Fertilizer markets in the Mediterranean

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October 2011

Summary

- Presentation of OCI
- Supply & Demand in the Mediterranean
- Challenges & opportunities
- Conclusions

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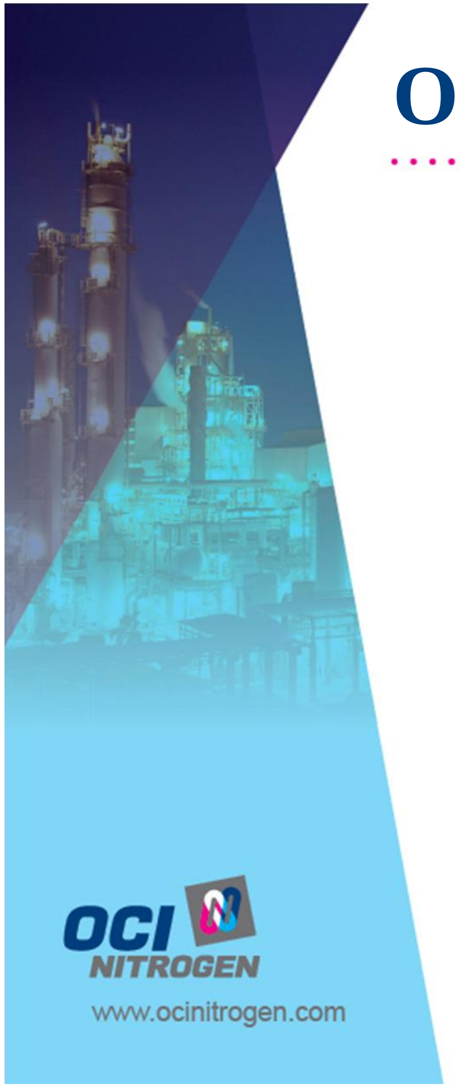
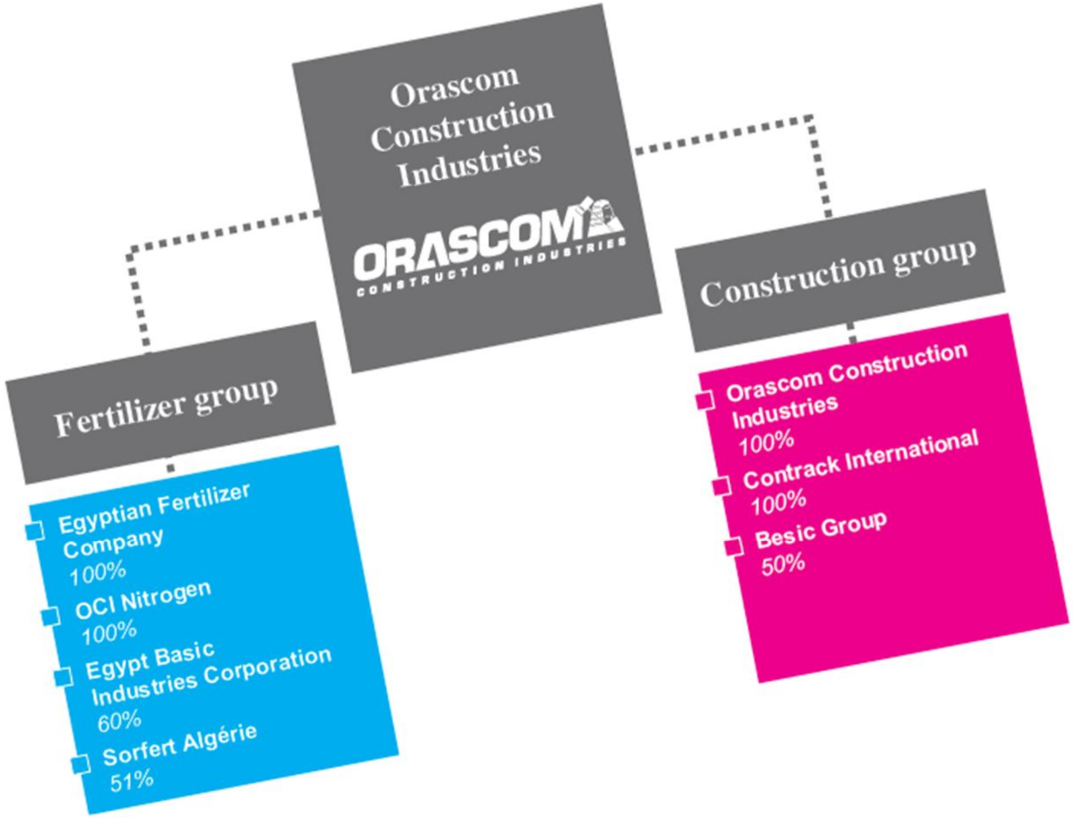
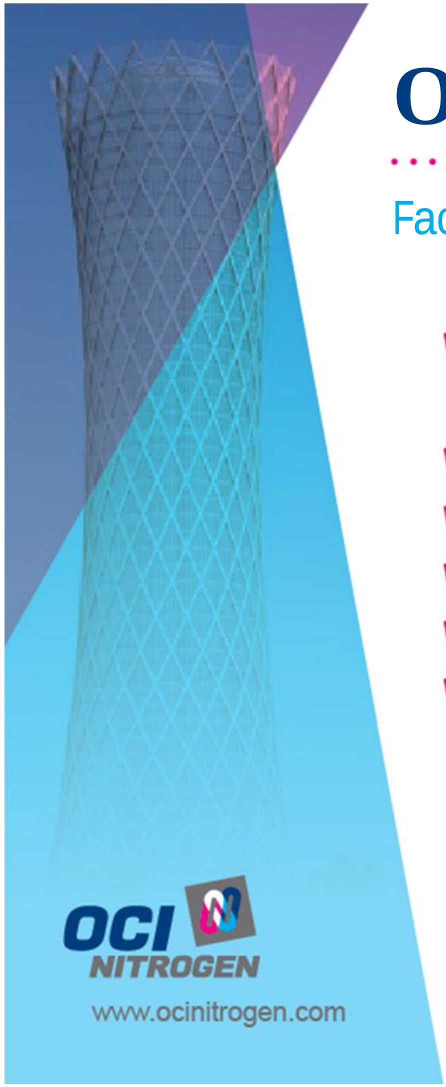


Orascom Construction Industries





Orascom Construction Industries

Facts and figures

- Leading construction contractor in emerging markets and leading contractor in the Middle-East
- 55% of shares held by Sawiris Family. CEO is Nassef Sawiris
- In more than 25 countries across the world
- Over 84.000 employees
- Founded in 1950 as a construction company
- First fertilizers activities acquired in 2008, nowadays top 5 nitrogen-based fertilizer producer

Fertilizer Group

Strategy

- **Growth & Globalization**
- **Product Diversification**
- **Global Distribution**
- **Plant Management**

Fertilizer Group

Profile

The Netherlands

OCI Nitrogen
OCI Terminal Europoort

United States of America (USA)

Gavilon Group LLC
Pandora Methanol LLC

Brazil

Fitco OCI Agro

Algeria

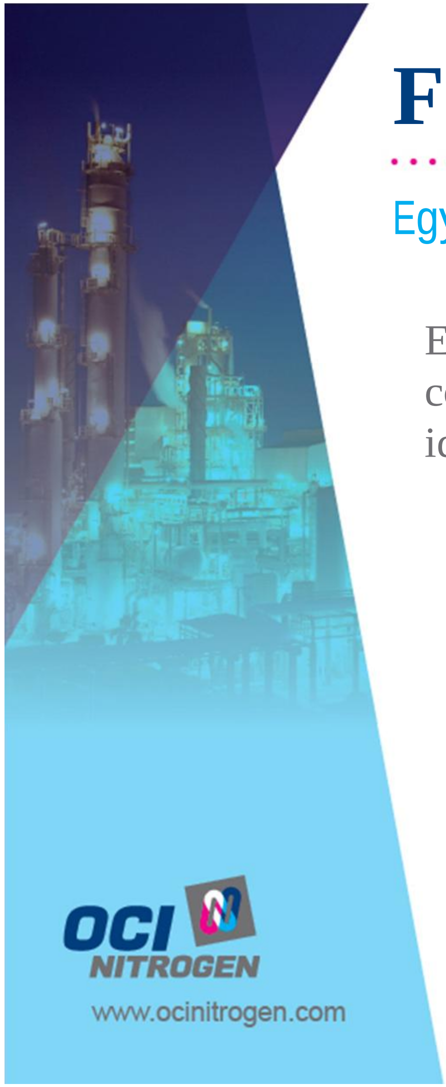
Sorfert Algérie

Egypt

Egyptian Fertilizer Company (EFC)
Egyptian Basic Industries (EBIC)

Nigeria

Notore Chemical Industries



Fertilizer Group

Egyptian Fertilizers Company (EFC)

EFC is a 1.3 mtpa urea production complex consisting of two identical urea production lines

- **Ownership**

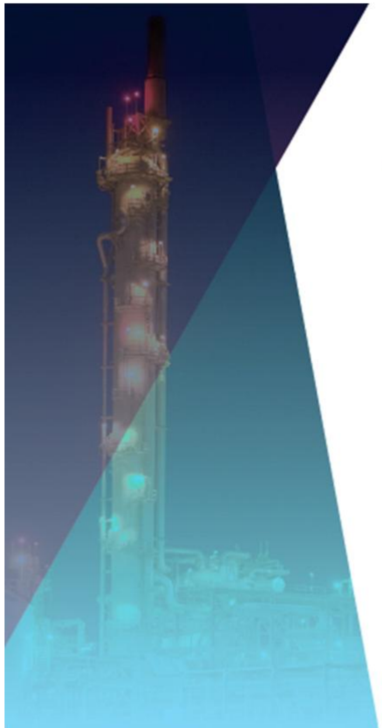
  100%

- **Location**

  Suez Industrial Zone (Egypt)

- **Production**

  Urea 1,300 ktpa



Fertilizer Group

Egyptian Basic Instructies Corporation (EBIC)

EBIC is a 0.7 mtpa merchant anhydrous ammonia production complex

- **Ownership**
60%

- **Location**
Suez Industrial Zone (Egypt)

- **Production**
Ammonia 730 ktpa

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Fertilizer Group

Sorfért Algerie

Sorfert is a Greenfield fertilizer plant currently under construction and due for commissioning by the end of 2011.

It is a joint venture with Sonatrach, the Algerian state energy firm

- **Ownership**

51%

- **Location**

Arzew (Algeria)

- **Production**

Urea	1,260 ktpa
Ammonia	800 ktpa

OCI Nitrogen

Key strategic player within OCI Fertilizer Group

One of the European market leaders in fertilizers and ammonia products and the largest producer of melamine worldwide. Over 80 years of history and as from 2010 part of OCI

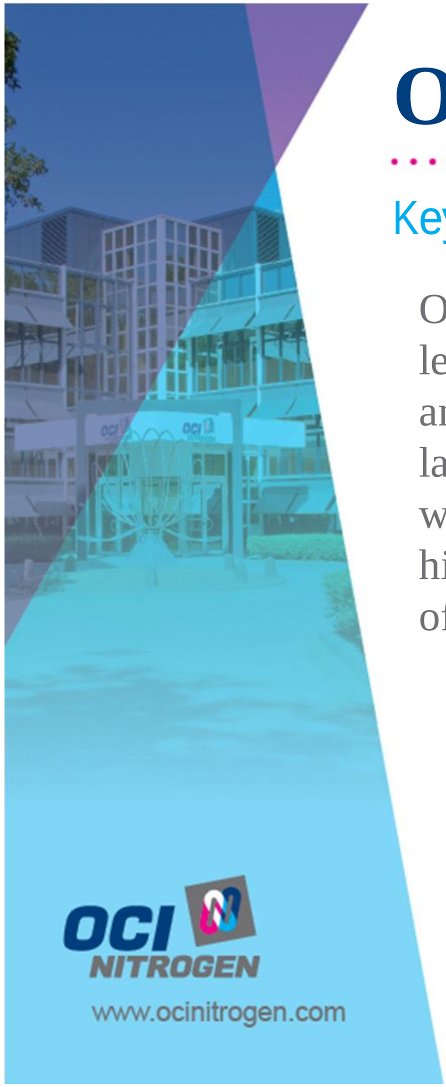
- **Ownership**
  100%

- **Location**
  HQ in Sittard-Geleen (The Netherlands)

- **Production**
  Nitrogen fertilizers, Melamine and Ammonia

- **Annual Turnover**
  > 800 million dollars

- **Employees**
  ca. 700



OCI Nitrogen

Products

Ammonia

Fertilizers

Melamine

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OCI Nitrogen

Fertilizers

Our nitrogen fertilizers provide higher yield per hectare, increase of productivity in agriculture, most accurate spreading on the fields and lower environmental impact during production.

We distinguish ourselves by delivering high quality products combined with excellent service.

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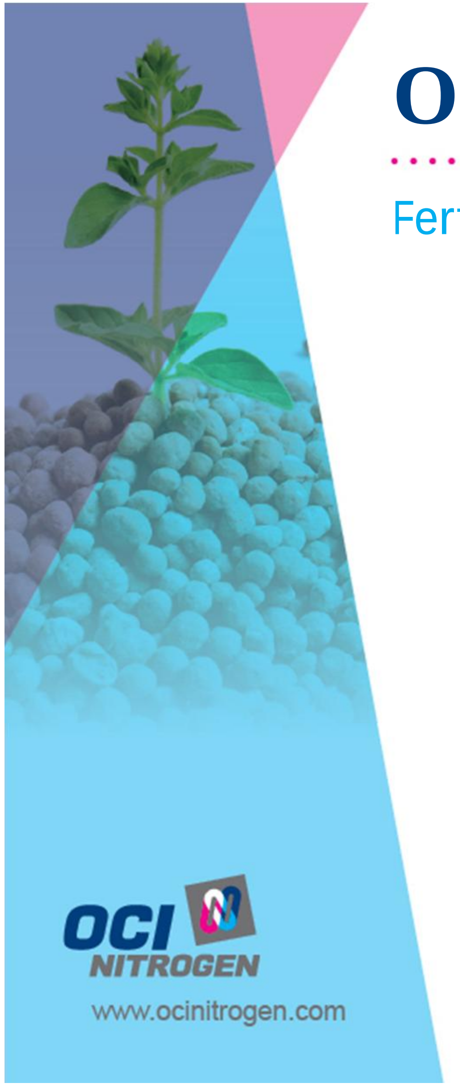


OCI Nitrogen

Fertilizers: profile

Leading and ambitious company with more than 80 years of history.
Second largest CAN producer in Europe.

- **Markets**

Belgium, France, Germany, Ireland, Netherlands and UK

- **Production capacity**

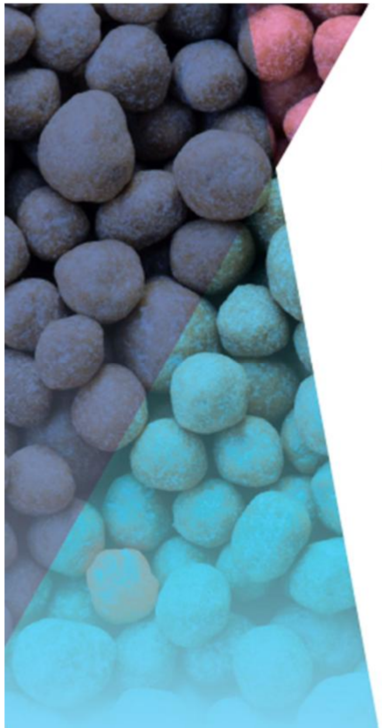
1.200 kt KAS, 1.050 kt Ammonia, 200 kt UAN and 750 kt AS

- **Locations**

Geleen (The Netherlands)
Manufacturing / Storage facilities = Geleen (the Netherlands)

OCI Nitrogen

Fertilizers: product mix



- **Nutramon: CAN 27 N & 4 MgO**
- **UAN 30 N**
- **Urea 46 N**
- **Ammonium Sulphate: AS 21 N & 24 S**
  Granular 3
  Granular 2
  Crystalline

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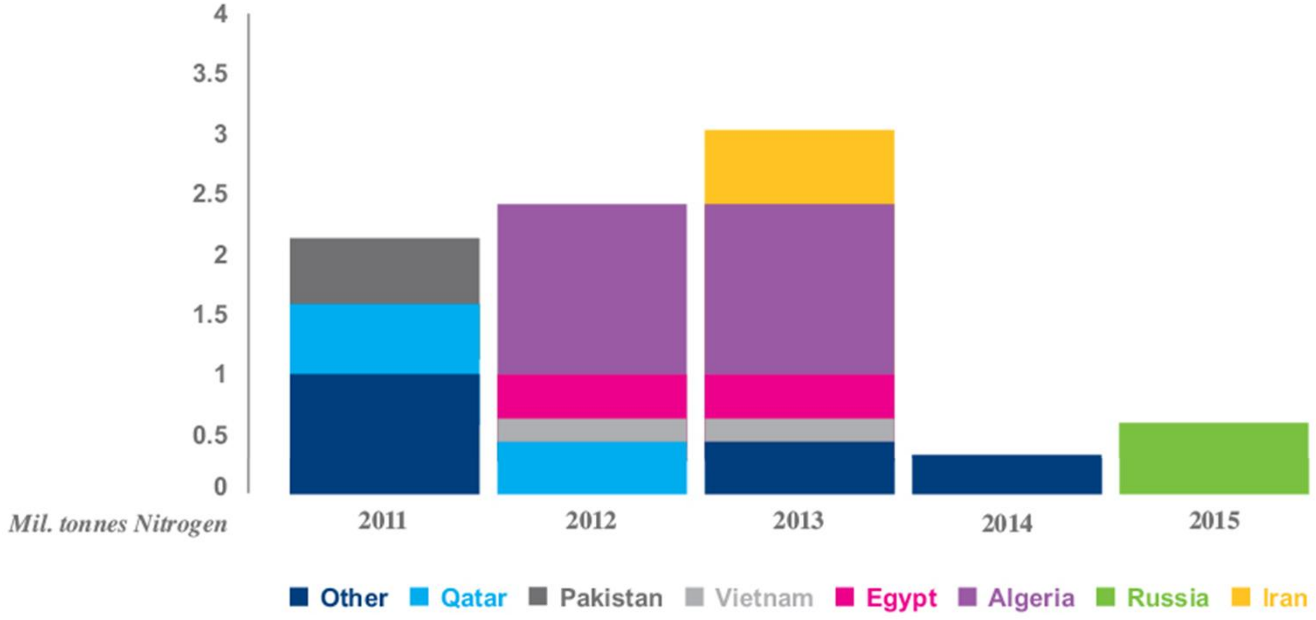
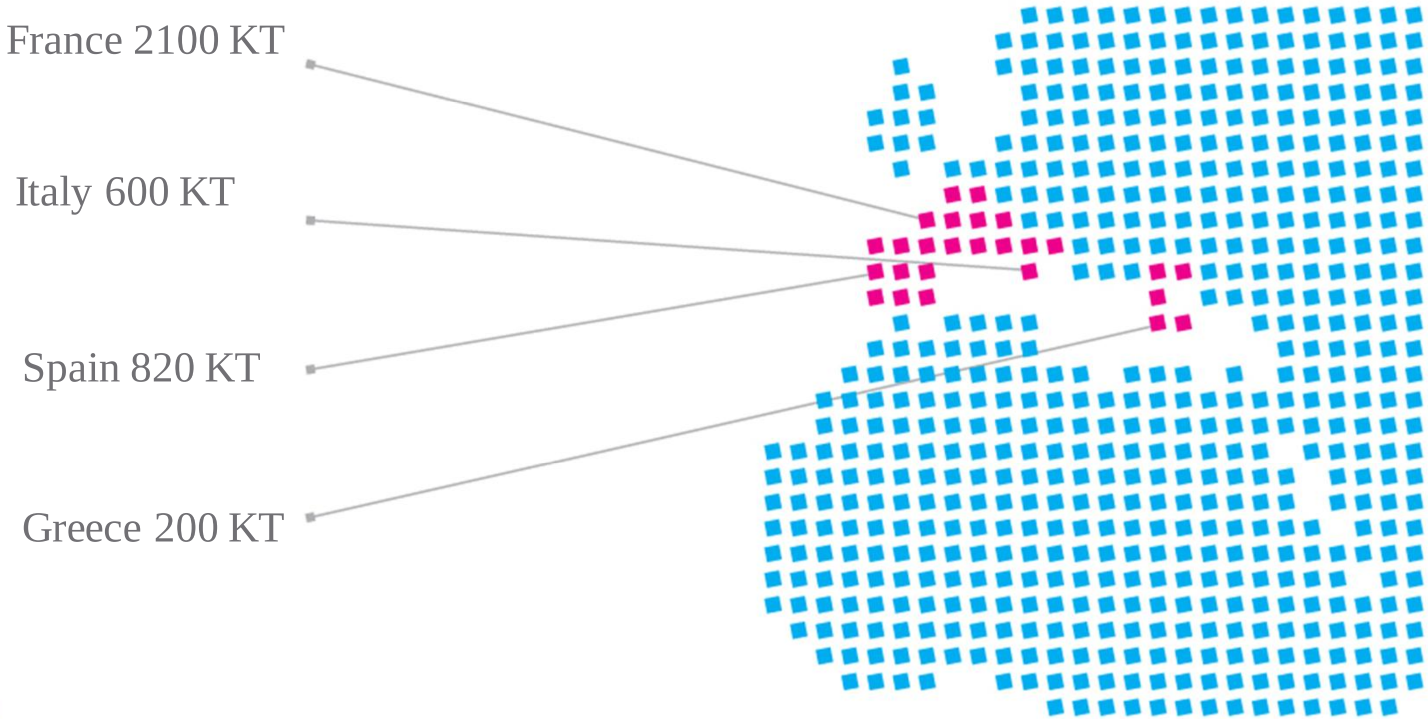
World nitrogen supply & demand outlook



Source: IFA, Fertecon, OCI

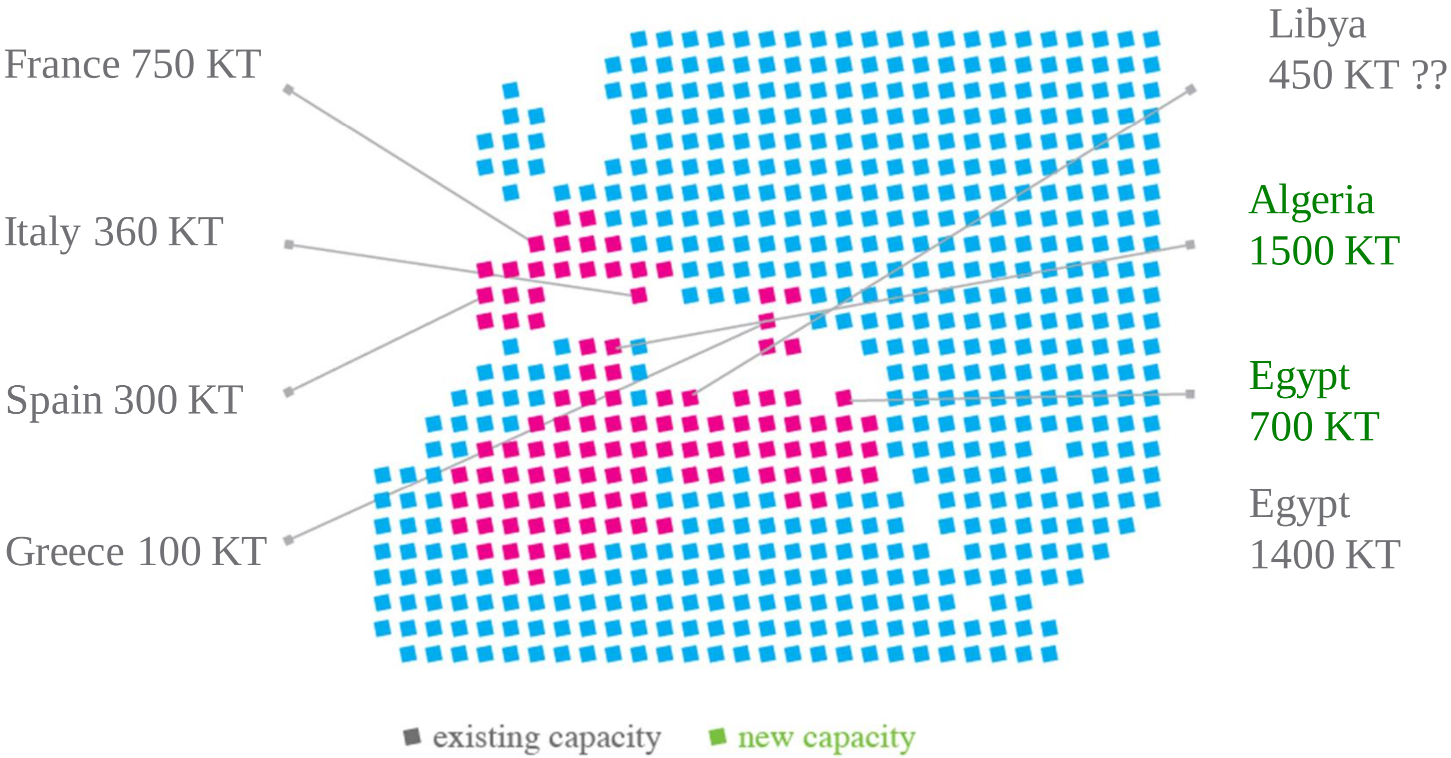
Excluding China

Current consumption in key countries



Source: Fertilizer Europe, OCI

Production of nitrates & urea in key countries



Source: Fertilizer Europe, OCI

Comments

- Most new urea capacity outside of China will be produced in North-Africa in the near future.
- New capacities in North Africa will push product into Europe but Europe does not have the capacity to absorb all these quantities – a lot of it is destined to other continents, especially North and South America.
- World scale fertilizer sites must sell globally to deal with seasonality
- Product capacity in Eastern Europe & Russia will be absorbed in the local market leaving less quantity available for export.
- No prilled urea production in Libya. Could take time before production is back at full capacity.

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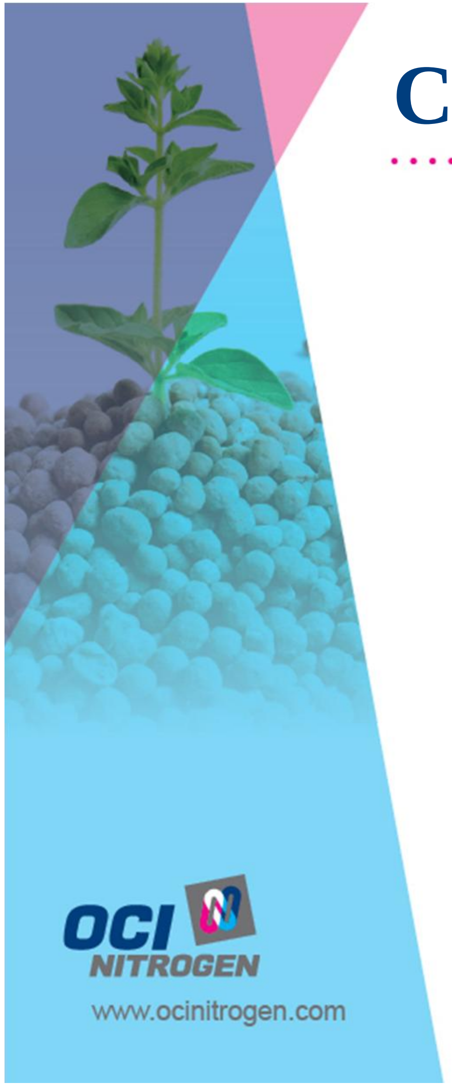


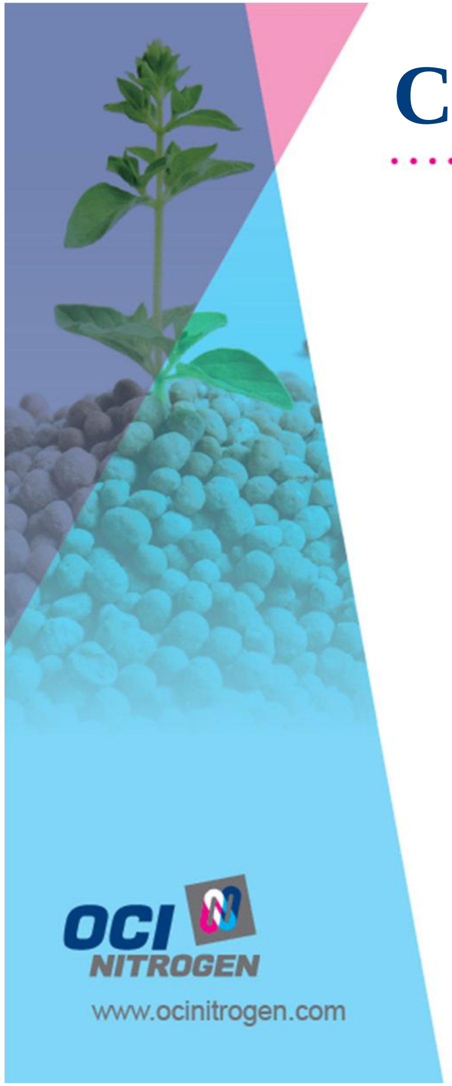
Challenges & opportunities

- European producers under pressure from low cost producing
  - Relatively high gas prices
  - CO_2 emission scheme in Europe could hurt competitiveness

- Nitrate positions in some area could come under pressure
- Nitrate is the preferred nitrogen form in Europe, Urea fills the gap

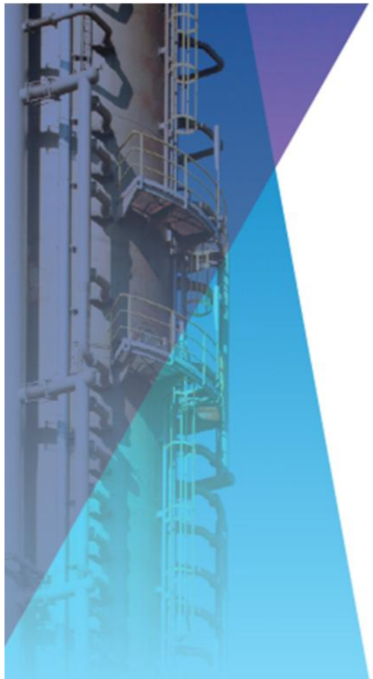
- European sites are in the middle of strong consumption areas which gives a logistical advantage

- Mediterranean urea could influence world prices as much as Black Sea
  - 300 KT/month export capacity from Black Sea
  - 600 KT/month export capacity from North Africa



Challenges & opportunities

- Both European production and distribution is continuing its consolidation
  - Eurochem becomes an important player in Western Europe
  - Production capacities in Eastern Europe still to be consolidated
  - Distribution landscape in France, Italy and Spain will change
- Consolidation within the agricultural sector brings end-users closer to producer
- Risk bearing & storage becomes key as window for application remains short
- The role of logistics and a performing supply chain becomes even more crucial as end users are reluctant to take positions early in the season



Our Ambitions

- Be the key nitrogen player in Europe
- Be the preferred nitrogen supplier in Europe
- Be consistent and reliable at all times
- Build long term partnerships with key customers based on mutual trust
- Propose innovative delivery schemes meeting customer needs and expectations

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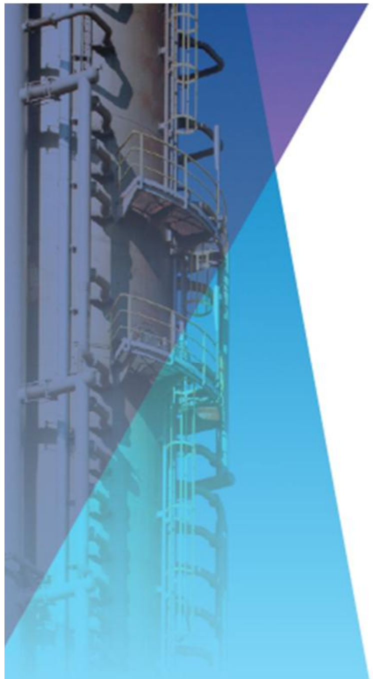

Conclusions

- Nitrogen markets in Europe will have to adapt to new capacity coming on stream
- Current Nitrate/Urea balance will coexist but could shift significantly from region to region and season to season
- Producers are getting more involved in the distribution chain
- Producers close to end markets with performing logistics & infrastructure will have certain advantage.

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Thank you for your attention!

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