

Trading Update – Third Quarter 2016**Amsterdam, the Netherlands / 21 November, 2016****OCI N.V. Trading Update¹****Highlights**

- Own-produced volumes sold increased 42% in Q3 2016 compared to same quarter last year
- Egypt urea utilization rate c.80% during Q3 2016 and 100% in September and October 2016
- Selling prices reached bottom in the third quarter of 2016, recovery in October and November
- All short term debt repaid or refinanced, no debt maturing until late 2018
- Net debt stood at c.\$4.3 billion as of 30 September 2016, unchanged from 30 June 2016
- Iowa Fertilizer Company start-up is imminent, first product expected in December 2016
- Natgasoline 66.8% complete as at 30 September 2016
- Cost savings programme of US\$100 million, of which US\$65 million already in place and to be reflected in 2017
- Additionally, c.\$40 million annual benefits expected from EGP devaluation

Financial and Operational Performance

During the third quarter of 2016, product volumes were significantly higher than in the same quarter last year. Own produced fertilizer and chemical product volumes increased by 41.8% to 1.55 million metric tons in the third quarter of 2016 compared to 1.09 million metric tons in the same period last year.

All regions and products contributed to this growth. In North Africa, volumes improved significantly as a result of strong performance in Egypt and despite a planned shutdown at Sorfert in Algeria. Egyptian Fertilizers Company's (EFC) utilization rate was c.80% in the third quarter of 2016 and reached almost 100% in both September and October. Sorfert was shut down from the end of July to the beginning of September 2016 for the turnaround, expected to result in a significant improvement in reliability and utilization rates.

In Europe, CAN and own-produced UAN volumes improved by 5.1% and 47.0% respectively. Methanol volumes improved 35.9% as a result of high capacity utilization at OCI Beaumont in the United States and the first-time inclusion of BioMCN.

Lower margin third party traded volumes decreased by 13.9% to 0.4 million metric tons in the third quarter of 2016, resulting in an increase in total volumes of 24.5% to 2.0 million metric tons in the third quarter of 2016.

Selling prices for all products, except melamine, declined in the third quarter of 2016 compared to the same quarter last year. However, selling prices reached a low during the third quarter and have recovered significantly in the past few weeks.

Favourable natural gas feedstock market prices have cushioned the decline in product prices, nevertheless consolidated third quarter 2016 revenue and EBITDA were lower than the same period last year.

¹ Quarterly figures are based on unaudited results

Cost Savings Programme

OCI completed a group-wide cost savings programme in the third quarter of 2016 that identified US\$100 million of cost savings. \$65 million of the identified cash savings will be fully reflected on a run-rate basis in OCI N.V.'s 2017 results. A further \$35 million of identified run-rate cash savings will be implemented by mid-2018. The programme focused on optimizing operational costs, including logistics, plant efficiencies, procurement, IT, general SG&A, and utilities management.

As part of the operational improvement programme, OCI N.V. has also revamped its commercial strategy for international sales along product line and in close cooperation with US sales. Global product managers will directly report to the CEO. OCI has also started to shift its contracting strategy away from using the Tampa and Yuzhnyy benchmarks.

EGP Devaluation Benefits

On top of the US\$100 million cost savings, OCI expects c\$40 million benefits in 2017 from the devaluation of the Egyptian Pound (EGP). On 3 November 2016, Egypt's central bank announced that the EGP will no longer be fixed to the US\$, after which the currency devalued from the latest fixed rate of c.EGP8.9 to currently c.EGP16.0. OCI operates two fertilizer plants in Egypt (EFC and EBIC) with combined sellable capacity of c.2.3 million metric tons. Some of the fixed and variable costs (except natural gas which is purchased in US\$) in Egypt are denominated in EGP, whereas OCI sells products mostly in US\$. At an average rate of EGP16, OCI expects the devaluation to result in cost savings of c.\$40 million in 2017.

Debt Update

During the third and into the fourth quarter, OCI continued to strengthen its balance sheet and debt maturity profile, settling all due short-term obligations. As a result, OCI does not have any significant debt maturing until the third quarter of 2018, whereas all required funding for expansion projects is provided for.

- In September, OCI already announced it had received cash proceeds in excess of \$1.3 billion including proceeds from the monetization of shareholder loans outstanding to Natgasoline and the successful refinancing and upsizing of debt at OCI Nitrogen in the Netherlands.
- In November 2016, OCI NV refinanced and upsized a \$550 million Revolving Credit Facility expiring July 2017 with a new \$660 million Term Loan and Revolving Credit Facility maturing July 2020.
- OCI N.V. has also launched a proposal with OCI Beaumont's Term Loan B lenders to reduce third party debt at OCI Beaumont by US\$200 million and reset covenants. The transaction is expected to close by 30 November 2016.
- Iowa Fertilizer Company is launching a consent process and tender/exchange offer for c.\$147 million of 2019 term bonds with new bonds maturing in 2026 and 2027. Under the proposal, the original December 2016, June 2017 and December 2017 principal repayments will be extended to ensure that debt maturities match production plans and cash flows following the start-up of the plant. The overall consent process will be launched on 21 November 2016.
- EFC has agreed with its lenders to waive all debt covenants until maturity of its facilities in 2019.

As of 30 September 2016, net debt stood at just under \$4.3 billion, in line with the balance as of 30 June 2016, with declines at the holding company level and most operating companies except OCI Nitrogen (due to upsizing of debt facilities in August 2016) and Sorfert. Net debt at Sorfert increased as it paid out \$195 million in dividends to its two shareholders in September 2016 (\$125 million to Sonatrach and \$70 million, or \$63 million net of dividend withholding taxes, to OCI).

With the imminent start-up of Iowa Fertilizer Company, Natgasoline already fully funded and no plans to initiate new projects over the next 18 to 24 months, we have no further financing requirements for growth capex. Starting 2017, we expect to enter a phase of consolidation, where all operational cash flows from the step-up in product volumes will be used to deleverage the balance sheet, with the objective to achieve investment grade ratings by 2018.

In addition, devaluation of the Egyptian Pound will result in lower net debt in US\$ terms, and a corresponding FX gain and lower net interest expense will have a positive impact on the P&L. As of 30 September 2016, debt denominated in Egyptian Pounds amounted to EGP1.015 billion (\$115 million at EGP8.9/US\$).

Update on Expansion Projects in the United States

Iowa Fertilizer Company is nearing completion. Introduction of feed gas and steam to the primary reformer is expected this week and the downstream plant is in commissioning phase. The start of ammonia production is expected in December 2016, shortly afterwards followed by downstream products (UAN, DEF and urea).

Natgasoline continued to make good progress during the third quarter of 2016 and was 66.8% complete as at 30 September 2016. The methanol facility in Beaumont, Texas, is expected to start production in the second half of 2017.

Market Environment

Since reaching a bottom below c.\$190/ ton (Egypt FOB) in the third quarter, urea prices have rebounded and recently reached levels of c.\$265-270/ ton, with price support from the fall application season and a significant reduction of exports from China. Ammonia prices declined sharply in the past six months, but recently started to firm with significant production outages at key export locations. Nitrate prices also started to improve in recent weeks.

Urea exports from China are expected to continue to decline in 2017, as input costs, in particular coal, are rising, resulting in higher break-even costs for producers. In addition, a urea shortage in the domestic Chinese market could lead to accelerated reductions in exports in the next few months, which would put further upward pressure on prices. Fertilizer prices are also expected to be supported by a tightening global supply-demand balance, as supply additions are peaking in 2016 and the demand outlook remains positive.

Methanol contract and spot prices have witnessed steady increases since reaching a bottom in the first quarter this year. Going forward, prices are expected to be supported by healthy demand, higher thermal coal prices in China, strong Methanol-to-Olefin (MTO) margins, high MTO utilization rates, new MTO facilities commissioning in China prior to year-end and general supply tightness globally.

Evolution of volumes and prices

Product Sales Volumes

'000 metric tons	Q3 2016	Q3 2015	% Δ	9M 2016	9M 2015	% Δ
Own Product						
Ammonia	387.3	291.5	32.9%	1,106.2	1,043.2	6.0%
Urea	413.5	174.5	137.0%	1,399.3	877.8	59.4%
Calcium Ammonium Nitrate (CAN)	312.0	297.0	5.1%	724.0	862.8	-16.1%
Urea Ammonium Nitrate (UAN)	97.0	66.0	47.0%	349.6	226.4	54.4%
Total Fertilizer	1,209.8	829.0	45.9%	3,579.1	3,010.2	18.9%
Methanol	301.2	221.6	35.9%	924.8	433.5	113.3%
Melamine	35.8	40.0	-10.5%	104.2	111.4	-6.5%
Total Industrial Chemicals	337.0	261.6	28.8%	1,029.0	544.9	88.8%
Total Own Product	1,546.8	1,090.6	41.8%	4,608.1	3,555.1	29.6%
Traded Third Party						
Ammonia	29.5	65.7	-55.1%	191.1	169.4	12.8%
Urea	26.3	2.2	NM	40.6	27.5	47.8%
UAN	33.0	15.3	115.7%	53.4	36.1	48.0%
Ammonium Sulphate (AS)	334.3	408.3	-18.1%	1,129.5	1,455.8	-22.4%
Total Traded Third Party Product	423.1	491.5	-13.9%	1,414.7	1,688.8	-16.2%
Total Own Product & Traded Third Party	1,969.9	1,582.1	24.5%	6,022.8	5,243.9	14.9%

Benchmark Prices

			Q3 2016	Q3 2015	% Δ	Q2 2016	% Δ
Granular Urea	Egypt, FOB	US\$/t	193	280	-31.1%	206	-6.3%
Ammonia	North West Europe, FOB	US\$/t	285	476	-40.1%	357	-20.2%
Ammonia	US Gulf Tampa	US\$/t	261	458	-43.0%	315	-17.1%
CAN	Germany, CIF	€/t	151	233	-35.2%	173	-12.7%
UAN	France, FOT	€/t	136	191	-28.8%	157	-13.4%
Melamine	Europe contract	€/t	1,390	1,350	3.0%	1,390	0.0%
Methanol	US Gulf Coast Contract, FOB	US\$/t	267	402	-33.6%	247	8.1%
Methanol	US Gulf Coast Spot, FOB	US\$/t	222	305	-27.2%	208	6.7%
Methanol	Rotterdam FOB Contract	€/t	240	359	-33.1%	202	18.8%

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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