

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

for the six month period ended 30 June 2015

(Unaudited)

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# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT

\$ millions	Note	30 June 2015	31 December 2014
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(10)	5,507.0	5,272.4
Goodwill and other intangible assets	(11)	927.7	932.9
Trade and other receivables		50.7	49.7
Equity accounted investees	(12)	39.8	37.9
Other investments		22.8	22.9
Deferred tax assets		74.7	50.1
<b>Total non-current assets</b>		<b>6,622.7</b>	<b>6,365.9</b>
<b>Current assets</b>			
Inventories	(13)	155.7	178.5
Trade and other receivables		319.2	344.0
Other investments		33.9	31.2
Current income tax receivables	(14)	7.5	272.6
Cash and cash equivalents / Restricted funds	(15)	876.0	846.6
Assets held for demerger	(16)	-	2,538.5
<b>Total current assets</b>		<b>1,392.3</b>	<b>4,211.4</b>
<b>Total assets</b>		<b>8,015.0</b>	<b>10,577.3</b>
<b>Equity</b>			
Share capital		282.2	273.3
Share premium		207.4	1,447.6
Reserves		181.6	196.5
Retained earnings		1,026.8	201.5
<b>Equity attributable to owners of the Company</b>		<b>1,698.0</b>	<b>2,118.9</b>
Non-controlling interest		377.7	418.9
<b>Total equity</b>		<b>2,075.7</b>	<b>2,537.8</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	(17)	4,419.6	4,638.5
Trade and other payables		25.7	30.9
Employee benefit liabilities	(21)	33.1	-
Provisions		11.5	19.4
Deferred tax liabilities		336.8	343.4
<b>Total non-current liabilities</b>		<b>4,826.7</b>	<b>5,032.2</b>
<b>Current liabilities</b>			
Loans and borrowings	(17)	317.0	402.2
Trade and other payables		445.8	432.7
Provisions		288.6	301.1
Income tax payables		61.2	58.7
Liabilities held for demerger	(16)	-	1,812.6
<b>Total current liabilities</b>		<b>1,112.6</b>	<b>3,007.3</b>
<b>Total liabilities</b>		<b>5,939.3</b>	<b>8,039.5</b>
<b>Total equity and liabilities</b>		<b>8,015.0</b>	<b>10,577.3</b>

The notes on pages 8 to 17 are an integral part of these semi-annual condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE SIX MONTH PERIOD ENDED

\$ millions	Note	30 June 2015	30 June 2014
Revenue	(9)	1,149.5	1,298.1
Cost of sales		(809.9)	(968.9)
<b>Gross profit</b>		<b>339.6</b>	<b>329.2</b>
Other income		7.6	15.7
Selling, general and administrative expenses		(128.9)	(117.9)
Other expenses		(9.8)	(1.2)
<b>Operating profit</b>		<b>208.5</b>	<b>225.8</b>
Finance income	(19)	98.6	21.9
Finance cost	(19)	(165.6)	(146.4)
<b>Net finance cost</b>	(19)	<b>(67.0)</b>	<b>(124.5)</b>
Income from equity accounted investees (net of tax)	(12)	1.8	4.7
<b>Profit before income tax</b>		<b>143.3</b>	<b>106.0</b>
Income tax	(18)	32.5	(19.0)
<b>Net profit from continuing operations</b>		<b>175.8</b>	<b>87.0</b>
<b>Net profit / (loss) from discontinued operations (net of tax)</b>	(16)	<b>660.8</b>	<b>(1.4)</b>
<b>Total net profit</b>		<b>836.6</b>	<b>85.6</b>
<b>Other comprehensive income:</b>			
<b>Items that are or may be subsequently reclassified to profit or loss</b>			
Net change in fair value of available-for-sale financial assets		0.3	0.1
Changes in fair value of cash flow hedges		(0.1)	(4.1)
Foreign currency translation differences		(20.5)	(22.7)
Realization of hedge reserve due to demerger		14.4	-
Realization of currency translation differences due to demerger		46.5	-
<b>Other comprehensive income, net of tax</b>		<b>40.6</b>	<b>(26.7)</b>
<b>Total comprehensive income</b>		<b>877.2</b>	<b>58.9</b>
<b>Profit attributable to:</b>			
Owners of the Company		765.6	39.5
Non-controlling interest		71.0	46.1
<b>Net profit</b>		<b>836.6</b>	<b>85.6</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		846.1	41.7
Non-controlling interest		31.1	17.2
<b>Total comprehensive income</b>		<b>877.2</b>	<b>58.9</b>
<b>Earnings per share from continuing operations (in USD)</b>			
Basic earnings per share		0.840	0.371
Diluted earnings per share		0.840	0.371
<b>Earnings per share from total operations (in USD)</b>			
Basic earnings per share		3.999	0.192
Diluted earnings per share		3.859	0.192

The notes on pages 8 to 17 are an integral part of these semi-annual condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD ENDED 30 JUNE

\$ 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 2014</b>		<b>272.1</b>	<b>1,441.8</b>	<b>109.6</b>	<b>(102.2)</b>	<b>1,721.3</b>	<b>366.3</b>	<b>2,087.6</b>
Net profit (loss)		-	-	-	39.5	39.5	46.1	85.6
Other comprehensive income		-	-	2.2	-	2.2	(28.9)	(26.7)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>2.2</b>	<b>39.5</b>	<b>41.7</b>	<b>17.2</b>	<b>58.9</b>
Dividends		-	-	-	-	-	(2.6)	(2.6)
<b>Balance at 30 June 2014</b>		<b>272.1</b>	<b>1,441.8</b>	<b>111.8</b>	<b>(62.7)</b>	<b>1,763.0</b>	<b>380.9</b>	<b>2,143.9</b>
<b>Balance at 1 January 2015</b>		<b>273.3</b>	<b>1,447.6</b>	<b>196.5</b>	<b>201.5</b>	<b>2,118.9</b>	<b>418.9</b>	<b>2,537.8</b>
Net profit (loss)		-	-	-	765.6	765.6	71.0	836.6
Other comprehensive income		-	-	80.5	-	80.5	(39.9)	40.6
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>80.5</b>	<b>765.6</b>	<b>846.1</b>	<b>31.1</b>	<b>877.2</b>
Capital increase		8.9	159.8	-	-	168.7	-	168.7
Demerger reclassification effect on non-controlling interest		-	-	-	-	-	(78.0)	(78.0)
Conversion of share premium into share capital	(16)	1,400.0	(1,400.0)	-	-	-	-	-
Dividend in kind demerged activities	(16)	(1,400.0)	-	-	-	(1,400.0)	-	(1,400.0)
Capital increase in OCI Partners		-	-	-	(11.5)	(11.5)	11.5	-
Modification of share-based payments to cash settlement	(21)	-	-	(33.1)	-	(33.1)	-	(33.1)
Share-based payments		-	-	8.9	-	8.9	-	8.9
Dividends		-	-	-	-	-	(5.8)	(5.8)
<b>Balance at 30 June 2015</b>		<b>282.2</b>	<b>207.4</b>	<b>181.6</b>	<b>1,026.8</b>	<b>1,698.0</b>	<b>377.7</b>	<b>2,075.7</b>

The notes on pages 8 to 17 are an integral part of these semi-annual condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE SIX MONTH PERIOD ENDED

\$ millions	Note	30 June 2015	30 June 2014
<b>Net profit</b>		836.6	85.6
<b>Adjustments for:</b>			
Net profit / (loss) from discontinued operations	(16)	(660.8)	1.4
Depreciation and amortisation	(10),(11)	146.4	147.7
Interest income	(19)	(10.3)	(4.8)
Interest expense	(19)	96.9	143.9
Foreign exchange gain and loss and others		(19.6)	(14.6)
Share in income of equity accounted investees	(12)	(1.8)	(4.7)
Gain on sale of investments		(5.1)	-
Equity settled share-based payments		8.9	-
Income tax expense	(18)	(32.5)	19.0
<b>Changes in:</b>			
Inventories	(14)	22.8	(15.6)
Trade and other receivables		29.7	19.3
Assets held for sale		-	0.1
Trade and other payables		33.7	(68.8)
Provisions		(8.8)	(6.2)
<b>Cash flows:</b>			
Interest paid	(19)	(125.3)	(153.8)
Interest received	(19)	6.2	4.0
Income taxes paid		(1.2)	(10.3)
Refund of tax dispute liability	(14)	248.7	-
<b>Cash flow from operating activities (continuing operations)</b>		<b>564.5</b>	<b>142.2</b>
Proceeds from sale of property, plant and equipment	(10)	2.6	0.9
Investments in property, plant and equipment	(10)	(608.5)	(501.1)
Proceeds from sale of other investments		5.1	-
Acquisition of subsidiary (net of cash)	(20)	(16.5)	-
Dividends from equity-accounted investees		2.2	2.2
<b>Cash flow (used in) investing activities (continuing operations)</b>		<b>(615.1)</b>	<b>(498.0)</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE SIX MONTH PERIOD ENDED (CONTINUED)

\$ millions	Note	30 June 2015	30 June 2014
Increase in share capital		168.7	-
Proceeds from borrowings	(17)	197.7	90.8
Repayment of borrowings	(17)	(146.1)	(121.0)
Dividends paid		(5.8)	(2.6)
<b>Cash flow from / (used in) financing activities (continuing operations)</b>		<b>214.5</b>	<b>(32.8)</b>
Cash flows from / (used in) operating activities		(123.3)	21.5
Cash flows from / (used in) investing activities		(20.0)	(27.2)
Cash flows from financing activities		58.3	45.2
<b>Net cash flows from / (used in) discontinued operations</b>		<b>(85.0)</b>	<b>39.5</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>78.9</b>	<b>(349.1)</b>
Cash and cash equivalents at 1 January <sup>1</sup>		1,115.2	1,990.2
Currency translation differences		(34.2)	63.4
Less cash and cash equivalents as at 7 March 2015 (demerger date)		(283.9)	-
<b>Cash and cash equivalents at 30 June</b>		<b>876.0</b>	<b>1,704.5</b>
<b><sup>1</sup>Presentation in the statement of financial position as at 1 January 2015</b>			
Cash and cash equivalents at 1 January		846.6	
Bankoverdrafts	(17)	(100.3)	
Cash and cash equivalents (as held for demerger)		368.9	
<b>Cash and cash equivalents at 1 January 2015</b>		<b>1,115.2</b>	

The notes on pages 8 to 17 are an integral part of these semi-annual condensed consolidated financial statements.

# 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 2015 have been authorised for issue by the Board of Directors on 26 August 2015.

The semi-annual condensed consolidated financial statements for the six month period 30 June 2015 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 2015 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 2014. The semi-annual condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014 which have been prepared in accordance with IFRS, as adopted by the European Union.

## 3. Demerger of Engineering and Construction business

On 6 November 2014, the Board of Directors of OCI N.V. announced its intention to seek a dual listing for the Engineering & Construction business of OCI N.V., through the separation of OCI's Engineering & Construction business from OCI's Fertilizer & Chemicals business ("the Demerger"). The Board of Directors of OCI N.V. confirmed its intention to implement the Demerger at its meeting on 10 December 2014.

The Demerger was completed successfully in March 2015, with the listing of shares on Nasdaq Dubai as of 9 March 2015 and a secondary listing on the Egyptian Exchange as of 11 March 2015. The Demerger has resulted in the Engineering & Construction and Fertilizer & Chemicals businesses being owned by two, separately-listed companies. OCI N.V. remains listed on Euronext Amsterdam and owns the Fertilizer & Chemicals business and Orascom Construction Limited, is dual-listed on the Nasdaq Dubai and the Egyptian Exchange and owns the Engineering & Construction business. As a result, the construction activities have been derecognized in these financial statements, reference is made to note 16.

As the demerger qualified as 'assets held for demerger / discontinued operation' as of 10 December 2014, the comparative numbers presented in these interim condensed consolidated financial statements include a restated statement of profit or loss and a restated statement of cash flows in which the results and cash flow from discontinued operations are presented separately from the continuing operations.

With respect to the conditional sale agreement, the tax indemnity agreement, shared service agreement and reimbursement agreement no changes have occurred compared to the situation described in the 2014 annual report.

## 4. Summary of significant accounting policies

The accounting policies applied over the six month period ended 30 June 2015 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2014. The Group has not early adopted any other standard, interpretation or amendment that have been issued but are not yet effective.

During the six month period ended 30 June 2015, no new standards became applicable to OCI that significantly impacted these semi-annual condensed consolidated financial statements.

## 5. 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.



## 6. 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 2014 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 have 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.

## 7. Significant rates

The following significant exchange rates applied during the financial period:

	Average during the six month period ended 30 June 2015	Average during the six month period ended 30 June 2014	Closing as at 30 June 2015	Closing as at 31 December 2014
Euro	1.1188	1.3716	1.1119	1.2155
Egyptian pound	0.1319	0.1425	0.1306	0.1398
Algerian Dinar	0.0104	0.0127	0.0101	0.0114

## 8. Financial risk and capital management

The objectives and policies of financial risk and capital management are consistent with those disclosed in the 2014 Annual Report.

### 8.1 Financial risk management

Exposure to credit risk for trade and other receivables by geographic region

	2015	2014
<b>\$ millions</b>		
Middle East and Africa	165.6	202.8
Europe and United States	199.0	183.5
Asia and Oceania	5.3	7.4
<b>Total</b>	<b>369.9</b>	<b>393.7</b>

Summary of quantitative data about the Group's exposure to foreign exchange transaction exposure

At 30 June 2015 \$ millions	USD	EUR	EGP
Trade and other receivables	41.5	1.4	2.0
Trade and other payables	(4.7)	(26.7)	(2.7)
Loans and borrowings	(0.8)	-	(127.3)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 8. Financial risk and capital management (continued)

At 31 December 2014 \$ millions	USD	EUR	EGP
Trade and other receivables	42.7	8.5	3.0
Trade and other payables	(8.5)	(29.8)	(13.0)
Loans and borrowings	-	-	(141.9)

### Overview of FX sensitivity

2015 \$ millions	7% change in EUR rate	1% change in EGP rate
Effect on profit before tax	36.7	1.1
Effect on equity	-	-

### Overview of interest rate sensitivity

\$ millions	In basis points	30 June 2015	31 December 2014
Effect on profit before tax for the coming year	+10 bps	1.5	1.4
	- 10 bps	(1.6)	(1.5)

### Categories of financial instruments

30 June 2015 \$ millions	Note	Loans, receivables and payables at amortized cost	Derivatives at fair value	Available-for-sale financial asset at fair value
<b>Assets</b>				
Trade and other receivables		369.2	0.7	-
Other investments		-	-	56.7
Cash and cash equivalents	(15)	876.0	-	-
<b>Total</b>		<b>1,245.2</b>	<b>0.7</b>	<b>56.7</b>
<b>Liabilities</b>				
Loans and borrowings	(17)	4,736.6	-	-
Trade and other payables		471.5	-	-
<b>Total</b>		<b>5,208.1</b>	<b>-</b>	<b>-</b>

## Categories of financial instruments

31 December 2014		Loans, receivables and payables at amortized cost	Derivatives at fair value	Available-for-sale financial asset at fair value
\$ millions	Note			
<b>Assets</b>				
Trade and other receivables		388.9	4.8	-
Other investments		-	-	54.1
Cash and cash equivalents	(15)	846.6	-	-
<b>Total</b>		<b>1,235.5</b>	<b>4.8</b>	<b>54.1</b>
<b>Liabilities</b>				
Loans and borrowings	(17)	5,040.7	-	-
Trade and other payables		463.6	-	-
<b>Total</b>		<b>5,504.3</b>	<b>-</b>	<b>-</b>

## 8.2 Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, retained earnings and non-controlling interest of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The objectives and policies of capital risk management are consistent with those disclosed in the 2014 annual report.

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

\$ millions	Note	30 June 2015	31 December 2014
Loans and borrowings	(17)	4,736.6	5,040.7
<b>Less:</b> cash and cash equivalents	(15)	876.0	846.6
<b>Net debt</b>		<b>3,860.6</b>	<b>4,194.1</b>
Total equity		2,075.7	2,537.8
<b>Net debt to equity ratio</b>		<b>1.86</b>	<b>1.65</b>

## 9. Segment reporting

In March 2015, the Group demerged its Engineering & Construction business (note 3 and 16). Consequently, only one segment remains being Fertilizer & Chemicals. Furthermore, the Group announced that it intends to divest a significant part of its Fertilizer & Chemicals business in 2016 (note 24). Considering these (intended) transactions, OCI management will reconsider its segment reporting in the second half of 2015 and decided to report only one segment in these semi-annual condensed consolidated financial statements.

### Geographical information

The geographic information below analyses the Group's revenue where the activities are being operated. OCI N.V. has no single customer that represents 10 percent or more of revenues and therefore information about major customers is not provided.

	Revenue		Non-current assets	
\$ millions	30 June 2015	30 June 2014	30 June 2015	31 December 2014
America & Europe	830.5	1,110.0	2,954.0	2,415.1
Africa & Middle East	295.7	160.7	3,576.0	3,886.6
Asia & Oceania	23.3	27.4	17.3	9.3
<b>Total</b>	<b>1,149.5</b>	<b>1,298.1</b>	<b>6,547.3</b>	<b>6,311.0</b>

<sup>1</sup> The non-current assets are presented net of 'derivatives' and 'deferred tax' based on the requirements of IFRS 8.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 10. Property plant and equipment

\$ millions	Note	Land and buildings	Plant and equipment	Fixtures and fittings	Under construction	Total
Cost		408.2	4,724.5	30.2	642.9	5,805.8
Accumulated depreciation		(50.8)	(959.8)	(21.8)	-	(1,032.4)
<b>At 1 January 2014</b>		<b>357.4</b>	<b>3,764.7</b>	<b>8.4</b>	<b>642.9</b>	<b>4,773.4</b>
<b>Movements in the carrying amount:</b>						
Additions		19.3	155.4	7.1	1,227.4	1,409.2
Disposals		(17.0)	(8.4)	(1.3)	(0.7)	(27.4)
Depreciation		(15.3)	(323.3)	(8.9)	-	(347.5)
Transfers		(0.2)	64.9	16.5	(81.2)	-
Effect of movement in exchange rate		(16.0)	(229.2)	(10.2)	(7.7)	(263.1)
Assets reclassified as held for demerger		(122.8)	(137.2)	(5.3)	(6.9)	(272.2)
At 31 December 2014		205.4	3,286.9	6.3	1,773.8	5,272.4
Cost		234.5	4,140.3	17.2	1,773.8	6,165.8
Accumulated depreciation		(29.1)	(853.4)	(10.9)	-	(893.4)
<b>At 31 December 2014</b>		<b>205.4</b>	<b>3,286.9</b>	<b>6.3</b>	<b>1,773.8</b>	<b>5,272.4</b>
<b>Movements in the carrying amount:</b>						
Additions		3.7	24.2	1.5	558.6	588.0
Disposals		-	(2.6)	-	-	(2.6)
Acquisition of subsidiaries	(20)	0.1	18.5	0.2	-	18.8
Depreciation		(4.8)	(133.7)	(0.9)	-	(139.4)
Transfers		5.4	399.2	(0.2)	(404.4)	-
Effect of movement in exchange rates		(13.7)	(210.9)	(0.5)	(5.1)	(230.2)
At 30 June 2015		196.1	3,381.6	6.4	1,922.9	5,507.0
Cost		232.0	4,574.5	19.1	1,922.9	6,748.5
Accumulated depreciation		(35.9)	(1,192.9)	(12.7)	-	(1,241.5)
<b>At 30 June 2015</b>		<b>196.1</b>	<b>3,381.6</b>	<b>6.4</b>	<b>1,922.9</b>	<b>5,507.0</b>

Capital commitments as at 30 June 2015 amount to USD 88.5 million. The additions in 'Property, plant and equipment' mainly relates to the 'Assets under construction' of the construction of the Iowa Fertilizer Company and the Natgasoline plants.

The loss of movement in exchange rates in 2015 of USD 230.2 relates mainly to Sorfert Algeria for USD 200.6 million and OCI Nitrogen B.V. for USD 28.0 million. Capitalized borrowing cost of USD 47.3 million included in assets under construction consist USD 8.4 million of OCI Partners, USD 33.7 million for Iowa Fertilizer Company and USD 5.2 million for Natgasoline.

The transfer of assets under construction of USD 404.4 million mainly relates to the completion of the debottlenecking of OCI Partners.

## 11. Goodwill and other intangible assets

\$ millions	Note	Goodwill	Licenses and trademarks	Purchase rights and other	Total
Cost		1,831.0	87.5	40.6	1,959.1
Accumulated amortization and impairment		(900.0)	(61.1)	(13.7)	(974.8)
<b>At 1 January 2014</b>		<b>931.0</b>	<b>26.4</b>	<b>26.9</b>	<b>984.3</b>
<b>Movements in the carrying amount:</b>					
Additions		-	-	(0.6)	(0.6)
Amortization		-	(14.5)	(7.2)	(21.7)
Impairment loss		(7.0)	-	-	(7.0)
Other		-	-	(4.8)	(4.8)
Effect of movement in exchange rates		(3.0)	(1.9)	-	(4.9)
Assets reclassified as held for demerger		(12.4)	-	-	(12.4)
At 31 December 2014		908.6	10.0	14.3	932.9
Cost		1,808.6	85.6	35.2	1,929.4
Accumulated amortization and impairment		(900.0)	(75.6)	(20.9)	(996.5)
<b>At 31 December 2014</b>		<b>908.6</b>	<b>10.0</b>	<b>14.3</b>	<b>932.9</b>
<b>Movements in the carrying amount:</b>					
Amortization		-	(3.4)	(3.6)	(7.0)
Acquisition of subsidiary	(20)	-	-	4.5	4.5
Effect of movement in exchange rates		(2.0)	(0.7)	-	(2.7)
At 30 June 2015		906.6	5.9	15.2	927.7
Cost		1,806.6	79.3	36.7	1,922.6
Accumulated amortization and impairment		(900)	(73.4)	(21.5)	(994.9)
<b>At 30 June 2015</b>		<b>906.6</b>	<b>5.9</b>	<b>15.2</b>	<b>927.7</b>

There were no triggers for impairment during the six month period ended 30 June 2015. The Group will perform its annual goodwill impairment test in the second half of 2015.

## 12. Equity accounted investees

\$ millions	2015	2014
<b>At 1 January</b>	<b>37.9</b>	<b>517.1</b>
Share in income	1.8	(152.9)
Investment / divestment	-	96.9
Dividend	(2.2)	(42.0)
Movement in hedge reserve	-	(6.1)
Provisions on associates recognized under 'Trade and other payables'	-	21.4
Exchange rate effects	2.3	(25.3)
Associates reclassified as held for demerger	-	(371.2)
<b>At 30 June / 31 December</b>	<b>39.8</b>	<b>37.9</b>
Joint ventures	13.2	11.0
Associates	26.6	26.9
<b>Total</b>	<b>39.8</b>	<b>37.9</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 13. Inventory

\$ millions	30 June 2015	31 December 2014
Finished goods	66.8	91.0
Raw materials and consumables	22.2	19.4
Spare parts, fuels and others	66.7	68.1
<b>Total</b>	<b>155.7</b>	<b>178.5</b>

The write down of inventory in the six month period ended June 2015 amounted to USD 0.3 million (2014: USD 1.8 million). In 2015 and 2014 there were no reversals of write downs.

## 14. Current income tax receivables

As per 31 December 2014, the current income tax receivable included a receivable on the Egyptian Tax Authorities amounting to USD 266.2 million in relation to the tax evasion claim. The same amount was presented under "Provisions" and resulted from the decision of OCI management to transfer the rights to installment already paid to the Egyptian Tax Authorities in 2013 to the Tahya Misr ("Long Live Egypt") social fund in November 2014, after the favorable ruling on 4 November 2014 by the Egyptian Tax Authorities' Independent Appeals Committee on the tax evasion claim. As the Egyptian Prosecutor started an appeal against the decision of the Egyptian Tax Authorities' Independent Appeals Committee on 30 November 2014, OCI management decided to postpone settlement with the fund until the appeal is finally settled. In March 2015, the Company received a check for approximately EGP 1.9 billion (approximately USD 266 million) from the Egyptian Tax Authorities. As per 30 June 2015, the refunded amount has been presented under "Cash and cash equivalents" (note 15) and is interest bearing but also subject to currency translation exposure. Although the amount gained interest amounting to approximately USD 6 million, negative foreign translation differences (approximately USD 17 million) resulted in a decrease of both the cash position and the provision to approximately USD 255 million. Both the interest income and corresponding interest expense and the foreign currency gains and losses have been recorded in Finance Income and Expense.

## 15. Cash and cash equivalents

\$ millions	30 June 2015	31 December 2014
Cash on hand	2.3	2.5
Bank balances	597.7	413.4
Restricted funds	275.2	427.7
Restricted cash	0.8	3.0
<b>Total</b>	<b>876.0</b>	<b>846.6</b>

### Restricted funds

On May 2013, Iowa Fertilizer Company (IFCo) entered into a Bond Financing Agreement with Iowa Finance Authority for the construction of the plant. IFCo entered into a Collateral Agency and Account Agreement with Citibank, N.A. The cash was invested under an Investment Agreement with Natixis Funding Corporation and are restricted to the requisition procedures in the agreement.

## 16. Assets classified for demerger / discontinued operations

On 6 November 2014, the Board of Directors of OCI N.V. announced its intention to seek a dual listing for the Engineering & Construction business of OCI N.V., through the separation of OCI's Engineering & Construction and OCI's Fertilizer & Chemicals business ("the Demerger"). The Board of Directors of OCI N.V. decided to continue the implementation of the Demerger at its meeting on 10 December 2014. The transaction was completed by a capital in kind reduction of USD 1.4 billion, representing the fair value of the shares of Orascom Construction Limited (the ultimate parent company of the Engineering & Construction business) which were distributed to OCI N.V.'s shareholders on 7 March 2015. The Demerger was completed successfully in March 2015, with the listing of shares on Nasdaq Dubai as of 9 March 2015 and a secondary listing on the Egyptian Exchange on 11 March 2015. The Demerger has resulted in the Engineering & Construction and Fertilizer & Chemical businesses being owned by two, separately-listed companies as of March 2015. OCI N.V. remains listed on Euronext Amsterdam and holds the Fertilizer & Chemicals business and Orascom Construction Limited, is dual-listed on the Nasdaq Dubai in Dubai and the Egyptian Exchange and holds the Engineering & Construction business.

Statement of profit or loss for 'discontinued operations' for the 2 month and 6 day period / 6 month period ended:

\$ millions	7 March 2015	30 June 2014
Total revenue	484.4	1,022.2
Expense	(488.3)	(1,025.0)
Income of equity accounted investees (net of tax)	(2.7)	12.0
Profit / (loss) before income tax	(6.6)	9.2
Income tax	(4.4)	(10.64)
<b>Net (loss)</b>	<b>(11.0)</b>	<b>(1.4)</b>

Statement of financial position for 'assets held for demerger' as at:

\$ millions	7 March 2015	31 December 2014
Non-current assets	775.2	777.4
Current assets (excluding cash and cash equivalents)	1,647.0	1,392.2
Cash and cash equivalents	283.9	368.9
Non-current liabilities	(56.9)	(67.6)
Current liabilities	(1,903.9)	(1,745.0)
<b>Net assets / equity</b>	<b>745.3</b>	<b>725.9</b>

Result on Demerger:

\$ millions	7 March 2015
Capital in kind reduction	1,400.0
Net assets / equity of discontinued operations	(745.3)
Net loss for the period ended 7 March 2015	(11.0)
Non-controlling interest in net assets	78.0
Recycling of hedge reserve	(14.4)
Recycling of related accumulated currency translation loss	(46.5)
<b>Net result on demerger</b>	<b>660.8</b>

## 17. Loans and borrowings

\$ millions	30 June 2015	31 December 2014
<b>Balance at 1 January</b>	<b>5,040.7</b>	<b>5,925.2</b>
Proceeds from loans	197.7	743.4
Redemption of loans	(146.1)	(867.8)
Redemption bank overdraft	(100.3)	-
Amortization of transaction cost	11.6	22.4
Exchange rate effects	(267.0)	(317.3)
Loans and borrowings reclassified as held for demerger	-	(465.2)
<b>Balance at 30 June / 31 December</b>	<b>4,736.6</b>	<b>5,040.7</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 18. Income tax in statement of profit or loss

The income tax income of the six month period ended 30 June 2015 amounted to USD 32.5 million. The effective tax rate for the six month period ended 30 June was 26.08% negative. The major difference between the nominal and effective tax rates relates mainly to income not subject to tax. Reconciliation of the statutory income tax rate in the Netherlands with the effective tax rate can be summarized as follows:

\$ millions	30 June 2015	%
Profit before income tax	145.3	
Enacted income tax rate in the Netherlands	25%	
<b>Tax calculated at statutory tax rate</b>	<b>(35.8)</b>	<b>(25.0)</b>
Effective tax rate in foreign jurisdictions	17.0	(9.9)
Unrecognized tax losses	(0.1)	0.1
Recognition of previously unrecognized tax losses	12.6	(10.1)
Expenses non-deductible	(7.9)	6.3
Income not subject to tax	49.2	(39.4)
Other	(2.5)	2.0
<b>Total income tax in profit or loss</b>	<b>32.5</b>	<b>(26.0)</b>

## 19. Net finance expense

\$ millions	30 June 2015	30 June 2014
Interest income on loans and receivables	10.3	4.8
Foreign exchange gains	88.3	17.1
<b>Finance income</b>	<b>98.6</b>	<b>21.9</b>
Interest expense on financial liabilities measured at amortised cost	(96.9)	(143.9)
Changes in fair value of cash flow hedges	-	(1.0)
Foreign exchange losses	(68.7)	(1.5)
<b>Finance costs</b>	<b>(165.6)</b>	<b>(146.4)</b>
<b>Net finance costs recognised in profit or loss</b>	<b>(67.0)</b>	<b>(124.5)</b>

The interest income include an amount of USD 6.0 million relating to the tax amount received, while interest expense includes an amount of USD 6.0 million relating to the donation liability relating to this tax amount. Similar, foreign exchange gains include an amount of USD 17.5 million relating to the donation liability and foreign exchange losses include an amount of USD 17.5 million relating to the amount received.

## 20. Business combinations

On 12 June 2015 OCI acquired 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 initial purchase price allocation is presented below. The final purchase price allocation, to be completed in the second half of 2015 may contain changes compared to the initial allocation.

\$ millions	Initial 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



## **21. Share-based payments**

OCI has modified part of its share-based payment arrangements as per 1 January 2015. The change relates to the settlement type, which used to be equity settlement and has now been modified to cash settlement. Other terms and condition remained unchanged. As a result of this modification, the share-based payment arrangements have been reclassified from equity to liabilities (Caption 'Employee benefit liabilities'). The modification did not cause any incremental fair value at the modifications date, nor were the modifications otherwise beneficial to employees.

As part of the demerger of the construction business, OCI has not settled the share-based payment arrangements of the construction employees. The employees remain entitled to their grants after the demerger date. As OCI will not receive any service benefits from these share-based payment arrangements, OCI has applied accelerated vesting on these share-based payments arrangements in such a way that they have fully vested at the demerger date. This resulted in an extra charge of USD 5.4 million recognized in result of discontinued operations.

## **22. Related party transactions**

Transaction with construction entities that were eliminated previously, are now recognized as related parties transactions as a result of the demerger. The purchase of services performed by Orascom E&C for the construction of Natgasoline and IFCo amounted to USD 502.1 million during the six month period ended 30 June 2015.

## **23. Contingencies**

There have been no significant changes in contingencies compared to the situation as described in the 2014 Annual Report.

## **24. Subsequent events**

### **Demerger**

OCI and CF Industries announced on 6 August 2015, that they have entered into a definitive agreement to combine OCI's North American, European and Global Distribution businesses with CF Industries' global assets in a transaction valued at approximately USD 8 billion, based on CF's share price as at 4 August 2015, including the assumption of approximately USD 1.95 billion in net debt. Upon completion of the transaction, OCI will receive shares equal to a fixed 25.6% of the combined group (subject to adjustment to account for the transfer to the combined group of OCI NV's 3.375% 2018 convertible bond) and an additional USD 1,218 million of consideration to be paid in a mix of cash and shares<sup>[1]</sup>. The transaction is subject to receipt of certain regulatory approvals and other customary closing conditions. The transaction is expected to be completed in 2016.

### **Payment towards Orascom Construction Limited**

In July 2015, the Group paid an amount of USD 150 million in advance to Orascom Construction Limited following the reimbursement agreement between both parties as agreed as part of the demerger of the Engineering & Construction business, in relation to overruns in constructing the plant of Iowa Fertilizer Company (IFCo) by a subsidiary of Orascom Construction Limited.

## 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, 26 August 2015

The OCI N.V. Board of Directors