as of 1st January 2014, BESIX and certain other JV's are accounted for under the equity method (IFRS 11)*

## Gross and Net Debt

OCI N.V. had total gross debt outstanding of $ 5,939 million as at 30 June 2014, a small (0.8%) increase over 31 December 2013. 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.

**OCI N.V. Consolidated Debt Breakdown as at 30 June 2014**

| $ Million | Description | Companies | Gross Debt | Cash | Net debt |
|---|---|---|---|---|---|
| **Joint Venture Debt** | • Debt at entities where OCI's stake is less than 100%<br>• Debt is non-recourse to OCI N.V., although consolidated on the group's balance sheet | • Sorfert<br>• EBIC<br>• OCI Beaumont<br>• Construction JVs | 2,359 | 282 | 2,077 |
| **Operating Company Debt** | • 100% owned operating companies' debt is organized against operating company cash flow and is non-recourse to Holding Company level<br>• Corporate support is available from OCI N.V. | • OCI Nitrogen<br>• EFC<br>• Orascom Construction<br>• Other Construction | 1,775 | 457 | 1,318 |
| **Project Finance Debt** | • Project finance debt which can remain with companies after completion of construction<br>• All project finance debt is ring-fenced and non-recourse to OCI N.V.<br>• Debt is raised through banks or capital markets<br>• Long tenures financed by operating cash flow | • IFCo | 1,170 | 831 | 339 |
| **Holding Company Debt** | • Full responsibility of OCI N.V.<br>• Supported by investment asset values and dividends received from subsidiaries | • OCI N.V.<br>• OCI S.A.E | 635 | 134 | 501 |
| **Total Debt** | | | **5,939.1** | **1,704.5** | **4,234.6** |

OCI N.V.'s net debt position of $ 4,234.6 million as at 30 June 2014 is an 8.6% increase over 31 December 2013, mainly due to capital expenditure for IFCo.

| $ Million | 30 June 14 | 31 December 13* |
|---|---|---|
| Long-term interest-bearing debt | 4,824.0 | 4,462.4 |
| Short-term interest-bearing debt | 1,115.1 | 1,427.9 |
| **Gross interest-bearing debt** | **5,939.1** | **5,890.3** |
| Cash & cash equivalents | 1,704.5 | 1,990.2 |
| **Net debt** | **4,234.6** | **3,900.1** |

** Restated – as of 1st January 2014, BESIX and certain other JV's are accounted for under the equity method (IFRS 11)*

# Outlook

### Fertilizer & Chemicals Group

Sorfert is currently running well and expected to run at significantly higher utilization rates in the second half of the year compared with the first half.

Gas supply volatility remains a key issue. During July and August, the Egyptian government gave priority for gas to the power generation industry to avoid power blackouts. As a result, along with all other gas-intensive industries across Egypt, EFC and EBIC received no gas for the majority of July. EFC's line 2 restarted on 23 July, but August utilization rates have been low. We expect to recoup some lost time during September, but third quarter utilization rates are expected to be lower than in the second quarter. With likely less demand from the power sector during the autumn we expect improvement in utilization rates during the fourth quarter.

### Engineering & Construction Group

The Engineering & Construction Group's EBITDA margins improved in the first half of 2014 compared with the second half of 2013. Once some older projects with low profitability are closing during the second half of this year, we expect margins to start improving later this year and next year when new projects with higher margins come fully onstream. The amount of new contact awards has accelerated since the end of last year. The Group secured $ 2.3 billion of new awards in its core construction markets in the Middle East & North Africa (MENA) region and the United States during the first half and is pursuing a full pipeline of potential new contracts. In particular our business in Saudi Arabia is making excellent progress and now accounts for 23% of consolidated backlog at good margins.

### Capital Expenditure

OCI N.V.'s expansions and greenfield projects currently include Iowa Fertilizer Company, 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.

During the first half of 2014, capital expenditure amounted to $ 534.7 million. We expect $ 1.1 – 1.2 billion capital expenditure for the full year, an increase from the previous guidance of $ 1.0 – 1.1 billion due to higher costs for the debottlenecking at OCI Beaumont.

# Recent Events

### $ 550 million Revolving Credit Facility

On 30 July 2014, OCI signed a $ 550 million Revolving Credit Facility with a maturity of 36 months from signing. The loan is earmarked towards general corporate purposes including retirement of some debt with short-term maturities and partial financing of capital expenditure for Natgasoline LLC.

### Sidra Medical Centre Project in Qatar - Notice of Termination

In July 2014, a consortium consisting of Obrascón Huarte Lain (OHL) and OCI N.V. subsidiary Contrack received a Notice of Termination from the Qatar Foundation for Education, Science & Community Development for the contract for the design and build of Sidra Medical and Research Centre in Doha, Qatar. The contract was awarded to the JV between OHL (55%) and Contrack (45%) in February 2008, for a total budget of approximately $ 2.4 billion. The project is more than 95% complete and represents a negligible amount in the Engineering & Construction Group's backlog. The consortium believes that the reasons given by the client lack any legitimate grounds and has started negotiations to try to resolve the dispute. Notwithstanding, to protect its interests, the consortium intends to start arbitration to claim the effective protection of its interests. Subject to the outcome of the negotiations and arbitration process, the company will assess the impact, if any, on OCI's shareholders' equity or financial position.

### Tax Liability Dispute

Following a number of meetings with the Egyptian government, the tax dispute liability case was referred back to the independent Egyptian Tax Authority's (ETA) Appeals Committee. The Company views this as a positive development. This committee was originally reviewing OCI S.A.E.'s tax returns, but the process was terminated in 2012 by the previous administration. The Appeals Committee met on 19 August 2014, when the Company presented its case. The committee has set a next date for a hearing on 16 September 2014 for any final submissions, after which it is expected to issue a final decision.

## Auditor

The content of this semi-annual report has not been audited or reviewed by our auditor.

## Directors' Responsibility Statement

The members of the board of directors of OCI N.V. declare that, to the best of their knowledge, the semi-annual condensed consolidated financial statements included in this semi-annual report, which have been prepared in accordance with IAS 34 'Interim Financial Reporting' , give a true and fair view of OCI N.V.'s assets, liabilities, financial position and profit or loss of OCI N.V. and its consolidated group companies taken as a whole and the half-year press release included to this semi-annual report gives a fair review of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Market Supervision Act.

Further details on the results can be found in the H1 2014 results investor presentation and H1 2014 financial statements, both at our corporate website: www.ocinv.nl

## OCI N.V. Investor Calendar

| | |
|---|---|
| Q3 2014 Trading Update | 14 November 2014 |

## Investor and Analyst Conference Call

Today, at 10:00 CET, OCI N.V. will host a conference call for investors and analysts. Details on how to access these calls can be found on the OCI N.V. website.

# Glossary

**EBIT:** Earnings before Interest and Tax is operating income before one-offs.

**EBITDA:** Earnings before Interest, Tax, Depreciation and Amortization before relevant one-off results included in Operating Income as defined by IFRS.

**EBITDA excluding one-off items:** EBITDA as defined above before all one-off items.

**EBITDA margin:** EBITDA as percentage of revenue.

**One-off items:** special charges and benefits, results on acquisitions and divestments, impairment charges, and charges related to major legal, anti-trust, and environmental cases.

**Operating income**: defined in accordance with IFRS and includes the relevant one-off results.

**Net debt:** long-term borrowings plus short-term borrowings less cash and cash equivalents.

**Net income:** net income attributable to shareholders.

**Net income margin:** net income attributable to shareholders as a percentage of revenue.

# H1 2014 Results Report

**About OCI N.V.:**

OCI N.V. is a global producer of natural gas-based fertilizers & industrial chemicals and an 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. 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, North Africa and Central Asia for public and private clients. It ranks among the world's top global contractors. OCI N.V. employs approximately 55,000 people in 35 countries and is listed on Euronext in Amsterdam.

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

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***Certain statements contained in this document constitute forward-looking statements relating to OCI N.V. (the "Company"), its business, markets and/or industry. These statements are generally identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "may," "should" and similar expressions. Forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside of the Company's control and are difficult to predict, that may cause actual results to differ materially from any future results expressed or implied from the forward-looking statements.***

***The forward-looking statements contained herein are based on the Company's current plans, estimates, assumptions and projections. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. The Company does not make any representation as to the future accuracy of the assumptions underlying any of the statements contained herein. The information contained herein is expressed as of the date hereof and may be subject to change. Neither the Company nor any of its controlling shareholders, directors or executive officers or anyone else has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this document.***

***The Company's backlog or order book is based on management's estimates of awarded, signed and ongoing contracts which have not yet completed, and serves as an indication of total size of contracts to be executed. The figure is calculated on a proportionate consolidation basis.***