

Trading Update – First Quarter 2016

Amsterdam, the Netherlands / 23 May, 2016

### OCI N.V. Trading Update<sup>1</sup>

#### Highlights

- Total volumes sold amounted to almost 2.0 million metric tons during the quarter, a 26.4% increase compared to the same period last year:
  - *Own product volume sold increased 37.1% to 1.5 million metric tons*
  - *Traded third party volumes increased 1.1% to 0.5 million metric tons*
- Strong growth in methanol volumes as a result of high utilization in the United States and first-time contribution from BioMCN in the Netherlands
- EFC utilization rates in excess of 80% during the first quarter of 2016
- Successful restart of CAN production in February 2016, return to normal operating rates
- Selling prices decreased significantly compared to both the first and fourth quarter of 2015
- Lower product prices partly offset by lower natural gas feedstock market prices
- Net debt stood at c.\$4.6 billion as of 31 March 2016

#### Financial and Operational Performance

During the first quarter of 2016, product volumes were significantly higher than in the same quarter last year. Our own produced volumes increased by 37.1% to 1.5 million metric tons in the first quarter of 2016 compared to 1.1 million metric tons in the same period last year, largely due to production records for both methanol and ammonia at our operations in the United States and the return of natural gas supply feedstock to our Egyptian operations, further boosted by the first-time contribution of methanol and biomethanol producer BioMCN in the Netherlands.

In the first quarter of 2016, Egyptian Fertilizers Company (EFC) and Egypt Basic Industries Corporation (EBIC) achieved utilization rates significantly above the same period last year, with EFC in excess of 80%. Nevertheless, the natural gas supply situation in Egypt is monitored closely on an on-going basis, as it is expected to remain volatile in the shorter term, but prospects for future natural gas supply in Egypt are promising. It is expected that Egypt's domestic production of natural gas will improve from 2017, when two recent large discoveries of natural gas fields (ENI's Zohr and BP's West Nile Delta) are expected to start production.

Volumes sold increased despite lower calcium ammonium nitrate (CAN) volumes in the Netherlands due to the previously mentioned shutdown following a fire incident in September 2015. Operations at the CAN facilities restarted successfully in February 2016, in time for the spring season in Europe.

Selling prices declined for most of our products compared to both the first and fourth quarters of 2015, due to an increase in global supply, relatively low demand in the beginning of the year and lower cash costs for

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<sup>1</sup> Quarterly figures are based on unaudited results

marginal producers. Melamine prices bucked the trend and improved compared to both the first and fourth quarter of 2015.

Favourable natural gas feedstock market prices and a high nitrate premium in Europe have cushioned the decline in product prices to a large extent and have helped boost our margins and global competitive position, nevertheless consolidated first quarter 2016 revenue and EBITDA were lower than the same period last year.

### **Net Debt and Projects Update**

On the balance sheet side, lower net debt at our Algerian and Egyptian operations due to operational cash flows and currency devaluation was offset by an increase in debt related to our greenfield project Natgasoline in the United States. OCI N.V. consolidated net debt stood at c.\$4.6 billion as at 31 March 2016.

Our two expansion projects in the United States, Iowa Fertilizer Company and Natgasoline, are expected to start production this year and in 2017, respectively:

- Iowa Fertilizer Company is in the final stages of construction and expected to start ammonia production in September/October 2016 and downstream production one or two months later, in time for the fall application season in the United States.
- The plant is strategically located in the centre of the Mid Corn Belt, the largest market in the United States for direct application nitrogen fertilizer products, and has transportation cost advantage compared to other producers who must ship their products over greater distances to the region. Product prices in the Midwest command a premium to other regions, with ammonia generating an average premium in excess of \$140 per metric ton and UAN more than \$60 per metric ton over prices on the US Gulf Coast over the past five years. The facility will greatly enhance our global competitive position, as well as give us a foothold in what is one of the most attractive markets globally for nitrogen fertilizers.
- Natgasoline LLC was 51.3% complete as at 31 March 2016. The methanol facility in Beaumont, Texas, is expected to start production in the second half of 2017.
- Funding for the Natgasoline project is committed: the agreement with Consolidated Energy AG (“CEL”) was a major milestone for the project.

For 2016 / 2017, we expect to spend up to \$350 million on Iowa Fertilizer Company to complete the project, cover on-going overhead costs and fund debt service payments. OCI does not expect there to be further capital commitments from OCI for Natgasoline.

As a result of the lower capital expenditure requirements and operational cash flows, we expect a lower net debt at the end of 2016 compared to net debt of about \$4.3 billion as of 31 December 2015. With no further capital commitments for expansion projects expected, combined with the start of production at our greenfield projects, we expect a further deleveraging in 2017.

**Evolution of volumes and prices**
**Product Sales Volumes**

'000 metric tons	Q1 2016	Q1 2015	% Δ	Q4 2015	% Δ
<b>Own Product</b>					
Ammonia	327.7	312.2	5.0%	297.6	10.1%
Urea	580.2	310.7	86.7%	505.2	14.8%
Calcium Ammonium Nitrate (CAN)	92.5	284.3	-67.5%	133.0	-30.5%
Urea Ammonium Nitrate (UAN)	150.4	86.4	74.1%	119.9	25.4%
<b>Total Fertilizer</b>	<b>1,150.8</b>	<b>993.6</b>	<b>15.8%</b>	<b>1,055.7</b>	<b>9.0%</b>
Methanol	300.8	53.0	467.5%	211.3	42.4%
Melamine	31.3	34.9	-10.3%	30.7	2.0%
<b>Total Industrial Chemicals</b>	<b>332.1</b>	<b>87.9</b>	<b>277.8%</b>	<b>242.0</b>	<b>37.2%</b>
<b>Total Own Product</b>	<b>1,482.9</b>	<b>1,081.5</b>	<b>37.1%</b>	<b>1,297.7</b>	<b>14.3%</b>
<b>Traded Third Party</b>					
Ammonia	55.3	57.3	-3.5%	110.7	-50.0%
Urea	0.0	10.5	-100.0%	38.0	-100.0%
UAN	4.0	14.8	-73.0%	16.2	-75.3%
Ammonium Sulphate (AS)	405.2	376.7	7.6%	415.8	-2.5%
<b>Total Traded Third Party Product</b>	<b>464.5</b>	<b>459.3</b>	<b>1.1%</b>	<b>580.7</b>	<b>-20.0%</b>
<b>Total Own Product and Traded Third Party</b>	<b>1,947.4</b>	<b>1,540.8</b>	<b>26.4%</b>	<b>1,878.4</b>	<b>3.7%</b>

**Benchmark Prices\***

		Q1 2016	Q1 2015	% Δ	Q4 2015	% Δ	
<b>Granular Urea</b>	Egypt, FOB	US\$/t	231	336	-31.3%	270	-14.4%
<b>Ammonia</b>	North West Europe, FOB	US\$/t	354	506	-30.0%	453	-21.9%
<b>Ammonia</b>	US Gulf Tampa	US\$/t	323	498	-35.1%	416	-22.4%
<b>CAN</b>	Germany, CIF	EUR/t	227	267	-15.0%	233	-2.6%
<b>UAN</b>	France, FOT	EUR/t	164	231	-29.0%	181	-9.4%
<b>Melamine</b>	Europe contract	EUR/t	1,390	1,340	3.7%	1,360	2.2%
<b>Methanol</b>	US Gulf Coast Contract, FOB	US\$/t	249	426	-41.5%	350	-28.9%
<b>Methanol</b>	US Gulf Coast Spot, FOB	US\$/t	151	349	-56.7%	263	-42.6%

\* % Change versus the same period last year. Note that AS is traded volume only

### 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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