

2017

**Semi-annual Condensed  
Consolidated Financial  
Statements  
OCI N.V.**

for the six month period ended 30 June 2017

(Unaudited)

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# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT

\$ millions	Note	30 June 2017	31 December 2016
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(8)	5,267.3	5,231.0
Goodwill and other intangible assets	(9)	490.7	489.5
Trade and other receivables	(10)	59.4	41.1
Equity-accounted investees	(11)	651.2	653.3
Available-for-sale financial assets	(12)	44.4	42.9
Deferred tax assets		26.3	5.0
<b>Total non-current assets</b>		<b>6,539.3</b>	<b>6,462.8</b>
<b>Current assets</b>			
Inventories	(13)	178.3	141.0
Trade and other receivables	(10)	277.6	259.0
Available-for-sale financial assets	(12)	3.5	4.1
Income tax receivables		0.9	1.2
Cash and cash equivalents	(14)	355.0	392.2
<b>Total current assets</b>		<b>815.3</b>	<b>797.5</b>
<b>Total assets</b>		<b>7,354.6</b>	<b>7,260.3</b>
<b>Equity</b>			
Share capital	(15)	5.6	5.6
Share premium		6,316.3	6,316.3
Reserves		(175.6)	(112.3)
Retained earnings		(4,810.2)	(4,776.9)
<b>Equity attributable to owners of the Company</b>		<b>1,336.1</b>	<b>1,432.7</b>
Non-controlling interest		332.0	345.3
<b>Total equity</b>		<b>1,668.1</b>	<b>1,778.0</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	(16)	3,658.5	4,322.2
Trade and other payables		20.2	5.6
Provisions	(17)	10.3	9.8
Deferred tax liabilities		191.5	209.1
<b>Total non-current liabilities</b>		<b>3,880.5</b>	<b>4,546.7</b>
<b>Current liabilities</b>			
Loans and borrowings	(16)	1,082.0	263.8
Trade and other payables		511.3	480.1
Provisions	(17)	110.4	110.7
Income tax payables		102.3	81.0
<b>Total current liabilities</b>		<b>1,806.0</b>	<b>935.6</b>
<b>Total liabilities</b>		<b>5,686.5</b>	<b>5,482.3</b>
<b>Total equity and liabilities</b>		<b>7,354.6</b>	<b>7,260.3</b>

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTH PERIOD ENDED

\$ millions	Note	30 June 2017	30 June 2016
Revenue	(18)	1,026.2	982.0
Cost of sales	(19)	(830.3)	(816.9)
<b>Gross profit</b>		<b>195.9</b>	<b>165.1</b>
Other income	(20)	2.9	330.3
Selling, general and administrative expenses	(19)	(95.7)	(117.7)
Other expenses	(21)	(11.7)	(30.8)
<b>Operating profit</b>		<b>91.4</b>	<b>346.9</b>
Finance income	(22)	136.5	125.7
Finance cost	(22)	(271.5)	(179.2)
<b>Net finance cost</b>	(22)	<b>(135.0)</b>	<b>(53.5)</b>
Income from equity accounted investees (net of tax)	(11)	(2.0)	0.7
<b>(Loss) / profit before income tax</b>		<b>(45.6)</b>	<b>294.1</b>
Income tax	(23)	23.8	(37.0)
<b>Total net (loss) / profit</b>		<b>(21.8)</b>	<b>257.1</b>
<b>Other comprehensive income:</b>			
<b>Items that are or may be reclassified to profit or loss</b>			
Net change in fair value of available-for-sale financial assets		(0.2)	(4.3)
Currency translation differences		(60.9)	(60.6)
<b>Other comprehensive income, net of tax</b>		<b>(61.1)</b>	<b>(64.9)</b>
<b>Total comprehensive income</b>		<b>(82.9)</b>	<b>192.2</b>
<b>(Loss) / profit attributable to:</b>			
Owners of the Company		(35.1)	218.4
Non-controlling interest		13.3	38.7
<b>Net (loss) / profit</b>		<b>(21.8)</b>	<b>257.1</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(100.1)	162.5
Non-controlling interest		17.2	29.7
<b>Total comprehensive income</b>		<b>(82.9)</b>	<b>192.2</b>
<b>Earnings per share (in USD)</b>			
Basic earnings per share		(0.168)	1.045
Diluted earnings per share		(0.168)	1.045

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

\$ millions	Note	Share capital	Share premium	Reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total equity
<b>Balance at 1 January 2016</b>		<b>4,704.9</b>	<b>1,610.7</b>	<b>(87.6)</b>	<b>(4,967.7)</b>	<b>1,260.3</b>	<b>489.5</b>	<b>1,749.8</b>
Net profit		-	-	-	218.4	218.4	38.7	257.1
Other comprehensive income		-	-	(55.9)	-	(55.9)	(9.0)	(64.9)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(55.9)</b>	<b>218.4</b>	<b>162.5</b>	<b>29.7</b>	<b>192.2</b>
Capital increase		4.2	2.1	-	-	6.3	-	6.3
Impact difference in profit sharing non-controlling interest	(15)	-	-	-	-	-	14.1	14.1
Share-based payments	(15)	-	-	-	0.5	0.5	-	0.5
Dividends to non-controlling interest	(15)	-	-	-	-	-	(130.6)	(130.6)
<b>Balance at 30 June 2016</b>		<b>4,709.1</b>	<b>1,612.8</b>	<b>(143.5)</b>	<b>(4,748.8)</b>	<b>1,429.6</b>	<b>402.7</b>	<b>1,832.3</b>
<b>Balance at 1 January 2017</b>		<b>5.6</b>	<b>6,316.3</b>	<b>(112.3)</b>	<b>(4,776.9)</b>	<b>1,432.7</b>	<b>345.3</b>	<b>1,778.0</b>
Net (loss) / profit		-	-	-	(35.1)	(35.1)	13.3	(21.8)
Other comprehensive income		-	-	(65.0)	-	(65.0)	3.9	(61.1)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(65.0)</b>	<b>(35.1)</b>	<b>(100.1)</b>	<b>17.2</b>	<b>(82.9)</b>
Impact difference in profit sharing non-controlling interest	(15)	-	-	-	-	-	4.1	4.1
Treasury shares sold	(15)	-	-	1.7	-	1.7	-	1.7
Share-based payments	(15)	-	-	-	1.8	1.8	-	1.8
Dividends to non-controlling interest	(15)	-	-	-	-	-	(34.6)	(34.6)
<b>Balance at 30 June 2017</b>		<b>5.6</b>	<b>6,316.3</b>	<b>(175.6)</b>	<b>(4,810.2)</b>	<b>1,336.1</b>	<b>332.0</b>	<b>1,668.1</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED

\$ millions	Note	30 June 2017	30 June 2016
<b>Net (loss) / profit</b>		(21.8)	257.1
<b>Adjustments for</b>			
Depreciation and amortization	(8),(9)	150.1	151.1
Interest income	(22)	(2.6)	(15.7)
Interest expense	(22)	96.8	110.0
Foreign exchange (gain) / loss and others	(22)	40.8	(40.8)
Share in income of equity-accounted investees	(11)	2.0	(0.7)
Result on sale of 50% and deconsolidation of Natgasoline		-	(107.9)
Gain on sale of available-for-sale financial assets	(20)	(0.4)	-
Impact difference in profit sharing non-controlling interest	(15)	4.1	14.1
Share-based payment transactions	(15)	1.8	0.5
Income tax expense	(23)	(23.8)	37.0
<b>Changes in</b>			
Inventories	(13)	(33.6)	(9.5)
Trade and other receivables	(10)	(52.3)	54.3
Trade and other payables		(22.9)	20.9
Provisions		-	(2.2)
<b>Cash flows</b>			
Interest paid		(92.2)	(157.5)
Interest received		2.4	8.1
Income taxes paid		(2.4)	(7.4)
<b>Cash flow from operating activities</b>		<b>46.0</b>	<b>311.4</b>
Investments in property, plant and equipment	(8)	(86.6)	(482.4)
Proceeds from sale of available-for-sale financial assets		1.5	-
Dividends from equity-accounted investees	(11)	2.4	5.4
Cash flow effect from loss of control Natgasoline		-	(12.1)
Repayment of shareholder's loan to Natgasoline		-	242.1
<b>Cash flow (used in) investing activities</b>		<b>(82.7)</b>	<b>(247.0)</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED (CONTINUED)

\$ millions	Note	30 June 2017	30 June 2016
Proceeds from sale of treasury shares	(15)	1.7	-
Proceeds from borrowings	(16)	133.0	325.7
Repayment of borrowings	(16)	(145.6)	(345.8)
Debt modification costs on existing loans	(16)	(0.3)	-
Dividends paid to non-controlling interest	(15)	(4.0)	(6.7)
<b>Cash flow (used in) financing activities</b>		<b>(15.2)</b>	<b>(26.8)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(51.9)</b>	<b>37.6</b>
Cash and cash equivalents at 1 January		391.5	787.0
Effect of exchange rate fluctuations on cash held		15.4	(36.3)
<b>Cash and cash equivalents at</b>		<b>355.0</b>	<b>788.3</b>
<b>Presentation in the statement of financial position</b>			
Cash and cash equivalents	(14)	355.0	789.4
Bank overdraft		-	(1.1)
<b>Cash and cash equivalents at</b>		<b>355.0</b>	<b>788.3</b>
<b>Presentation in the statement of financial position as at 1 January 2017</b>			
Cash and cash equivalents	(14)	392.2	
Bank overdraft		(0.7)	
<b>Cash and cash equivalents at 1 January 2017</b>		<b>391.5</b>	

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. General

This report contains the semi-annual condensed consolidated financial statements of OCI N.V. ('OCI', 'the Group' or 'the Company'), a public limited liability company incorporated under Dutch law, with its head office located at Honthorststraat 19, Amsterdam, the Netherlands. OCI N.V. is registered in the Dutch commercial register under No. 56821166 dated 2 January 2013. The Group is primarily involved in the production of nitrogen-based fertilizers and industrial chemicals.

The semi-annual condensed consolidated financial statements for the six month period ended 30 June 2017 have been authorized for issue by the Board of Directors on 31 August 2017.

The semi-annual condensed consolidated financial statements for the six month period ended 30 June 2017 have not been audited or reviewed by an external auditor.

## 2. Basis of preparation

The semi-annual condensed consolidated financial statements for the six month period ended 30 June 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the annual financial statements.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2016. The semi-annual condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2016 which have been prepared in accordance with IFRS, as adopted by the European Union.

## 3. Summary of significant accounting policies

The accounting policies applied over the six month period ended 30 June 2017 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

During the six month period ended 30 June 2017, no new standards became applicable to OCI that significantly impacted these semi-annual condensed consolidated financial statements.

OCI N.V. is in the process of assessing the effects of the new standards published by the IASB. OCI N.V. will apply IFRS 9 'Financial instruments' and IFRS 15 'Revenue from contracts with customers' as of 1 January 2018, when these standards become effective. The assessments performed to date indicate that the implementation of these new standards will have a limited impact on the group's financial results. IFRS 16 'Leases' will become effective on 1 January 2019, but has not yet been endorsed by the European Union. There has been no further update on the impact assessment of this new standard.

## 4. Seasonality of operations

Our product portfolio is diversified primarily by industry and geography. The nitrogen fertilizer industry is inherently dependent on fundamental supply and demand drivers, including global population growth, crop yields, feedstock costs, and seasonality of crop planting and harvesting seasons. These and other long-term and short-term drivers result in cyclical nitrogen fertilizer pricing trends. Supply and demand dynamics in the industrial chemicals industries in which we operate, including industrial ammonia, methanol, and melamine, are more evenly distributed throughout the year, thereby contributing to stability in sales. The global sales and diversified product mix - both as fertilizers and chemical products - mitigate the impact of any one product or region's seasonal fluctuations.

## 5. Critical accounting judgements, 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 condensed 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 amounts 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.

Compared to the consolidated financial statements for the year ended 31 December 2016 there were no significant changes to the critical accounting judgements, estimates and assumptions that could result in significantly different amounts than those recognized in the financial statements. With respect to financial instruments, there has not been any reclassification between categories of financial instruments compared to the consolidated financial statements for the year ended 31 December 2016.



## 6. Significant rates

The following exchange rates applied during the financial period:

	Average during the six month period ended 30 June 2017	Average during the six month period ended 30 June 2016	Closing as at 30 June 2017	Closing as at 31 December 2016
Euro	1.0847	1.1115	1.1428	1.0517
Egyptian pound	0.0561	0.1187	0.0551	0.0550
Algerian dinar	0.0091	0.0092	0.0092	0.0090

## 7. Financial risk and capital management

The objectives and policies of financial risk and capital management are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2016.

### 7.1 Financial risk management

The following table shows the categories of financial instruments and their fair values.

30 June 2017 \$ millions	Note	Loans and receivables / payables at amortized cost	Derivatives at fair value	Available-for-sale financial asset at fair value	Available-for-sale financial asset at amortized cost
<b>Assets</b>					
Trade and other receivables	(10)	335.2	1.8	-	-
Available-for-sale financial assets	(12)	-	-	25.1	22.8
Cash and cash equivalents	(14)	355.0	-	-	-
<b>Total</b>		<b>690.2</b>	<b>1.8</b>	<b>25.1</b>	<b>22.8</b>
<b>Liabilities</b>					
Loans and borrowings	(16)	4,740.5	-	-	-
Trade and other payables		523.9	7.6	-	-
<b>Total</b>		<b>5,264.4</b>	<b>7.6</b>	<b>-</b>	<b>-</b>

The fair value of the loans and borrowings is approximately USD 4,776.5 million. The carrying amounts of trade and other receivables and trade and other payables approximates its fair value.

31 December 2016 \$ millions	Note	Loans and receivables / payables at amortized cost	Derivatives at fair value	Available-for-sale financial asset at fair value	Available-for-sale financial asset at amortized cost
<b>Assets</b>					
Trade and other receivables	(10)	297.6	2.5	-	-
Available-for-sale financial assets	(12)	-	-	25.9	21.1
Cash and cash equivalents	(14)	392.2	-	-	-
<b>Total</b>		<b>689.8</b>	<b>2.5</b>	<b>25.9</b>	<b>21.1</b>
<b>Liabilities</b>					
Loans and borrowings	(16)	4,586.0	-	-	-
Trade and other payables		471.1	14.6	-	-
<b>Total</b>		<b>5,057.1</b>	<b>14.6</b>	<b>-</b>	<b>-</b>

The fair value of the loans and borrowings is approximately USD 4,584.8 million. The carrying amounts of trade and other receivables and trade and other payables approximates their fair values.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CONTINUED

### 7.2 Capital management

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

\$ millions	Note	30 June 2017	31 December 2016
Loans and borrowings	(16)	4,740.5	4,586.0
<b>Less: cash and cash equivalents</b>	(14)	355.0	392.2
<b>Net debt</b>		<b>4,385.5</b>	<b>4,193.8</b>
Total equity		1,668.1	1,778.0
<b>Net debt to equity ratio at</b>		<b>2.63</b>	<b>2.36</b>

### 8. Property plant and equipment

\$ millions	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost	227.0	4,497.9	19.4	2,574.9	7,319.2
Accumulated depreciation	(39.0)	(1,352.8)	(13.5)	-	(1,405.3)
<b>At 1 January 2016</b>	<b>188.0</b>	<b>3,145.1</b>	<b>5.9</b>	<b>2,574.9</b>	<b>5,913.9</b>
<b>Movements in the carrying amount:</b>					
Additions	1.4	24.1	1.0	861.9	888.4
Disposals	-	(0.6)	(0.9)	-	(1.5)
Disposal of subsidiary	(26.9)	-	-	(1,201.4)	(1,228.3)
Reclassification	-	20.4	-	-	20.4
Depreciation	(8.5)	(295.1)	(4.4)	-	(308.0)
Transfers	0.3	96.0	2.7	(99.0)	-
Effect of movement in exchange rates	(2.9)	(49.7)	0.7	(2.0)	(53.9)
<b>At 31 December 2016</b>	<b>151.4</b>	<b>2,940.2</b>	<b>5.0</b>	<b>2,134.4</b>	<b>5,231.0</b>
Cost	198.2	4,562.3	19.7	2,134.4	6,914.6
Accumulated depreciation	(46.8)	(1,622.1)	(14.7)	-	(1,683.6)
<b>At 1 January 2017</b>	<b>151.4</b>	<b>2,940.2</b>	<b>5.0</b>	<b>2,134.4</b>	<b>5,231.0</b>
<b>Movements in the carrying amount:</b>					
Additions	-	7.2	0.3	122.1	129.6
Depreciation	(4.2)	(143.9)	(0.9)	-	(149.0)
Transfers	0.1	16.0	0.1	(16.2)	-
Effect of movement in exchange rates	2.2	49.4	0.1	4.0	55.7
<b>At 30 June 2017</b>	<b>149.5</b>	<b>2,868.9</b>	<b>4.6</b>	<b>2,244.3</b>	<b>5,267.3</b>
Cost	201.9	4,683.2	20.5	2,244.3	7,149.9
Accumulated depreciation	(52.4)	(1,814.3)	(15.9)	-	(1,882.6)
<b>At 30 June 2017</b>	<b>149.5</b>	<b>2,868.9</b>	<b>4.6</b>	<b>2,244.3</b>	<b>5,267.3</b>

As at 30 June 2017, the group has land with a carrying amount of USD 35.3 million (2016: USD 35.3 million).

The amount of USD 55.7 million under effect of movement in exchange rates in 2017 mainly relates to Sorfert and OCI Nitrogen, which have different functional currencies (Algerian dinar and Euro respectively), than the Group's presentation currency.

Additions to assets under construction are mainly related to the construction of the IFCo plant.

The difference between the additions in the above schedule and the investments in property, plant and equipment mentioned in the consolidated statement of cash flows is mainly caused by capital expenditure creditors not yet paid and capitalized borrowing costs. Included in additions for the period are USD 45.0 million capitalized borrowing costs related to IFCo.

## 9. Goodwill and other intangible assets

\$ millions	Goodwill	Licenses and trademarks	Purchase rights and other	Total
Cost	1,811.9	71.6	36.8	1,920.3
Accumulated amortization and impairment	(1,328.6)	(66.5)	(25.6)	(1,420.7)
<b>At 1 January 2016</b>	<b>483.3</b>	<b>5.1</b>	<b>11.2</b>	<b>499.6</b>
<b>Movements in the carrying amount:</b>				
Amortization	-	(1.2)	(8.0)	(9.2)
Effect of movement in exchange rates	(0.7)	(0.1)	(0.1)	(0.9)
<b>At 31 December 2016</b>	<b>482.6</b>	<b>3.8</b>	<b>3.1</b>	<b>489.5</b>
Cost	1,805.5	69.5	4.4	1,879.4
Accumulated amortization and impairment	(1,322.9)	(65.7)	(1.3)	(1,389.9)
<b>At 1 January 2017</b>	<b>482.6</b>	<b>3.8</b>	<b>3.1</b>	<b>489.5</b>
<b>Movements in the carrying amount:</b>				
Amortization	-	(0.6)	(0.5)	(1.1)
Effect of movement in exchange rates	1.7	0.3	0.3	2.3
<b>At 30 June 2017</b>	<b>484.3</b>	<b>3.5</b>	<b>2.9</b>	<b>490.7</b>
Cost	1,807.2	75.4	4.8	1,887.5
Accumulated amortization and impairment	(1,322.9)	(71.9)	(1.9)	(1,396.8)
<b>At 30 June 2017</b>	<b>484.3</b>	<b>3.5</b>	<b>2.9</b>	<b>490.7</b>

The Group performs its goodwill impairment test during the fourth quarter. During the six month period ended 30 June 2017, no events or circumstances emerged that indicated that the carrying amount of goodwill per cash generating unit ("CGU") might exceeded its recoverable amount (impairment trigger).

## 10. Trade and other receivables

\$ millions	Note	30 June 2017	31 December 2016
Trade receivables		155.2	123.6
Loans and trade receivables due from related parties	(26)	71.5	60.3
Prepayments		20.9	25.3
Derivative financial instruments		1.8	2.5
Other tax receivable		64.6	72.1
Supplier advanced payments		17.0	10.1
Other receivables		6.0	6.2
<b>Total</b>		<b>337.0</b>	<b>300.1</b>
Non-current		59.4	41.1
Current		277.6	259.0
<b>Total</b>		<b>337.0</b>	<b>300.1</b>

Trade receivables amounting to USD 112.6 million (2016: USD 95.1 million) have been pledged as security for external loans and borrowings consisting of USD 88.0 million (2016: USD 72.9 million) by OCI Nitrogen and USD 24.6 million (2016: USD 22.2 million) by OCI Partners.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CONTINUED

### 11. Equity-accounted investees

The following table shows the movement in the carrying amount of the Groups' associates and joint ventures:

\$ millions	30 June 2017	31 December 2016
<b>At 1 January</b>	<b>653.3</b>	<b>33.4</b>
Share in income	(2.0)	(0.9)
Effect of change of control in Natgasoline	-	630.0
Dividends	(2.4)	(6.7)
Other comprehensive income	-	-
Effect of movement in exchange rates	1.9	(0.9)
Other	0.4	(1.6)
<b>Total</b>	<b>651.2</b>	<b>653.3</b>
Joint ventures	6.7	6.3
Associates	644.5	647.0
<b>Total</b>	<b>651.2</b>	<b>653.3</b>

Of the associates balance, USD 623.0 million is related to Firewater LLC (holding company of Natgasoline). The majority of the remaining balance is made up of the associates and joint ventures of OCI Nitrogen.

### 12. Available-for-sale financial assets

\$ millions	30 June 2017	31 December 2016
Notore Chemical Industries	22.8	21.1
Infrastructure and Growth Capital Fund LP	21.6	21.8
Orascom Construction Limited	3.5	2.8
ABU KIR Fertilizer and Chemical Industries Co	-	1.3
<b>Total</b>	<b>47.9</b>	<b>47.0</b>
Non-current	44.4	42.9
Current	3.5	4.1
<b>Total</b>	<b>47.9</b>	<b>47.0</b>

All shares that were held in Abu Qir Fertilizer and Chemical Industries Co (Bloomberg ticker: ABUK:EY) were sold during the period and a gain on sale of USD 0.4 million was recognized. Reference is made to note 20.

### 13. Inventories

\$ millions	30 June 2017	31 December 2016
Finished goods	116.1	86.4
Raw materials and consumables	21.0	21.3
Spare parts, fuels and others	41.2	33.3
<b>Total</b>	<b>178.3</b>	<b>141.0</b>

During the six month period ended 30 June 2017, the total write-downs amount to USD 0.2 million. During 2017 there were no reversals of write-downs (2016: nil). Inventory amounting to USD 50.0 million have been pledged as security for loans consisting of USD 35.0 million (2016: USD 35.1 million) by OCI Nitrogen and USD 15.0 million (2016: USD 8.1 million) by OCI Partners.

#### 14. Cash and cash equivalents

\$ million	30 June 2017	31 December 2016
Cash on hand	0.2	0.1
Bank balances	335.4	382.9
Restricted funds	12.5	2.1
Restricted cash	6.9	7.1
<b>Total</b>	<b>355.0</b>	<b>392.2</b>

#### 15. Equity attributable to owners of the Company

The movements in the number of shares can be summarized as follows:

	30 June 2017	30 June 2016
Number of shares at 1 January	210,306,101	210,113,854
Number of issued shares	-	192,247
<b>On issue - fully paid</b>	<b>210,306,101</b>	<b>210,306,101</b>
<b>Par value per share in EUR</b>	<b>0.02</b>	<b>0.02</b>
<b>Total (in millions of USD)</b>	<b>5.6</b>	<b>5.6</b>

Movements in equity attributable to owners of the Company during the six month period ended 30 June 2017:

##### Dividend to non-controlling interest

Total dividends declared to non-controlling interest amounted to USD 34.6 million (2016: USD 130.6 million). Of this amount USD 4.0 million has been paid as at 30 June 2017 and relates to OCI Partners. Sorfert declared USD 30.6 million dividends to non-controlling interest and the amount is recognized in trade and other payables as at 30 June 2017.

##### Treasury shares sold

Sales of treasury shares during the period ended 30 June 2017 resulted in an increase in reserves of USD 1.7 million (2016: nil).

##### Share-based payments

An amount of USD 1.8 million related to equity-settled share-based compensation (2016: USD 0.5 million).

##### Impact difference in profit sharing non-controlling interest

In the partnership agreement for Sorfert between OCI and the other investor, a profit sharing agreement was entered into, in which it was agreed that as a compensation for lower gas prices, the other investor will receive a relatively higher part of dividends. As a result of this agreement the non-controlling interest increased by USD 4.1 million during the first 6 months of 2017 (2016: USD 14.1 million).

#### 16. Loans and borrowings

\$ millions	30 June 2017	31 December 2016
<b>At 1 January</b>	<b>4,586.0</b>	<b>4,902.8</b>
Proceeds from loans	133.0	1,474.3
Redemptions of loans	(145.6)	(1,712.5)
Redemption of bank overdrafts (net)	-	(8.7)
Amortization of transaction costs / (bond) premiums	11.5	35.9
Debt modification costs on existing loans	(0.3)	(13.2)
Effect of movement in exchange rates	142.3	(118.4)
Accrued interest	13.6	25.8
<b>Balance at</b>	<b>4,740.5</b>	<b>4,586.0</b>
Non-current	3,658.5	4,322.2
Current	1,082.0	263.8
<b>Total</b>	<b>4,740.5</b>	<b>4,586.0</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CONTINUED

### 16. Loans and borrowings (continued)

#### New and amended financing arrangements

#### EBIC

In March 2017, EBIC refinanced the outstanding term loan in the amount of USD 49.6 million with a 4-year amortizing loan, with semi-annual installments of USD 6.3 million and a final maturity date in December 2020. The modified term loan carries an interest rate of LIBOR plus a margin of 4%. Debt modification costs were incurred of USD 0.3 million.

#### IFCo

In May 2017, IFCo entered into a working capital facility of USD 50.0 million, of which USD 45.0 million was drawn per 30 June 2017. The short-term facility matures in May 2018 and carries an interest rate of US Prime rate minus a margin between 1.75% - 3.15%.

#### Covenants

As per 30 June 2017 all financial covenants were met, except for the financial covenants of the credit facility of OCI N.V. The official covenant waiver was obtained in August 2017, after period end, and therefore the facility balance of USD 676.6 million was reclassified to current liabilities as per 30 June 2017. However as a waiver has been obtained for 30 June 2017 and 31 December 2017, the facility balance is expected to be presented as a non-current liability in future periods.

### 17. Provisions

\$ millions	Claims and other contingencies	Donation provision	Total
<b>At 1 January 2017</b>	<b>15.8</b>	<b>104.7</b>	<b>120.5</b>
Provision made	0.1	-	0.1
Provision used	(0.1)	-	(0.1)
Provision reversed	-	-	-
Effect of movement in exchange rates	-	0.2	0.2
<b>At 30 June 2017</b>	<b>15.8</b>	<b>104.9</b>	<b>120.7</b>
Non-current	10.3	-	10.3
Current	5.5	104.9	110.4
<b>Total</b>	<b>15.8</b>	<b>104.9</b>	<b>120.7</b>

### 18. Segment reporting

30 June 2017 \$ million	OCI Partners	IFCo	OCI Nitrogen / Trading	North Africa	Corporate and other	Total
Segment revenues	166.9	3.1	680.2	358.7	90.3	1,299.2
Inter-segment revenues	(5.2)	(3.1)	(60.9)	(201.7)	(2.1)	(273.0)
<b>Total revenues</b>	<b>161.7</b>	<b>-</b>	<b>619.3</b>	<b>157.0</b>	<b>88.2</b>	<b>1,026.2</b>
Fertilizers	33.2	-	503.4	157.0	-	693.6
Chemicals	128.5	-	115.9	-	88.2	332.6
<b>Total revenues</b>	<b>161.7</b>	<b>-</b>	<b>619.3</b>	<b>157.0</b>	<b>88.2</b>	<b>1,026.2</b>
<b>Profit / (loss) before income tax</b>	<b>15.0</b>	<b>(45.3)</b>	<b>57.0</b>	<b>25.1</b>	<b>(97.4)</b>	<b>(45.6)</b>
<b>Total assets</b>	<b>628.6</b>	<b>2,243.8</b>	<b>724.8</b>	<b>2,657.0</b>	<b>1,100.4</b>	<b>7,354.6</b>

## 18. Segment reporting (continued)

30 June 2016 \$ million	OCI Partners	IFCo	OCI Nitrogen / Trading	North Africa	Corporate and other	Total
Segment revenues	126.2	-	660.8	337.6	57.0	1,181.6
Inter-segment revenues	(8.8)	-	(60.5)	(130.3)	-	(199.6)
<b>Total revenues</b>	<b>117.4</b>	<b>-</b>	<b>600.3</b>	<b>207.3</b>	<b>57.0</b>	<b>982.0</b>
Fertilizers	40.8	-	510.3	202.4	-	843.5
Chemicals	76.6	-	90.0	4.9	57.0	138.5
<b>Total revenues</b>	<b>117.4</b>	<b>-</b>	<b>600.3</b>	<b>207.3</b>	<b>57.0</b>	<b>982.0</b>
<b>Profit / (loss) before income tax</b>	<b>(21.0)</b>	<b>(31.1)</b>	<b>102.3</b>	<b>75.4</b>	<b>168.5</b>	<b>294.1</b>
<b>Total assets</b>	<b>673.9</b>	<b>2,083.2</b>	<b>648.6</b>	<b>2,974.7</b>	<b>1,582.6</b>	<b>7,963.0</b>

## 19. Expenses by nature

\$ millions	30 June 2017	30 June 2016
Raw materials and consumables and finished goods	593.5	570.3
Employee benefit expenses	100.7	115.5
Depreciation and amortization	150.1	151.1
Consultancy expenses	5.0	8.4
Other	76.7	89.3
<b>Total</b>	<b>926.0</b>	<b>934.6</b>
Cost of sales	830.3	816.9
Selling, general and administrative expenses	95.7	117.7
<b>Total</b>	<b>926.0</b>	<b>934.6</b>

## 20. Other income

\$ millions	30 June 2017	30 June 2016
Insurance claims	-	66.0
Gain on sale of available-for-sale financial asset	0.4	-
Result on sale of 50% and deconsolidation of Natgasoline	-	107.9
Termination fee combination agreement with CF Industries	-	150.0
Other	2.5	6.4
<b>Total</b>	<b>2.9</b>	<b>330.3</b>

## 21. Other expenses

\$ millions	30 June 2017	30 June 2016
Loss on gas price derivative by IFCo	0.7	1.5
Settlement of claims	11.0	-
Cost relating to the terminated CF Industries transaction	-	17.4
Other	-	11.9
<b>Total</b>	<b>11.7</b>	<b>30.8</b>

The settlement of claims relates to a liability due to Lafarge Egypt. In December 2007, OCI S.A.E. sold OBMH S.A.E., the holding company of OCI S.A.E.'s cement assets, to Lafarge S.A. (now LafargeHolcim Ltd) for USD 15.0 billion. OCI S.A.E. indemnified Lafarge for certain potential liabilities related to the sold assets, which in 2017 resulted in a liability due to Lafarge. OCI N.V.'s share of this liability is USD 11.0 million.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CONTINUED

### 22. Net finance cost

\$ millions	30 June 2017	30 June 2016
Interest income on loans and receivables	2.6	15.7
Foreign exchange gain	133.9	110.0
<b>Finance income</b>	<b>136.5</b>	<b>125.7</b>
Interest expense on financial liabilities measured at amortized cost	(96.8)	(110.0)
Fair value loss on derivative	(2.1)	(0.7)
Foreign exchange loss	(172.6)	(68.5)
<b>Finance cost</b>	<b>(271.5)</b>	<b>(179.2)</b>
<b>Net finance cost recognized in profit or loss</b>	<b>(135.0)</b>	<b>(53.5)</b>

The increase in foreign exchange gains and losses from 2016 to 2017 mainly related to the revaluation of intercompany balances in foreign currencies, for which the statement of profit or loss impact is not eliminated in the consolidated financial statements.

### 23. Income taxes / reconciliation of effective tax rate

OCI's operations are subject to income taxes in various foreign jurisdictions. The statutory income tax rates vary from 0.0% to 42.2%, which results in a difference between the weighted average statutory income tax rate and the Netherlands' statutory income tax rate of 25.0%.

Reconciliation of the statutory income tax rate in the Netherlands with the effective tax rate can be summarized as follows:

\$ millions	30 June 2017	%	30 June 2016	%
(Loss) / profit before income tax	(45.6)		294.1	
Enacted income tax rate in the Netherlands	25%		25%	
<b>Tax calculated at enacted tax rate</b>	<b>11.4</b>	<b>25.0</b>	<b>(73.5)</b>	<b>25.0</b>
Effect of rates in foreign jurisdictions	(5.0)	(10.9)	28.6	(9.7)
Unrecognized tax losses	(20.0)	(43.9)	(29.2)	9.9
Recognition of previously unrecognized tax losses	31.5	69.1	3.4	(1.2)
Expenses non-deductible	(5.1)	(11.2)	(8.9)	3.0
Tax credits	0.1	0.2	3.1	(1.0)
Uncertain tax positions	(1.8)	(3.9)	-	-
Income not subject to tax	13.7	30.0	41.6	(14.1)
Movement in provision for withholding tax	(1.0)	(2.2)	(2.1)	0.7
<b>Total income tax in profit or loss</b>	<b>23.8</b>	<b>52.2</b>	<b>(37.0)</b>	<b>12.6</b>

Recognition of previously unrecognized tax losses are mainly related to BioMCN.

### 24. Contingencies

There have been no significant changes in contingencies compared to the situation as described in the consolidated financial statements for the year ended 31 December 2016.

### 25. Capital commitments

\$ millions	30 June 2017	31 December 2016
Iowa Fertilizer Company (IFCo)	10.6	21.9
OCI Partners	0.5	0.4
BioMCN	1.6	0.7
OCI Nitrogen	6.6	6.1
<b>Total</b>	<b>19.3</b>	<b>29.1</b>



## 26. Related party transactions

The following is a list of significant related party transactions and outstanding amounts as at 30 June 2017:

\$ millions		Revenue transactions during the period	AR outstanding at period end	Purchases transactions during the period	AP outstanding at period end	Loans receivables / (Loans payables)	Interest income / (expense)
Related party	Relation						
OC Egypt	OCL group company	-	-	-	12.7	-	-
Contrack International	OCL group company	-	3.0	0.1	0.5	-	-
Orascom E&C	OCL group company	-	3.0	18.6	35.0	-	-
OCI Construction Holding Cyprus	OCL group company	-	-	-	0.8	-	-
OCI-Construction Cyprus	OCL group company	-	-	-	0.7	-	-
Weitz	OCL group company	-	4.9	-	-	-	-
Orascom Construction Limited	OCL group company	-	3.4	-	-	-	-
Suez Industrial Development Company	OCL group company	-	-	0.1	0.1	-	-
Natgasoline LLC	Related via associate	-	0.3	-	0.2	-	-
Utility Support Group B.V.	Related via associate	8.8	1.9	34.8	1.1	53.1	0.6
Fitco Agro S.A.	Joint venture	5.0	-	-	-	-	-
OCI Nitrogen Iberian Company	Joint venture	7.6	0.9	-	-	-	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	0.6	0.4	13.6	-	0.6	-
Sitech Manufacturing Services C.V.	Associate	-	-	40.0	20.1	-	-
Sitech Services B.V.	Associate	-	-	2.8	0.6	-	-
NNS Luxembourg Sarl	Related via shareholder	-	-	-	0.4	-	-
<b>Total</b>		<b>22.0</b>	<b>17.8</b>	<b>110.0</b>	<b>72.2</b>	<b>53.7</b>	<b>0.6</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## CONTINUED

### 26. Related party transactions (continued)

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2016:

\$ millions		Revenue	AR	Purchases	AP	Loans	Interest income /
Related party	Relation	transactions	outstanding	transactions	outstanding at	receivables /	(expense)
		during the year	at year end	during the year	year end	(Loans payables)	
OC Egypt	OCL group company	-	-	-	11.8	-	-
Contract International	OCL group company	-	2.9	0.2	0.1	-	-
Orascom E&C	OCL group company	-	2.9	506.2	31.1	-	-
OCI Construction Holding Cyprus	OCL group company	-	-	-	0.8	-	-
OCI-Construction Cyprus	OCL group company	-	-	-	0.7	-	-
Weitz	OCL group company	-	8.7	-	-	-	-
Orascom Construction Limited	OCL group company	-	3.4	-	-	-	-
Natgasoline LLC	Related via associate	-	0.4	-	0.1	-	9.2
Utility Support Group B.V.	Related via associate	14.9	1.2	60.4	1.2	26.8	1.0
Fitco Agro S.A.	Joint venture	117.6	10.9	-	-	-	-
OCI Nitrogen Iberian Company	Joint venture	3.6	1.4	-	-	-	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	0.2	-	25.2	0.6	1.6	0.1
Sitech Manufacturing Services C.V.	Associate	-	-	134.6	31.3	-	-
Sitech Services B.V.	Associate	-	0.1	6.2	0.9	-	-
NNS Luxembourg Sarl	Related via shareholder	-	-	-	0.3	-	-
<b>Total</b>		<b>136.3</b>	<b>31.9</b>	<b>732.8</b>	<b>78.9</b>	<b>28.4</b>	<b>10.3</b>

In addition to the related party transactions in the table above, the company incurs certain operating expenses for immaterial amounts in relation to services provided by related parties.

### 27. Subsequent events

There have been no material subsequent events.

# DIRECTORS' RESPONSIBILITY STATEMENT

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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 attached to this semi-annual report gives a fair view of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Market Supervision Act.

Amsterdam, the Netherlands, 31 August 2017

The OCI N.V. Board of Directors

