

Trading Update – Third Quarter 2015

Amsterdam, the Netherlands / 12 November, 2015

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

### Highlights

- CF – OCI combination announced on 6 August 2015, US antitrust clearance received November 2015
- Volumes sold were 1.6 million metric tons during the quarter, an 18.5% decrease compared to the same quarter of 2014, mainly due to unplanned shutdowns at Sorfert and lack of natural gas supply in Egypt
- Methanol volumes increased 41.1% following debottlenecking at OCI Beaumont
- Strong performance of European assets until a fire at the end of the quarter
- EFC resumed full operations from end of October 2015, EBIC resumed at c. 60% rate from 4 November
- Construction at Iowa Fertilizer Company 91.8% complete as at 30 September 2015 and plan to start production in Q1 2016
- Construction at Natgasoline LLC 31.9% complete as at 30 September 2015

### Combination Agreement with CF Industries

On 6 August 2015, OCI announced an agreement to combine its European, North American and global distribution businesses with CF Industries. Subsequent to the quarter, on 3 November 2015, OCI announced the expiration of the waiting period mandated for US government antitrust review of proposed transactions under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act). Expiration of the waiting period under the HSR Act is an important milestone and satisfies one of the conditions necessary to close the proposed transaction. The proposed transaction, which is expected to close in the first half of 2016, remains subject to approval by the shareholders of CF and OCI, as well as certain other regulatory approvals and customary closing conditions. All necessary filings, including those necessary for European Commission antitrust approval, have been submitted.

### Financial Performance

During the third quarter of 2015, product volumes were lower than in the same quarter last year due to unplanned shutdowns of some of the plants at Sorfert in Algeria and very limited gas supply to our Egyptian plants. Sorfert resumed production at all lines in late October and is running at normal utilization rates. EFC resumed full operations from the end of October 2015 and EBIC resumed at c. 60% rate from 4 November.

Our European operations have benefited from continued overall tightness in the nitrate markets and low gas prices resulting in a very good quarter. OCI Beaumont reported improved results for the third quarter of 2015 compared to last year, as increased volumes and low natural gas prices offset lower selling prices. Overall, due to lower contributions from our Algerian and Egyptian operations, third quarter 2015 revenue and EBITDA were lower than the same period last year and the second quarter of 2015.

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

On the balance sheet side, a significant devaluation of the Algerian Dinar from the second to the third quarter of 2015 helped lower Sorfert's net debt from c. \$900 million as at 30 June 2015 to below \$800 million as at 30 September 2015. We expect year-end net debt at Sorfert to be around \$700 million, reflecting a \$200 million reduction over a six-month period due to devaluation effects and operational cash flows. OCI N.V. net debt stood at c. \$4.4 billion as at 30 September 2015. The increase from \$4.1 billion as at 30 June 2015 is the result of capital expenditure for our greenfield projects in the United States, Iowa Fertilizer Company and Natgasoline.

### **Operational Highlights**

OCI sold 1.6 million metric tons of nitrogen-based fertilizer and industrial chemical products in the third quarter of 2015. Total own product volumes sold reached 1.1 million metric tons during the third quarter of 2015, a 21.4% decrease over the third quarter of 2014 and a 21.1% decrease compared to the second quarter of 2015. Lower margin third party traded volumes dropped 12.0% to 0.5 million metric tons, resulting in an 18.5% decrease in total volumes sold during Q3 2015.

The decrease in volumes was primarily driven by lower urea and ammonia volumes from our operations in Algeria and Egypt:

- Sorfert was intermittently shut down during the third quarter and part of the fourth quarter of 2015 for repairs of one of the ammonia production lines and the urea line. The plants restarted production in late October and are expected to run at normal levels for the remainder of this year.
- Our Egyptian operations were mostly shut down during the quarter due to very limited natural gas availability. As a result, urea volumes from Egypt decreased during the third quarter of 2015 compared to the same quarter last year. Ammonia volumes were at very low levels during both the third quarter last year and the third quarter this year. However, natural gas supply to both Egyptian Fertilizers Company (EFC) and Egypt Basic Industries Corporation (EBIC) resumed at the end of October / beginning of November and both plants are operating with EFC at full utilization and EBIC at c. 60%.

Our operations in the United States and Europe performed well, benefiting from high utilization rates and low gas prices, thus offsetting lower selling prices:

- Methanol volumes improved by 41.1% in the third quarter of 2015 compared to the same quarter last year, reflecting the higher design production capacity at OCI Beaumont following the finalization of its debottlenecking programme in April 2015. OCI Beaumont achieved utilization rates of 98% and 87% for methanol and ammonia respectively, which, combined with a drop of 32.7% in the average realized natural gas price from \$4.28 / mmBtu in the third quarter of 2014 to \$2.88 / mmBtu in the third quarter of 2015, helped offset lower selling prices for both methanol and ammonia.

- Our recent acquisition BioMCN (June 2015), a methanol and bio-methanol producer based in The Netherlands, is not yet included in the reported methanol volumes, as the plant produces methanol for a fixed fee for a third party. These toll manufacturing agreements are in place until the end of 2015.
- In Europe, our operations benefited from a low natural gas price of \$ 6.8 / mmBtu during the third quarter of 2015 and a high nitrate premium. Calcium Ammonia Nitrate (CAN) volumes were up 6% from the second quarter of 2015, and were at the same level for the first nine months of 2015 compared to the same period in 2014.
- On 30 September 2015, OCI Nitrogen was required to stop all production due to a fire in the basement of the CAN lines. On 8 October 2015, OCI Nitrogen restarted one ammonia production unit, shortly followed by Urea Ammonium Nitrate (UAN) and part of its melamine production. The CAN lines are expected to restart operations in the first quarter of 2016 once necessary repairs to essential infrastructure have been finalized.

### Product Sales Volumes

'000 metric tons	Q3 2015	Q3 2014	% Δ	Q2 2015	% Δ	9M 2015	9M 2014	% Δ
<b>Own Product</b>								
Ammonia	291.5	390.9	-25.4%	439.5	-33.7%	1,043.2	1,064.2	-2.0%
Urea	174.5	394.6	-55.8%	392.6	-55.6%	877.8	1,140.1	-23.0%
Calcium Ammonium Nitrate (CAN)	297.0	318.5	-6.8%	281.5	5.5%	862.8	878.7	-1.8%
Urea Ammonium Nitrate (UAN)	66.0	87.4	-24.5%	74.0	-10.8%	226.4	242.6	-6.7%
<b>Total Fertilizer</b>	<b>829.0</b>	<b>1,191.4</b>	<b>-30.4%</b>	<b>1,187.6</b>	<b>-30.2%</b>	<b>3,010.2</b>	<b>3,325.6</b>	<b>-9.5%</b>
Methanol	221.6	157.0	41.1%	158.9	39.5%	433.5	462.5	-6.3%
Melamine	40.0	38.3	4.4%	36.5	9.6%	111.4	123.8	-10.0%
<b>Total Industrial Chemicals</b>	<b>261.6</b>	<b>195.3</b>	<b>33.9%</b>	<b>195.4</b>	<b>33.9%</b>	<b>544.9</b>	<b>586.3</b>	<b>-7.1%</b>
<b>Total Own Product</b>	<b>1,090.6</b>	<b>1,386.7</b>	<b>-21.4%</b>	<b>1,383.0</b>	<b>-21.1%</b>	<b>3,555.1</b>	<b>3,911.9</b>	<b>-9.1%</b>
<b>Traded Third Party</b>								
Ammonia	65.7	168.3	-61.0%	46.4	41.7%	169.4	415.7	-59.2%
Urea	2.2	5.3	-58.5%	14.8	-85.1%	27.5	31.8	-13.5%
UAN	15.3	23.5	-34.9%	6.0	155.0%	36.1	67.1	-46.2%
Ammonium Sulphate (AS)	445.0	403.1	10.4%	581.3	-23.4%	1,455.8	1,268.1	14.8%
<b>Total Traded Third Party Product</b>	<b>528.2</b>	<b>600.2</b>	<b>-12.0%</b>	<b>648.5</b>	<b>-18.5%</b>	<b>1,688.8</b>	<b>1,782.7</b>	<b>-5.3%</b>
<b>Total Own Product and Traded Third Party</b>	<b>1,618.8</b>	<b>1,986.9</b>	<b>-18.5%</b>	<b>2,031.5</b>	<b>-20.3%</b>	<b>5,243.9</b>	<b>5,694.6</b>	<b>-7.9%</b>

In the third quarter of 2015, product prices were lower in US Dollar terms compared to 2014, resulting from increased supply, lower global demand and adverse exchange rate effects. Granular urea prices were down due to an increase in global exports and lower cash costs for marginal producers, where especially China incurred lower cash costs due to lower coal prices. Ammonia prices did not show their normal seasonal third quarter decline and were relatively stable from the second to the third quarter of 2015, but were down compared to 2014. Methanol prices have declined on the back of global supply, in addition to outages in downstream end markets. CAN Euro-denominated prices were stable, but decreased in US Dollar terms in the third quarter of 2015 compared to 2014.

### Benchmark Prices\*

			Q3 2015	Q3 2014	% Δ	Q2 2015	% Δ	9M 2015	9M 2014	% Δ
<b>Granular Urea</b>	Egypt, FOB	US\$/t	<b>280</b>	356	-21.3%	295	-5.1%	<b>303</b>	376	-19.4%
<b>Ammonia</b>	NW Europe, FOB	US\$/t	<b>476</b>	573	-16.9%	481	-1.0%	<b>487</b>	561	-13.2%
<b>Ammonia</b>	US Gulf Tampa	US\$/t	<b>458</b>	548	-16.4%	468	-2.1%	<b>474</b>	521	-9.0%
<b>CAN</b>	Germany, CIF	EUR/t	<b>233</b>	231	0.9%	249	-6.4%	<b>248</b>	248	0.0%
<b>UAN</b>	France, FOT	EUR/t	<b>191</b>	191	0.0%	208	-8.2%	<b>208</b>	200	4.0%
<b>Melamine</b>	Europe contract	EUR/t	<b>1,350</b>	1,304	3.5%	1,348	0.1%	<b>1,346</b>	1,327	1.4%
<b>Methanol</b>	USGC Contract, FOB	US\$/t	<b>402</b>	471	-14.6%	431	-6.7%	<b>420</b>	553	-24.1%
<b>Methanol</b>	USGC Spot, FOB	US\$/t	<b>305</b>	394	-22.6%	377	-19.1%	<b>344</b>	448	-23.2%

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

### Projects update

- Construction at Iowa Fertilizer Company (IFCo) was 91.8% complete as at 30 September 2015 and start of production is expected from the first quarter of 2016. A key milestone was achieved with the recent introduction of natural gas and the production of steam is expected imminently.
- Construction at Natgasoline LLC was 31.9% complete as at 30 September 2015. The methanol facility in Beaumont, Texas, is expected to start commissioning in the third quarter of 2017.

### Outlook

- Following the shutdowns, Sorfert restarted production in late October and is expected to run at normal capacity utilization levels going forward;
- A second floating storage and regasification unit (FSRU) arrived in Egypt at the end of September and was fully commissioned by the end of October. As a result of the additional natural gas imports, we expect EFC to operate at full utilization rates from November 2015 onwards. We expect EBIC to operate at 50-60% utilization as the second FSRU has docked at the plant's export jetty, thus limiting EBIC's ability to export. We expect this restriction to be temporary and full production to resume in 9 to 12 months;
- The shutdowns caused by the fire that broke out at OCI Nitrogen's CAN plant in The Netherlands on 30 September 2015 will have a negative impact on reported volumes in the fourth quarter of 2015. However, the overall financial impact is limited as both the damage to property and loss of business are insured. Following the resumption of CAN production in the first quarter of 2016, we expect OCI Nitrogen to return to normal operating rates;
- OCI Beaumont is expected to continue to operate at the new design capacity post-debottlenecking.

### Investor and Analyst Conference Call

Friday 13<sup>th</sup> November 2015, at 16:00 CET, OCI N.V. will host a conference call for investors and analysts. The dial-in information for the conference call is:

- Standard International Dial-in: +44 (0) 20 7192 8000
- Netherlands FreeCall Dial-in (land-lines only): 08000 249 557
- US FreeCall Dial-in: 1 866 966 1396

Conference ID: 77405724

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The replay access number is:

- Standard International Dial-in: +44 (0) 1452 550 000
- Netherlands FreeCall Dial-in (land-lines only): 08000 234 610
- US FreeCall Dial-in: 1 (866) 247 4222

Conference ID: 77405724

The conference call replay will be available from 19:00 CET Friday 13 November 2015 until 25 December 2015

### 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.

### Forward Looking Statements

Certain statements contained herein are “forward-looking statements” that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements address certain plans, activities or events which OCI expects will or may occur in the future and relate to, among other things, the business combination transactions involving OCI, the new holding company and CF, financing of the proposed transactions, the benefits, effects and timing of the proposed transactions, future financial and operating results, the combined company’s plans, objectives, expectations (financial or otherwise) and intentions. Various risks, uncertainties and other factors could cause actual results to differ materially from those expressed in any forward-looking statement, including the possibility that the various closing conditions for the transactions may not be satisfied or waived, including the ability to obtain regulatory approvals of the transactions on the proposed terms and schedule; the risk that competing offers will be made; the failure of OCI or CF shareholders to approve the transactions; the risk that access to financing, including for refinancing of indebtedness of the new holding company or CF, may not be available on a timely basis and on reasonable terms; the outcome of pending or potential litigation or governmental investigations; the risk that the businesses will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; uncertainty of the expected financial performance of the combined company following completion of the proposed transactions; the combined company’s ability to achieve the cost savings and synergies contemplated by the proposed transactions within the expected time frame; disruption from the proposed transactions making it more difficult to maintain relationships with customers, employees or suppliers; changes in tax laws or interpretations, including but not limited to changes that could increase the new holding company’s or CF’s consolidated tax liabilities, or that would result, if the transactions were consummated, in the new holding company being treated as a domestic corporation for U.S. federal tax purposes, or that could impose U.S. federal income taxes in connection with the spin-off from OCI; and general economic conditions that are less favorable than expected. Consequently, all of the forward-looking statements made by OCI, the new holding company or CF in this and in other documents or statements are qualified by factors, risks and uncertainties, including, but not limited to, those set forth under the headings titled “Forward Looking Statements” and “Risk Factors” in CF’s most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission (the “SEC”) up to the date hereof, which are available at the SEC’s website <http://www.sec.gov>.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither OCI, the new holding company, nor CF undertake to update or revise these forward-looking statements even if experience or future changes make it clear that projected results expressed or implied in such statements will not be realized, except as may be required by law.

**Important Additional Information and Where to Find It**

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

In connection with the proposed transactions, the new holding company has filed with the SEC a registration statement on Form S-4 that includes as prospectuses a shareholders circular of OCI and a preliminary proxy statement of CF. After the registration statement has been declared effective by the SEC, the shareholders circular/prospectus will be made available to OCI shareholders and a definitive proxy statement/prospectus will be mailed to CF shareholders. **INVESTORS AND SHAREHOLDERS ARE URGED TO CAREFULLY READ THESE DOCUMENTS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO), AND ALL OTHER DOCUMENTS RELATING TO THE TRANSACTIONS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTIONS.** You may obtain a copy of the shareholders circular/prospectus and the proxy statement/prospectus (when available) and other related documents filed by OCI, the new holding company and CF with the SEC regarding the proposed transactions, free of charge, through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov), by directing a request to OCI's Investor Relations department at [investor.relations@oci.nl](mailto:investor.relations@oci.nl), tel. +31 6 1825 1367, or to CF's Investor Relations department at [investorrelations@cfindustries.com](mailto:investorrelations@cfindustries.com), tel. +1-847-405-2550. Copies of the shareholders circular/prospectus, the proxy statement/prospectus and the filings with the SEC that will be incorporated by reference therein (when available) can also be obtained, free of charge, through OCI's website at [www.oci.nl](http://www.oci.nl) under the heading "Investor Relations" and through CF's website at [www.cfindustries.com](http://www.cfindustries.com) under the heading "CF Industries (CF) Investors" and then under the heading "SEC Filings".

**Participants in the Solicitation**

OCI, the new holding company, CF and their respective directors, executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies in favor of the proposed transactions. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of proxies in favor of the proposed transactions is set forth in the proxy statement/prospectus/shareholders circular filed with the SEC. You can find information about OCI's executive and non-executive directors in its 2014 annual report filed on April 29, 2015 available on OCI's website at [www.oci.nl](http://www.oci.nl) under the heading "Investor Relations" and about CF's directors and executive officers in its definitive proxy statement filed with the SEC on April 2, 2015. You can obtain free copies of these documents from OCI or CF using the contact information above.

For additional information contact:

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**For additional information on OCI:**

[www.oci.nl](http://www.oci.nl)

OCI stock symbols: OCI / OCLNA / OCLAS / OCINY

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