



Financial results for the First Half 2014

2014. 7. 18

OCI Materials Co.,Ltd.

The following earnings release and the financial, business and other information contained herein are current only of the date hereof and readers are cautioned that changes in general macroeconomic, business, financial and other conditions may have occurred since such date and our financial condition and results of operations may have been materially impacted as a result of such occurrences. Certain information contained herein may be considered forward-looking in nature, which are based on certain assumptions and expectations of future events that are subject to risks and uncertainties, including comments on trends in the global economy and duration of such trends, future development and investment plans including market strategy and business plans. We disclaim any responsibility or obligation to update or disseminate any revisions to any forward-looking statements contained in this document to reflect any changes in assumptions or circumstances.

Actual future results and trends and statements regarding plans or expectations may change for various reasons which management has not anticipated, including as a result of a further slowdown in global economic growth, further weakening of customer demand for our products and the loss of major customers, pricing pressures, inability to finance certain projects and capital expenditures on attractive terms, or at all, among others.

The financial information contained herein has not been audited. Readers are cautioned that actual results may differ as a result of the audit of our financial results for the quarter ended June 30, 2014.

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2. Business Highlights
3. Market Status and Strategy

Consolidated Income Statement

1. 1H 2014 Financial Results

- Increase in NF3 sales and keeping full operation
- Price starts to rebound from 2014 1Q due to semiconductor/LCD industries' increased demand
- Jiangsu OCI Materials'(subsidiary in China) sales ramping up

(Unit: M'KRW)	2014.1H	2013.2H	HoH	2013.1H	YoY
Sales	91,704	87,220	5%	103,848	-12%
Operating Income	5,866	141	4,070%	7,091	-17%
%SR	6%	0.2%		7%	
EBITDA	30,363	29,326	4%	33,222	-9%
%SR	33%	34%		32%	
Income before Tax	554	-6,001		7,208	
Net Income	614	-5,018		5,370	

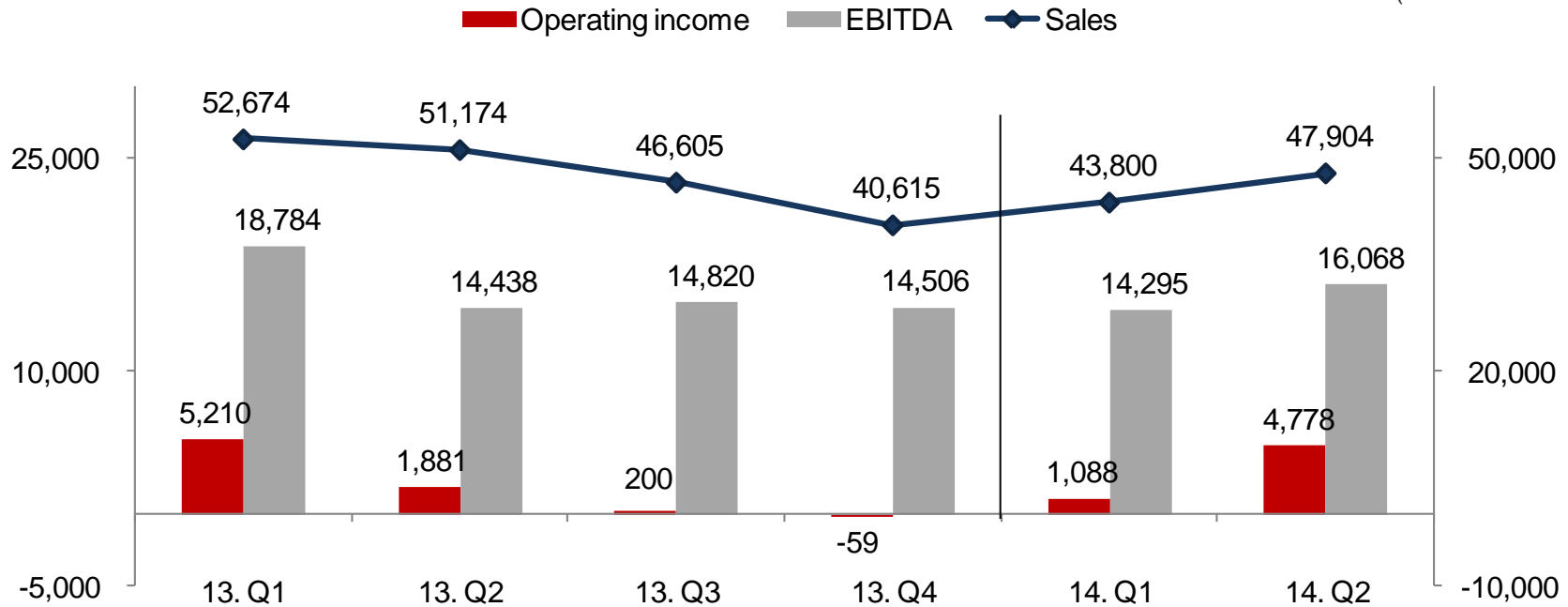
Note 1) Consolidated results based on K-IFRS

2) Not reviewed by outside auditor yet

Income Statement by Quarter

1. 1H 2014 Financial Results

(Unit: Millions KRW)

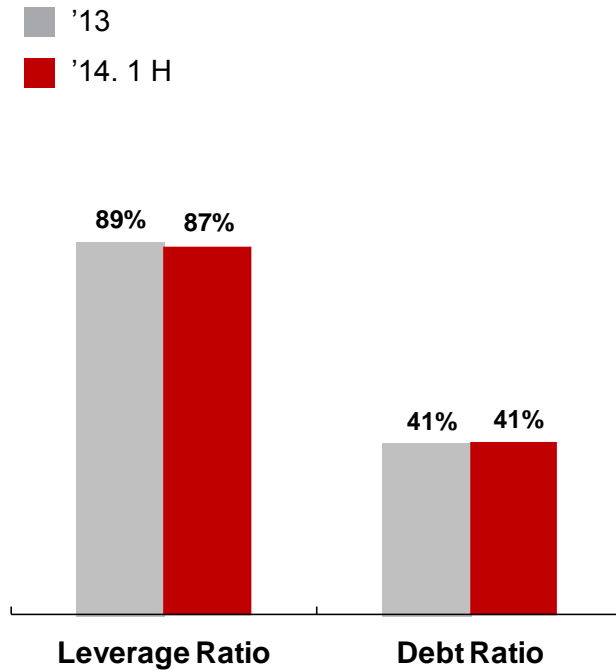


	2013					2014		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	1H
Operating income	10%	4%	0.4%	-0.1%	4%	2%	10%	6%
EBITDA	36%	28%	32%	36%	33%	33%	34%	33%

Note 1) Consolidated results based on K-IFRS
 2) Not reviewed by outside auditor yet

Balance Sheet

1. 1H 2014 Financial Results



(Unit: M'KRW)	2013	2014. June	Difference
Cash and Cash Equivalents	18,111	17,531	-580
Accounts Receivables	20,994	23,737	2,743
Inventories	44,857	44,459	-398
Tangible Assets	475,273	457,797	-17,475
Others	38,166	37,148	-1,018
Total Assets	597,402	580,672	-16,730
Debt	242,928	238,776	-4,152
Accounts Payable	11,619	8,230	-3,389
Others	26,020	23,748	-2,272
Total Liabilities	280,567	270,754	-9,813
Total Stockholders' Equity	316,834	309,918	-6,917
Leverage Ratio(%)	89%	87%	
Net debt	224,817	221,246	-3,571

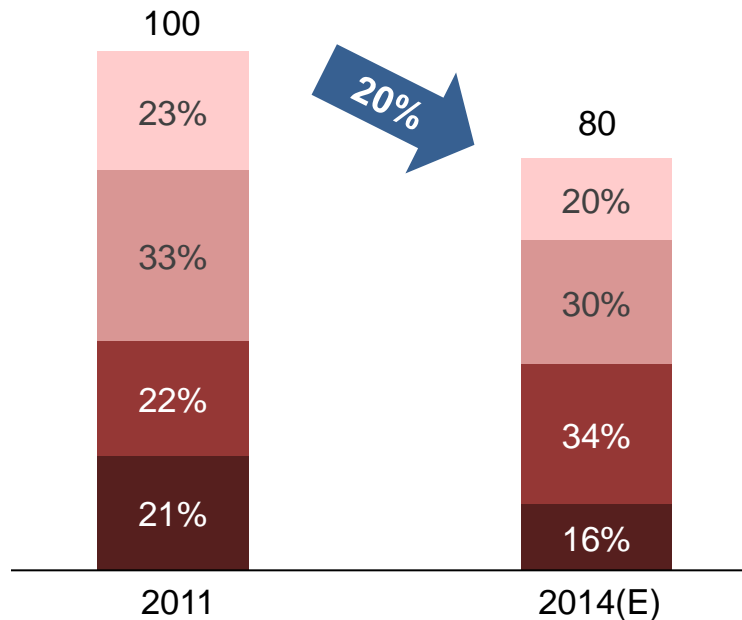
주 1) Leverage Ratio = Total liabilities / Total stockholders equity
 주 2) Debt Ratio = Debt / Total assets

Note 1) Consolidated results based on K-IFRS
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- For the past 3 years, total manufacturing cost was reduced by 20%, despite 22% electricity tariff increase during the same period.

NF3 Cost Index ¹⁾ (2011 = 100)

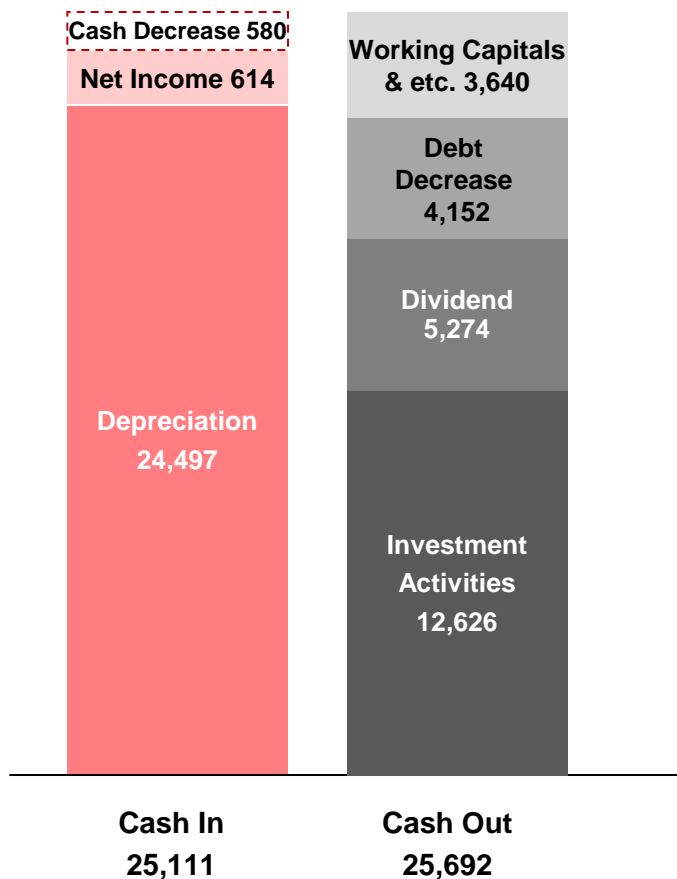
■ Raw Materials ■ Utility ■ Depreciation ■ Others



■ Effort in Cost Reduction

- Improvement in process efficiency and stability
- Consistent CR(Cost Reduction) activity
- Improvement in recollecting losses process
- Diversification of raw material purchase

Note 1) Assumed 100% utilization ratio



(Unit: M'KRW)	1H. 2014	Remarks
Cash from Operating Activities	21,471	
Net Income	614	
Depreciation	24,497	
Working Capitals & etc.	(3,640)	
Cash from Investment Activities	(12,626)	
CapEx	(13,613)	
Others	987	
Cash from financial Activities	(5,274)	
Dividend	(5,274)	
Free Cash Flow	3,571	
Debt	(4,152)	
Cash Decrease	(580)	
Beginning Cash	18,111	
Ending Cash	17,531	

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2) Not reviewed by outside auditor yet

1. 1H 2014 Financial Results

2. Business Highlights

3. Market Status and Strategy

1

Restoring SiH4 Plant & Enhancing Safety

- Installing additional emergency shut off valve, spray system, etc.

2

Accident Prevention System

- Establishing a dangerous substance enclosure system

3

Conducting Safety Diagnosis Throughout Plants.

- Enforcing facility improvement after safety diagnosis by professional organization.

4

Enhancing Emergency Response System and Establishing Hot Line

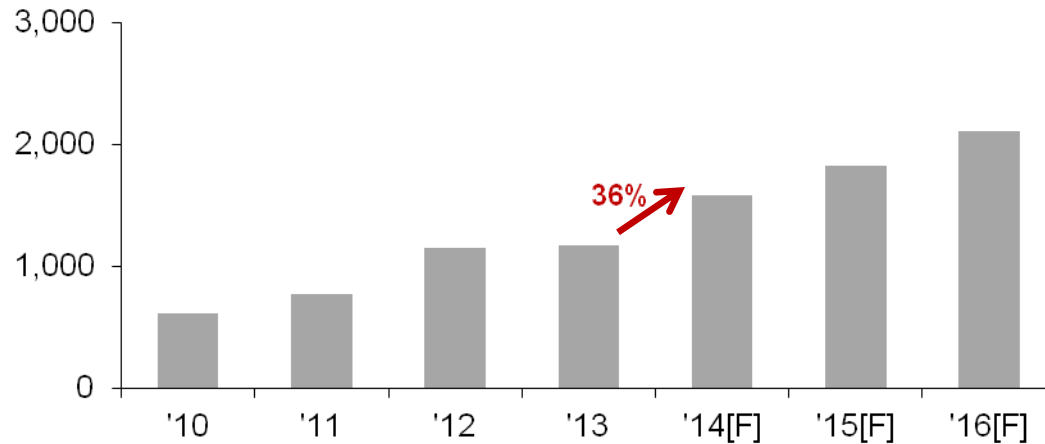
5

Improving Safety Supervision

Building a **Zero**
accident
workplace

1. Actual sales started from 2014 Q1. Sales expected to increase.

2. China Market Status & Forecasting
: 2014 supply will increase 36% than 2013



※ Sources: iSupply, DisplaySearch, Displaybank, Solarbuzz, OCI Materials estimates



3. Target Market Share : 40% (OCIM + JS OCIM In China market 2014)

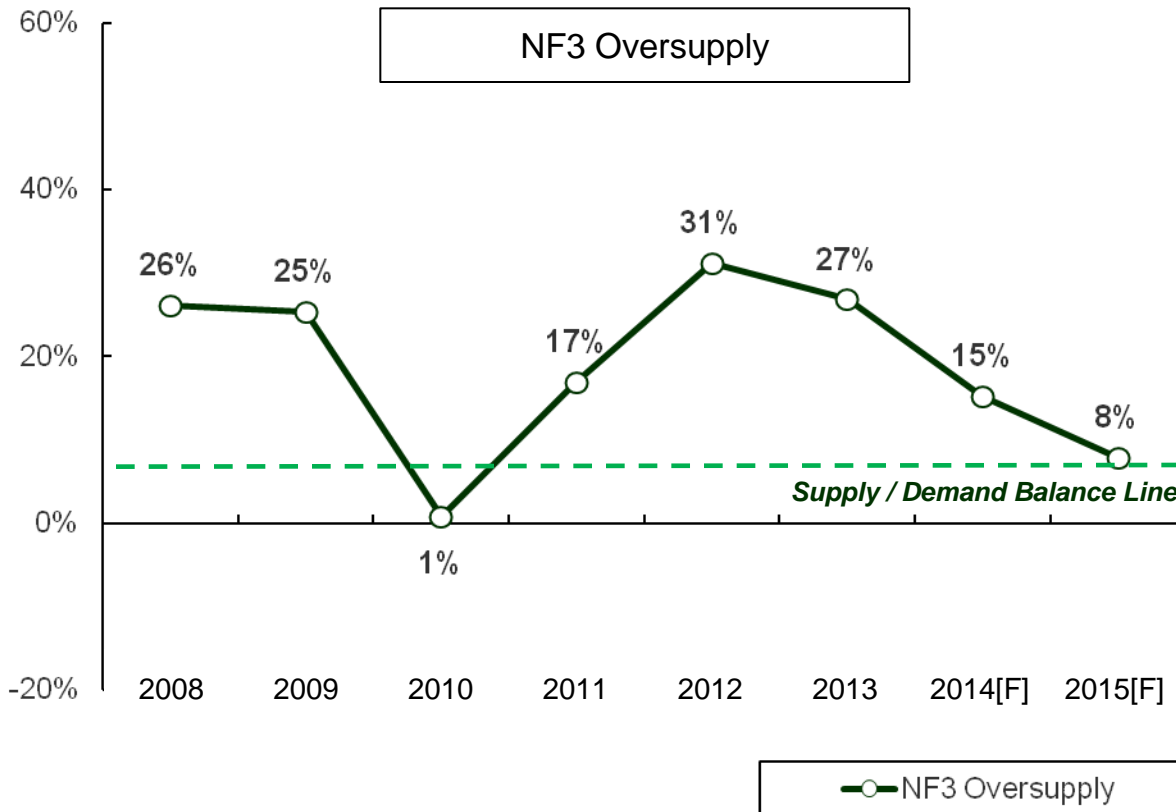
1) Jiangsu OCI Materials Co., Ltd.

- Location : Zhenjiang Jiangsu China
- Products : NF3, capa. 1,000MT/year
- Holdings: OCI Materials' 100% subsidiary

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■ NF3 demand increased 9% over last year due to continuous semiconductor/LCD industries' growth

- Supply will be tightened in 2015 considering safety inventory and container supply

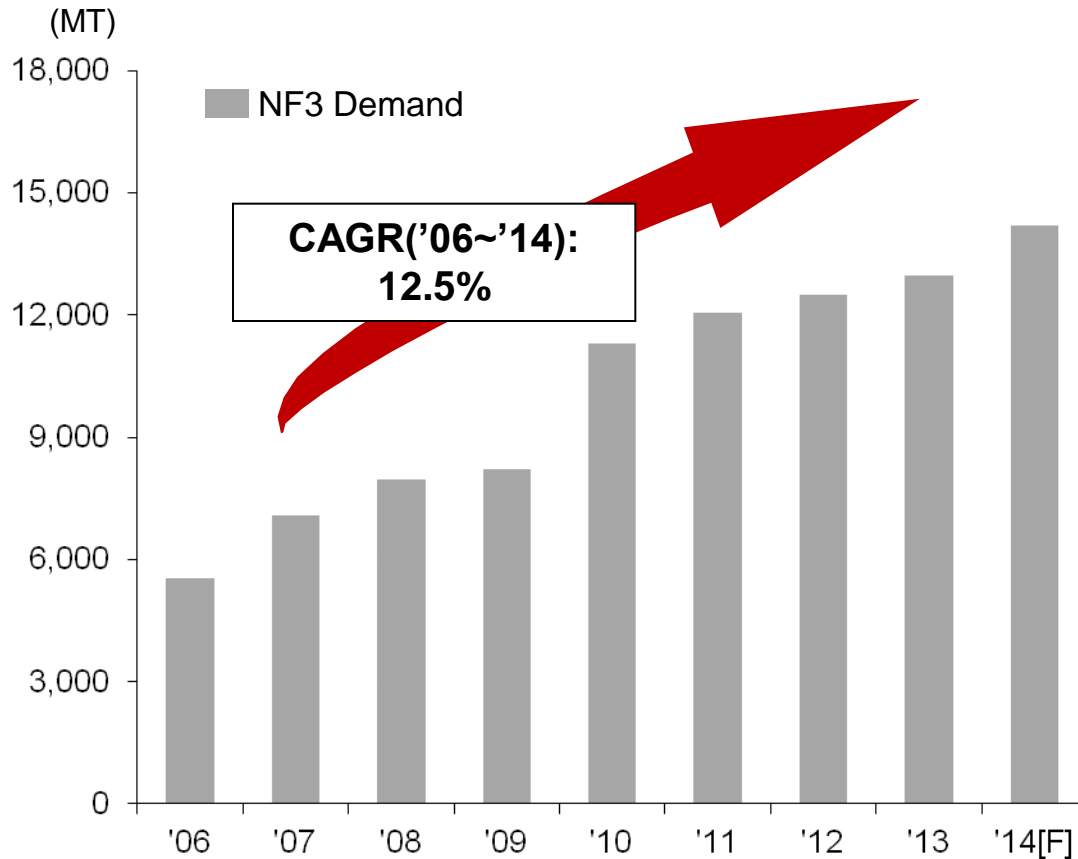


NF3 demand growth rate

Major regions	Demand growth rate('13~'14)
Korea	3%
Taiwan	8%
Japan	18%
China	36%
기타	10%

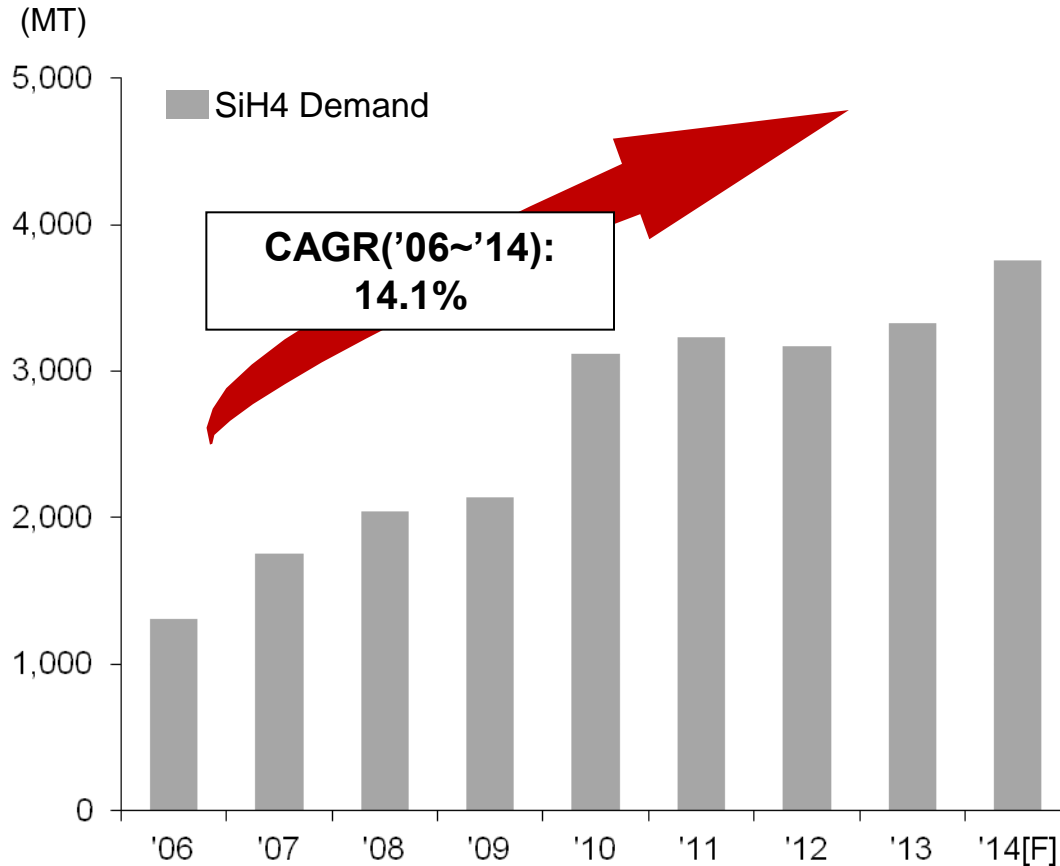
※ Sources: iSupply, DisplaySearch, Displaybank, Solarbuzz, OCI Materials estimates

※ 2014 China's semiconductor/LCD factories completed, started to operate



- NF3 price recovering
- Smartphone and Tablet PC market growth driving NAND Flash and Mobile device volume growth will drive NF3 demand growth
- NF3 demand ought to increase due to additional semiconductor, display factories in China built in 2014

※ Sources: iSupply, DisplaySearch, Displaybank, Solarbuzz, OCI Materials estimates



- The demand to substitute PDP and UHD TV growth will drive SiH4 demand growth
- The current market is oversupplied, but OCI Materials' temporary supply break brought an uptick in SiH4 price
- PV's biggest market in China will lead the steadily growing demand of SiH4

※ Sources: iSupply, DisplaySearch, Displaybank, Solarbuzz, OCI Materials estimates

Secure Safety and Environment

Reinforcing Safety System To Make A Zero Accident Workplace

Improve Profitability

Maximizing Profit Through Cost Reduction and Client Cooperation

Rebuild Financial Stability

Improving Our Financial Soundness Through Debt Reduction

Find New Businesses

Investing Wisely By Finding New Businesses And Building A Strategic Partnership

Safe Today

Happy Tomorrow

Thank you.