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# H1 2014 Results Presentation

27 August 2014

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Financial Highlights H1 2014	3
Fertilizer & Chemicals Group Highlights	5
Engineering & Construction Group Highlights	7
Consolidated Financials and Debt Overview	9

# Consolidated Results<sup>1)</sup>

## Financial Highlights

\$ Million	H1 2014	H1 2013*	% Δ	2013*
<b>Revenue</b>	<b>2,320.3</b>	<b>2,252.7</b>	<b>3.0%</b>	<b>4,460.7</b>
<b>EBITDA</b>	<b>412.5</b>	<b>330.9</b>	<b>24.7%</b>	<b>637.9</b>
<i>EBITDA Margin</i>	<i>17.8%</i>	<i>14.7%</i>		<i>14.3%</i>
<b>Net Income Attributable to Shareholders</b>	<b>39.5</b>	<b>55.9</b>	<b>-29.3%</b>	<b>295.2</b>
<i>Net Income Margin</i>	<i>1.7%</i>	<i>2.5%</i>		<i>6.6%</i>
Total Assets	10,714.5			10,496.4
Gross Interest-Bearing Debt	5,939.1			5,890.3
Cash and Cash Equivalents	1,704.5			1,990.2
Net Debt	4,234.6			3,900.1

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

### Highlights:

- Since 1 January 2014, OCI has recognized BESIX and certain other JV's according to the equity method rather than proportional consolidation (IFRS 11), in compliance with IFRS-EU standards .
- The adoption of IFRS 11 has resulted in the following changes to the previously reported 2013 financials (full year) using proportionate consolidation:
  - Fertilizer & Chemicals Group: about \$ 117 million lower revenues and \$ 3 million lower EBITDA on a consolidated basis for 2013
  - Engineering & Construction Group: about \$ 1,522 million lower revenues and \$ 102 million lower EBITDA on a consolidated basis for 2013
  - No impact on net income attributable to shareholders
- On a comparable basis, consolidated EBITDA improved 24.7% from \$ 330.9 million in H1 2013 to \$ 412.5 million in H1 2014.
  - The Fertilizer & Chemicals Group EBITDA was the main driver of growth and improved 30.8% to \$ 403.5 million in H1 2014.
  - The Engineering & Construction Group EBITDA margin stood at 4.0% for H1 2014, versus 4.9% in the same period last year
  - Corporate costs amounted to \$ 32.1 million in the first half of 2014 and \$ 23.9 million in the same period last year

1) Figures are based on unaudited financials for the restated 2013 and 2014. Financials have been prepared in accordance with IFRS as adopted by the European Union

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## Performance by Group

# Fertilizer & Chemicals Group Highlights

## Financial Snapshot

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

\* H1 2013 and 2013 results have been restated to comply with IFRS 11

### Operational performance:

- On a comparable basis, the Fertilizer & Chemicals Group's revenue decreased 0.7% year-on-year to \$ 1,298.1 million, as higher volumes, primarily driven by Sorfert, were offset by generally lower product prices
- Volume sold reached 3.7 million metric tons in the first half of 2014, a 16.9% improvement over the first half of 2013
- Volume sold that was produced by OCI reached 2.5 million metric tons in H1 2014, a 35.0% improvement over the first half of 2013
- EBITDA improved 30.8% from \$ 308.4 million in H1 2013 to \$ 403.5 million in H1 2014.
  - The EBITDA margin stood at 31.1% for the half year, as compared to 23.6% in the first half of 2013
  - Higher volumes (primarily from Sorfert) were the main driver of EBITDA growth
- Second quarter EBITDA was higher than in the first quarter, despite a lower result at EFC, as all other plants improved quarter on quarter.

### Growth initiatives:

- OCI Beaumont has received all permits for its debottlenecking project during July and August 2014
- Construction at Iowa Fertilizer Company (IFCo) was almost 63% complete as at 31 July 2014
- Ground-breaking for Natgasoline LLC was achieved in March 2014 and the full permit process is ongoing

# Fertilizer & Chemicals Group Highlights

## Q2 and H1 2014 Sales Volumes

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

- Total chemicals volume sold reached 3.7 million metric tons, a 16.9% improvement over H1 2013
- OCI N.V. production volumes sold reached 2.5 million metric tons, an increase of 35.0% over H1 2013

# Engineering & Construction Group Highlights

## *Financial Snapshot*

\$ Million	H1 2014	H1 2013*	% Δ	2013*
<b>Revenue</b>	<b>1,022.2</b>	<b>945.1</b>	8.2%	<b>1,976.5</b>
<b>EBITDA</b>	<b>41.1</b>	<b>46.7</b>	-12.0%	<b>28.0</b>
<i>EBITDA Margin</i>	4.0%	4.9%		1.4%

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

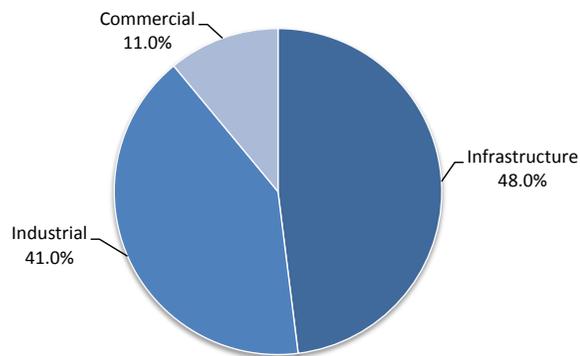
- H1 2014 revenue grew 8.2% year-on-year to \$ 1,022.2 million, as revenues in Egypt recovered, in addition to a pick-up in revenues in the United States and Saudi Arabia
  - Since 1 January 2014, OCI has recognized BESIX and certain other construction JV's according to the equity method rather than proportional consolidation, in compliance with IFRS-EU standards
  - The adoption of IFRS 11 has resulted in about \$ 1,522 million lower revenues and \$ 102 million lower EBITDA on a consolidated basis for the Engineering & Construction Group in 2013, compared with the figures previously reported under proportionate consolidation
  - It has also been reflected in consolidated backlog
- EBITDA margin stood at 4.0% for H1 2014, versus 4.9% in the same period last year, but represents a strong increase compared to the 1.4% achieved during the full year 2013
  - EBITDA margins in the first half of this year reflect the impact of closure of some older projects with low profitability and cancellation of some projects in Afghanistan where the US government has contracted its activities

# Engineering & Construction Group Highlights

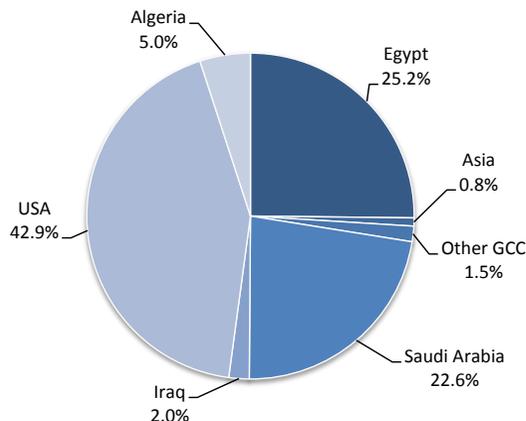
## *Backlog and New Awards Snapshot as at 30 June 2014*

- Consolidated backlog stood at \$ 5.0 billion as at 30 June 2014, a 28% increase compared with the backlog of \$ 3.9 billion as at 31 March 2014
- Infrastructure and industrial work constitute 89% of the backlog as at 30 June 2014
- New awards totalled \$ 1.8 billion during Q2 2014
- New awards included about \$ 950 million related to Natgasoline and Iowa Fertilizer Company in Q2 2014
- New awards in Saudi Arabia amounted to about \$ 460 million during the second quarter of 2014
- Had we continued to consolidate BESIX and certain other construction JV's proportionately, backlog would have stood at US\$ 7.4 billion as of 30 June 2014 (compared to US\$ 5.9 billion as of 31 March 2014) and new awards US\$ 2.5 billion during Q2 2014 (\$ 1.0 billion during Q1 2014).

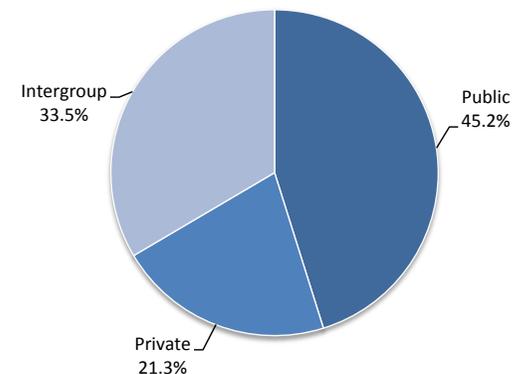
30 June 2014 Backlog by Sector



30 June 2014 Backlog by Geography



30 June 2014 Backlog by Client



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## Consolidated Financials and Debt Overview

## Debt Overview

- Total gross debt outstanding of \$ 5,939 million as at 30 June 2014, a small (0.8%) increase over 31 December 2013
- The majority of OCI N.V.'s total debt outstanding is held at the operating company level and is financed through operating cash flows
- OCI N.V.'s debt profile is detailed in the table below:

OCI N.V. Consolidated Debt Breakdown as at 30 June 2014					
\$ Million	Description	Companies	Gross Debt	Cash	Net debt
<b>Joint Venture Debt</b>	<ul style="list-style-type: none"> <li>▪ Debt at entities where OCI's stake is less than 100%</li> <li>▪ Debt is non-recourse to OCI N.V., although consolidated on the group's balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sorfert</li> <li>▪ EBIC</li> <li>▪ OCI Beaumont</li> <li>▪ Construction JVs</li> </ul>	2,359	282	2,077
<b>Operating Company Debt</b>	<ul style="list-style-type: none"> <li>▪ 100% owned operating companies' debt is organized against operating company cash flow and is non-recourse to Holding Company level</li> <li>▪ Corporate support is available from OCI N.V.</li> </ul>	<ul style="list-style-type: none"> <li>▪ OCI Nitrogen</li> <li>▪ EFC</li> <li>▪ Orascom Construction</li> <li>▪ Other Construction Debt</li> </ul>	1,775	457	1,318
<b>Project Finance Debt</b>	<ul style="list-style-type: none"> <li>▪ Project finance debt which can remain with companies after completion of construction</li> <li>▪ All project finance debt is ring-fenced and non-recourse to OCI N.V.</li> <li>▪ Debt is raised through banks or capital markets</li> <li>▪ Long tenures financed by operating cash flow</li> </ul>	<ul style="list-style-type: none"> <li>▪ IFCo</li> </ul>	1,170	831	339
<b>Holding Company Debt</b>	<ul style="list-style-type: none"> <li>▪ Full responsibility of OCI N.V.</li> <li>▪ Supported by investment asset values and dividends received from subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>▪ OCI N.V.</li> <li>▪ OCI S.A.E</li> </ul>	635	134	501
<b>Total Debt</b>			<b>5,939</b>	<b>1,704</b>	<b>4,235</b>

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

\$ Million	30 June 2014	31 December 2013*
Long-term interest-bearing debt	4,824.0	4,462.4
Short-term interest-bearing debt	1,115.1	1,427.9
<b>Gross interest-bearing debt</b>	<b>5,939.1</b>	<b>5,890.3</b>
Cash & cash equivalents	1,704.5	1,990.2
<b>Net debt</b>	<b>4,234.6</b>	<b>3,900.1</b>

\* Restated – as of 1<sup>st</sup> January 2014, BESIX and certain other JVs are accounted for under the equity method

# Consolidated Income Statement

US\$ million	H1 2014	H1 2013*
<b>Revenue</b>	<b>2,320.3</b>	<b>2,252.7</b>
Cost of sales	-1,920.7	-1,884.2
<b>Gross Profit</b>	<b>399.6</b>	<b>368.5</b>
Selling, General and Admin Expenses	-179.9	-179.6
Other operating income	28.0	21.7
Other operating expense	-3.2	-7.1
Transaction costs	0.0	-80.0
<b>Operating profit / (loss)</b>	<b>244.5</b>	<b>123.5</b>
<i>Depreciation &amp; Amortisation</i>	-179.9	-127.4
<b>EBITDA</b>	<b>412.5</b>	<b>330.9</b>
Interest Income	7.3	8.7
Interest Expenses	-180.0	-159.1
Foreign exchange gain (loss)	26.7	127.8
<b>Net financing cost</b>	<b>-146.0</b>	<b>-22.6</b>
Income from associates (net of tax)	16.7	27.8
<b>Income before taxes and minority</b>	<b>115.2</b>	<b>128.7</b>
Income tax	-29.6	-50.3
<b>Income before minority interest</b>	<b>85.6</b>	<b>78.4</b>
Minority Interest	-46.1	-22.5
<b>Net Income attributable to shareholders</b>	<b>39.5</b>	<b>55.9</b>

\* Restated – as of 1<sup>st</sup> January 2014, BESIX and certain other JVs are accounted for under the equity method (IFRS 11)

# Consolidated Balance Sheet

US\$ million	30 June 2014	31 December 2013*
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment (net)	5,098.6	4,773.4
Goodwill	996.5	984.3
Investment in associated companies	528.5	525.7
Other investments	50.1	51.0
Deferred tax assets	64.4	67.6
Long - term receivables	72.0	76.8
<b>Total non-current assets</b>	<b>6,810.1</b>	<b>6,478.8</b>
<b>Current assets</b>		
Inventories	386.5	367.5
Trade and other receivables	1,341.4	1,282.1
Due from clients	469.8	375.4
Cash on hand and at banks	1,704.5	1,990.2
Assets held for sale	2.3	2.4
<b>Total current assets</b>	<b>3,904.5</b>	<b>4,017.6</b>
<b>Total assets</b>	<b>10,714.6</b>	<b>10,496.4</b>

\* Restated – as of 1<sup>st</sup> January 2014, BESIX and certain other JVs are accounted for under the equity method (IFRS 11)

# Consolidated Balance Sheet

US\$ million	30 June 2014	31 December 2013*
<b>EQUITY</b>		
Share capital	272.1	272.1
Share premium	1,441.8	1,441.8
Reserves	89.8	87.6
Retained earnings	-40.7	-80.2
<b>Total shareholders' equity</b>	<b>1,763.0</b>	<b>1,721.3</b>
Minority interest in subsidiary companies	380.9	366.3
<b>Total equity</b>	<b>2,143.9</b>	<b>2,087.6</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long-term loans	4,824.0	4,462.4
Trade and other payables	77.5	75.8
Provisions	10.1	19.1
Deferred tax liabilities	362.3	375.7
Income tax payables	437.1	414.7
<b>Total non - current liabilities</b>	<b>5,711.0</b>	<b>5,347.7</b>
<b>Current liabilities</b>		
Bank overdraft and current portion of long-term loans	1,115.1	1,427.9
Trade and other payables	1,167.2	1,038.8
Due to clients	111.5	140.6
Provisions	105.1	107.5
Income taxes payable	360.7	346.3
<b>Current liabilities</b>	<b>2,859.6</b>	<b>3,061.1</b>
<b>Total liabilities</b>	<b>8,570.6</b>	<b>8,408.8</b>
<b>Total equity and liabilities</b>	<b>10,714.5</b>	<b>10,496.4</b>

\* Restated – as of 1<sup>st</sup> January 2014, BESIX and certain other JVs are accounted for under the equity method (IFRS 11)

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The Company's backlog or orderbook is based on management's estimates of awarded, signed and ongoing contracts which have not yet been completed, and serves as an indication of total size of contracts to be executed.

# *OCI*



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