

OCP

Q3 & 9M 2016 EARNINGS CALL PRESENTATION

DECEMBER 8TH 2016

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This presentation includes OCP’s financial statements which are produced in Moroccan Dirhams (the local currency) and presented in IFRS. For ease of presentation, financial information included in this presentation is translated into U.S. Dollars, and these translated figures have not been audited. For the purpose of such translated figures, OCP used the following exchange rate table, which sets forth the year average and year-end Dirham/U.S. Dollar exchange rates for the following periods:

	sept-16	sept-15
Period End	9,7243	9,7499
Average	9,7553	9,7262

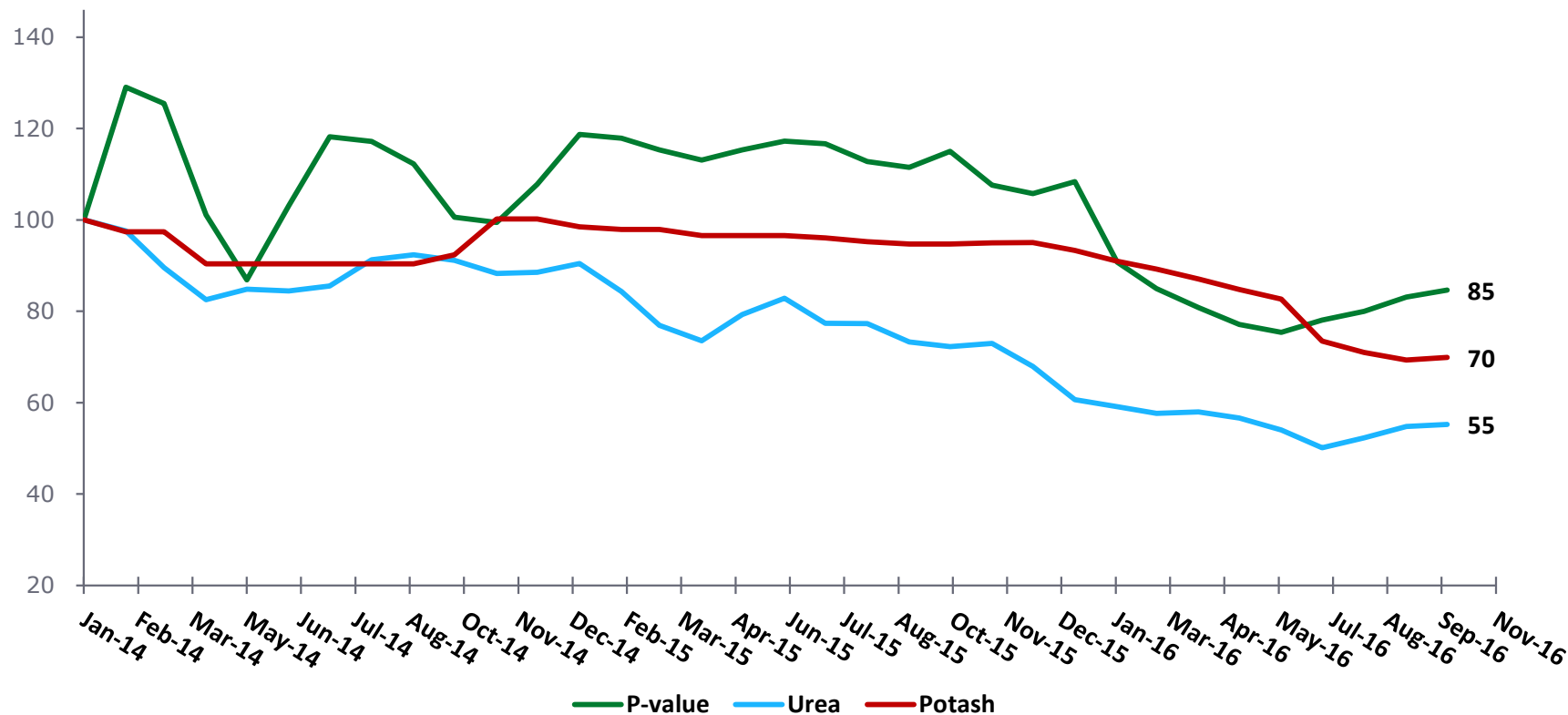


MARKET OVERVIEW



P-VALUE WEAKENED, BUT REMAINED RESILIENT COMPARED WITH OTHER NUTRIENTS

Nutrient values (base 100 in Jan 2014)

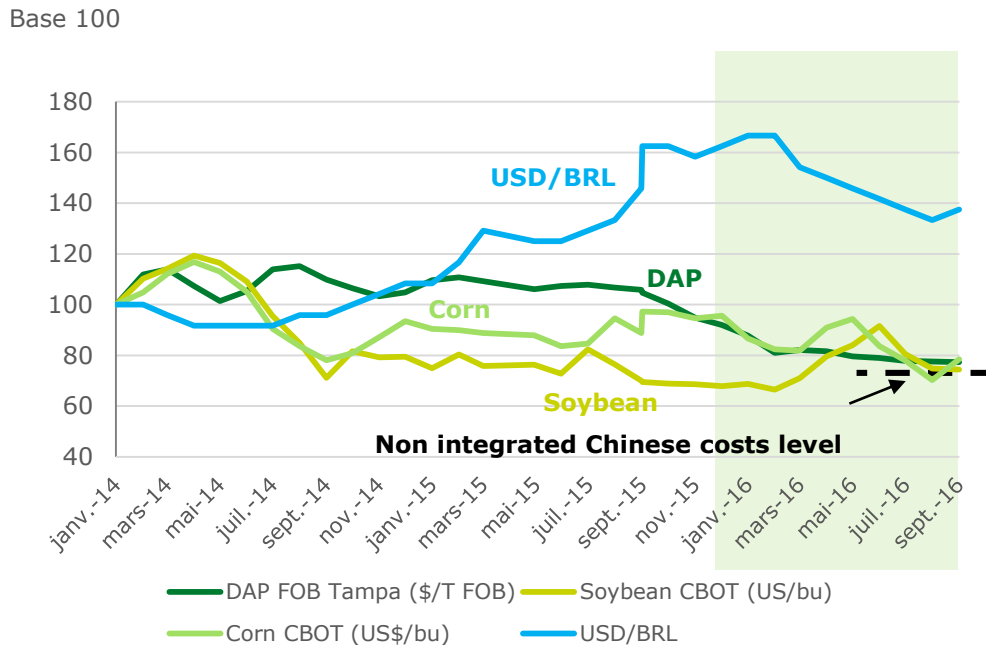


Source: CRU, P-value is equivalent to the Commercial Gross Margin (CGM) = DAP Fob Morocco prices minus Raw material costs (Sulphur and Ammonia)



INCREASED CONSUMPTION AND LOWER RAW MATERIAL COSTS PARTIALLY OFFSET WEAKER DAP PRICES

Price evolution of DAP FOB Tampa, Soybean & Corn



	Actual 9M2014	Actual 9M2015	Actual 9M2016
OCP DAP Price (\$/T)	465	485	349

9M 2016 market environment

Macroeconomic Drivers

- Stabilizing FX markets overall in comparison to 2015
- Higher soybean prices (8.5-11 \$/bu) y-o-y and stable to weaker corn prices (3.0 – 4.0\$/bu) over the period

Demand overview

- Increasing consumption rates in all regions:
 - ✓ Recovery in Brazil (+7%) and Argentina (+80%)
 - ✓ Increasing consumption in India for Kharif season (as from April) thanks to well distributed monsoon
 - ✓ Higher consumption in Russia (+40% in DAP/MAP & NPK)
 - ✓ Higher consumption in North America (~+1,5%)
 - ✓ Tax incentives fertilizers imports and Nitrate product ban in Turkey supported DAP imports (~+62%)

Supply overview

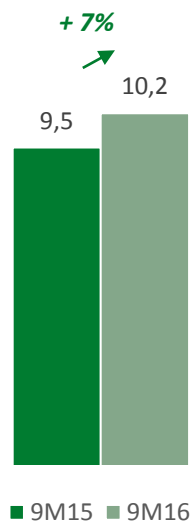
- Significant decrease in Chinese exports (-29% y-o-y)
- However, Chinese inventories remain high (producers DAP/MAP inventories at 3.1 MT, + 1,5MT y-o-y)
- Increasing phosphoric acid supply from Jordan, Senegal and Tunisia

HIGHER CONSUMPTION ACROSS KEY REGIONS VERSUS LOWER CHINESE EXPORTS

Strong recovery in Brazilian deliveries



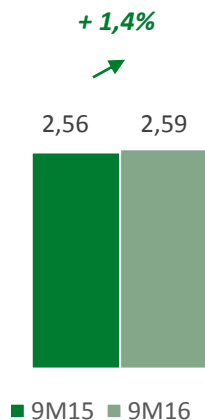
Phosphate fertilizer's Consumption in MT



Higher consumption in USA



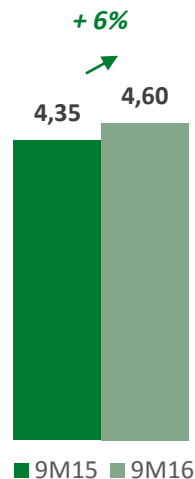
DAP/MAP Consumption¹ in MT P₂O₅



Higher cons. in India but high stocks



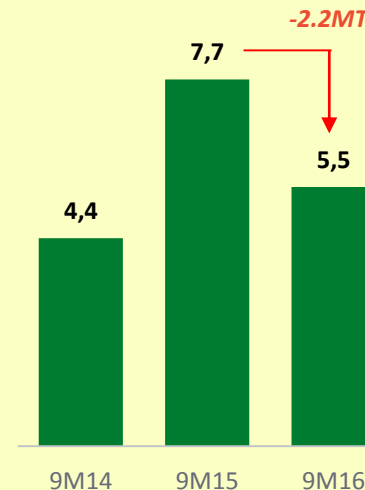
DAP Deliveries² for Kharif in MT



Strong decrease in Chinese exports



Phosphate DAP/MAP exports (Mt)



Sources: OCP & TFI

1: Import+Prod-Export- Stocks variation over the period

2 : Imprt+Prod+Beg Stock-Stocks variation from April to September

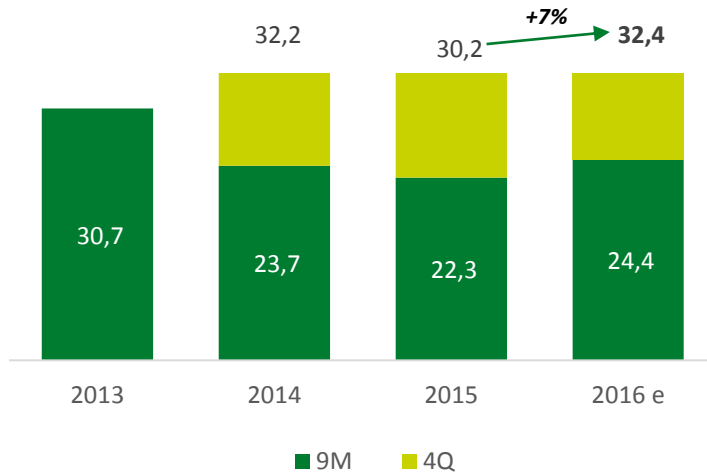


STRONG CONSUMPTION IN BRAZIL



Deliveries meet recovery expectations in 2016, as Brazilian farmers are enjoying affordable inputs...

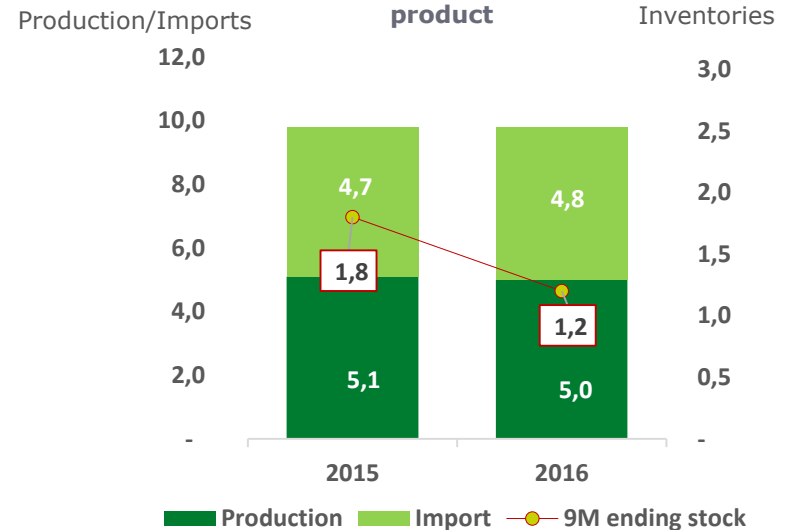
End user fertilizer's Consumption in MT product



- **Conservative forecasted deliveries to outpace 2014 levels (32.4 MT as blended formulas)**
- **Very attractive inputs prices for farmers stimulates demand for Soybean, Corn & Sugar Cane (Soybean barter ratios* below 18 Vs 25 in beginning of the year)**
- **Expected very low inventories by the end of the year**

...which materialized so far in higher consumption and all time low inventories

9M P-Fertilizer production, import & inventories in MT product



- **9M16: higher consumption (+0,7 MT) so far reflected in lower inventories (-0.7 MT)**
- **Going forward : a good Safrinha is expected and potential sugarcane area renovation**
- **Enhancing macro-economic situation in comparison with previous years**

Sources: ANDA, OCP

* Barter ratio represents number of bag of 60kg of soybean traded against 1 Ton of inputs package



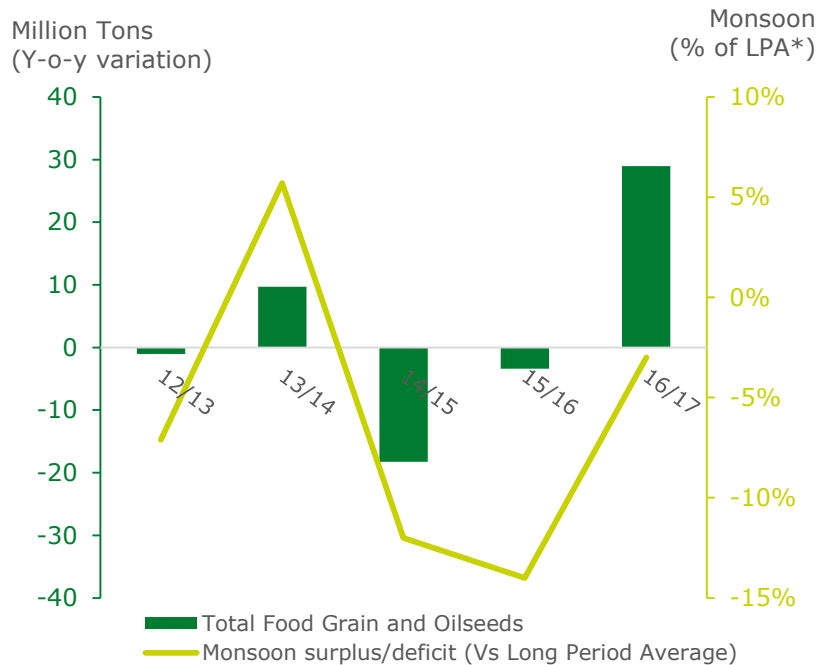
STRONG INDIAN CONSUMPTION DURING THE KHARIF SEASON, THOUGH INVENTORIES REMAIN HIGH



Expected good food grain production after 2 years of low production...

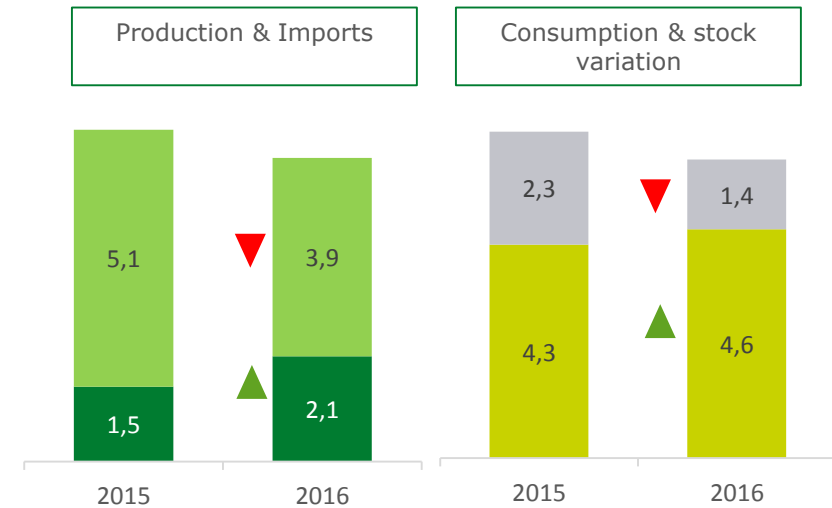
...which is supportive for Kharif season fertilizers consumption

Monsoon relation to Crop production in India



- **Normal and well distributed monsoon has boosted consumption after 2 consecutive weak years (85% of total area received normal or excess rainfall)**
- **Food Grain and Oilseeds production estimates are higher**

India DAP consumption, imports and inventories for Kharif (1st April – End of September)



- **Kharif deliveries are up from 4.35 to 4.6 MT : higher production was offset by lower imports and less stock constitution over the period (1,4 MT Vs 2,3 MT)**
- **Going forward: healthy consumption to remain in place for the Rabi as subsidy will not be changed until 2017.**

Sources: OCP , India Meteorological Department as of September 14th
 * Long Period Average : average monsoon over last 30 years

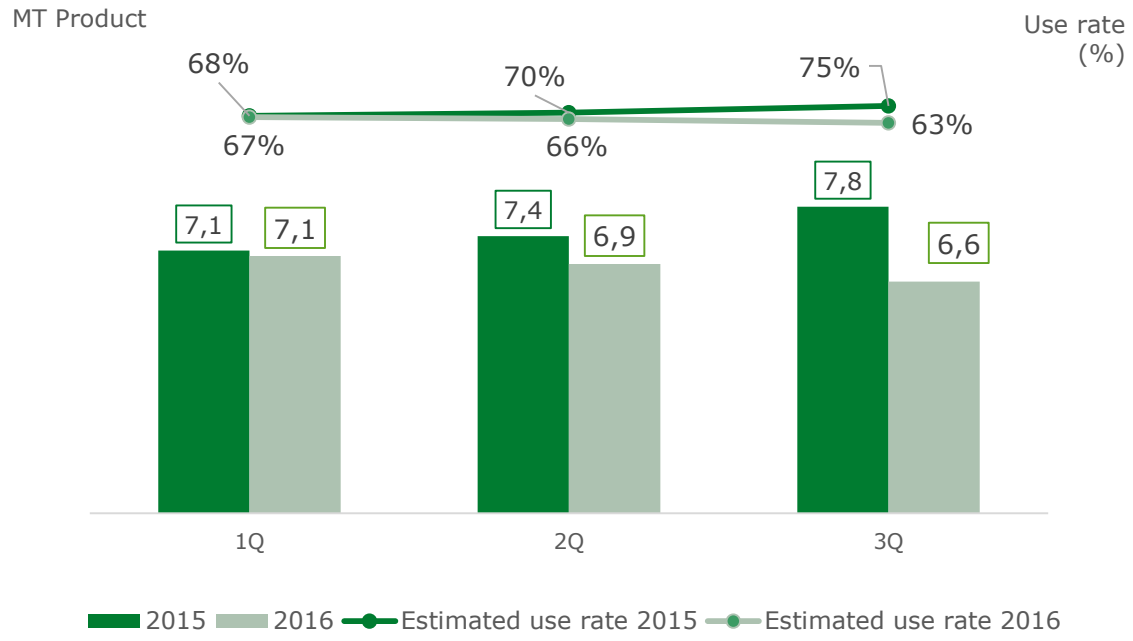


CHINESE SUPPLY STARTS TO ERODE WITH POSSIBILITY OF FURTHER CURTAILMENT IN Q4



China DAP/MAP production is continuously slowing down...

China Quarterly DAP/MAP production and related use rates
2015 Vs 2016



Phosphate/NPK trade fair in Nanjing, Nov'16

"Major Chinese producers reached an agreement "in principle" at a phosphate/NPK trade fair in Nanjing on November 5 over further production cuts to offset weak domestic/export demand, low DAP prices and higher nitrogen and sulfur costs, according to market sources..."

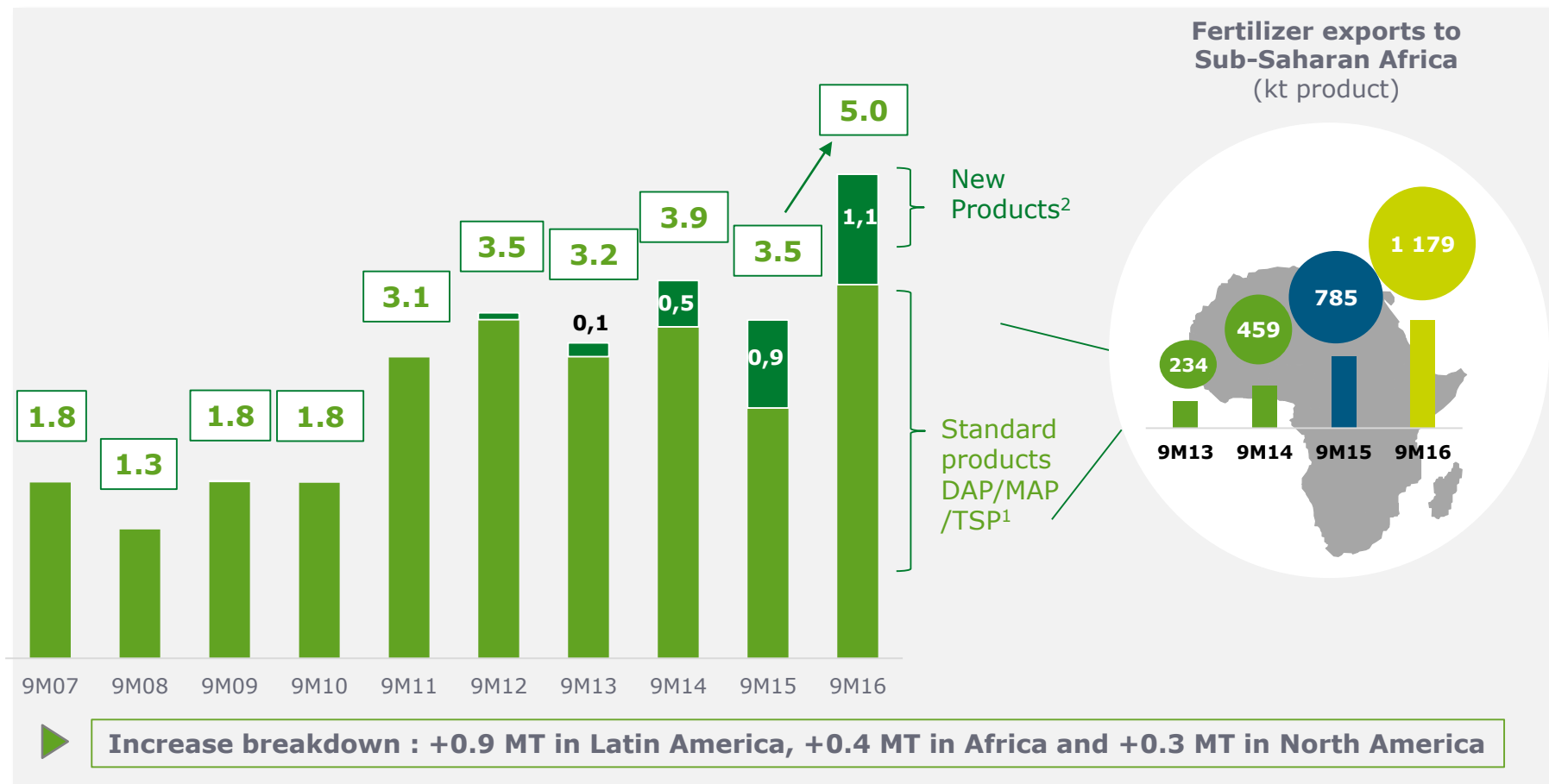
Source: CRU

Sources: OCP, China association of Fertilizers
Estimated use rate is based on total DAP/MAP capacities of about 41,8 MT



OCP ACHIEVED SOLID FERTILIZERS EXPORTS: INCREASED SALES IN AFRICA & AMERICAS

OCP Group exports of fertilizers (in MT)



1. Delta in sum are due to sum of rounded numbers
 2. New Products and DAP/MAP/TSP refer to export sales.

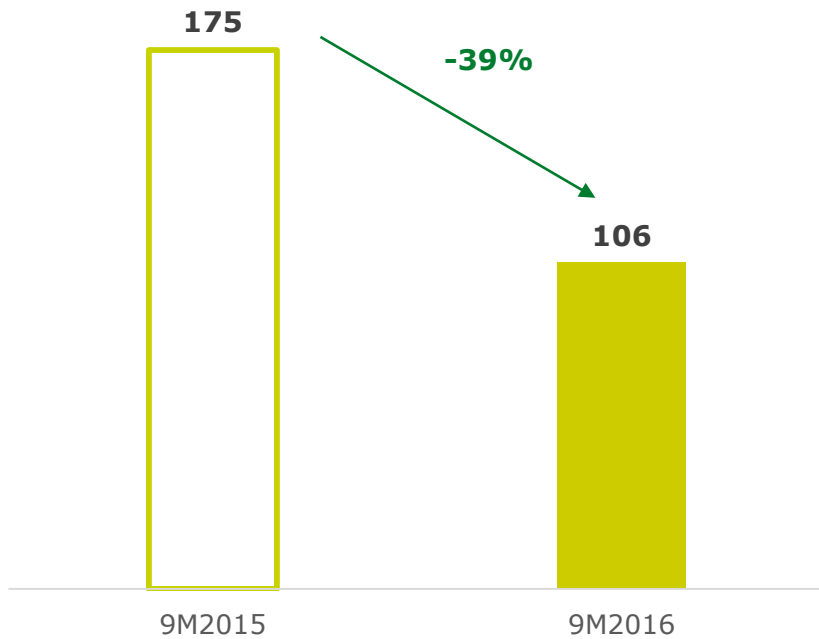
Source: OCP



OCP CONTINUES TO BENEFIT FROM DECREASING RAW MATERIAL COSTS

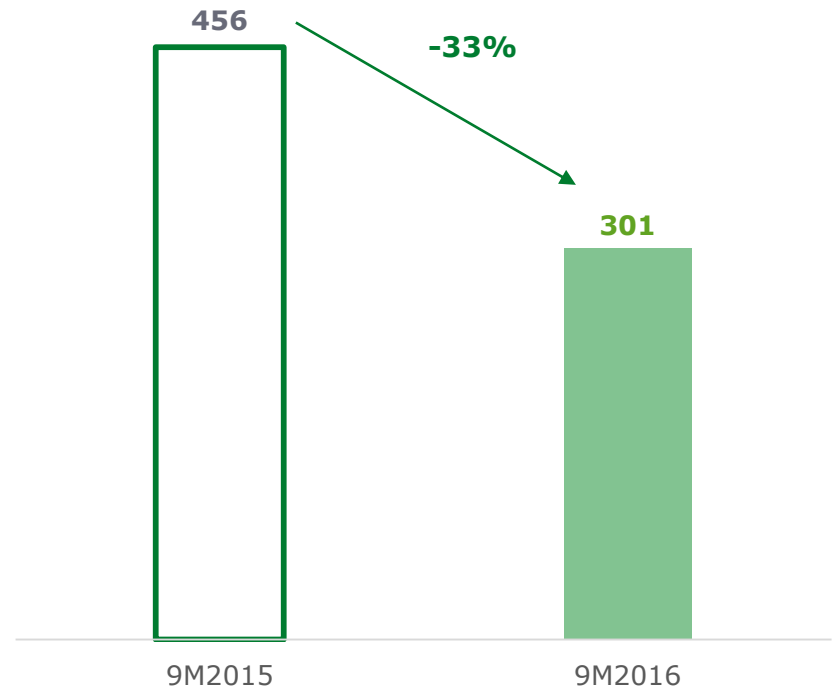
Sulfur

FOB Middle East Average Price Index
(\$/T)



Ammonia

FOB Yuzhny Average Price Index
(\$/T)

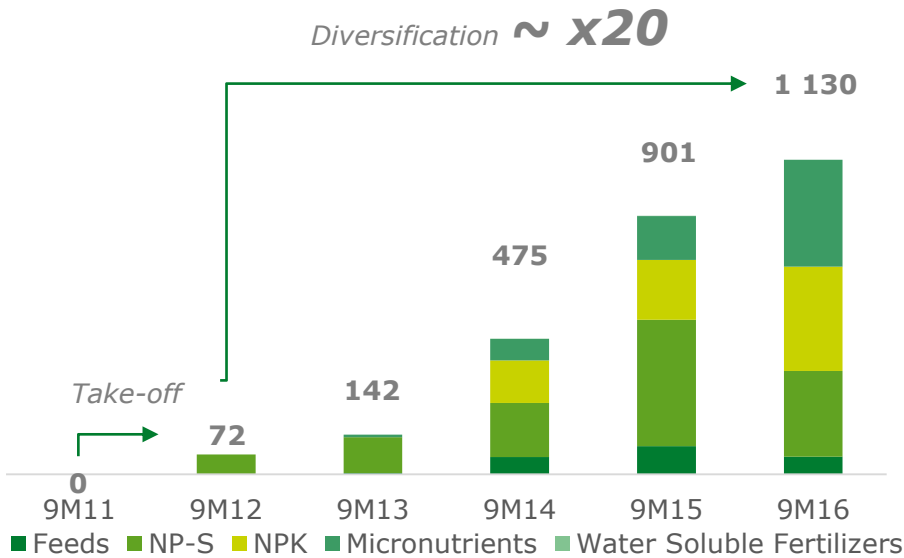


Sources: CRU



INNOVATIVE AND SPECIALTY PRODUCTS REMAIN A STRATEGIC DIFFERENTIATOR FOR OCP

OCP sales of new finished products
(Kt product)



New products



Share in FOB Fert. revenue



Sources: OCP

More innovation to come...



OCP & Shell Thiogro Technology have signed a key strategic agreement to develop premium sulfur-enhanced fertilizers

A step closer to achieving OCP's goal to provide farmers with a wider range of customized products, tailored to their specific needs



FINANCIAL OVERVIEW



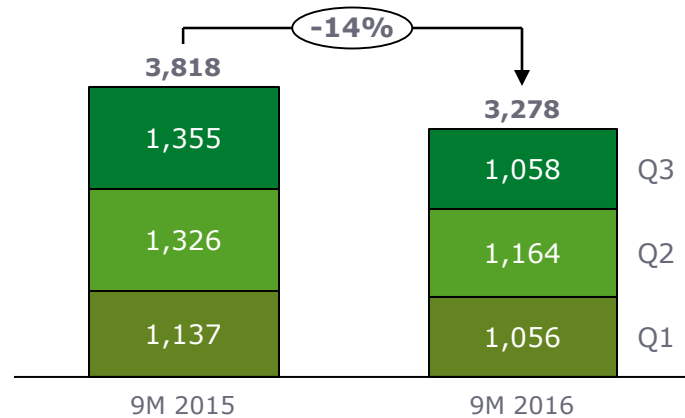
9M 2016 FINANCIAL RESULTS OVERVIEW

- ✦ 9M 2016 revenues reached US\$ 3.28 billion, a 14% y-o-y decrease. Despite this trend, revenues from fertilizers grew by 3%.
- ✦ 9M 2016 EBITDA decreased by 34% y-o-y to US\$ 940 million. The EBITDA margin improved to 29%.
- ✦ Adjusted cash flow related to operating activities amounted to US\$ 361 million for the 9M 2016.
- ✦ Investment program initiated by OCP in 2008 proceeded according to plan, with US\$ 776 million spent during the 9M 2016.

9M & Q3 2016 FINANCIAL SNAPSHOT

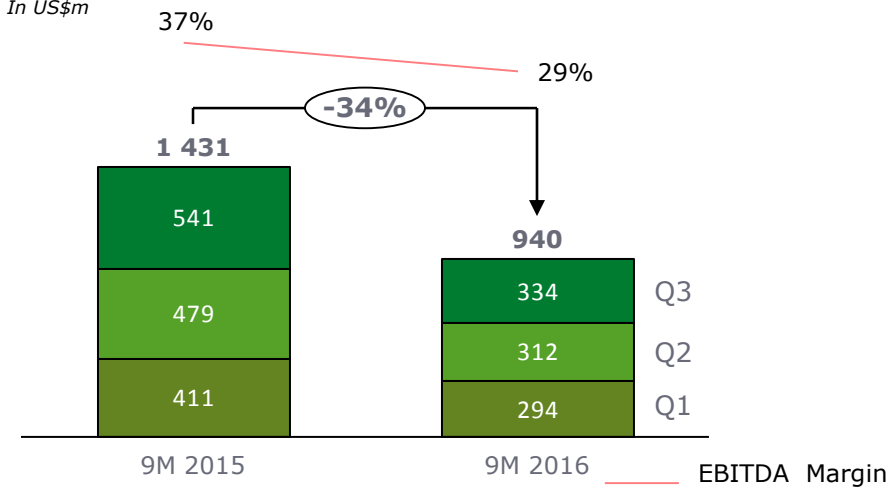
Revenue

In US\$m



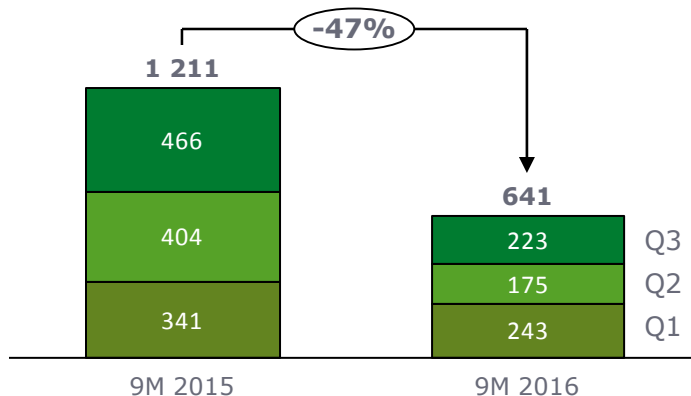
EBITDA

In US\$m



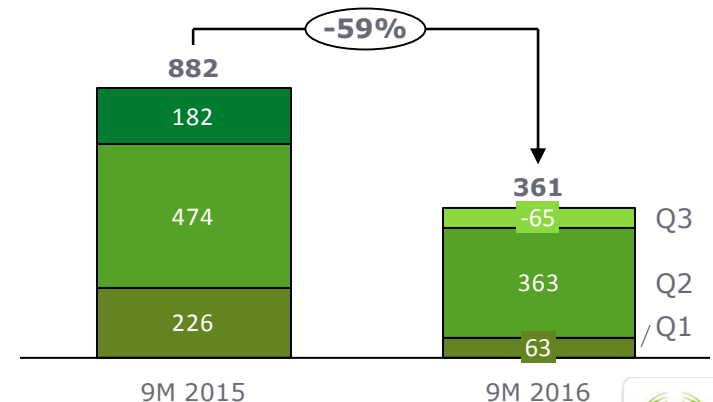
EBIT

In US\$m



Adjusted Cash Flow from Operating Activities*

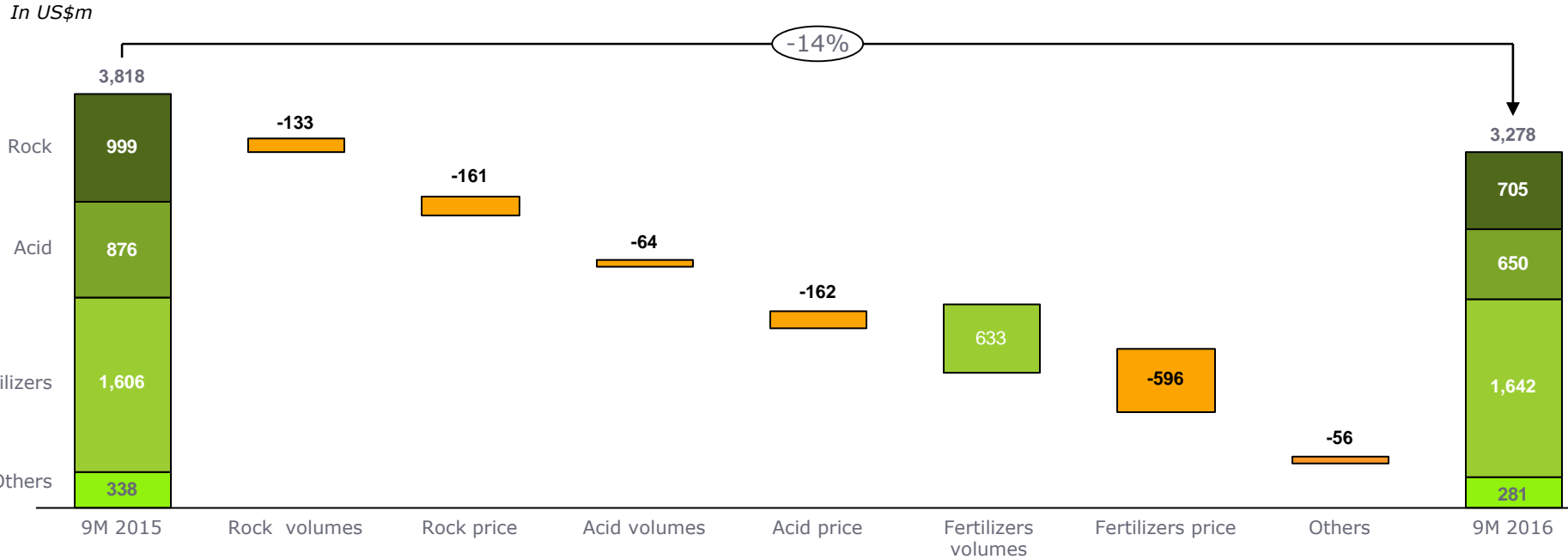
In US\$m



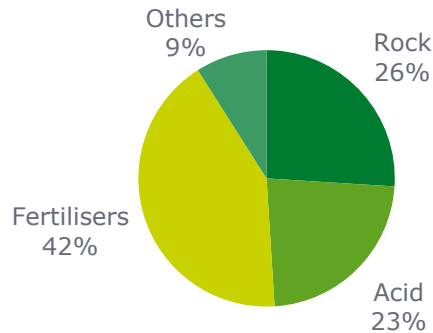
* Adjusted for the transfer of OCP's internal pension fund
 ** Adjusted for regularization of tax payable related to FY2015



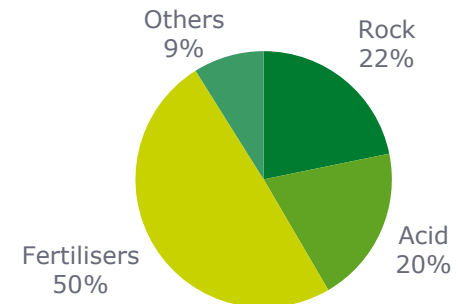
9M 2016 REVENUE BREAKDOWN



9M 2015 Revenue by Product



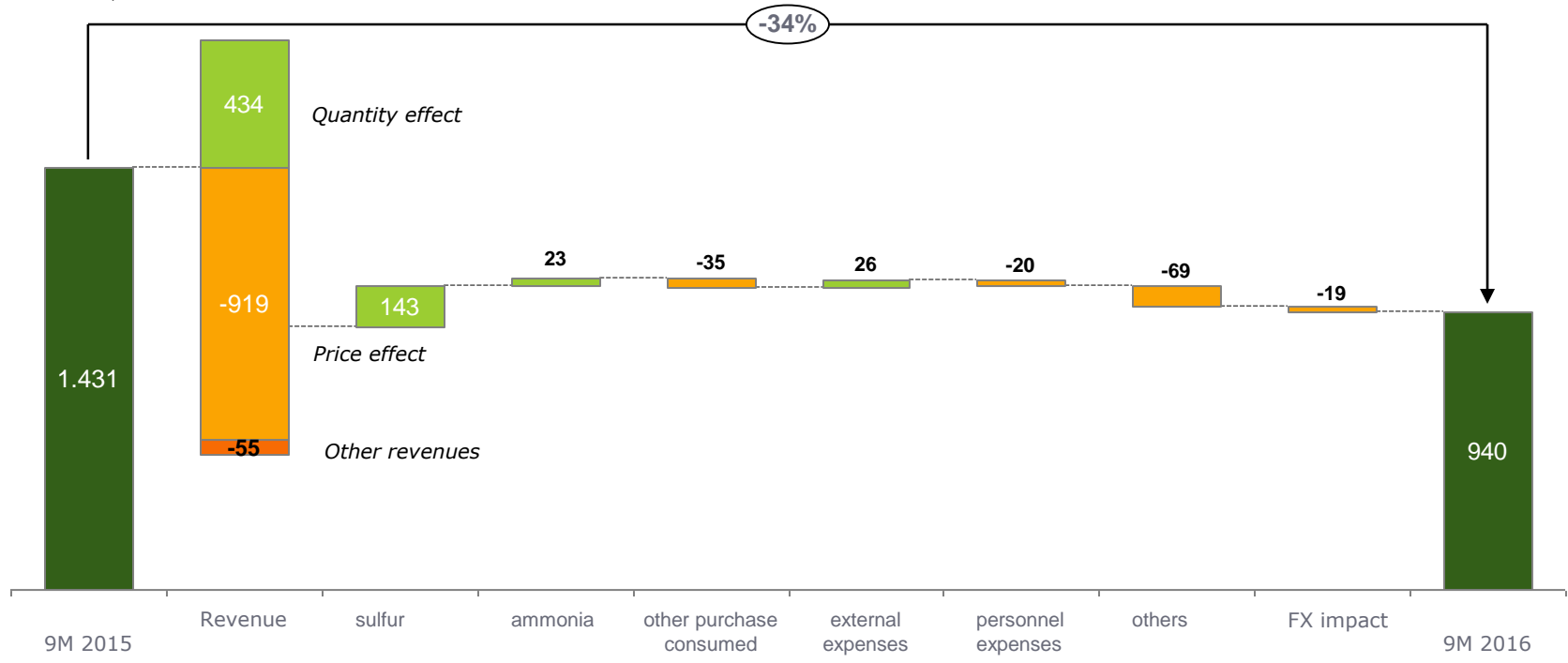
9M 2016 Revenue by Product



9M 2016 EBITDA BRIDGE



In US\$m



OUTLOOK

DEMAND

- ❑ Lower than expected production levels for Corn and Soybean should be substantially supportive of short term crop prices (Corn: 3.4-3.8\$/bu, Soybean 9.6-10.2\$/bu) while low input prices would prompt continuous consumption growth in overall regions
- ❑ Low inventories in Brazil are supportive of future demand
- ❑ Higher consumption in Africa
- ❑ Higher consumption for Rabi in India, but higher inventories suggests lower imports in Q4

Supply

- ❑ High stocks levels in China, in addition to Q4 annual turnarounds may likely translate into lower production

Raw Materials

- ❑ Stable to slightly higher sulfur & ammonia prices due to very short term supply & demand tactics (Russia & Middle East vs. China)
- ❑ Lower medium & long term outlook given additional capacities (in UAE for S, Russia, US and Saudi Arabia for Ammonia)

- ✓ Regular seasonal downturn in the export markets by mid Q4
- ✓ Chinese supply and inventories management will be a key driver in Q4 for both sulfur and the supply & demand balance

