
2016

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

for the six month period ended 30 June 2016

(Unaudited)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

\$ millions	Note	30 June 2016	31 December 2015
Assets			
Non-current assets			
Property, plant and equipment	(10)	5,267.3	5,913.9
Goodwill and other intangible assets	(11)	495.5	499.6
Trade and other receivables	(12)	43.2	44.9
Equity accounted investees	(13)	659.0	33.4
Other investments	(14)	39.7	41.2
Deferred tax assets		6.2	6.5
Total non-current assets		6,510.9	6,539.5
Current assets			
Inventories	(16)	150.1	140.6
Trade and other receivables	(12)	504.3	276.5
Other investments	(14)	6.5	9.3
Current income tax receivables		1.8	2.2
Cash and cash equivalents	(17)	789.4	796.4
Total current assets		1,452.1	1,225.0
Total assets		7,963.0	7,764.5
Equity			
Share capital	(18)	4,709.1	4,704.9
Share premium	(18)	1,612.8	1,610.7
Reserves	(18)	(143.5)	(87.6)
Retained earnings		(4,748.8)	(4,967.7)
Equity attributable to owners of the Company		1,429.6	1,260.3
Non-controlling interest		402.7	489.5
Total equity		1,832.3	1,749.8
Liabilities			
Non-current liabilities			
Loans and borrowings	(19)	4,011.1	3,336.7
Trade and other payables		18.6	24.9
Provisions	(20)	10.0	12.0
Deferred tax liabilities		209.5	224.7
Total non-current liabilities		4,249.2	3,598.3
Current liabilities			
Loans and borrowings	(19)	857.3	1,566.1
Trade and other payables		723.4	568.3
Provisions	(20)	214.3	243.4
Income tax payables		86.5	38.6
Total current liabilities		1,881.5	2,416.4
Total liabilities		6,130.7	6,014.7
Total equity and liabilities		7,963.0	7,764.5

The notes on pages 8 to 21 are an integral part of these semi-annual condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTH PERIOD ENDED

\$ millions	Note	30 June 2016	30 June 2015 <small>restated</small>
Revenue	(25)	982.0	1,149.5
Cost of sales	(21)	(816.9)	(809.9)
Gross profit		165.1	339.6
Other income	(22)	330.3	7.6
Selling, general and administrative expenses	(21)	(117.7)	(128.9)
Other expenses	(23)	(30.8)	(9.8)
Operating profit		346.9	208.5
Finance income	(24)	125.7	98.6
Finance cost	(24)	(179.2)	(165.6)
Net finance cost	(24)	(53.5)	(67.0)
Income from equity accounted investees (net of tax)	(13)	0.7	1.8
Profit before income tax		294.1	143.3
Income tax	(15)	(37.0)	32.5
Net profit from continued operations		257.1	175.8
Net profit from discontinued operations (net of tax)		-	630.8
Total net profit		257.1	806.6
Other comprehensive income:			
Items that are or may be reclassified to profit or loss			
Net change in fair value of available-for-sale financial assets		(4.3)	0.3
Changes in hedge reserve		-	(0.1)
Release of cash flow hedges due to demerger		-	12.8
Currency translation differences		(60.6)	(50.9)
Release of currency translation differences due to demerger		-	108.8
Other comprehensive income, net of tax		(64.9)	70.9
Total comprehensive income		192.2	877.5
Profit / (loss) attributable to:			
Owners of the Company		218.4	735.6
Non-controlling interest		38.7	71.0
Net profit		257.1	806.6
Total comprehensive income attributable to:			
Owners of the Company		162.5	846.4
Non-controlling interest		29.7	31.1
Total comprehensive income		192.2	877.5
Earnings per share from total operations (in USD)			
Basic earnings per share		1.045	3.516
Diluted earnings per share		1.045	3.398
Earnings per share from continuing operations (in USD)			
Basic earnings per share		1.045	0.501
Diluted earnings per share		1.045	0.501

The notes on pages 8 to 21 are an integral part of these semi-annual condensed consolidated financial statements.

OCI restated its result from discontinued operations for USD (30.0) million, as a result of a release of USD 30.3 million of cumulative translation differences and USD (0.3) million of demerger effect on non-controlling interest. The restatement only relates to the 30 June 2015 numbers and not the 31 December 2015 numbers.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

\$ millions	Note	Share capital (18)	Share premium (18)	Reserves (18)	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2015		273.3	1,447.6	196.5	201.5	2,118.9	418.9	2,537.8
Net profit ^{restated}		-	-	-	735.6	735.6	71.0	806.6
Other comprehensive income ^{restated}		-	-	110.8	-	110.8	(39.9)	70.9
Total comprehensive income ^{restated}		-	-	110.8	735.6	846.4	31.1	877.5
Capital increase	(18)	8.9	159.8	-	-	168.7	-	168.7
Demerger effect on non-controlling interest ^{restated}	(18)	-	-	-	-	-	(78.3)	(78.3)
Conversion of retained earnings into share capital	(18)	1,400.0	-	-	(1,400.0)	-	-	-
Dividend in kind demerged activities	(18)	(1,400.0)	-	-	-	(1,400.0)	-	(1,400.0)
Capital increase OCI Partners	(18)	-	-	-	(11.5)	(11.5)	11.5	-
Modification of share-based payments to cash settlement		-	-	(33.1)	-	(33.1)	-	(33.1)
Share-based payments		-	-	8.9	-	8.9	-	8.9
Dividends to non-controlling interest	(18)	-	-	-	-	-	(5.8)	(5.8)
Balance at 30 June 2015 ^{restated}		282.2	1,607.4	283.1	(474.4)	1,698.3	377.4	2,075.7
Balance at 1 January 2016		4,704.9	1,610.7	(87.6)	(4,967.7)	1,260.3	489.5	1,749.8
Net profit		-	-	-	218.4	218.4	38.7	257.1
Other comprehensive income		-	-	(55.9)	-	(55.9)	(9.0)	(64.9)
Total comprehensive income		-	-	(55.9)	218.4	162.5	29.7	192.2
Impact difference in profit sharing non-controlling interest	(18)	-	-	-	-	-	14.1	14.1
Capital increase	(18)	4.2	2.1	-	-	6.3	-	6.3
Share-based payments		-	-	-	0.5	0.5	-	0.5
Dividends to non-controlling interest	(18)	-	-	-	-	-	(130.6)	(130.6)
Balance at 30 June 2016		4,709.1	1,612.8	(143.5)	(4,748.8)	1,429.6	402.7	1,832.3

The notes on pages 8 to 21 are an integral part of these semi-annual condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED

\$ millions	Note	30 June 2016	30 June 2015 <small>restated</small>
Net profit		257.1	806.6
Adjustments for:			
Net (profit) / loss from discontinued operations		-	(630.8)
Depreciation and amortization	(10),(11)	151.1	146.4
Interest income	(24)	(15.7)	(10.3)
Interest expense	(24)	110.0	96.9
Foreign exchange (gain) / loss and others	(24)	(40.8)	(19.6)
Share in income of equity-accounted investees	(13)	(0.7)	(1.8)
Result on sale of 50% and deconsolidation of Natgasoline	(22)	(107.9)	-
Gain on sale of investment	(22)	-	(5.1)
Impact difference in profit sharing non-controlling interest	(18)	14.1	-
Share-based payment transactions		0.5	8.9
Income tax expense	(15)	37.0	(32.5)
Changes in:			
Inventories	(16)	(9.5)	22.8
Trade and other receivables	(12)	54.3	29.7
Trade and other payables		20.9	33.7
Provisions	(20)	(2.2)	(8.8)
Cash flows:			
Interest paid		(157.5)	(125.3)
Interest received		8.1	6.2
Income taxes paid		(7.4)	(1.2)
Refund of tax dispute liability		-	248.7
Cash flows from operating activities (continuing operations)		311.4	564.5
Proceeds from sale of property, plant and equipment	(10)	-	2.6
Investments in property, plant and equipment	(10)	(482.4)	(608.5)
Proceeds from sale of investment	(22)	-	5.1
Dividends from equity-accounted investees	(13)	5.4	2.2
Acquisition of subsidiary net of cash acquired	(28)	-	(16.5)
Cash flow effect from change of control in Natgasoline	(13)	(12.1)	-
Repayment of shareholder's loan to Natgasoline	(13)	242.1	-
Cash flows (used in) investing activities (continuing operations)		(247.0)	(615.1)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED (CONTINUED)

\$ millions	Note	30 June 2016	30 June 2015 <small>restated</small>
Proceeds from share issuance	(18)	-	168.7
Proceeds from borrowings	(19)	325.7	197.7
Repayment of borrowings	(19)	(345.8)	(146.1)
Dividends paid to non-controlling interest	(18)	(6.7)	(5.8)
Cash flows (used in) / from financing activities (continuing operations)		(26.8)	214.5
Net cash from continuing operations		37.6	163.9
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 (used in) discontinued operations		-	(85.0)
Net increase in cash and cash equivalents		37.6	78.9
Cash and cash equivalents at 1 January		787.0	1,115.2
Currency translation adjustments		(36.3)	(34.2)
Less cash and cash equivalents as at 7 March 2015 (demerger date)		-	(283.9)
Cash and cash equivalents at		788.3	876.0
Presentation in the statement of financial position			
Cash and cash equivalents	(17)	789.4	846.6
Bank overdraft		(1.1)	(100.3)
Cash and cash equivalents (as held for demerger)		-	368.9
Cash and cash equivalents at		788.3	1,115.2
Presentation in the statement of financial position as at 1 January 2016			
Cash and cash equivalents	(17)	796.4	
Bank overdraft		(9.4)	
Cash and cash equivalents at 1 January 2016		787.0	

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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 2016 have been authorised for issue by the Board of Directors on 1 September 2016.

The semi-annual condensed consolidated financial statements for the six month period ended 30 June 2016 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 2016 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 2015. The semi-annual condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2015 which have been prepared in accordance with IFRS, as adopted by the European Union.

3. Completed demerger of Engineering & Construction business

OCI has completed the demerger of the Engineering & Construction business on 7 March 2015. Consequently, the assets and liabilities held for demerger have been derecognized as per this date. The effect of this demerger is still presented in the comparative information in the condensed consolidated statement of profit and loss and the other comprehensive income and the condensed consolidated statement of cash flows in accordance with IFRS 5.

4. Intended demerger of ENA business

On 6 August 2015, CF Industries ("CF") and OCI announced plans to combine OCI's European, North American and Global distribution business (together referred to as the 'ENA Business') with CF's global assets to form 'New CF'. The 4 April 2016 US Treasury announcement with respect to inversions materially reduced the structural synergies of the combination. After unsuccessfully exploring alternative transactions and structures, CF and OCI announced the termination of the combination agreement on 23 May 2016. OCI received a break-up fee of USD 150.0 million on 25 May 2016 from CF as contemplated in the combination agreement. The break-up fee is recognized under other income, reference is made to note 22.

5. Summary of significant accounting policies

The accounting policies applied over the six month period ended 30 June 2016 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2015. 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 2016, no new standards became applicable to OCI that significantly impacted these semi-annual condensed consolidated financial statements.

6. Seasonality of operations

The Fertilizer operations are inherently dependent on seasonal fluctuations in demand as governed by major crop planting and harvesting seasons. Weighted average netback prices tend to be higher during the Northern and Southern Hemispheres' planting seasons, translating into generally stronger first and fourth quarters. In addition, industrial sales of the Chemicals operations, methanol and ammonia 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 region's seasonal fluctuations.

7. Critical accounting judgements, estimated and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect amounts reported in the consolidated financial statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods.

Compared to the 2015 Annual Report, 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. Neither have business or economic circumstances affected the fair value of the entity's financial assets or liabilities either measured at fair value or amortized cost.

8. Significant rates

The following significant exchange rates applied during the financial period:

	Average during the six month period ended 30 June 2016	Average during the six month period ended 30 June 2015	Closing as at 30 June 2016	Closing as at 31 December 2015
Euro	1.1115	1.1188	1.1081	1.0845
Egyptian pound	0.1187	0.1319	0.1122	0.1275
Algerian Dinar	0.0092	0.0104	0.0090	0.0093

9. Financial risk and capital management

The objectives and policies of financial risk and capital management are consistent with those disclosed in the 2015 Annual Report.

9.1 Financial risk management

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

\$ millions	30 June 2016	31 December 2015
Middle East and Africa	107.2	49.6
Asia and Oceania	3.1	5.0
Europe and United States	437.2	266.8
Total	547.5	321.4

The summary of quantitative data about the Group's exposure to foreign exchange transaction exposure based on risk management policy for the main currencies was as follows (amounts after intercompany elimination):

30 June 2016 \$ millions	USD	EUR	EGP
Trade and other receivables	295.5	1.2	1.0
Trade and other payables	(1.1)	(11.9)	(6.5)
Loans and borrowings	(526.4)	-	(113.9)
Provisions	-	-	(214.3)
Cash and cash equivalents	347.3	4.3	222.8

31 December 2015 \$ millions	USD	EUR	EGP
Trade and other receivables	18.3	4.4	2.3
Trade and other payables	(7.6)	(14.9)	(0.6)
Loans and borrowings	(398.2)	-	(129.4)
Provisions	-	-	(243.2)
Cash and cash equivalents	216.3	5.5	259.8

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

9. Financial risk and capital management continued

Categories of financial instruments

30 June 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
Assets					
Trade and other receivables	(12)	547.4	0.1	-	-
Other investments	(14)	-	-	24.0	22.2
Cash and cash equivalents	(17)	789.4	-	-	-
Total		1,336.8	0.1	24.0	22.2
Liabilities					
Loans and borrowings	(19)	4,868.4	-	-	-
Trade and other payables		721.5	20.5	-	-
Total		5,589.9	20.5	-	-

31 December 2015 \$ 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
Assets					
Trade and other receivables	(12)	321.3	0.1	-	-
Other investments	(14)	-	-	28.9	21.6
Cash and cash equivalents	(17)	796.4	-	-	-
Total		1,117.7	0.1	28.9	21.6
Liabilities					
Loans and borrowings	(19)	4,902.8	-	-	-
Trade and other payables		566.7	26.5	-	-
Total		5,469.5	26.5	-	-

9.2 Capital management

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

\$ millions	Note	30 June 2016	31 December 2015
Loans and borrowings	(19)	4,868.4	4,902.8
Less: cash and cash equivalents	(17)	789.4	796.4
Net debt		4,079.0	4,106.4
Total equity		1,832.3	1,749.8
Net debt to equity ratio at		2.23	2.35

10. Property plant and equipment

\$ millions	Note	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost		234.5	4,140.3	17.2	1,773.8	6,165.8
Accumulated depreciation		(29.1)	(853.4)	(10.9)	-	(893.4)
At 1 January 2015		205.4	3,286.9	6.3	1,773.8	5,272.4
Movements in the carrying amount:						
Additions		3.7	37.2	2.0	1,237.4	1,280.3
Release asset retirement obligation		-	(9.4)	-	-	(9.4)
Disposals		(0.5)	(2.6)	-	-	(3.1)
Acquisition of subsidiary		0.1	17.9	0.2	0.6	18.8
Depreciation		(9.1)	(279.4)	(2.0)	-	(290.5)
Transfers		10.0	420.1	0.2	(430.3)	-
Effect of movement in exchange rates		(21.6)	(325.6)	(0.8)	(6.6)	(354.6)
At 31 December 2015		188.0	3,145.1	5.9	2,574.9	5,913.9
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)
At 1 January 2016		188.0	3,145.1	5.9	2,574.9	5,913.9
Movements in the carrying amount:						
Additions		-	7.2	0.1	760.9	768.2
Disposals		-	(0.5)	(0.9)	-	(1.4)
Effect of change of control in Natgasoline	(13),(22)	(26.9)	-	-	(1,203.8)	(1,230.7)
Depreciation		(4.2)	(141.3)	(0.9)	-	(146.4)
Transfers		0.4	17.1	0.1	(17.6)	-
Effect of movement in exchange rates		(2.7)	(34.1)	0.9	(0.4)	(36.3)
At 30 June 2016		154.6	2,993.5	5.2	2,114.0	5,267.3
Cost		197.7	4,487.5	19.2	2,114.0	6,818.4
Accumulated depreciation		(43.1)	(1,494.0)	(14.0)	-	(1,551.1)
At 30 June 2016		154.6	2,993.5	5.2	2,114.0	5,267.3

As at 30 June 2016, the group had land with a carrying amount of USD 35.3 million (2015: USD 62.2 million).

Additions to assets under construction in 2016 are mainly related to the construction of Iowa Fertilizer Company ("IFCo") in Iowa. Included in the additions of USD 760.9 million to assets under construction is a USD 200.0 million charge related to a settlement and acceleration agreement that was entered into by OCI N.V. and related party Orascom E&C USA Inc. ("OEC"). The settlement and acceleration agreement is meant to address outstanding claims between IFCo and OEC and is subject to additional consents before becoming effective. The charge of USD 200.0 million is accrued under 'Trade and other payables'.

Additions to assets under construction in 2015 are mainly related to the construction of IFCo and Natgasoline. Included in the additions of USD 1,237.4 million to assets under construction is a USD 150.0 million indemnification payment made by OCI N.V. to OEC, for liabilities in connection with the construction contract for IFCo's fertilizer and chemicals greenfield plant.

USD 430.3 million of transfer of assets under construction in 2015 is mostly related to the completion of the debottlenecking project of OCI Partners.

The capitalized borrowing costs during the six month period ended 30 June 2016 amounted to USD 39.3 million and relates to IFCo for USD 32.7 million and to Natgasoline for USD 6.6 million. The capitalized borrowing costs during the year ended 31 December 2015 amounted to USD 82.0 million and relates to IFCo for USD 65.4 million, to OCI Partners for USD 8.6 million and to Natgasoline for USD 8.0 million. The capitalized borrowing costs during the six month period ended 30 June 2016 and year ended 31 December 2015 were substantially paid.

The amount of USD 354.6 million under effect of movement in exchange rates in 2015 mainly relates to the Sorfert plant (Algeria) and OCI Nitrogen B.V., which have different functional currencies (Algerian Dinar and Euro respectively), than the Group's presentation currency. The Algerian Dinar decreased by 18.4% and the Euro decreased by 10.8% during 2015. The amount of USD 36.3 million under effect of movement in exchange rates in 2016 mainly relates to the Sorfert plant. The Algerian Dinar decreased by 3.2% during 2016.

For capital commitments reference is made to note 27.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

11. Goodwill and other intangible assets

\$ millions	Goodwill	Licenses and trademarks	Purchase rights and other	Total
Cost	1,808.6	85.6	35.2	1,929.4
Accumulated amortization and impairment	(900.0)	(75.6)	(20.9)	(996.5)
At 1 January 2015	908.6	10.0	14.3	932.9
Movements in the carrying amount:				
Amortization	-	(3.9)	(7.2)	(11.1)
Impairment loss	(422.9)	-	-	(422.9)
Acquisition of subsidiary	-	-	4.5	4.5
Effect of movement in exchange rates	(2.4)	(1.0)	(0.4)	(3.8)
At 31 December 2015	483.3	5.1	11.2	499.6
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)
At 1 January 2016	483.3	5.1	11.2	499.6
Movements in the carrying amount:				
Amortization	-	(0.6)	(4.1)	(4.7)
Effect of movement in exchange rates	0.4	0.1	0.1	0.6
At 30 June 2016	483.7	4.6	7.2	495.5
Cost	1,812.4	73.1	36.9	1,922.4
Accumulated amortization and impairment	(1,328.7)	(68.5)	(29.7)	(1,426.9)
At 30 June 2016	483.7	4.6	7.2	495.5

The Group performs its goodwill impairment test during the fourth quarter. During the six month period ended 30 June 2016, no events or circumstances emerged that indicated that the carrying amount of goodwill per cash generating unit ('CGU') might have exceeded its recoverable amount (impairment trigger).

12. Trade and other receivables

\$ millions	Note	30 June 2016	31 December 2015
Trade receivables		124.3	163.9
Loans and trade receivables due from related parties	(29)	346.3	72.7
Prepayments		27.9	29.3
Derivative financial instruments		0.1	0.1
Loans granted to personnel in relation to share-based payment arrangements		-	3.3
Other tax receivables		36.7	35.3
Supplier advanced payments		12.2	14.8
Other receivables		-	2.0
Total		547.5	321.4
Non-current		43.2	44.9
Current		504.3	276.5
Total		547.5	321.4

Trade receivables amounting to USD 90.1 million (2015: USD 123.7 million) have been pledged as security for external loans and borrowings. Of these amounts, USD 73.9 million (2015: USD 94.8 million), were pledged by OCI Nitrogen and USD 16.2 million (2015: USD 28.9 million) by OCI Partners.

The carrying amount of 'Trade and other receivables' as at 30 June 2016 approximates its fair value.

13. Equity-accounted investees

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

\$ millions	2016	2015
At 1 January	33.4	37.9
Share in income	0.7	1.3
Effect of change of control in Natgasoline	630.0	-
Dividends	(5.4)	(7.1)
Other comprehensive income	0.2	(0.6)
Effect of movement in exchange rates	0.1	(2.9)
Other	-	4.8
Balance at 30 June / 31 December	659.0	33.4
Joint ventures	8.2	10.3
Associates	650.8	23.1
Total	659.0	33.4

Consolidated Energy AG's Investment in Natgasoline

In April 2016, OCI and Consolidated Energy AG ('CEL') entered into definitive agreements for an investment in a 50% stake in Natgasoline in participation with OCI. CEL, which is owned by the Proman Group ('Proman') and its long-term partner Helm AG ('Helm'), will inject USD 630.0 million in equity (partly upfront and partly as construction progresses) and an additional USD 50.0 million shareholder loan to cover any required contingencies.

An initial investment of USD 350.0 million was made via G2X Energy, Inc. (a subsidiary of CEL) on 4 May 2016. As of this date CEL gained control over Natgasoline and OCI recognized Natgasoline (which was a fully consolidated subsidiary) as an associate. The deferred proceeds of USD 280.0 million are recognized as a receivable in Natgasoline.

(ii) Below table summarizes Natgasoline's balance sheet as per 30 June 2016 and as per 4 May 2016, the date control was lost:

\$ millions	30 June 2016	4 May 2016
Non-current assets	1,338.6	1,230.7
Current assets (excluding cash and cash equivalents)	287.1	3.7
Cash and cash equivalents	214.5	12.1
Non-current liabilities	(496.2)	(511.0)
Current liabilities	(86.6)	(213.4)
Net assets	1,257.4	522.1
Group's share of net assets	628.7	522.1

For the result on the Natgasoline transaction reference is made to note 22.

14. Other investments

\$ millions	30 June 2016	31 December 2015
Notore Chemical Industries (Mauritius)	22.2	21.7
ABU KIR Fertilizer and Chemical Industries Co (Egypt)	3.8	5.6
Infrastructure and Growth Capital Fund LP	17.5	19.5
Orascom Construction Limited (Dubai)	2.7	3.7
Total available-for-sale equity securities	46.2	50.5
Non-current	39.7	41.2
Current	6.5	9.3
Total	46.2	50.5

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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15. 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 2016	%	30 June 2015	%
Profit before income tax	294.1		143.3	
Enacted income tax rate in the Netherlands	25%		25%	
Tax calculated at enacted tax rate	(73.5)	25.0	(35.8)	25.0
Effect of rates in foreign jurisdictions	28.6	(9.7)	17.0	(11.9)
Unrecognized tax losses	(31.3)	10.6	(0.1)	0.1
Recognition of previously unrecognized tax losses	3.4	(1.2)	12.6	(8.8)
Expenses non-deductible	(8.9)	3.0	(7.9)	5.5
Tax credits	3.1	(1.0)	-	-
Income not subject to tax	41.6	(14.1)	49.2	(34.3)
Other	-	-	(2.5)	1.7
Total income tax in profit or loss	(37.0)	12.6	32.5	(22.7)

16. Inventories

\$ millions	30 June 2016	31 December 2015
Finished goods	62.8	53.8
Raw materials and consumables	19.5	20.0
Spare parts, fuels and others	67.8	66.8
Total	150.1	140.6

During the six month period ended 30 June 2016, the total write-downs amount to USD 10.5 million (2015: USD 11.0 million) which related for USD 9.9 million to spare parts, fuels and other and for USD 0.6 million to finished goods. During 2016 there were no reversals of write downs (2015: nil). No significant amount of inventory has been written down to net realizable value. Inventory amounting to USD 50.1 million (2015: USD 52.0 million) has been pledged as security for external loans, consisting of USD 46.0 million to OCI Nitrogen B.V. (2015: USD 46.0 million) and USD 4.1 million to OCI Partners (2015: USD 6.0 million).

17. Cash and cash equivalents

\$ million	30 June 2016	31 December 2015
Cash on hand	0.1	0.2
Bank balances	758.5	646.6
Restricted funds	22.5	146.2
Restricted cash	8.3	3.4
Total	789.4	796.4

18. Equity attributable to owners of the Company

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

	2016	2015
Number of shares at 1 January	210,113,854	205,911,570
Number of issued shares in restructuring	-	-
Number of issued shares	192,247	4,202,284
On issue - fully paid as at 30 June	210,306,101	210,113,854
At 30 June (in millions of USD)	4,709.1	282.2

Movements in equity attributable to owners of the Company during the six month period ended 30 June 2016:

- In January 2016, 192,247 shares in Orascom Construction Industries S.A.E. (minority shareholders of OCI S.A.E.) were swapped for OCI N.V. shares. This transaction resulted in an issuance of new shares for an amount of USD 4.2 million and an increase of share premium by USD 2.1 million.
- Total dividends declared to non-controlling interest amounted to USD 130.6 million, of which USD 6.7 million related to OCI Partners and USD 123.9 million to Sorfert. OCI Partners paid a dividend of USD 6.7 million to the non-controlling unit holders. OCIP Holding LLC received dividends in an amount of USD 26.4 million. Sorfert declared dividends for an amount of USD 123.9 million to non-controlling shareholders. The dividend was recognized under 'Trade and other liabilities'.
- An amount of USD 0.5 million related to share-based compensation was recognized in retained earnings.
- In the Annual General Meeting of shareholders ("AGM") held on 28 June 2016, it was proposed to decrease the issued share capital of OCI N.V. by EUR 19.98 in order to result in a nominal value of EUR 0.02 for each ordinary share. The amount of the capital reduction will be added to the share premium reserve of the Company. The proposal was accepted and will be effected after a two month period. As the creditors objection period had not passed on 30 June 2016, the decrease in nominal value has not yet been reflected in these interim financial statements.
- 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 natural 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 14.1 million during the first six months of 2016.

Movements in equity attributable to owners of the Company during the six month period ended 30 June 2015:

- On 8 January 2015, 4,202,284 new shares were issued for a total amount of USD 168.7 million (including related transaction cost of USD 6.7 million).
- In order to facilitate the demerger of the Engineering & Construction business, OCI N.V. converted USD 1,400.0 million of reserves into capital, representing the fair value of the shares of OCL. The capital increase of USD 1,400.0 million was distributed as a capital in kind reduction to OCI N.V.'s shareholders on 7 March 2015.
- An amount of USD 78.3 million represents the non-controlling interest derecognized as a result of the demerger of the Engineering & Construction business.
- On 17 April 2015, OCI Partners received a capital contribution of USD 60.0 million in cash from OCI N.V.'s subsidiary OCIP Holding LLC to partially fund capital expenditures and other costs and expenses incurred in connection with the debottlenecking project, and in exchange OCI Partners issued 3,502,218 common units to OCIP Holding. Non-controlling interest attributable to these additional partnership common units was USD 11.5 million. A corresponding amount has been deducted from 'Equity attributable to owners of the company'.
- Under the terms of the demerger, OCI N.V.'s shareholders received one Orascom Construction Ltd. share for every two OCI N.V. shares owned. As a result of these developments, all outstanding options and matching rights held by awardees related to OCI N.V. shares have been replaced with new options and matching rights related to both OCI N.V. and Orascom Construction Ltd. shares. The new options and matching rights are cash settled (were equity settled). Due to this modification of the share-based compensation plans from equity settled to cash settled the other reserves decreased for a total amount of USD 33.1 million.
- OCI Partners paid a distribution in amount of USD 5.8 million to the non-controlling unit holders. OCIP Holding LLC received a distribution in amount of USD 21.8 million, which was eliminated in the consolidation as OCI owns approximately 80% of the shares of OCIP Holding LLC.
- An amount of USD 8.9 million related to share-based compensation and increased the other reserves.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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19. Loans and borrowings

\$ millions	2016	2015
At 1 January	4,902.8	4,981.1
Proceeds from loans	325.7	760.7
Redemptions of loans	(345.8)	(389.0)
Redemption of bank overdrafts (net)	(8.3)	(90.9)
Amortization of transaction cost	13.6	26.7
Effect of movement in exchange rates	(19.6)	(385.8)
Balance at 30 June / 31 December	4,868.4	4,902.8
Non-current	4,011.1	3,336.7
Current	857.3	1,566.1
Total	4,868.4	4,902.8

New and amended financing arrangements

During the first six months of 2016 several actions have been taken to safeguard and strengthen the Company's financial position. These recent actions, next to obtaining several waivers, include the following:

USD 250.0 million bond issue Natgasoline

In connection with CEL's investment in Natgasoline (reference is made to note 13), OCI and CEL announced on 21 April 2016 that Citi and Morgan Stanley have priced and fully underwritten approximately USD 250.0 million of tax-exempt Mission Economic Development Corporation Senior Revenue Lien Bonds (Natgasoline Project), Series 2016. The funds were received by Natgasoline beginning of May 2016. Of the proceeds USD 192.1 million were used to partly redeem the shareholder loan received from OCI N.V. The remaining outstanding balance of shareholder loans in Natgasoline of USD 277.0 million has been monetised in August 2016 (reference is made to note 30).

Bridge facilities

In May 2016, the Company repaid an amount of USD 190.0 million on the USD 398.2 million bridge facilities outstanding per year end 2015, from proceeds received following the USD 250.0 million Natgasoline bond issuance. The remaining outstanding balance has been repaid in August 2016 (reference is made to note 30).

USD 317.0 million loan from Nile Holding

On 22 January 2016, OCI N.V. entered into a credit facility agreement with Nile Holding for USD 317.0 million that was fully drawn, and was used to finance the construction project in Natgasoline. The loan matures on 28 February 2018 and can be extended for two years. The loan carries an interest rate between LIBOR plus 7.5% to 9.0%.

Standby letter of credit from JP Morgan

In April 2016, JP Morgan issued an irrevocable Standby Letter of Credit for USD 150.0 million at the request of NNS Holding to OCI N.V. The proceeds of this letter of credit will be used to cover any funding requirement to complete the construction at IFCo. In addition, NNS Holding has committed to provide an additional USD 80.0 million if requested by the Company for general corporate purposes. As per 30 June 2016 no amount has been drawn.

OCI Partners

On 17 March 2016, OCI Partners extended the maturity of the revolving credit facility to 31 March 2017 and amended the covenants from the lenders for its outstanding term loans and revolving credit facility for the three month periods ending 30 June 2016, 30 September 2016, 31 December 2016 and 31 March 2017.

OFT and OFTS

On 30 June 2016 OCI Fertilizer Trading ("OFT") and OCI Fertilizer Trade & Supply ("OFTS") amended their facility agreements, which are reported as bank overdrafts, by deleting the financial covenants and releasing the guarantor.

Covenants

As per 30 June 2016 all financial covenants have been met or a waiver has been obtained prior to balance sheet date.

20. Provisions

\$ millions	Asset retirement obligation	Claims and other contingencies	Donation provision	Total
At 1 January 2016	0.2	12.0	243.2	255.4
Provision made during the year	-	-	-	-
Provision used during the year	-	-	-	-
Provision reversed during the year	-	(2.2)	-	(2.2)
Effect of movement in exchange rates	-	-	(28.9)	(28.9)
At 30 June 2016	0.2	9.8	214.3	224.3
Non-current	0.2	9.8	-	10.0
Current	-	-	214.3	214.3
Total	0.2	9.8	214.3	224.3

21. Expenses by nature

\$ millions	30 June 2016	30 June 2015
Raw materials and consumables and finished goods	570.3	571.3
Employee benefit expenses	115.5	129.8
Depreciation, amortization	151.1	146.4
Consultancy expenses	8.4	6.8
Other	89.3	84.5
Total	934.6	938.8
Cost of sales	816.9	809.9
Selling, general and administrative expenses	117.7	128.9
Total	934.6	938.8

22. Other income

\$ millions	30 June 2016	30 June 2015
Insurance claims	66.0	-
Net gain on sale of investment	-	5.1
Result on sale of 50% and deconsolidation of Natgasoline	107.9	-
Termination fee combination agreement with CF	150.0	-
Other	6.4	2.5
Total	330.3	7.6

Insurance claims

During the six month period ended 30 June 2016, the Group received USD 63.5 million in insurance proceeds related to three fire incidents at the site of OCI Nitrogen B.V. In June 2016, the Group reached a final settlement with the insurance companies.

Result on sale of 50% and deconsolidation of Natgasoline

In May 2016, 50% of the shares held in Natgasoline, which was formerly controlled 100% by OCI, were sold to CEL (reference is made to note 13). Subsequently, the interest in Natgasoline was deconsolidated and resulted into a transaction gain amounting to USD 107.9 million and is determined as follows:

\$ millions	
Fair value of retained investment in Natgasoline	630.0
Carrying amount of Natgasoline's net assets	(522.1)
Result on transaction	107.9

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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22. Other income continued

Termination fee as per combination agreement with CF

Pursuant to the terms of the combination agreement OCI received a termination fee of USD 150.0 million from CF Industries as a result of the termination of the combination agreement. Reference is made to note 4.

23. Other expenses

\$ millions	30 June 2016	30 June 2015
Loss on gas price derivative by IFCo	1.5	8.4
Cost relating to the terminated CF transaction	17.4	-
Other	11.9	1.4
Total	30.8	9.8

Other expenses for the six month period ended 30 June 2016 of USD 11.9 million are mainly related to expenses incurred for the fire incidents at OCI Nitrogen B.V., reference is also made to note 22 with respect to the related insurance proceeds. Cost relating to the terminated CF transaction includes amongst other legal, accounting and advisory fees.

24. Net finance cost

\$ millions	30 June 2016	30 June 2015
Interest income on loans and receivables	15.7	10.3
Foreign exchange gain	110.0	88.3
Finance income	125.7	98.6
Interest expense on financial liabilities measured at amortized cost	(110.0)	(96.9)
Foreign exchange loss	(69.2)	(68.7)
Finance cost	(179.2)	(165.6)
Net finance cost recognized in profit or loss	(53.5)	(67.0)

The increase in foreign exchange gains from 2015 to 2016 mainly related to the revaluation of intercompany balances in foreign currencies, for which the profit or loss impact is not eliminated in the consolidated financial statements. Foreign exchange gains and losses in 2015 and 2016, both include the foreign currency result from the donation provision and the tax refunds received (2016: USD 28.9 million and 2015 USD 23.0 million).

25. Segment reporting

30 June 2016 \$ million	OCI Partners	IFCo	Natgasoline	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)
Total revenues	117.4	-	-	600.3	207.3	57.0	982.0
Fertilizers	40.8	-	-	600.3	202.4	-	843.5
Chemicals	76.6	-	-	-	4.9	57.0	138.5
Total revenues	117.4	-	-	600.3	207.3	57.0	982.0
Profit / (loss) before income tax	(21.0)	(31.1)	(2.4)	102.3	75.4	170.9	294.1
Total assets	673.9	2,083.2	-	648.6	2,974.7	1,582.6	7,963.0

30 June 2015 \$ million	OCI Partners	IFCo	Natgasoline	OCI Nitrogen / Trading	North Africa	Corporate and other	Total
Segment revenues	117.3	-	-	816.9	379.4	1.6	1,315.2
Inter-segment revenues	(0.6)	-	-	(58.6)	(106.5)	-	(165.7)
Total revenues	116.7	-	-	758.3	272.9	1.6	1,149.5
Fertilizers	40.0	-	-	758.3	271.5	0.2	1,070.0
Chemicals	76.7	-	-	-	1.4	1.4	79.5
Total revenues	116.7	-	-	758.3	272.9	1.6	1,149.5
Profit / (loss) before income tax	14.8	(28.3)	(2.5)	123.1	101.0	(64.8)	143.3
Total assets	758.1	1,836.5	400.4	692.3	3,237.4	1,090.3	8,015.0

26. Contingencies

There have been no significant changes in contingencies compared to the situation as described in the 2015 Annual Report.

27. Capital commitments

\$ millions	30 June 2016	31 December 2015
Iowa Fertilizer Company (IFCo)	49.7	43.9
Natgasoline LLC *	-	678.0
BioMCN B.V.	7.7	-
OCI Nitrogen B.V.	11.1	10.9
Total	68.5	732.8

* As a result of the reclassification of Natgasoline to associates, the capital commitments of Natgasoline are no longer disclosed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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28. Business combinations

On 12 June 2015 OCI acquired 100% of the shares of BioMCN, a methanol producer and pioneer in bio-methanol production based in Delfzijl, the Netherlands. The acquisition adds 440 ktpa methanol design production capacity to OCI N.V.'s current methanol capacity at OCI Beaumont to reach a total of 1.35 million metric tons per annum (excluding BioMCN's mothballed facility with capacity of 430 ktpa). The acquisition creates a foothold for OCI in the European methanol market. The amount of revenues and profit in 2015 (as of the date of acquisition) amounts to USD 22.5 million and USD 1.6 million, respectively. No goodwill or badwill was identified. The final purchase price allocation is presented below.

\$ millions	Final purchase price allocation
Property, plant and equipment	18.8
Intangible assets	4.5
Deferred tax	(3.3)
Current assets	1.8
Non-current liabilities	(2.1)
Current liabilities	(3.2)
Net assets acquired / purchase price (net of cash)	16.5

29. Related party transactions

The following is a list of significant related party transactions and outstanding amounts as at 30 June 2016:

\$ 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)
Related party	Relation					
OC Egypt	OCL group company	-	-	-	11.8	-
OCI Algeria	OCL group company	-	0.1	-	-	-
Orascom Construction Ltd.	OCL parent company	-	3.8	-	-	-
Contract International	OCL group company	-	3.0	0.1	0.5	-
Orascom E&C	OCL group company	-	3.0	555.7	200.6	-
OCI Construction Holding Cyprus	OCL group company	-	-	-	0.8	-
OCI-Construction Cyprus	OCL group company	-	-	-	0.8	-
Weitz	OCL group company	-	17.7	-	-	-
Fitco Agro S.A.	Joint venture	38.0	4.7	-	-	-
Natgasoline	Associate	-	0.1	-	0.1	277.0
Sitech Manufacturing Services C.V.	Associate	-	-	68.5	22.6	-
Utility Support Group B.V.	Related via associate	5.9	5.7	26.4	-	28.2
Sitech Services B.V.	Associate	-	-	2.6	0.6	-
OCI Nitrogen Iberian Company	Joint venture	1.2	-	-	-	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	-	0.2	-	-	2.8
Nile Holding	Related via shareholder	-	-	-	-	(317.0)
Total		45.1	38.3	653.3	237.8	(9.0)

The following is a list of significant related party transactions and outstanding amounts as at 31 December 2015:

\$ millions		Revenue transactions during the year	AR outstanding at year end	Purchases transactions during the year	AP outstanding at year end	Loans receivables/ (Loans payables)
Related party	Relation					
OC Egypt	OCL group company	-	-	-	7.8	-
Contract International	OCL group company	-	3.0	-	0.6	-
Orascom E&C	OCL group company	-	3.3	949.2	142.6	-
OCI Construction Holding Cyprus	OCL group company	-	-	-	1.7	-
Weitz	OCL group company	-	9.2	-	-	-
Orascom Construction Ltd.	OCL parent company	-	3.2	-	-	-
Fitco Agro S.A.	Joint venture	117.4	16.1	-	-	-
Sitech Manufacturing Services C.V.	Associate	-	-	117.1	35.9	-
Utility Support Group B.V.	Related via associate	17.8	1.8	89.8	2.7	27.6
Sitech Services B.V.	Associate	-	-	6.5	1.0	-
OCI Nitrogen Iberian Company	Joint venture	3.9	4.1	-	-	-
Shanxi Fenghe Melamine Co Ltd.	Joint venture	-	0.6	23.1	-	3.8
Total		139.1	41.3	1,185.7	192.3	31.4

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.

30. Subsequent events

Refinancing OCI Nitrogen B.V.

In August 2016 OCI Nitrogen B.V. has refinanced its outstanding debt of USD 332.4 million (EUR 300.0 million), by entering into a new credit facility, which comprises a USD 277.0 million (EUR 250.0 million) term loan facility A ("TLA"), a USD 277.0 million (EUR 250.0 million) term loan facility B ("TLB") and a USD 55.4 million (EUR 50.0 million) revolving credit facility. The TLA will be redeemed over 5 years and the TLB will be repaid on the maturity date in 2021. The weighted average opening margin is 4.23% over EURIBOR. The new credit facility will replace the previous one, which would originally mature in October 2016.

Redemption bridge facilities

In August 2016 OCI N.V. received USD 279.0 million of proceeds from the full repayment of the outstanding shareholder's loan to Natgasoline of USD 277.0 million and USD 2.0 million of accrued interest. A part of these proceeds, together with the USD 150.0 million termination fee received from CF in May 2016, were used to fully redeem the outstanding bridge facilities.

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 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, 1 September 2016

The OCI N.V. Board of Directors

