



OCI

FY 2016 RESULTS REPORT

OCI N.V. Reports 2016 Adjusted EBITDA of \$ 467 Million and Net Income of \$ 168 Million

Operational Highlights:

- Own-produced volumes sold increased 26.6% in 2016 to 6.1 million metric tons
- Selling prices reached trough levels in 2016, robust price increases in the fourth quarter and into 2017
- Iowa Fertilizer Company in final stage of start-up, initial production expected imminently
- Natgasoline 78.1% complete as at end-February 2017, expect commissioning in Q4 2017
- Egypt urea utilization rate 75% during 2016 and in excess of 100% in January and February 2017

Summary of Consolidated Results for FY 2016:

- Revenue decreased 12.8% to \$ 1,907 million, mainly due to lower 2016 average selling prices
- EBITDA of \$ 622 million, adjusted EBITDA of \$ 467 million
- Net income of \$ 168 million
- Net debt stood at \$ 4.2 billion as of 31 December 2016
- All short-term debt repaid or refinanced, no debt maturing until September 2018

Statement from the Chief Executive Officer – Nassef Sawiris:

“2016 was a tough year for the nitrogen fertilizer sector as prices dropped to multi-year lows. We have however used it as an opportunity to improve production efficiencies at our plants, refocus our commercial operations and launch a \$ 100 million cost reduction plan while continuing to complete our growth projects. We also strengthened our balance sheet by repaying or refinancing all short-term debt. We have entered 2017 with renewed confidence.

In 2017, we expect a significant ramp-up in production volumes from the 6.1 million tons already realized in 2016. Our nitrogen fertilizer greenfield facility in Iowa is now in the final stage of start-up phase with the first product expected imminently. Natgasoline in the US is making good progress and we expect commissioning in the fourth quarter this year. The start-up of these two projects will increase our total annual nitrogen fertilizer and industrial chemical sellable production capacity by 50% to exceed 12.5 million tons. We are now also studying the restart of our mothballed methanol facility at BioMCN in The Netherlands, which would add another 430 ktpa of product.

Our underlying markets, both nitrogen fertilizers and methanol, have turned significantly more positive in the last few months, with robust price increases especially during the fourth quarter of 2016 and into 2017. We believe industry fundamentals are improving, with healthy demand growth coupled with limited new supply expected over the next few years to lend support to prices across our product portfolio in the foreseeable future. Supply

additions peaked in 2016, and capacity growth is expected to be below trend demand growth going forward. Moreover, we expect Chinese exports to continue to decline in 2017, as a consequence of high break-even costs for producers, increased focus to operate profitably and the Chinese government's desire to reduce air pollution.

As one of the lowest-cost producers globally with assets that are capable of superior cash conversion, we believe OCI is best-placed to benefit from improvements in underlying markets.”

Outlook

With the start-up of Iowa Fertilizer Company and Natgasoline, expected higher capacity utilization rates in Egypt and the benefit of a lower exchange rate there, OCI expects a significant step-up in operational cash flow in 2017 and again in 2018, further boosted by an improved price environment. OCI is studying the potential to restart the second methanol production line at BioMCN, which is currently mothballed. The likely capital expenditure for this will be spread over the period 2018 - 2020. Other than that, OCI has no further financing requirements for growth capex and expects capital expenditure to drop from on average in excess of \$ 1.0 billion over the past few years to a maintenance level of \$ 150 - 200 million on an annual basis. Accordingly, OCI expects a path of rapid deleveraging, towards achieving an investment grade rating by 2018.

Consolidated Financial Results at a Glance

Financial Highlights

| \$ million unless otherwise stated | 2016 | 2015¹⁾ | % Δ |
|--|----------------|--------------------------|----------------|
| Revenue | 1,906.5 | 2,186.1 | <i>(12.8%)</i> |
| EBITDA | 621.7 | 666.8 | <i>(6.8%)</i> |
| Adjusted EBITDA²⁾ | 466.5 | 736.2 | <i>(36.6%)</i> |
| <i>Adjusted EBITDA margin</i> | <i>24.5%</i> | <i>33.7%</i> | |
| Operating profit / (loss) – reported | 304.5 | (57.7) | <i>NM</i> |
| Net income from continuing operations attributable to shareholders | 167.9 | (246.1) | <i>NM</i> |
| <i>Net income margin</i> | <i>8.8%</i> | <i>(11.3%)</i> | |
| Result from discontinued operations attributable to shareholders | - | 630.8 | <i>NM</i> |
| Net income after discontinued operations attributable to shareholders | 167.9 | 384.7 | <i>(56.4%)</i> |
| Earnings / (loss) per share for continuing operations (\$) | | | |
| Basic earnings per share | 0.802 | (1.177) | <i>NM</i> |
| Diluted earnings per share | 0.802 | (1.177) | <i>NM</i> |
| Total Assets | 7,260.3 | 7,764.5 | <i>(6.5%)</i> |
| Total Equity | 1,778.0 | 1,749.8 | <i>1.6%</i> |
| Gross Interest-Bearing Debt | 4,586.0 | 4,902.8 | <i>(6.5%)</i> |
| Net Debt ³⁾ | 4,249.0 | 4,349.6 | <i>(2.4%)</i> |
| Capital Expenditure | 735.9 | 1,131.4 | <i>(35.0%)</i> |
| Sales volumes ('000 metric tons) | | | |
| OCI Product Sold | 6,142.4 | 4,852.7 | <i>26.6%</i> |
| Third Party Traded | 2,027.3 | 2,067.4 | <i>(1.9%)</i> |
| Total Product Volumes | 8,169.7 | 6,920.1 | <i>18.1%</i> |

1) As a result of the demerger of the Engineering & Construction business in March 2015, only the Fertilizer & Chemicals financials are reported as continuing operations. The demerged Engineering & Construction business has been classified as Discontinued Operations

2) OCI N.V. uses a few Alternative Performance Measures ('APM') to provide a better understanding of the underlying developments of the performance of the business. The APMs are not defined in IFRS and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. A detailed reconciliation between APM and IFRS can be found in this report on pages 10 and 12

3) Excluding reserved bank balances of \$ 55.2 million as at 31 December 2016 and \$ 243.2 million as at 31 December 2015

OCI N.V. 2016 Results - Highlights

Highlights FY2016

- Total fertilizer & chemicals volumes sold increased 18.1% to 8.2 million metric tons
- Total own product volumes sold increased 26.6% to 6.1 million metric tons
- Revenue down 12.8% to \$ 1.9 billion, largely due to lower selling prices
- Lower EBITDA due to lower selling prices
- Net debt down from \$ 4.3 billion as of 31 December 2015 to \$ 4.2 billion as of 31 December 2016
- Significant progress to achieve Investment Grade rating by 2018

Financial Highlights

| \$ millions | 2016 | 2015 | % Δ |
|-------------------------------|----------------|----------------|---------|
| Revenue | 1,906.5 | 2,186.1 | (12.8%) |
| EBITDA | 621.7 | 666.8 | (6.8%) |
| Adjusted EBITDA | 466.5 | 736.2 | (36.6%) |
| <i>Adjusted EBITDA Margin</i> | <i>24.5%</i> | <i>33.7%</i> | |

Operational Performance

OCI N.V.'s 2016 revenue from continuing operations reached \$ 1,906.5 million, a 12.8% decrease from \$ 2,186.1 million in 2015, due to a decline in selling prices of most products in 2016 compared to 2015 and despite a robust increase in product volumes sold.

Total volume sold increased by 18.1% in 2016. Own produced nitrogen fertilizer and methanol volumes were significantly higher and increased by 26.6% to 6.1 million metric tons in 2016 compared to 4.9 million metric tons in 2015. Lower margin third party traded volumes decreased by 1.9% to 2.0 million metric tons in 2016 compared to 2.1 million metric tons in 2015.

All segments and products contributed to this growth. In North Africa, volumes improved significantly as a result of strong performance of the urea operations in Egypt and despite a planned shutdown at Sorfert in Algeria from the end of July to the beginning of September 2016. Egyptian Fertilizers Company's (EFC) utilization rate was c.75% in 2016 and reached more than 100% in both January and February 2017. Utilization rates at Egypt Basic Industries (EBIC), our ammonia operations in Egypt, remained low. The Egyptian government continues to use EBIC's jetty for LNG imports, thereby limiting the plant's ability to export product. Nevertheless, EBIC is expected to return to high utilization rates once construction of a dedicated jetty for import of LNG is complete in 2017.

At OCI Nitrogen, calcium ammonium nitrate (CAN) and own-produced urea ammonium nitrate (UAN) volumes improved by 3.3% and 23.0% respectively. On 30 September 2015, OCI Nitrogen was required to stop production due to a fire incident in the basement of the CAN lines. The CAN lines restarted production in February / early

March 2016, thus affecting volumes in both Q4 2015 and Q1 2016, but have been running at high utilization rates since then.

Methanol volumes improved 83.1% due to high capacity utilization at OCI Beaumont in the United States and the first-time inclusion of BioMCN in The Netherlands. OCI Beaumont achieved utilization rates of 90% and 100% in 2016 for the methanol and ammonia facilities respectively. Following a comprehensive turnaround of the BioMCN facility in June / July 2016, the facility has achieved high utilization rates, at times above design capacity.

Product Sales Volumes

| '000 metric tons | 2016 | 2015 | % Δ | Q4 2016 | Q4 2015 | % Δ |
|---|----------------|----------------|---------------|----------------|----------------|--------------|
| Own Product | | | | | | |
| Ammonia | 1,441.4 | 1,340.7 | 7.5% | 335.2 | 297.6 | 12.6% |
| Urea | 1,916.5 | 1,383.0 | 38.6% | 517.2 | 505.2 | 2.4% |
| Calcium Ammonium Nitrate (CAN) | 1,028.8 | 995.8 | 3.3% | 304.8 | 133.0 | 129.2% |
| Urea Ammonium Nitrate (UAN) | 425.8 | 346.3 | 23.0% | 76.2 | 119.9 | (36.4%) |
| Total Fertilizer | 4,812.5 | 4,065.8 | 18.4% | 1,233.4 | 1,055.7 | 16.8% |
| Methanol | 1,180.8 | 644.8 | 83.1% | 294.7 | 211.3 | 39.5% |
| Melamine | 149.1 | 142.1 | 4.9% | 44.9 | 30.7 | 46.3% |
| Total Industrial Chemicals | 1,329.9 | 786.9 | 69.0% | 339.6 | 242.0 | 40.3% |
| Total Own Product Sold | 6,142.4 | 4,852.7 | 26.6% | 1,573.0 | 1,297.7 | 21.2% |
| Traded Third Party | | | | | | |
| Ammonia | 220.5 | 280.1 | (21.3%) | 29.3 | 110.7 | (73.5%) |
| Urea | 115.3 | 65.5 | 76.0% | 74.6 | 38.0 | 96.3% |
| UAN | 78.3 | 52.3 | 49.7% | 24.9 | 16.2 | 53.7% |
| Ammonium Sulphate (AS) | 1,613.2 | 1,669.5 | (3.4%) | 483.7 | 415.8 | 16.3% |
| Total Traded Third Party Product | 2,027.3 | 2,067.4 | (1.9%) | 612.5 | 580.7 | 5.5% |
| Total Own Product and Traded Third Party | 8,169.7 | 6,920.1 | 18.1% | 2,185.5 | 1,878.4 | 16.3% |
| <i>Of which: Fertilizers</i> | <i>6,839.8</i> | <i>6,133.2</i> | <i>11.5%</i> | <i>1,845.9</i> | <i>1,636.4</i> | <i>12.8%</i> |

Adjusted EBITDA reached \$ 466.5 million in 2016, a 36.7% decrease from \$ 736.2 million in 2015, mainly due to lower selling prices and the shutdown in Algeria.

Lower selling prices were partly offset by the increase in volumes and a drop in spot natural gas feedstock prices. In the United States, Henry Hub spot gas prices declined from an average of approximately \$ 2.6 / MMBtu in 2015 to \$ 2.5 / MMBtu in 2016, approaching ten-year lows of around \$ 1.5 / MMBtu at the beginning of 2016. European TTF spot gas prices declined on average from around € 19.8 / MWh in 2015 (~\$ 6.4 / MMBtu) to € 14.0 / MWh in 2016 (~\$ 4.5 / MMBtu) and reached a record low of around € 10.6 /MWh (or c.\$ 3.5 / MMBtu) in August 2016.

Market Environment

The nitrogen fertilizer and methanol markets reached their respective cyclical troughs in 2016, with prices for all of our products apart from melamine declining for much of the year. However, prices started to recover significantly towards the end of 2016 and this trend continued into 2017.

Benchmark Prices

| | | | Q4 '16 | Q4 '15 | % Δ | Q3 '16 | % Δ | 2016 | 2015 | % Δ |
|----------------------|------------------------|------|--------|--------|-------|--------|-------|-------|-------|-------|
| Granular Urea | Egypt, FOB | \$/t | 235 | 270 | (13%) | 193 | 22% | 216 | 294 | (27%) |
| Ammonia | NW Europe, FOB | \$/t | 263 | 453 | (42%) | 285 | (8%) | 316 | 479 | (34%) |
| Ammonia | US Gulf Tampa | \$/t | 220 | 416 | (47%) | 261 | (16%) | 281 | 459 | (39%) |
| CAN | Germany, CIF | €/t | 172 | 233 | (26%) | 151 | 14% | 179 | 245 | (27%) |
| UAN | France, FOT | €/t | 149 | 181 | (18%) | 136 | 10% | 151 | 202 | (25%) |
| Melamine | Europe contract | €/t | 1,390 | 1,360 | 2% | 1390 | 0% | 1,390 | 1,350 | 3% |
| Methanol | USGC Contract, FOB | \$/t | 326 | 350 | (7%) | 267 | 22% | 272 | 402 | (32%) |
| Methanol | USGC Spot, FOB | \$/t | 306 | 263 | 16% | 222 | 38% | 222 | 324 | (31%) |
| Methanol | Rotterdam FOB Contract | €/t | 248 | 295 | (16%) | 240 | 3% | 239 | 339 | (29%) |

Urea prices have rebounded since September 2016 largely due to a sharp reduction in exports from China of 67% in the fourth quarter of 2016 compared to the same quarter in 2015. European nitrate prices also started to increase rapidly towards the end of the year, in line with urea price developments. Ammonia markets turned more bullish only at the end of 2016, supported by widespread supply shortages at key export locations in Eastern Europe, the Middle East and Trinidad, improved demand from key ammonia importers and a rebound in prices of some downstream products, including caprolactam and urea.

Methanol prices have witnessed steady increases since reaching a bottom in the first quarter of 2016, driven by healthy global demand growth coupled with a recovery in crude markets and higher Chinese coal prices, the main feedstock for domestic producers. Prices increased substantially in the fourth quarter of 2016 and first quarter of 2017, benefiting from reduced supply globally and healthy demand. Recently, various plant outages around the world and continued natural gas curtailments in Trinidad have tightened global inventories. Due to the gas curtailments in Trinidad, MHTL recently announced the permanent closure of two of its five production lines in Point Lisas. Global demand is expected to remain supported by Chinese Methanol-to-Olefins (MTO) demand. Two new Chinese MTO facilities started up in December 2016, adding more than 3 million metric tons of methanol demand, and at least one other facility is expected to commence operations in 2017. With curtailments on the rise in Trinidad and no new production capacity on the horizon following the start of Natgasoline, the market is expected to continue to experience tightness in supply.

Balance Sheet - Significant Progress to Achieve Investment Grade Rating by 2018

During the year, OCI announced the aim to achieve an investment grade rating by 2018. Significant progress towards this goal was achieved by refinancing or repaying all short-term maturities and monetizing shareholder's loans to Natgasoline. Total borrowings of approximately \$ 1.7 billion were repaid during 2016 and as a result, OCI does not have any significant debt maturing until September 2018, whereas all required funding for expansion projects is provided for. Significant actions during 2016 include:

- In August 2016, OCI received the final payments of outstanding shareholder loans to Natgasoline, to a total amount of \$ 511.0 million, following the acquisition of 50% of Natgasoline by Consolidated Energy AG in May 2016. In April 2016, Natgasoline successfully issued a fully underwritten \$ 250 million bond, used to partly redeem the shareholder loan from OCI N.V. to Natgasoline, and in August 2016, Natgasoline obtained external financing to repay the remaining balance of the shareholder loans.
- In August 2016, OCI's subsidiary OCI Nitrogen in The Netherlands successfully concluded the refinancing and upsizing of its outstanding debt of \$ 315.5 million (€ 300.0 million) with \$ 578.4 million (€ 550 million) of term loans and revolving credit facilities.
- In May and August 2016, the Company repaid \$ 398.2 million bridge loans outstanding.
- In November 2016, OCI refinanced and upsized an existing \$ 550 million Revolving Credit Facility with a \$ 660 million Term Loan and Revolving Credit Facility maturing July 2020.
- In November 2016, OCI Beaumont reduced third party debt by \$ 200 million through an intercompany loan from OCI N.V. and reset its covenants.
- In November 2016, Iowa Fertilizer Company successfully completed a consent solicitation and exchange offer for 2019 term Bonds with new bonds maturing in 2026 and 2027, ensuring that principal maturities in December 2016 and 2017 were moved forward to match production plans and cash flows following the start-up of the plant.

As of 31 December 2016, net debt stood at just over \$ 4.2 billion, down by around \$ 100 million compared to 31 December 2015. Net debt declined at the holding company level and at most operating companies except OCI Nitrogen (due to upsizing of debt facilities in August 2016) and Sorfert. Net debt at Sorfert increased as it paid out \$ 195 million in dividends to its two shareholders in September 2016 (\$ 125 million to Sonatrach and \$ 70 million to OCI). Devaluation of the Egyptian Pound resulted in lower net debt in US Dollar terms at EFC. As of 31 December 2016, debt denominated in Egyptian Pounds amounted to EGP 1.015 billion (\$ 56.7 million).

Cost Savings Programme

OCI completed a group-wide cost savings programme in the third quarter of 2016 that identified \$ 100 million of cost savings. \$ 65 million of the identified cash savings will be fully reflected on a run-rate basis in the 2017 results. A further \$ 35 million of identified run-rate cash savings are on track to be implemented by mid-2018. The programme focused on optimizing operational costs, including logistics, plant efficiencies, procurement, IT, general SG&A, and utilities management.

Update on Expansion Projects

Iowa Fertilizer Company reached a major milestone over the New Year, when process natural gas was introduced to the ammonia plant. The plant is in the commissioning and final start-up phase, and ramp-up of production to full utilization is expected over the coming weeks.

Natgasoline continued to make good progress during 2016 and was 78.1% complete as at the end of February 2017. The methanol facility in Beaumont, Texas, is expected to start commissioning in the fourth quarter of 2017.

Once complete, OCI's methanol production portfolio, comprising BioMCN, OCI Beaumont, and Natgasoline, is expected to be one of the world's largest merchant methanol producers with total methanol and bio-methanol capacity of more than 3.1 million metric tons per year (2.2 mtpa with 50% pro rata ownership of Natgasoline).

OCI is studying the potential to restart the second methanol production line at BioMCN, which is currently mothballed. BioMCN is one of Europe's largest methanol producers and owns two methanol plants, of which one is operational (production capacity of 440 ktpa) and one mothballed (430 ktpa). The plant site is located at the Chemical Park Delfzijl, The Netherlands, is connected to the national natural gas grid and has easy logistical access to major European end markets via road, rail, barge and sea freight.

Proposal to Acquire All Publicly Held Common Units of OCI Partners

On 6 December 2016, OCI N.V. announced it submitted a proposal to the board of directors of OCI Partners LP to acquire all publicly held common units of OCI Partners (NYSE: OCIP) in exchange for OCI N.V. shares. OCI currently owns 79.88% of issued and outstanding common units of OCI Partners. The proposed transaction is subject to approval of a definitive agreement by the board of directors of OCI N.V., the board of directors of the general partner of OCI Partners and a conflicts committee established by the OCIP Board, and would be subject to customary closing conditions.

Financial Overview

Income Statement

Revenue

OCI N.V.'s 2016 revenue from continuing operations reached \$ 1,906.5 million, a 12.8% decrease from \$ 2,186.1 million in 2015, mainly the result of a decline in average selling prices of most products.

EBITDA

EBITDA reached \$ 621.7 million in 2016, a 6.8% decrease compared to \$ 666.8 million in 2015. Adjusted EBITDA reached \$ 466.5 million in 2016, a 36.7% decrease compared to \$ 736.2 million in 2015.

One-off items

One-off items in 2016 are mainly related to the termination of the combination agreement, the agreement with Consolidated Energy Ltd (CEL) for an investment in a 50% stake in Natgasoline in participation with OCI and the development projects in the United States.

One-off items impact on EBITDA

| \$ million | 2016 | 2015 | One-off item in P&L |
|---|----------------|---------------|--------------------------|
| Operating profit as reported | 304.5 | (57.7) | |
| <i>Depreciation and amortization</i> | 317.2 | 301.6 | |
| <i>Impairment of goodwill</i> | - | 422.9 | |
| EBITDA | 621.7 | 666.8 | |
| <u>Adjustments for:</u> | | | |
| <i>Termination fee</i> | (150.0) | - | <i>Other income</i> |
| <i>Transaction costs</i> | 24.8 | 16.4 | <i>Other expenses</i> |
| <i>Result on sale of 50% and deconsolidation of Natgasoline</i> | (107.9) | - | <i>Other income</i> |
| <i>Expenses related to expansion projects</i> | 75.2 | 62.1 | <i>SG&A expenses</i> |
| <i>Egypt idled expenses</i> | - | 27.4 | <i>Various</i> |
| <i>Gain on sale of Gavilon</i> | (2.8) | (10.1) | <i>Other income</i> |
| <i>Release of provisions</i> | - | (46.3) | <i>Other income</i> |
| <i>Loss on natural gas price derivative</i> | 2.5 | 6.7 | <i>Other expenses</i> |
| <i>Other adjustments</i> | 3.0 | 13.2 | <i>Various</i> |
| Total adjustment at EBITDA level | (155.2) | 69.4 | |
| Adjusted EBITDA | 466.5 | 736.2 | |

The most important one-off items at EBITDA level are:

- In May 2016, OCI received a termination fee of \$ 150.0 million as a result of the termination of the combination agreement as originally announced in August 2015.
- Transaction costs of \$ 24.8 million include legal, accounting and advisory fees.
- In May 2016, 50% of the shares held in Natgasoline, which was formerly controlled 100% by OCI, were sold to CEL. Subsequently, the interest in Natgasoline was deconsolidated resulting in a transaction gain of \$ 107.9 million.
- Expenses related to the expansion projects in the United States amounted to \$ 75.2 million in 2016.

Other P&L items

Selling, General and Administrative expenses (SG&A) expenses decreased to \$ 224.1 million in 2016 (11.8% of revenue) from \$ 270.3 million in 2015 (12.4% of revenue). SG&A expenses include costs incurred by the expansion projects and other one-off costs. Excluding one-off costs, SG&A as a percentage of revenue decreased from 8.9% in 2015 to 7.8% in 2016.

Depreciation and amortization expenses are a significant component of the cost of operations. Depreciation and amortization expenses stood at \$ 317.2 million, at the same level as in 2015.

Net finance costs amounted to \$ 80.3 million in 2016 compared to \$ 146.0 million in 2015, the drop largely explained by higher net foreign exchange gains (\$ 136.2 million in 2016 versus \$ 22.1 million in 2015). The increase in fx gains is due to weakening of particularly the Euro and the Egyptian Pound against the US Dollar.

Net interest expense, excluding foreign exchange gains or losses, amounted to \$ 220.5 million in 2016 compared to \$ 168.1 million in 2015. The increase was due to higher net interest at OCI Beaumont, fees for refinancing, as well as a higher net debt level in the first half of 2016 compared to the same period in 2015.

Income tax expense amounted to \$ 48.7 million in 2016 compared to a positive of \$ 93.7 million in 2015. In 2015, the tax charge was positive, mainly due to a release of \$ 138.2 million of (deferred) tax liabilities for EBIC. The deferred tax was released following a court verdict reinstating EBIC's tax free status. Even though the verdict was appealed by The General Authority for Investment in Egypt, management believes that it's more likely that the appeal verdict will be in OCI's favour.

Net income attributable to shareholders and earnings per share (EPS)

Net income from continuing operations (after non-controlling interest) was \$ 167.9 million in 2016, compared to a loss of \$ 246.1 million in 2015. Total one-off items had a positive impact of \$ 145.8 million on net income in 2016. Adjusted net income excluding one-off items decreased from \$ 179.6 million in 2015 to \$ 22.1 million in 2016.

One-off items impact on net income from continued operations attributable to shareholders

| \$ million | 2016 | 2015 | One-off item in P&L |
|---|----------------|----------------|---|
| Reported net income from continued operations attributable to shareholders | 167.9 | (246.1) | |
| <u>Adjustments for:</u> | | | |
| <i>One-off items in EBITDA</i> | <i>(155.2)</i> | <i>69.4</i> | |
| <i>Goodwill impairment</i> | <i>-</i> | <i>422.9</i> | <i>Other expenses</i> |
| <i>Forex gain on intercompany loans</i> | <i>(48.7)</i> | <i>(8.2)</i> | <i>Finance income</i> |
| <i>EBIC tax release</i> | <i>-</i> | <i>(82.9)</i> | <i>Income tax (adjusted for minorities)</i> |
| <i>Egypt idled expenses, net</i> | <i>11.3</i> | <i>24.5</i> | <i>Net profit after tax</i> |
| <i>Tax one-off items</i> | <i>43.5</i> | <i>-</i> | <i>Income tax</i> |
| <i>Other</i> | <i>3.3</i> | <i>-</i> | |
| Total one-off items | (145.8) | 425.7 | |
| Adjusted net income | 22.1 | 179.6 | |

Following the demerger of the Engineering & Construction business, all demerged entities have been treated as discontinued operations. In 2015, net profit from discontinued operations amounted to \$ 630.8 million.

Basic and diluted EPS for continuing operations stood at \$ 0.802 per share compared to a loss of \$ 1.177 per share during 2015.

Balance Sheet and Cash Flow

Gross and net debt

Total gross debt outstanding was down 6.5% from \$ 4,902.8 million as at 31 December 2015 to \$ 4,586.0 million as at 31 December 2016, whereas short term debt decreased from \$ 1,566.1 million as at 31 December 2015 to \$ 263.8 million as at 31 December 2016.

Net Debt Breakdown

| \$ millions | 31-Dec-16 | 31-Dec-15 |
|---|----------------|----------------|
| Long-term interest-bearing debt | 4,322.2 | 3,336.7 |
| Short-term interest-bearing debt | 263.8 | 1,566.1 |
| Gross interest-bearing debt | 4,586.0 | 4,902.8 |
| Cash and cash equivalents ¹⁾ | 337.0 | 553.2 |
| Net debt | 4,249.0 | 4,349.6 |

¹⁾ Excluding reserved bank balances of \$ 55.2 million as at 31 December 2016 and \$ 243.2 million as at 31 December 2015

Cash & cash equivalents decreased from \$ 553.2 million as at 31 December 2015 to \$ 337.0 million as at 31 December 2016 (excluding reserved bank balances of \$ 55.2 million as at 31 December 2016 and \$ 243.2 million as at 31 December 2015).

OCI N.V.'s net debt of \$ 4,249.0 million as at 31 December 2016 is a 2.3% decrease over \$ 4,349.6 million as at 31 December 2015. OCI N.V.'s debt profile is detailed in the table below.

Total capital expenditures decreased 35.0% from \$ 1,131.4 million in 2015 to \$ 735.9 million in 2016, principally used for the construction of IFCo and Natgasoline (until deconsolidation).

Consolidated Debt Breakdown as at 31 December 2016

| \$ million | Description | Companies | Gross Debt | Cash ¹⁾ | Net debt ¹⁾ |
|------------------------------------|--|---|----------------|--------------------|------------------------|
| Majority Owned Subsidiaries | <ul style="list-style-type: none"> Debt at entities where OCI's stake is less than 100% Debt is non-recourse to OCI N.V., although fully consolidated on the group's balance sheet | <ul style="list-style-type: none"> Sorfert EBIC OCI Beaumont | 1,095.1 | 116.8 | 978.3 |
| Fully Owned Subsidiaries | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> OCI Nitrogen EFC OFT | 981.5 | 106.1 | 875.4 |
| Project Finance Debt | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> IFCo | 1,180.9 | 3.8 | 1,177.1 |
| Holding Company Debt | <ul style="list-style-type: none"> Full responsibility of OCI N.V. Supported by investment asset values and dividends received from subsidiaries | <ul style="list-style-type: none"> OCI N.V. Other | 1,328.5 | 110.3 | 1,218.2 |
| Total | | | 4,586.0 | 337.0 | 4,249.0 |

¹⁾ Excluding reserved bank balances of \$ 55.2 million

Notes to the financial statements

The consolidated financial statements for the year ended 31 December 2016 have been prepared according to International Financial Reporting Standards as adopted by the European Union and valid as of the balance sheet date.

The full-year 2016 financial figures of OCI N.V. in the primary statements in this report are derived from the audited Financial Statements 2016. These Financial Statements have been authorized for issue on 24 March 2017. The Financial statements have been published by law on 24 March 2017 and still have to be adopted by the general meeting of shareholders. Reference is made to the published Financial Statements 2016 for the accounting principles.

Further details on the results can be found in the 2016 results investor presentation and 2016 annual report, both at our corporate website: www.oci.nl

Investor and Analyst Conference Call

On Monday 27 March 2017, at 16:00 CET, OCI N.V. will host a conference call for investors and analysts. Details on how to access the call can be found on the OCI N.V. website.

Consolidated Statement of Income

| \$ millions | 2016 | 2015 |
|---|----------------|----------------|
| Revenue | 1,906.5 | 2,186.1 |
| Cost of sales | (1,685.4) | (1,654.1) |
| Gross profit | 221.1 | 532.0 |
| Other income | 352.7 | 116.9 |
| Selling, general and administrative expenses | (224.1) | (270.3) |
| Other expenses | (45.2) | (436.3) |
| Operating profit / (loss) | 304.5 | (57.7) |
| Finance income | 352.2 | 128.0 |
| Finance cost | (432.5) | (274.0) |
| Net finance cost | (80.3) | (146.0) |
| Income from associates (net of tax) | (0.9) | 1.3 |
| Profit / (loss) before income tax | 223.3 | (202.4) |
| Income tax | (48.7) | 93.7 |
| Net profit / (loss) from continued operations | 174.6 | (108.7) |
| Net profit from discontinued operations (net of tax) | - | 630.8 |
| Total net profit | 174.6 | 522.1 |
| Profit / (loss) attributable to: | | |
| Owners of the Company (continuing operations) | 167.9 | (246.1) |
| Owners of the Company (discontinued operations) | - | 630.8 |
| Non-controlling interest | 6.7 | 137.4 |
| Net profit | 174.6 | 522.1 |
| Earnings per share for total operations (\$) | | |
| Basic earnings (loss) per share | 0.802 | 1.839 |
| Diluted earnings (loss) per share | 0.802 | 1.817 |
| Earnings / (loss) per share for continuing operations (\$) | | |
| Basic earnings per share | 0.802 | (1.177) |
| Diluted earnings per share | 0.802 | (1.177) |

Consolidated Balance Sheet

| \$ millions | 2016 | 2015 |
|---|----------------|----------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 5,231.0 | 5,913.9 |
| Goodwill and other intangible assets | 489.5 | 499.6 |
| Trade and other receivables | 41.1 | 44.9 |
| Equity accounted investees | 653.3 | 33.4 |
| Available-for-sale financial assets | 42.9 | 41.2 |
| Deferred tax assets | 5.0 | 6.5 |
| Total non-current assets | 6,462.8 | 6,539.5 |
| Current assets | | |
| Inventories | 141.0 | 140.6 |
| Trade and other receivables | 259.0 | 276.5 |
| Available-for-sale financial assets | 4.1 | 9.3 |
| Income tax receivables | 1.2 | 2.2 |
| Cash and cash equivalents | 392.2 | 796.4 |
| Total current assets | 797.5 | 1,225.0 |
| Total assets | 7,260.3 | 7,764.5 |
| Equity | | |
| Share capital | 5.6 | 4,704.9 |
| Share premium | 6,316.3 | 1,610.7 |
| Reserves | (112.3) | (87.6) |
| Retained earnings | (4,776.9) | (4,967.7) |
| Equity attributable to owners of the Company | 1,432.7 | 1,260.3 |
| Non-controlling interest | 345.3 | 489.5 |
| Total equity | 1,778.0 | 1,749.8 |
| Liabilities | | |
| Non-current liabilities | | |
| Loans and borrowings | 4,322.2 | 3,336.7 |
| Trade and other payables | 5.6 | 24.9 |
| Provisions | 9.8 | 12.0 |
| Deferred tax liabilities | 209.1 | 224.7 |
| Total non-current liabilities | 4,546.7 | 3,598.3 |
| Current liabilities | | |
| Loans and borrowings | 263.8 | 1,566.1 |
| Trade and other payables | 480.1 | 568.3 |
| Provisions | 110.7 | 243.4 |
| Income tax payables | 81.0 | 38.6 |
| Total current liabilities | 935.6 | 2,416.4 |
| Total liabilities | 5,482.3 | 6,014.7 |
| Total equity and liabilities | 7,260.3 | 7,764.5 |

Consolidated Cash Flow Statement

| \$ millions | 2016 | 2015 |
|---|----------------|------------------|
| Net profit | 174.6 | 522.1 |
| Adjustments for: | | |
| Net (profit) from discontinued operations | - | (630.8) |
| Depreciation and amortization | 317.2 | 301.6 |
| Impairment of goodwill | - | 422.9 |
| Interest income | (21.7) | (12.8) |
| Interest expense | 242.2 | 180.9 |
| Net foreign exchange (gain) and others | (140.2) | (22.1) |
| Share in income of equity accounted investees | 0.9 | (1.3) |
| Impairment available-for-sale financial assets | 3.0 | 3.5 |
| Result on sale of investment | (2.8) | (10.1) |
| Result on sale of 50% and deconsolidation of Natgasoline | (107.9) | - |
| Share-based payment transactions | 2.1 | 1.8 |
| Impact difference in profit-sharing non-controlling interest | 7.0 | - |
| Income tax expense | 48.7 | (93.7) |
| Changes in: | | |
| Inventories | (20.8) | 37.9 |
| Trade and other receivables | 75.5 | 88.6 |
| Trade and other payables | 34.1 | (35.7) |
| Provisions | 3.2 | (41.7) |
| Cash flows: | | |
| Interest paid | (250.2) | (274.3) |
| Interest received | 22.2 | 9.1 |
| Income taxes paid | (15.0) | (1.7) |
| (Payment) / refund of tax dispute liability | (49.5) | 266.2 |
| Cash flow from operating activities (continuing operations) | 322.6 | 710.4 |
| Proceeds from sale of property, plant and equipment | | 3.1 |
| Investments in property, plant and equipment | (735.9) | (1,131.4) |
| Proceeds from sale of available-for-sale financial assets | 0.4 | |
| Proceeds from sale of investment | | 5.1 |
| Dividends from equity accounted investees | 6.7 | 7.1 |
| Cash flow effect from loss of control Natgasoline | (12.1) | - |
| Repayment of shareholder's loan to Natgasoline | 511.0 | - |
| Acquisition of subsidiary net of cash acquired | | (16.5) |
| Cash flow (used in) investing activities (continuing operations) | (229.9) | (1,132.6) |

Consolidated Cash Flow Statement (Continued)

| \$ millions | 2016 | 2015 |
|---|----------------|---------------|
| Proceeds from share issuance | - | 161.1 |
| Proceeds from sale of treasury shares | 2.3 | 3.5 |
| Purchase of treasury shares | - | (19.5) |
| Proceeds from borrowings | 1,474.3 | 760.7 |
| Repayment of borrowings | (1,712.5) | (389.0) |
| Debt modification costs on existing loans | (13.2) | - |
| Dividends paid to non-controlling interest | (129.3) | (13.0) |
| Cash flows (used in) / from financing activities (continuing operations) | (378.4) | 503.8 |
| Net cash flows (used in) / from continuing operations | (285.7) | 81.6 |
| Cash flows (used in) operating activities | - | (123.3) |
| Cash flows (used in) investing activities | - | (20.0) |
| Cash flows from financing activities | - | 58.3 |
| Net cash flows (used in) discontinued operations | - | (85.0) |
| Net (decrease) in cash and cash equivalents | (285.7) | (3.4) |
| Cash and cash equivalents at 1 January | 787.0 | 1,115.2 |
| Effect of exchange rate fluctuations on cash held | (109.8) | (40.9) |
| Less cash and cash equivalents as at 7 March (demerger date) | | (283.9) |
| Cash and cash equivalents at 31 December | 391.5 | 787.0 |
| Presentation in the statement of financial position | | |
| Cash and cash equivalents | 392.2 | 796.4 |
| Bank overdraft | (0.7) | (9.4) |
| Cash and cash equivalents at 31 December | 391.5 | 787.0 |

Glossary

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

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

EBITDA margin: EBITDA as percentage of revenue.

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

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.

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.



FY 2016 Results Report

About OCI N.V.:

OCI N.V. (Euronext: OCI) is a global producer and distributor of natural gas-based fertilizers & industrial chemicals based in the Netherlands. OCI produces nitrogen fertilizers, methanol and other natural gas based products, serving agricultural and industrial customers from the Americas to Asia. OCI ranks among the world's largest nitrogen fertilizer producers, and can produce more than 8.4 million metric tons of nitrogen fertilizers and industrial chemicals at production facilities in the Netherlands, the United States, Egypt and Algeria. OCI is listed on Euronext in Amsterdam.

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

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