

## OCP REPORTS THIRD QUARTER AND FIRST NINE MONTHS OF 2015 EARNINGS

**CASABLANCA - Morocco, December 7, 2015** - OCP S.A. ("OCP" or the "Company"), a global leader in the fertilizer industry, today reported earnings for the third quarter and nine month periods ending September 30, 2015.

### YEAR TO DATE 2015 KEY FIGURES :

- Revenues in the first nine months of the year increased to MAD 37,137 million (US\$bn 3.8) from MAD 30,915 million (US\$bn 3.7) in the prior-year period.
- EBITDA rose to MAD 13,923 million (US\$bn 1.4) from MAD 8,554 million (US\$bn 1.0) in the first nine months of 2014.
- EBITDA margin increased to 37% from 28% in the year-ago period.
- Adjusted operating cash flow was MAD 8,521 million (US\$m 882) in the 9M 2015.
- Investment program disbursements amounted to MAD 10,344 million (US\$bn 1.1) in the period.

### THIRD QUARTER 2015 KEY FIGURES :

- Third quarter revenues were broadly stable year-over-year, reaching MAD 13,242 million (US\$bn 1.4) in the third quarter of 2015 versus MAD 11,549 million (US\$bn 1.4) in the prior-year quarter.
- EBITDA increased to MAD 5,289 million (US\$m 541) from MAD 3,916 million (US\$m 469) in the third quarter of 2014.
- Adjusted operating cash flow was MAD 2,972 million (US\$m 305) in the quarter.

### MANAGEMENT COMMENTARY :

"We are pleased to report positive third quarter and year-to-date results. We continue to deliver consistent and solid financial performance and our results demonstrate OCP's resilience in a more challenging market environment. We achieved stable revenues during the third quarter, despite macroeconomic weakness and adverse weather conditions in the key consuming markets of Brazil and India, respectively, and increased phosphate exports by China. We also delivered higher year-over-year EBITDA and industry leading margins," said Dr. Mostafa Terrab, Chairman and Chief Executive Officer of OCP.

"These results were made possible by our industrial flexibility and diversified geographic footprint, which enable us to quickly tailor our product mix to changes in market demand and achieve higher margins. OCP has a profitability driven model and our ability to outperform market prices, combined with successful cost reduction initiatives, enabled us to grow our EBITDA despite a slight decline in fertilizer volumes. We also benefited from our expansion into high growth markets, specifically Africa, which compensated for the decline in demand out of South America during the first nine months of the year.



“These achievements are closely aligned with our strategy of building scale, strengthening our cost leadership and furthering our commercial and industrial flexibility, all of which position OCP strongly for sustainable, long-term growth.”

## **OPERATING AND FINANCIAL RESULTS FOR THE FIRST NINE MONTHS OF 2015 :**

Revenues in the first nine months of 2015 increased to MAD 37,137 million (US\$bn 3.8) from MAD 30,915 million (US\$bn 3.7) in the year-ago period. The result reflects higher rock revenues mainly due to higher prices, and increased acid revenues as a result of both higher prices and volumes. These positive contributors more than offset lower fertilizer volumes. During the nine-month period, besides higher pricing in all three segments, OCP’s topline growth benefited from the recovery in Indian demand as well as continued strong exports to Africa, which compensated for lower Brazilian fertilizer imports and a significant increase in Chinese exports.

Gross profit increased year-over-year, reaching MAD 25,905 million (US\$bn 2.7) compared with MAD 20,103 million (US\$bn 2.4) in the same period of 2014.

EBITDA increased to MAD 13,923 million (US\$bn 1.4) from MAD 8,554 million (US\$bn 1.0) in the year-ago period. The result was positively impacted by increased revenues, higher production held as inventory, further reductions in operational costs and favorable exchange rate movements. Operating profit increased to MAD 11,470 million (US\$bn 1.2) from MAD 6,499 million (US\$m 787) in the prior-year period.

Adjusted cash generated by operating activities was MAD 8,521 million (US\$m 882) in the first nine months of 2015, compared to MAD 5,275 million (US\$m 638) in the year-ago period. Capital expenditures totaled MAD 10,344 million (US\$bn 1.1) in the first nine months of 2015.

## **SUMMARY AND OUTLOOK :**

“We expect stable to slightly higher full year revenues, a significant increase in EBITDA and improved profitability in 2015, in spite of softening fertilizer market conditions throughout the remainder of the year, mitigated by declining raw material costs.”

“Looking ahead to 2016, the depletion of soil nutrients following high corn and soybean yields should support fertilizer application. We concur with industry forecasts of a potential improvement in Brazilian fertilizer imports, contingent on current credit limitations, and we anticipate continued positive trends in Indian demand amid expectations of a more favorable monsoon season. Weaker local currencies in key consuming regions, grain price movements and Chinese DAP/MAP exports remain near term uncertainties.”

“Our strategy puts OCP in a unique position to benefit from the strong, long-term fundamentals in the global phosphate industry, which are underpinned by population growth, growing demand for food, a reduction in arable land, changing diets and the increased production of biofuels. With more phosphate reserves than any other global producer and the lowest phosphate rock cash costs in the industry, we are confident that we will continue to profitably grow our business,” noted Dr. Terrab.

## **CONFERENCE CALL :**

OCP senior management will host a conference call at 10 a.m. EST and 3 p.m. Morocco/London time on December 7, 2015, to discuss the financial results. Qualified institutional buyers, bondholders, securities analysts and market makers are invited to participate in the call. Conference call details are available at OCP’s Investor Relations portal on the Intralinks website. Eligible parties that have not already registered for access to the Intralinks portal may do so by contacting Mrs Ghita Laraki, Investors Relations at [g.laraki@ocpgroup.ma](mailto:g.laraki@ocpgroup.ma)

## ABOUT OCP :

OCP is a global leader in the fertilizer industry, backed by almost a century's production history. OCP has exclusive access to the largest phosphate rock reserve base in the world. It is one of the lowest cost producers of phosphate rock in the industry and has become a leading player in production and trade volumes across the phosphate value chain. OCP employs 21,000 people and contributes to regional development through its mining and fertilizer operations, and through its sustainability program.

For more information, visit: [www.ocpgroup.ma](http://www.ocpgroup.ma)

## FORWARD LOOKING STATEMENTS :

This press release has been prepared by OCP S.A. ("OCP") and contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of the safe harbor provisions set forth in the U.S. Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, liabilities, strategic, industrial, commercial plans and expected future financial and operating results such as revenue growth and earnings. They are based on the current beliefs, expectations and assumptions of OCP's management as of the date on which they are made in connection with past and/or future financial results, and are subject to significant uncertainties and risks, which OCP shall not be held liable for. These risks and uncertainties include, but are not limited to, risks and uncertainties arising from the future success of current and strategic plans and future financial and operating results and reserves; changes in such plans and results; any difficulty that OCP may experience with the realization of benefits and anticipated levels of capital expenditures for the given period and beyond; the current and future volatility in the credit markets and future market conditions; OCP's strategy in connection with customer retention, growth, product development and market position; industry trends; volatility in commodity prices; changes in foreign currency, interest and exchange rates; international trade risks; changes in government policy and developments in judicial or administrative proceedings in jurisdictions which OCP is subject to; changes in environmental and other governmental regulation, including regulatory investigations and proceedings; any natural events such as severe weather, fires, floods and earthquakes or man-made or other disruptions of OCP's operating systems, structures or equipment; the effectiveness of OCP's processes for managing its strategic priorities; and OCP's belief that it has sufficient cash and liquidity and/or available debt capacity to fund future financial operations and strategic business investments. Actual results may differ from those set forth in the forward-looking statements contained in this release, and OCP undertakes no obligation to publicly update any of its forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

This press release includes financial information which, for ease of presentation, has been 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 USD/MAD exchange rates for the following periods:

	Sept 2015	Sept 2014	December 2014
Period End	9.7499	8.7536	9.0419
Average	9.7262	8.2635	8.4072

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