Annual Report 2013
GLOBAL LEADING GREEN ENERGY AND CHEMICAL COMPANY

Consolidated Financial Information
OCl is a global producer of high-value-added specialty chemicals. Since our founding in 1959, we have leveraged our technical expertise, process know-how, and highly efficient manufacturing capabilities to develop a diversified portfolio of world-class products and solutions. Today, that portfolio spans the fields of basic chemicals, carbon chemicals, renewable energy, and advanced materials to meet the needs of customers in more than 100 countries around the globe. And we continue to strategically and systematically invest in tomorrow’s technologies to make the future a better place.

**Key figures**

OCl maintains all financial records in KRW. USD figures are estimated and presented as a convenience to the reader.

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<tbody>
<tr>
<td>Sales</td>
<td>3,859</td>
<td>4,276</td>
<td>2,856</td>
<td>3,218</td>
<td>2,699</td>
<td>2,955</td>
</tr>
<tr>
<td>Operating income</td>
<td>1,005</td>
<td>1,118</td>
<td>113</td>
<td>155</td>
<td>(97)</td>
<td>(106)</td>
</tr>
<tr>
<td>Net income</td>
<td>786</td>
<td>886</td>
<td>11</td>
<td>13</td>
<td>(263)</td>
<td>(288)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,418</td>
<td>1,571</td>
<td>618</td>
<td>699</td>
<td>395</td>
<td>422</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>1,465</td>
<td>1,623</td>
<td>661</td>
<td>744</td>
<td>392</td>
<td>419</td>
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**Total assets**

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<td>6,247</td>
<td>7,205</td>
<td>6,800</td>
<td>7,283</td>
<td>6,919</td>
<td>7,352</td>
</tr>
<tr>
<td>3,022</td>
<td>3,485</td>
<td>3,447</td>
<td>3,691</td>
<td>3,818</td>
<td>4,029</td>
</tr>
<tr>
<td>3,225</td>
<td>3,720</td>
<td>3,355</td>
<td>3,592</td>
<td>3,101</td>
<td>3,273</td>
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**ROA**

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<tr>
<th></th>
<th>12%</th>
<th>0.2%</th>
<th>(4%)</th>
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**Debt-to-equity ratio**

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<tr>
<th></th>
<th>40%</th>
<th>61%</th>
<th>73%</th>
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**Leverage ratio**

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<tr>
<th></th>
<th>94%</th>
<th>103%</th>
<th>123%</th>
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**Great place to work**

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<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<tbody>
<tr>
<td>Accident frequency rate</td>
<td>0.85%</td>
<td>0.25%</td>
<td>0.40%</td>
</tr>
<tr>
<td>Accident severity rate</td>
<td>1.92%</td>
<td>0.06%</td>
<td>0.07%</td>
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**Environmental commitment**

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<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<tbody>
<tr>
<td>CO2 emissions (in tons)</td>
<td>2,807,795</td>
<td>2,619,051</td>
<td>2,558,442</td>
</tr>
<tr>
<td>Waste recycling</td>
<td>79.2%</td>
<td>63.6%</td>
<td>75.6%</td>
</tr>
<tr>
<td>Water consumption (in tons)</td>
<td>12,735,855</td>
<td>11,995,064</td>
<td>11,178,659</td>
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**Social responsibility**

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<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<tbody>
<tr>
<td>Total donations (in KRW bn)</td>
<td>8.4</td>
<td>2.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Total volunteer hours</td>
<td>5,200</td>
<td>5,604</td>
<td>4,635</td>
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**54 years of experience**

**108 chemical products and new materials**

**5,200 employees worldwide**

**100 countries served**
This annual report provides an overview of our economic, environmental, and social performance in 2013. For the latest OCI information or to download a copy of this report, please visit www.oci.co.kr.
About us

Business portfolio

Basic chemicals
- Products
  - Polysilicon
  - Soda ash
  - Nitrogen trifluoride (NF₃)
  - Fumed silica
  - Hydrogen peroxide
- Operating sites
  - Korea, China, Malaysia, Philippines, USA

Carbon chemicals
- Products
  - Carbon black
  - Pitch
  - Benzene, Toluene, Xylene (BTX)
  - Tar acid
- Operating sites
  - Korea, China

IPP & new businesses
- Products & Services
  - Solar energy
  - Cogeneration plant
  - Sapphire materials
  - ENERVAC vacuum insulation panels
  - Crop protection chemicals
  - Sodium cyanate
- Operating sites
  - Korea, USA, Vietnam, China

Global operations

Korea
- 16 sites

Asia
- 9 sites
  - 5 countries

USA
- 9 sites

Europe
- 1 site

Foundations

Company vision

‘Global Leading Green Energy and Chemical Company’

- Achieve core technology leadership through innovation, operational excellence, and resource optimization based on an open and diverse respectful corporate culture.

- Seize the chance with thorough preparation and with the spirit to challenge for continuous change for a greater future.

- Constantly innovate to produce green energy and chemical products with the highest level of satisfaction for our employees, customers, shareholders, and stakeholders.

- Relentlessly strive to produce green energy and chemical products with the highest level of satisfaction for our employees, customers, shareholders, and stakeholders.

- Seize the chance with thorough preparation and with the spirit to challenge for continuous change for a greater future.

- Achieve core technology leadership through innovation, operational excellence, and resource optimization based on an open and diverse respectful corporate culture.

- Our strategy
  - Sustainable growth
    - Develop through systematic organizational management and activities in the areas of environment, safety, and health.
  - Focus on core businesses
    - Turn existing competitive technological capabilities and new technologies into key businesses and promote them into growth businesses.
  - Talent development
    - Nurture all employees into globally competitive talents.
  - Customer-focused
    - Satisfy and impress customers through insightful understanding of their needs, adoption of a customer first approach, and prompt response to their requests.
  - Social contribution
    - Fulfill our role as a corporate citizen trusted by other members of society to enrich their lives.

- Our way
  - Innovation
    - Competency to explore future growth by attempting and suggesting new business opportunities through creative methods and expanding core businesses.
  - Operational excellence
    - Competency to continuously accumulate knowledge on production and technology and improve operational efficiency and productivity.
  - Core technical leadership
    - Competency to develop core technologies to produce differentiated and high value-added products which respond to the needs of our customers.
  - Resource optimization
    - Competency to generate optimum quantitative and qualitative services, technologies, and products by actively utilizing all resources available.
  - Openness in corporate culture
    - Competency to create a culture with openness, diversity, and mutual respect whereby we will maximize our capabilities.

- Our values
  - Change
    - Innovation through change is essential for growth. We embrace continuous change to reach the same goal and attain success together.
  - Challenge
    - A greater future is achieved when we are brave enough to face a challenge with progressive and entrepreneurial minds and spirits to overcome difficulties.
  - Our way
    - Opportunity
      - The future is for those who find and seize the chance. We should take the chance when we are prepared to embrace future opportunities by swiftly responding to changing market, customer, and business circumstances.
CEO’s review

OCI Company President and CEO
WooHyun Lee shares his thoughts on 2013 and insights on 2014 and beyond.

How did OCI perform in 2013? As the numbers show, 2013 was a very disappointing year for OCI from a financial perspective. Our basic chemicals businesses—primarily polysilicon—underwent a particular-free decrease in sales revenue and an operating loss of KRW 106 billion for the year.

While our results for 2013 fell short of our expectations, from a business perspective, the progress we made during the year is laying the foundation for tomorrow’s growth businesses was very encouraging. Our advance into the energy sector through our solar power development and cogeneration businesses made great progress, marking an important milestone in the diversification of our business portfolio. We believe that energy sector businesses will provide over 20% of total sales by 2017.

What were the primary challenges OCI faced in 2013? Many of the businesses that have been our most consistent revenue generators struggled in last year’s sluggish economic recovery. Another complicating factor was that the core businesses we compete in have become increasingly crowded in recent years, leading to chronic oversupply and falling prices. The polysilicon market is a prima example. After a wave of new producers and capacity primarily in China flooded the market in the early 2010s, the market has been slow to consolidate. Several years on, the market is just now beginning to show some semblance of supply-demand balance, and once again we’re seeing investment announcements by new and existing players. Under these challenging circumstances, we continue to make tremendous efforts to lower our costs and differentiate ourselves from our competitors by developing new and improved products and entering new value-added markets. It’s been a tough journey over the past few years, but we can finally see the light at the end of the tunnel as our hard work begins to pay off.

What is your outlook for OCI’s core businesses in 2014? For basic chemicals, we expect growth to be flat as economic growth slows in key markets across Asia. Here, we will continue to differentiate our product portfolio as we expand into more profitable value-added downstream fields in China through strategic partnerships. Our 120,000 metric ton carbon black joint venture with Zaoxiang Group in Shandong is just one of several joint ventures we’re working on in that important market.

What can we expect from OCI’s new businesses in the coming year and beyond? Our independent power production (IPP) business continues to gain momentum. Our 400 MW solar PV project in San Antonio, Texas reached its first milestone with the completion of the 41 MW Alamo I plant in December 2013. In addition to a 400 MW project pipeline in Korea, we are actively working on projects in China as well as Southeast Asia, South America, and other potential markets worldwide. We also broke ground for phase I of OCI’s 333 MW cogeneration plant in Korea. In terms of downstream business expansion, we are now looking for new opportunities in the energy solutions field that will make solar PV power an even more attractive option and play a key role in tomorrow’s smart grids.

What are your key areas of focus going forward? Focusing on our core businesses, looking for downstream opportunities, and achieving the highest level of operational excellence are essential to our success in the years ahead.

What efforts is OCI making in the areas of social and environmental responsibility? We are actively engaging our local communities as part of our commitment to mutual growth based on trust. In 2013, one of our Korean plants experienced two unfortunate accidents. In response, we conducted a bottom-to-top safety review and formulated a comprehensive roadmap aimed at achieving world-class safety performance. Our soil remediation efforts launched in 2012 at our Pohang and Gwangyang plants to address pollution issues that predated our acquisition of those sites back in 2000 made good progress and are expected to wrap up in 2014. Our Solar School project launched in 2011 to donate and install solar PV systems at 302 primary schools across Korea also continued on schedule. Designed to help teach the next generation about renewable energy and provide a portion of school power needs, the project passed the halfway point to its goal with the completion of its 50th installation.

What are the guiding principles behind OCI’s business philosophy? OCI is a firm believer in the basics. To us, that means we focus on our core competencies in the chemicals and materials fields where we have a proven track record and do our best to avoid “distractions.” It means that when we take risks, we only do so after thorough and impartial analysis. But even more fundamental than all of the above is the principle of transparency in management has been the cornerstone of our business philosophy since our inception. It is how we build credibility and trust with our shareholders, customers, employees, and other stakeholders as we strive to uphold the highest standards of transparency and integrity in everything we do.

Management Review

OCI Annual Report 2013

“Focusing on our core businesses, looking for downstream opportunities, and achieving the highest level of operational excellence are essential to our success in the years ahead.”
Economic review

2013 operating results

The business environment in 2013 was challenging throughout the year due largely to continued economic uncertainty as the Eurozone financial crisis dragged on and growth in major markets such as the United States fell short of expectations. Our basic chemical sales were impacted by continued challenging supply and demand dynamics across the solar PV and specialty gases value chains. In contrast, our carbon chemical sales remained relatively unchanged for the year.

Looking at our consolidated-basis performance, sales revenue was KRW 2,955 billion, down 8% from 2012. This decline despite growing sales volume amid overall solar PV market growth was largely the result of a lower average polysilicon selling price due to continued oversupply in the industry.

In terms of profitability, we recorded an operating loss of KRW 106 billion compared to operating income of KRW 155 billion in 2012 for the same reasons mentioned above. EBITDA was KRW 422 billion, down 40% from the previous year due to increased polysilicon manufacturing costs. Korea experienced power supply instability and rising power rates in 2013 due to a national power shortage that was particularly acute during the winter and summer seasons. This negatively impacted our polysilicon plant operating rates in the first and third quarters of the year, significantly increasing the cost of manufacturing since fixed costs account for over half of the total.

Financial information

Major financial indicators

Our EBITDA decreased by 40% in 2013 primarily due to weak pricing resulting from continued oversupply in the polysilicon industry. Profitability was further impacted by a KRW 308 billion property registration tax levy in August 2013 related to the May 2008 spin-off of DCRE, a fully-owned subsidiary focused on developing the real estate of our former Incheon plant site. As a result, ROA and ROE declined to -4.0% and -8.4% respectively at the end of 2013 from 0.2% and 0.3% in 2012. Our debt-to-equity ratio was 73%, a 12-point increase from 2012, while our leverage ratio was 123%, a 20-point increase from 2012.

Funding strategy

• Liquidity risk management

We have historically been able to satisfy our cash requirements from cash flows from operations and debt and equity financing. We have established short-term and long-term fund management plans and reviews. We monitor actual cash outflows and budget to match the maturity profiles of financial assets and liabilities.

• Interest rate risk management

We use an appropriate mix of fixed and floating loans to flexibly respond to interest rate fluctuations. In addition, we partially hedge our floating rate financial assets and liabilities to ensure interest rate exposure is properly managed.

• Foreign exchange risk management

We are exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than our functional currency, the Korean won (KRW). We enter into forward foreign exchange contracts and cross-currency swap contracts to manage a portion of our foreign currency risk from receivables and payables. In addition, we enter into foreign currency forwards in order to manage certain foreign currency risks related to future expected sales and purchases in foreign currencies.

Capital expenditures

Our total capital expenditures declined to KRW 418.7 billion in 2013 compared to KRW 744.4 billion in 2012. This significant decrease was achieved through more disciplined cash flow management. Our capex spending strategically focused on solar PV projects in the US and Korea as well as the OCI SE cogeneration power plant in Korea that broke ground in October.

Stock information

As of December 30, 2013, 30.89% of OCI common stock was owned by the Company founders, 24.23% by foreign investors, and 44.88% by domestic organizations and individuals.

Dividend

The board of directors decided not to declare a dividend for 2013 to preserve cash for future business expansion.

2014 outlook

As we head into a new year, there is much uncertainty in the global economy. We intend to increase profitability by focusing on the basics as we reinforce the competitiveness of our existing businesses and build growth momentum in new ones. We will also redouble our efforts to improve our financial soundness, an area that has been adversely affected by the challenging operating environment of the past 2 years. We expect to see a more favorable business environment in 2014 for our core businesses. In the global solar PV market, we expect growth to rise from 35 GW in 2013 to 45 GW in 2014 and value chain supply and demand to approach balance. Accordingly, in early 2014, we restarted the P3.9 polysilicon debottlenecking project put on hold in 2013. Our solar PV power business will also serve as a new growth engine in 2014 as it begins generating revenue from the 41MW Alamo I project in the US completed at the end of 2013. That business will gain additional momentum as other solar PV projects come online in Korea and the US during the year.

All figures are K-IFRS consolidated basis unless noted.
2013 in brief

January
OCI signs 200 MW solar PV MOUs in Korea

- These agreements with the city of Busan and the government of North Jeolla Province each cover the installation of 100 MW of solar PV capacity through 2017. The solar PV systems will be installed on the roofs of public buildings, parking facilities, industrial facilities, and idle land in the respective regions. When completed, the systems will meet the power needs of more than 74,000 homes while reducing annual greenhouse gas emissions by more than 112,000 tons.

May
OCI signs 200 MW solar PV MOUs in Korea

- The venture with Zaakuang Group, a coal mining company that is part of the Shandong Energy Group, will build a 120,000 metric ton carbon black plant in the city of Zaozhuang in China’s Shandong province. Scheduled to begin operations in 2015, the joint venture will help us secure raw materials and expand our local customer base in China, a market whose rapidly growing auto and tire industries have made it the world’s largest market for carbon black.

June-July
OCI Solar School project passes halfway point with new MOUs

- The agreements with the Offices of Education of South Jeolla and North Chungcheong Provinces in Korea cover installation of 5 kW solar PV power systems at 30 primary schools in each province as part of our ongoing Solar School project. Designed to give students a hands-on educational opportunity to learn about the benefits of solar energy as well as help meet a portion of each school’s power needs, the five-year KRW 10.5 billion initiative passed the halfway point to its goal of 300 schools as it completed its 160th installation in 2013.

July
OCI completes 5 MW solar PV plant in Seoul

- The 5 MW Amsa solar PV plant is the largest solar project built to date in Seoul and the first step in our plans to install 100 MW of capacity in the capital city. Located on the premises of the Amsa-Arisu Water Purification Center in southeast Seoul, the plant will generate an estimated 6.0 GWh of power annually, enough to meet the needs of 1,850 homes.

September
OCI hosts Suppliers’ Day 2013 event

- We affirmed our commitment to shared growth with our small- and medium-size business partners and suppliers by hosting our first annual OCI Suppliers’ Day event. With more than 70 suppliers in attendance, we pledged to share expertise in technology, new product development, and management as we continue to work for shared growth.

September
OCI Resources lists on the NYSE

- The initial public offering on the New York Stock Exchange is a first for the US soda ash industry. Representing a 25.1% stake in the company, the IPO of 5 million common units at an offering price of USD 19 generated proceeds of USD 95 million. The proceeds will be used to fund investments in our businesses in the US market.

October
OCI SE breaks ground for cogeneration plant

- Located in the Saemangeum Industrial Complex, a project currently under development on reclaimed land on Korea’s west-central coast, the first phase of this 303 MW coal-fired cogeneration project is expected to begin generating power by early 2016.

October
OCI renamed to DJSI Asia/Pacific Index

- We were named a component of the Dow Jones Sustainability Asia/Pacific Index for the fourth consecutive year. The index, which consists of the top 20% in terms of sustainability of the 600 largest companies operating in the Asia-Pacific region, is an important benchmark for global investment, evaluating corporate sustainability in terms of economic, environmental, and social performance.

November
OCI Sunfar Chemical completes fumed silica plant in Tangshan

- Together with our existing plant in Korea, this new state-of-the-art 6,000 metric ton plant will enable us to expand our customer base in China and other overseas markets with superior quality fumed silica.
Building a sustainable future

The year 2013 was a very significant year for us as we continued to lay the groundwork for sustainable long-term growth. Our US soda ash business went public with the successful listing of OCI Resources on the New York Stock Exchange. We also had two major milestones in our new independent power production business with the completion of the first phase of OCI Solar Power’s 400 MW Alamo project in the US and the groundbreaking for the first phase of OCI SE’s 303 MW cogeneration plant in Korea. In the following pages, we talk with the executives who played a key role in these projects about their businesses and what lies ahead in these important new fields.
OCI Resources operates the trona ore mining and soda ash production business of OCI Wyoming, one of the world’s largest and lowest-cost producers of natural soda ash located in Green River, Wyoming, USA. Soda ash is an essential raw material used in the production of glass, chemicals, and detergents. The United States and China are the world’s largest producers, supplying the vast majority of global demand.

How did OCI become involved in the US soda ash business?

ML: We began producing synthetic soda ash in the 1960s at our Incheon plant in Korea. In 1996, we acquired a majority stake in the Green River facility in Wyoming, USA. Soda ash is an essential raw material used in the production of glass, chemicals, and detergents. The United States and China are the world’s largest producers, supplying the vast majority of global demand.

What makes OCI’s soda ash business particularly competitive in this field?

KM: Soda ash can be produced by mining and refining natural trona or through a number of energy-intensive synthetic processes. Currently, natural soda ash producers supply 25% of global demand. Our Green River facility in Wyoming is situated on the world’s most abundant trona reserves. This exceptional location combined with relatively shallow mine-bed levels makes us one of the world’s lowest-cost producers of high-quality natural soda ash, an advantage that gives us a competitive edge over synthetic soda ash producers. We have steadily improved our ore-to-ash ratio since 2008, achieving the highest employee productivity ratio in the industry. Our current market share is the third-largest in North America and approximately 55% of our production is sold in global markets.

“This listing affirms our global prospects in the soda ash field, one of the most basic of basic materials.”

What is the significance of the NYSE listing?

ML: This is the second time we have successfully listed securities on an overseas exchange. The first was back in May 2011 when we listed USD 700 million in global depository receipts for OCI Company on the Singapore exchange. While that listing affirmed our global prospects in the polysilicon field, this one affirms our global prospects in the soda ash field, one of the most basic of basic materials. The listing is also a clear indicator of OCI’s strength in high quality products around the globe. Beyond the strong vote of confidence our successful IPO brings, the fact that we raised USD 95 million will provide us with more opportunities to invest in our US businesses.

What is ahead for OCI Resources and OCI?

KM: Global demand for soda ash continues to rise steadily, particularly in emerging markets. OCI Resources is well positioned to capitalize on this organic growth through ongoing investment in debottlenecking and efficiency enhancements as well as growing new markets through accretive acquisitions of mineral, chemical, and logistics assets.

As for OCI, the majority of the proceeds of this IPO are being directed toward our fast-growing solar energy development business. While our current focus is on our 400 MW Alamo project in the state of Texas in the United States, we have our sights set beyond North America to opportunities in China, South America, and other global markets as we aim to be a global player in independent power production.

2013 focus

OCI Resources IPO

Mining global capital markets to unlock value
Creating new value for the global solar value chain

As we look toward the future, we aim to generate 25% of total sales from our IPP businesses by 2017 as we actively push forward with solar PV projects around the world. Partnering with communities, utilities, and development partners, we intend to accelerate the adoption of clean, reliable solar PV power that will improve the local quality of life, create new jobs, and foster innovation and growth across the entire global solar PV value chain.

What role does OCI play in the global solar PV value chain?

GHK: We are a leading producer of polysilicon, a key material used to produce wafers, cells, and modules for the solar PV industry. A relative latecomer to the industry when we began commercial shipments in 2008, we have quickly emerged as a top-three industry player with a nameplate capacity of 42,000 metric tons at the end of 2013.

TD: We are also a global solar PV project developer. In January 2011, we established OCI Solar Power in the United States through the acquisition of CornerStone Power Development. Over the past three years, OCI Solar Power has worked closely with communities, utilities, and development partners to emerge as a leader in the North American solar power industry. The company’s project pipeline is led by the 400 MW Alamo project in San Antonio, Texas. Today, we’re also pursuing project opportunities in Korea, Asia, and beyond through a network of subsidiaries as we strategically expand into the global IPP marketplace.

How is OCI’s solar power business doing in the US?

TD: In July 2012, OCI Solar Power signed a 25-year power purchase agreement with CPS Energy of San Antonio, Texas, the largest power and gas municipal utility in the US. The 400 MW Alamo project is being built in seven phases through 2016 and is projected to ultimately provide about 10% of the greater San Antonio region’s power needs. It will serve some 70,000 homes while creating 800 permanent jobs and generating an estimated economic impact of USD 700 million annually.

OCI Solar Power
completes Alamo I, the second largest solar power plant to date in Texas.
In addition to our global solar PV development business, we have identified cogeneration plants as another key opportunity for synergy in our new IPP business. Backed by extensive experience in building and operating captive cogeneration facilities at our Korean plants over the years, we are in a good position to generate new opportunities for growth in the IPP field.

What is the history of the Saemangeum cogeneration project?

JSK: In October 2011, we acquired licensing approval from Korea’s Ministry of Knowledge Economy to be the exclusive provider of electricity, steam, and heat to the Saemangeum Industrial Complex. We established OCI SE in July 2012 to build and operate a cogeneration plant on the complex site and successfully completed project financing arrangements in 2013. After completing the environmental impact study, purchasing the construction contract, we broke ground for the KRW 550 billion Saemangeum cogeneration plant on the Saemangeum Industrial Complex site and a critical piece of Korea’s west-central coast. The complex aims to attract manufacturers in industries such as renewable energy, advanced materials, biotech, and auto and machine parts.

What is the significance of the project?

JSK: The Saemangeum Industrial Complex is a new industrial development currently being built on 18.7 million square meters of reclaimed land on Korea’s west-central coast. The complex aims to attract manufacturers in industries such as renewable energy, advanced materials, biotech, and auto and machine parts. We are now building a 303 MW cogeneration plant to supply the power and steam requirements of the industrial, commercial, and residential customers. We believe that this cogeneration plant business complements our solar power development business and will play a key role in helping our new IPP business generate roughly a quarter of our sales by 2017.

Why was Saemangeum chosen as the site for the project?

JSK: Saemangeum Industrial Complex is a new industrial development currently being built on 18.7 million square meters of reclaimed land on Korea’s west-central coast. The complex aims to attract manufacturers in industries such as renewable energy, advanced materials, biotech, and auto and machine parts. We are now building a 303 MW cogeneration plant to supply the power and steam requirements of the industrial, commercial, and residential developments that are planned as part of the complex.

What is OCI’s solar power business doing outside the US?

GJK: Our home market of Korea has also been an active area of focus for our solar PV development business. Starting out with rooftop installations at our production plants and those of our subsidiaries, which total over 4 MW, we are now actively pursuing IPP projects with local and regional governments across the nation. In 2013, we added 6.3 MW of capacity, bringing our total capacity under management to 7 MW. We generated 4,900 MWh of energy and sales of KRW 1.49 billion during the year. Today, we have more than 400 MW of capacity planned or underway in our Korea project pipeline.

HJK: We are also strategically pursuing IPP projects across Asia. China, the world’s largest maker and exporter of solar PV equipment, is quickly turning into a net importer. This trend is being driven by the serious environmental problems the country is facing due to air pollution. China has ambitious plans to add 35 GW of solar PV power by 2015 and is now adding roughly 10 GW of capacity each year. Beyond Asia, we are also exploring opportunities in South America, South Africa, and other markets where solar power makes economic sense.

Business portfolio transformation

2013

2017

IPP business 23%

Cogeneration 20%

Basic Chemicals 63%

Linear chemicals 34%

Why do we use coal when cleaner fuels are available?

JSK: All of our captive cogeneration plants are coal-fired. However, they are equipped with advanced combustion and emissions control facilities to minimize their impact on air quality. This high priority on minimizing emissions is what sets us apart from similar plants elsewhere. We are investing more up-front on the best available technologies for the Saemangeum plant to mitigate coal’s weaknesses. This approach will ensure that the new cogeneration plant is one of the global power industry’s cleanest.

“Our cogeneration plants are equipped with advanced combustion and emissions control facilities to minimize their impact on air quality.”

We aim to generate 25% of sales from IPP businesses by 2017.

25% of sales

Why is OCI’s solar power business doing outside the US?

HJK: We are also strategically pursuing IPP projects across Asia. China, the world’s largest maker and exporter of solar PV equipment, is quickly turning into a net importer. This trend is being driven by the serious environmental problems the country is facing due to air pollution. China has ambitious plans to add 35 GW of solar PV power by 2015 and is now adding roughly 10 GW of capacity each year. Beyond Asia, we are also exploring opportunities in South America, South Africa, and other markets where solar power makes economic sense.

What is the significance of the project?

JSK: The Saemangeum Industrial Complex is a new industrial development currently being built on 18.7 million square meters of reclaimed land on Korea’s west-central coast. The complex aims to attract manufacturers in industries such as renewable energy, advanced materials, biotech, and auto and machine parts. We are now building a 303 MW cogeneration plant to supply the power and steam requirements of the industrial, commercial, and residential developments that are planned as part of the complex.

What is the history of the Saemangeum cogeneration project?

JSK: In October 2011, we acquired licensing approval from Korea’s Ministry of Knowledge Economy to be the exclusive provider of electricity, steam, and heat to the Saemangeum Industrial Complex. We established OCI SE in July 2012 to build and operate a cogeneration plant on the complex site and successfully completed project financing arrangements in 2013. After completing the environmental impact study, purchasing the construction contract, we broke ground for the KRW 550 billion project in October 2013. The plant has a target start-up date of early 2016. We currently hold a 95% equity stake in OCI SE, with the remainder held by Ginsang Energy.

“We are also strategically pursuing IPP projects across Asia. China, the world’s largest maker and exporter of solar PV equipment, is quickly turning into a net importer. This trend is being driven by the serious environmental problems the country is facing due to air pollution. China has ambitious plans to add 35 GW of solar PV power by 2015 and is now adding roughly 10 GW of capacity each year. Beyond Asia, we are also exploring opportunities in South America, South Africa, and other markets where solar power makes economic sense.”

GJK: Our home market of Korea has also been an active area of focus for our solar PV development business. Starting out with rooftop installations at our production plants and those of our subsidiaries, which total over 4 MW, we are now actively pursuing IPP projects with local and regional governments across the nation. In 2013, we added 6.3 MW of capacity, bringing our total capacity under management to 7 MW. We generated 4,900 MWh of energy and sales of KRW 1.49 billion during the year. Today, we have more than 400 MW of capacity planned or underway in our Korea project pipeline.

HJK: We are also strategically pursuing IPP projects across Asia. China, the world’s largest maker and exporter of solar PV equipment, is quickly turning into a net importer. This trend is being driven by the serious environmental problems the country is facing due to air pollution. China has ambitious plans to add 35 GW of solar PV power by 2015 and is now adding roughly 10 GW of capacity each year. Beyond Asia, we are also exploring opportunities in South America, South Africa, and other markets where solar power makes economic sense.
As a company involved in producing chemicals and advanced materials, safety and health have always been core priorities for us. Today, we are embracing a new safety culture at all levels of our organization in order to attain a higher level of performance.

Commitment to safety

In June 2012, we hired Det Norske Veritas (DNV) to conduct a comprehensive review of our safety management system. DNV’s findings were then incorporated in our Safety Culture Improvement (SCI) project launched in 2013. As part of the SCI project, we established nine performance objectives for our safety, health, and environmental systems and launched a number of initiatives to raise safety awareness.

Between October 2012 and February 2014, every OCI employee from the boardroom to the plant floor completed a specialized safety course conducted by DNV. We are already seeing concrete results from the SCI project, and the mindset that safety is everyone’s responsibility is taking root at all levels of our organization. The significant decline in accident severity rate from 0.063% in 2012 to 0.033% in 2013 is one example of this.

Over the past two years, a total of 19 safety incidents have occurred at our Korean manufacturing plants, none of which resulted in fatalities. In all but one case, our investigations concluded that the cause was human error. In 2013, incidents in May and August at the Yeongju plant of subsidiary OCI Materials prompted us to launch a central safety management committee to take the lead in preventing as well as responding to future safety incidents. Chaired by the COO and composed of representatives from the technical, R&D, audit, and procurement teams, the seven-member committee completed on-site inspections of OCI Materials’ plants in Yeongju as well as OCI plants in Pohang, Gwangyang, Gunsan, and Iksan during the year. The committee is tasked with expanding inspections to all OCI sites, including those of our subsidiaries, as well as producing comprehensive safety manuals that accurately and correctly detail the required actions for each work process.

In 2013, we launched a new safety management system to track and evaluate our safety performance based on a total of 22 indicators selected to measure the safety of each process used at each of our plants. In the year-end evaluation, 10 out of 11 plants scored 170 points or higher on a 200-point scale with an average score of 178 points. We plan to switch to a 1,000-point scale in 2014 to more systematically track and improve performance as we make adjustments to improve the system based on lessons learned during the first year of operation. We will also raise our safety targets as we focus on fully implementing the new system at each production site and strengthening supplier safety oversight to enhance safety across our supply chain.

We are making a safe, creative, and healthy environment where our people can grow and thrive.

Great place to work

Leading the way in safety: OCI Wyoming

OCI Wyoming is a model for excellence in safety. It was the winner of the prestigious Industrial Minerals Association - North America (IMA-NA) Granite Award for Safety Excellence three consecutive years from 2009.

There are three key systems that contribute to this outstanding safety record. The Positive Attitude Safety System (PASS) is a series of questions about safety that employees ask themselves each day before starting work. Second is a unique pre- and post-task assessment process that helps employees mitigate risk. Third is the Safety and Health Leadership Alliance, an internal body that conducts regular safety audits and shares best practices across all company facilities.
A s a company that generates the majority of its sales in international markets, our success depends on our ability to compete and win in the global marketplace. Today, our focus on hiring and cultivating global talent is preparing us for long-term success.

Commitment to people

Our competitiveness is driven by global talent that is capable of delivering concrete results anywhere in the world. Our focus on cultivating that crucial talent includes systematic talent development programs such as an immersive 6-week induction program and bi-annual workshops for first-year employees, mandatory and specialized programs for each position level, and the OCI-MBA program for managers and team managers. Through these programs, we are equipping our people with the skills and knowledge they need to succeed in the global marketplace.

Our primary human resources focus in 2013 was on creating a workplace of diversity. We recruit and hire high-caliber candidates from diverse backgrounds, regardless of nationality, gender, or religion. In 2013, we welcomed 11 new overseas employees to our Korea headquarters and plants, adding to a growing global staff that now includes talent from the United States, United Kingdom, Belgium, South Africa, Columbia, China, Thailand, and Singapore. We expect non-Korean employees to account for 15% of headquarters staff by 2015.

Gender is another area where we are emphasizing diversity. The overall number of women working at OCI has steadily increased in engineering positions, an area traditionally dominated by men in Korea. We are investing in women’s leadership development through special workshops for these engineers as well as female employees in general to help guide them to their career development goals.

Creating an environment conducive to collaboration and the free flow of ideas from all employees, regardless of age or position, is essential to our long-term business success. In 2013, we left behind one of the legacies of Korea’s traditional hierarchical-driven workplace by introducing a new title system that reduced the title levels from six to three—associate, manager, and team manager. The new system is also an important foundation that will strengthen our leadership pipeline going forward, accelerating the promotion of new talent that is crucial to our global competitiveness.

We believe that you can’t have a healthy company without healthy employees. In line with this philosophy, we have announced a number of programs and policies to encourage our employees to adopt healthier lifestyles. We offer financial support to employee social groups that promote exercise and fitness. To protect the health of every employee, drinking at company dinners is discouraged. Beyond this, we plan to launch programs to help achieve a smoke-free working environment in 2014 and then expand our focus to fitness and stress management in 2015.

Stable employee relations, an area where we have an exceptional record, is the foundation from which we achieve all our employee commitments. In 2013, we were recognized by Korea’s Ministry of Employment and Labor for excellence in labor relations for achieving a perfect record of zero labor disputes over a period spanning more than two decades since the late 1980s. Today, that mutual trust continues to grow as we collaborate with our five unions to create win-win outcomes for all stakeholders.

Great place to work

Working at OCI Wyoming has been an extremely interesting and enjoyable experience. Working together with good people is what has kept me going all these years.

In 2013, OCI Wyoming’s Green River facility marked its 51st anniversary. Jerry Bottgen has worked there for 45 of those years. During the first 15 years of his career, he maintained mine ventilation systems. For the past 30, he has worked as a utility hand in the soda ash plant. Today at the age of 68, Jerry has no plans to retire anytime soon.
Environmental commitment

“We are taking a comprehensive approach to minimizing the environmental impact of our operations as we work for a sustainable future.”

A s a company focused on becoming a global leading green energy and chemical company, we are strongly committed to the environment and sustainable growth. We are delivering on this promise by continuously evaluating and upgrading our production and management processes as we pursue operational and environmental excellence in all our business units to benefit the environment as well as the bottom line.

Environmental strategy

Our comprehensive approach to minimizing our environmental impact at each of our four ISO 14001-certified plant sites encompasses a broad range of initiatives that focus on reducing both resource usage and greenhouse gas emissions. We are continually exploring new ways to use energy, materials and other resources more efficiently. Process innovations and optimizations combined with increased use of by-products and recycling are enabling us to steadily reduce per-unit consumption of energy, materials, and water across all our operations.

In the energy consumption area, we saved 18,000 tons of steam at our Gunsan plant by installing waste heat recovery facilities. We also switched fuels from coal to natural gas at our Gunsan and Iksan plants, reducing fuel costs as well as CO₂ emissions. Overall, our energy consumption increased 3.3% to 42,436 TJ as we continued to expand our production activities.

In the materials consumption area, we continued to improve our utilization and recycling performance. One example of the latter is our polysilicon plant in Gunsan, which has historically been our largest generator of solid waste. Before 2013, all plant waste was disposed of in landfills. In 2013, we fully outsourced waste recycling for the facility, boosting our overall waste recycling ratio from 63.6% in 2012 to 75.6%.

In the water consumption area, we reduced usage by 6.8% in 2013 through wastewater recovery and reuse measures. At our Pohang plant alone, we cut water usage by 139,000 tons by capturing and reusing discharged process water. Maintaining exceptionally high standards for air and water quality at our plants is a core component of our environmental strategy. Our internal standards are set at 80% of the legal limit for air quality and 50% of the legal limit for water quality. In 2013, we continued to invest in state-of-the-art facilities to further reduce pollutant emissions.

Over the past couple years, we have been actively involved in projects dealing with pre-existing environmental issues at two of our plants. In 2010 and 2011, government environmental surveys of our Pohang and Gwangyang plants uncovered significant soil and groundwater contamination issues that were determined to have occurred before we purchased the sites. Once the issues were identified, we acted quickly using the best available techniques and technologies to expedite the cleanup and remediation projects launched in 2012 and 2013. Aiming to complete the projects in 2014, we continue to vigilantly monitor and review all our facilities and processes to detect potential problems in advance and prevent future issues of this kind.

GHG mitigation strategy

Reducing our greenhouse gas emissions is another core component of our environmental strategy. Since we established a GHG inventory system in 2009, we have steadily expanded our GHG emissions monitoring and management to cover all of our Korean operations as of 2012. We are now utilizing this data to systematically identify key areas for improvement and set targets under our 2020 GHG master plan announced in 2012. This plan will guide our investment in GHG emissions reduction over the remainder of the decade as we respond to the Korean government’s target-setting program to reduce emissions and energy consumption and prepare for the scheduled 2015 launch of a cap-and-trade emissions trading scheme. In 2013, we emitted approximately 2.56 million tons of CO₂, roughly 2.5% less than the previous year primarily due to reduced production by our polysilicon business.

Our ongoing focus on operational and environmental excellence has enabled us to achieve incremental reductions in our greenhouse gas emissions.

GHG mitigation results

Our commitment to sustainability earned us recognition from a number of organizations during 2013. We were selected for a fourth consecutive year as a component of the Dow Jones Sustainability Asia/Pacific Index, an important benchmark for global investors that evaluates corporate sustainability in terms of economic, environmental, and social performance. We also won an additional Green Certification from Korea’s Ministry of Environment for its fluidized-bed drying technology used to manufacture high-performance flocculants. The company also won Green Certification for key products including dry powder organic polymer flocculants and dry powder dispersants, as well as for the organization itself since those certified products accounted for over 30% of sales.
Social responsibility

We are investing in our communities to make them better places to live and grow.

A t OCI, we believe that companies and their employees are in a unique position to make a positive difference in their communities. Each of our corporate social responsibility programs and initiatives is based on the principles of community focus, authenticity, transparency, employee participation, and continuity. In 2013, we invested over KRW 2.4 billion in community service and welfare, education and scholarships, and culture and the arts to make our communities better places to live and grow.

Community engagement

Our Angel campaign and volunteer organization has given OCI employees and their families the opportunity to use their money, time, and talents to make a difference in local communities since 2006. Through the Angel campaign, employees donate a small portion of each paycheck to benefit worthy charities and individuals. Angel volunteers lend a helping hand wherever needed by delivering necessities, serving meals, acting as guide runners, volunteering at the Special Olympics, baking bread with the Red Cross, sharing a summer getaway with the disabled, and countless other activities.

A number of new community engagement projects have special significance to us. In 2013, we partnered with the Korean Red Cross to create more energy-efficient and comfortable homes for 23 families in the Seoul and Incheon areas by installing our high-performance ENERVAC-D insulation along with new wallpaper and floor coverings. We also installed ENERVAC-D at three welfare facilities in urgent need of repair in Seoul, Jongno, and Pohang. Another new program was our partnership with the Korea Solidarity for Human Rights of Disabled People with Brian Lesons. We installed bidets and safety bars in restrooms at 100 homes during the year to improve the quality of life for these special people and their families.

Solar School project

In 2011, we launched a KRW 10.5 billion initiative to donate and install free solar PV systems at a total of 300 primary schools across Korea through 2016. The Solar School project aims to teach students the principles and process of solar power generation to increase awareness of renewable energy as well as help inspire the next generation of creative engineers and scientists. In addition to the educational aspect, the systems provide the practical benefit of meeting a portion of each school’s power needs.

In 2013, we passed the halfway point in the project with 160 systems installed, completing installations at 60 additional schools during the year, including 24 in South Gyeongsang Province, 30 in South Jeolla Province, and 6 in North Chungcheong Province. We expect to install 60 systems at schools in North Chungcheong and Gyeonggi Provinces in 2014.

Nepal Solar project

In January 2013, we added an overseas component to our CSR activities by installing a 2.6 kW solar PV system in the remote mountain village of Mohare Danda in Annapurna, Nepal. We partnered on this project with Engineers Without Borders (EWB-KAIST), a service organization composed of engineers from the Korea Advanced Institute of Science and Technology dedicated to developing and providing low-cost, easy-to-use technologies to improve the quality of life for local residents in underdeveloped regions. The solar PV system we supplied powers a number of systems developed and donated by EWB-KAIST, including a water supply system to pump water from a source several hundred meters below the village, a weather observation system, and Wi-Fi base stations for Internet access. We plan to return to Nepal in 2014 to install solar PV systems at remote village schools as an extension of our Solar School program.

SongAm Foundation

Founded in 1979, the foundation operates two scholarship programs to help worthy high school and university students pursue their educational dreams. In 2013, the SongAm Foundation Scholarship presented awards to 40 students chosen for their outstanding academic performance. The SongAm Multi-Cultural Family Scholarship separately presented awards to over 100 students from low-income, multi-cultural families during the year, bringing total scholarship recipients from that program to over 200 since its inception in 2011.

OCI Museum of Art

Opened in 2010, the museum organizes and hosts exhibitions of noteworthy Korean contemporary artists throughout the year. In addition to the OCI Young Creatives program launched in 2009 to help emerging Korean artists reach a wider audience, the museum also operates an artist-in-residency program in Incheon, providing living and studio space to eight talented artists annually. In 2013, the museum hosted 11 exhibitions, including eight solo exhibitions by Kwon Yea-hyun, Lee Jee-young, Lee Hyan-cho, Lee Woon-sung, Lee Ju-ri, Kang Dong-ji, Lee Mi-jung, and Cha Ki-youl.
Sales by market

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>23.9%</td>
<td>27.7%</td>
<td>32.3%</td>
</tr>
<tr>
<td>Rest of world</td>
<td>7.7%</td>
<td>10.1%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Europe</td>
<td>4.2%</td>
<td>4.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Asia</td>
<td>22.3%</td>
<td>21.4%</td>
<td>20.4%</td>
</tr>
<tr>
<td>China</td>
<td>26.3%</td>
<td>25.3%</td>
<td>25.4%</td>
</tr>
<tr>
<td>Americas</td>
<td>23.4%</td>
<td>25.0%</td>
<td>26.3%</td>
</tr>
</tbody>
</table>

Basic chemicals

“We are investing in process innovation and debottlenecking to ensure our cost competitiveness is second-to-none.”

Sales dropped 12.3% to KRW 1,990 billion in 2013, primarily impacted by lower average selling prices of polysilicon, which remained at historic lows throughout the year before turning upward in December. EBITDA fell 47% to KRW 309 billion, dragged down by lower operating losses due to lower operating rates at our polysilicon plants in the third quarter of the year.

Cost reduction continued to be the top priority for us across all businesses as we redoubled our focus on strengthening our fundamental competitiveness. While the results of these ongoing innovation and optimization efforts are difficult to quantify at this point, reducing costs is a daily focus in all aspects of our operations that will lay the groundwork for future growth and profitability as market dynamics improve going forward.

1. Polysilicon
   This is the primary raw material used to produce photovoltaic wafers, cells, and modules for the PV and semiconductor industries. Market oversupply continued to be our main challenge in 2013 as we continued to work closely with our customers to weather this period of industry consolidation. Our strong focus on profitability was complicated by a severe power shortage in Korea during the third quarter of the year that caused the operating ratios of our production facilities to fall substantially, resulting in higher operating losses for a business with relatively high fixed costs. Although market dynamics continue to improve, significant challenges remain. Given the oversupply in 2013, we continued to ramp NF3 prices. However, our industry-leading capacity of 7,200 metric tons—1,000 tons of which is in China—gives us a fundamental cost advantage in Asia’s top manufacturing markets. Our price competitiveness and supply agreements with major semiconductor manufacturers such as Samsung and Hynix put us on solid footing to grow this business as market dynamics improve.

2. Soda ash
   This basic raw material is widely used in glass chemical manufacturing. Slowing growth in China’s construction industry curtailed opportunities for soda ash imports, leading to weaker pricing in international markets in 2013. Despite the slowdown in China, our US soda ash business operated by OCI Resources continued to post steady growth, backed by its position as the industry’s lowest-cost producer of natural soda ash. OCI Resources also completed a successful initial public offering on the New York Stock Exchange in September. Although fumed silica sales continued to be our P3 plant that will raise nameplate production capacity by 10,000 metric tons to 52,000 metric tons. When completed in 2015, the P3.9 project will immediately reduce overall production costs by USD 2/kg, giving us a crucial competitive edge as we continue to reinforce our position as the industry’s most efficient producer.

3. Fumed silica
   This material is used as a thickening agent, desiccant, abrasive, and filler in a broad range of products. Although fumed silica sales were dampened by sluggish growth in Korea’s construction industry in 2013, we continued to generate new demand in 2015 by targeting value-added product segments such as high-purity silicon tetrachloride and hydrophobic fumed silica. In December 2013, we augmented our Korea production capabilities with a state-of-the-art 6,000 metric ton plant in Tangshan, China, enabling us to better target business opportunities in China and beyond with superior quality products.

4. Hydrogen peroxide
   This chemical is used as a bleaching agent, foodstock, preservative and sterilizer, oxidant, cleaner, and etching agent in a broad range of products. Growing global oversupply of hydrogen peroxide (H2O2) continued to depress prices in 2013. Our efforts to develop new applications and new customers in this business remain a work in progress. In 2013, we began commercial shipments of ultra-high-purity H2O2 to Japanese semiconductor makers and launched trials with Korean makers to grow sales. In 2014, we will be focusing on developing products for environmental applications such as EvenOX for soil remediation.

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**OCI Annual Report 2013 Business Review**

**Polyisilicon**
Korea, China, Japan, Vietnam, Korea, Jiangsu, China

**Soda ash**
Green River, Wyoming, USA

**Fumed silica**
Gunsan, Korea, Tangshan, China

**Hydrogen peroxide**
Seoul, Korea, Columbus, Mississippi, USA

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Kirk H. Milling
President & CEO
OCI Enterprises

MinKyu Lim
President & CEO
OCI Materials

TaeKee Kim
Senior Executive Vice President
Renewable Energy Division, OCI Company

Minkyoung Lee
President & CEO
OCI Materials

Taekjuong Kim
Senior Executive Vice President
OCI Materials
Sales by market

"We are investing in China as we continue to develop high-value-added products for customers worldwide."

Sales were down 5.6% to KRW 1,092 billion in 2013, negatively impacted by tight feedstock supplies for our operations in Korea and rising competition from low-cost imports from China. EBITDA was up 3.5% to KRW 147 billion, benefitting from our ongoing cost-reduction efforts, more effective go-to-market strategies, and growing sales of high-value-added downstream products.

Carbon chemicals

This material is produced by the incomplete combustion of hydrocarbon fuels. It is primarily used as a reinforcing filler in tires and other rubber products as well as a color pigment in plastics, paints, and inks. The influx of low-cost products from China continued to be our main challenge in 2013. In response, we continued to improve the quality of our products to enhance our competitiveness. We focused on improving our profitability through a number of cost-reduction activities centered on increasing productivity and yields. We also improved our logistics competitiveness by setting up a warehouse near a customer plant and modifying shipping containers for overseas customers.

Looking ahead, we are now in the process of building a new 120,000 metric ton plant in Shandong, China. We expect our technology and marketing know-how to make the plant the most competitive producer in the world’s largest and fastest-growing market. We are also working harder to meet customer needs by developing new high-tech grades that will help tiremakers improve tire wear and rolling resistance performance. We are also striving to diversify our market base with more profitable value-added products for other applications.

Going forward, we see significant market opportunities in high-end carbon products and other high-value-added pitch products. Our efforts to develop these products are well underway and we are working hard to bring them to market as soon as possible.

These three chemicals are feedstocks used to make countless other petrochemicals. Benzene is used in styrene monomer, phenol, and methylene diphenyl di-isocyanate (MDI). Toluene and xylene are used as organic solvents or as a raw material in synthetic detergents, pigments, and resins. Higher than expected market prices made this our best-performing carbon chemicals business in 2013. Global benzene availability continued to be tight as makers switched their feedstock from naphtha to shale gas, leading to lower benzene cracker operating rates and reduced extraction.

The scheduled startup of several para-xylene plants in 2014 is expected to result in a benzene surplus. This, combined with projected flat downstream demand, points to lower but generally stable prices. We will be closely monitoring market trends as we seek competitively-priced feedstocks to boost business performance.

Pitch

This material is used as a binding agent in high-quality anodes for aluminum smelting, graphite electrodes, refractory bricks, and water-proofing products. Declining aluminum prices continued to put downward pressure on pitch prices in 2013. We responded by leveraging the cost competitiveness of Shandong OCI to serve the commodity market and channeling our Korean production toward high-value-added market segments.

Pitch

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IPP & new businesses - Solar energy

“We are partnering with local communities, utilities, and development partners to generate clean power, new jobs, and growth wherever the sun shines.”

Solar energy is a key element in today’s renewable energy portfolios, but it still accounts for less than 2% of global power generation capacity. In recent years, changing economic circumstances and policies have shifted the industry’s epicenter from Europe to the US and Asia, but even with favorable regulatory and incentive environments, many promising projects have fallen through because they lacked a strong, experienced developer with the right network and connections.

While solar energy development is a new business for us, our team has decades of experience developing, owning, and operating solar PV plants. As a project developer intimately familiar with every aspect of the solar PV value chain, we have the unique ability to bring together the expertise and resources to make solar projects a reality. Our global development network is anchored by a trio of companies that collaborate closely to generate world-class results: OCI Solar Power in San Antonio, Texas serves the Americas, OCI Company in Seoul serves Korea and Japan, and OCI Global serves China and Southeast Asia. The year 2013 was a watershed year for us as our capacity in operation in the US and Korea rose from 6 MW to 55 MW with the completion of the 41 MW Alamo I plant in Texas—the first of a seven-phase 400 MW project serving the greater San Antonio region—and four projects in Seoul, including the 5 MW Amsa plant, 625 kW Suseo plant, 812 kW Gwangam plant, and 998 kW Gunsan plant.

Looking ahead, we are well positioned to play a key role in a global solar energy market that is expected to grow at least 45 GW in 2014. We enter the year with over 1 GW of capacity in progress worldwide, a remarkable feat considering OCI has only been in the development business for three years.

Projects in progress

<table>
<thead>
<tr>
<th>Region</th>
<th>Capacity in progress</th>
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</thead>
<tbody>
<tr>
<td>Korea</td>
<td>140</td>
</tr>
<tr>
<td>Rest of Asia</td>
<td>500</td>
</tr>
<tr>
<td>North America</td>
<td>400</td>
</tr>
<tr>
<td>Total</td>
<td>1,040</td>
</tr>
</tbody>
</table>

Capacity in operation

<table>
<thead>
<tr>
<th>Region</th>
<th>Capacity in operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>2.87</td>
</tr>
<tr>
<td>North America</td>
<td>48</td>
</tr>
</tbody>
</table>

IPP & new businesses - Cogeneration plant

“We are building the power infrastructure that will energize the future of Saemangeum.”

While independent power production is a new business for us, we are no stranger to cogeneration power plant design, construction, and operation. Since building Korea’s first cogeneration power plant back in 1968 at our Incheon plant, we have built captive cogeneration plants at our Gwangyang and Pohang plants. These power plants play an important role in our industry-leading cost competitiveness by meeting the power and steam needs of our energy-intensive production operations.

Now in development by subsidiary OCI SE on 160,000 square meters of reclaimed land in the Saemangeum Industrial Complex on Korea’s west-central coast, our Saemangeum cogeneration project is leveraging our expertise in the field and the best available technology to build Korea’s cleanest and greenest coal-fired cogeneration plant to date. We broke ground for the plant in October 2013 and expect to begin supplying power and steam to customers in early 2016. When completed, the first phase of the plant will produce 303 MW of power and 860 tons/hr of steam for industrial customers in the complex, generating a minimum of KRW 200 billion in sales annually.

Beyond the solid revenue prospects, we view this project as an opportunity to make a significant contribution to local development and quality of life in the Gunsan region, an area that is also home to our polysilicon, TDI, and fumed silica production facilities. By delivering high-quality, low-cost power and steam, the cogeneration plant will help make the Saemangeum Industrial Complex an attractive place for manufacturers to locate as well as advance a number of national priorities such as energy efficiency and greenhouse gas reductions.
IPP & new businesses - Advanced materials

1 Sapphire materials

“Our Jeonju sapphire materials plant operated at full capacity to meet strong demand across Asia in 2013.”

Sapphire materials are highly transmissive and second only to diamonds in hardness. They are primarily used as a substrate in LED lighting devices as well as optical windows for a variety of applications where scratch-resistance is essential such as precision optics, barcode scanners, and watch crystals.

Our sapphire materials have been well received in Asian markets since we began shipments in 2011. Sales grew slowly but steadily in 2013. Blacked by high-tech, high-quality products and economies of scale, we will continue to focus on taking ENERVAC to new markets and customers in 2014 as we systematically expand our distribution channels to target opportunities in China, North America, and other key markets.

2 ENERVAC fumed silica vacuum insulation panels

“ENERVAC delivers the performance of conventional insulation with ¼th the installation thickness.”

Vacuum insulation panels offer superior performance in only a fraction of the space required by conventional insulation materials. They are typically used in applications where high thermal performance is required but installation space is limited such as refrigeration, construction, and temperature-controlled packaging. It is also an ideal insulation choice for hot water tanks in cold and hot water purifiers, enabling makers to improve thermal efficiency by 30%.

Our ENERVAC fumed silica insulation panels have continued to earn us business from refrigerator manufacturers in Korea and Europe since we began shipments in 2011. Sales grew slowly but steadily in 2013. Blacked by high-tech, high-quality products and economies of scale, we will continue to focus on taking ENERVAC to new markets and customers in 2014 as we systematically expand our distribution channels to target opportunities in China, North America, and other key markets.

Research & Development

“We are innovating to take our technical and operational excellence to profitable new heights.”

The OCI Seongnam R&D Center is our hub of innovation. Building on a core technical foundation in chemicals and chemical engineering, the center’s multi-disciplinary expertise spanning the electrical, mechanical, metals, and nanomaterials fields helps us achieve our cost reduction goals, prepare products and processes for commercial production, and create the new products that will drive future growth and profitability. In 2013, our ongoing focus on cost reduction made steady progress, particularly in the polysilicon and sapphire material areas. In the area of development, our work on high-value-added carbon products as well as new technologies and solutions in fields such as renewable energy made significant strides. Another key development of the year was the launch of an IP team to better manage our growing intellectual property portfolio and provide patent research capabilities to give our product commercialization efforts the best-possible chance of success. These efforts helped dramatically boost our patent filings both at home and abroad as we applied for 40 patents in Korea and 19 worldwide. We also stepped up collaboration with outside R&D organizations including schools and research institutes as we continued to embrace the open collaboration trend.

Looking ahead to 2014, we will continue to focus on cost reduction at each production facility as we foster closer collaboration between management, production, and R&D to improve profitability. Commercializing new technologies is a top priority as we strategically expand our product portfolio to drive growth. We also plan to launch a global R&D network. Here, we will be working closely with US-based subsidiary and solar power project developer OCI Solar Power to bring core technical capabilities in-house. We also plan to create a base for research activities in regions where OCI is developing natural resources to enhance our ability to provide on-demand technical support. This global expansion of our R&D network combined with our ongoing efforts to globalization our research organization will play a crucial role in our growth going forward.
Governance

We strive to strengthen the independence and transparency of our corporate governance to enhance corporate value and ensure sound, transparent decision-making. As the ultimate decision-making body in the organization, the OCI board of directors plays a key role in making our commitment to this goal a reality.

The board’s scope of authority includes setting the agenda for the general shareholders’ meeting, decisions and changes regarding the company’s fundamental management direction, and all matters related to finance and investments. It is composed of a total of nine directors, five of whom are outside directors. These outside directors serve staggered three-year terms to enable them to evaluate issues with a longer-term view as well as foster specialization. This group currently includes a lawyer, the director of a women’s organization, and chemistry and economics professors, giving us valuable expertise and feedback on our strategic direction and current issues from a broad spectrum of perspectives.

The board is chaired by the CEO. While the chair has sole authority to convene meetings, individual directors can request meetings be convened by submitting their proposals and rationale to the chair. Board decisions require the presence of a simple majority of the directors and approval of a majority of those present. Directors are prohibited from voting on any particular agenda item with which they may have a potential conflict of interest.

In addition to its monthly meetings, the OCI board holds additional meetings on an as-needed basis. In 2013, the board met 13 times and the Audit Committee met 8 times.

Board committees

Audit committee
JongSin Kim / YongHwan Kim / JangSik Bahn / Hyoung Cho / SangSeung Yi

Management committee
SooYoung Lee / WooSug Baik / SangYeo Kim / WooHyun Lee / JongSin Kim

Compensation committee
SooYoung Lee / JongSin Kim / JangSik Bahn / Hyoung Cho / SangSeung Yi

Outside director nomination committee
SooYoung Lee / SangYeo Kim / YongHwan Kim / JangSik Bahn / JongSin Kim / Hyoung Cho / SangSeung Yi

Board of directors

Inside directors

SooYoung Lee – Chairman and Representative Director

- Former Chairman, OCI Enterprises
- Former Chairman, Korea Employers’ Federation
- Former Chairman, Korea Specialty Chemical Industry Association

SangYeo Kim – Vice Chairman and Director

- Chairman, Korea Photovoltaic Industry Association
- Former Executive Vice Chairman, Korea Chamber of Commerce and Industry

WooSug Baik – Vice Chairman and Representative Director

- Former Director, North American Chemical Company
- Former President and CEO, eTEC

WooHyun Lee – President and Representative Director

- Former Senior Executive Vice President, OCI Company
- Former Vice President, CSFB (Hong Kong)
- Former Managing Director, Capital Z Partners (Seoul)

Outside directors

YongHwan Kim

- Director, KT&G Welfare Foundation
- Representative Lawyer, Law Office of Kim & Park Co.
- Former Prosecutor
- Former Advisor, Korea International Trade Law Association

JongSin Kim

- President, Industry-Academia-Government Collaborative Education Course, Sanhakyeon Center
- Former Secretary-General, Board of Audit and Inspection of Korea
- Former Commissioner and Acting Chairman, Board of Audit and Inspection of Korea

Hyoung Cho

- Chairman, Korea Foundation for Women
- Former Director, Korea Women’s Institute
- Former Professor, Sociology, Ewha Womans University

SangSeung Yi

- Professor, Economics, Seoul National University
- Former Associate Professor, Economics, Sogang University
- Former Assistant Professor, Economics, Dartmouth College

JangSik Bahn

- Dean, Sogang Graduate School of Management of Technology
- Former Dean, Sogang Institute of Advanced Technology
- Former Vice Minister, Ministry of Planning and Budget

1. Term began on March 26, 2014.
TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF OCI COMPANY LTD.:

We have audited the accompanying consolidated financial statements of OCI Company Ltd. and subsidiaries (the “Company”). The financial statements consist of the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of income, consolidated statements of changes in shareholders’ equity and consolidated statements of cash flows, all expressed in Korean won, for the years ended December 31, 2013 and 2012, respectively. The Company’s management is responsible for the preparation and fair presentation of the consolidated financial statements and our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012 and the results of its operations and its cash flows for the years ended December 31, 2013 and 2012, respectively, in conformity with Korean International Financial Reporting Standards (“K-IFRS”).

March 6, 2014

Notice to readers
This report is effective as of March 6, 2014, the auditors’ report date. Certain subsequent events or circumstances may have occurred between the auditors’ report date and the time the auditors’ report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the auditors’ report.
## Consolidated statements of financial position (continued)

As of December 31, 2013 and 2012

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>December 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term financial liabilities</td>
<td>₩681,198,269</td>
<td>₩535,826,011</td>
</tr>
<tr>
<td>Trade and other accounts payable</td>
<td>₩801,093,173</td>
<td>₩535,826,011</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>₩4,119,199</td>
<td>₩5,334,009</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>₩123,387,779</td>
<td>₩457,036</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>₩8,493,121</td>
<td>₩10,611,349</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>₩1,580,117,384</td>
<td>₩948,823,679</td>
</tr>
<tr>
<td>NON-CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term financial liabilities</td>
<td>₩1,732,446,824</td>
<td>₩1,796,307,316</td>
</tr>
<tr>
<td>Trade and other accounts payable</td>
<td>₩39,579,992</td>
<td>₩32,704,414</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>₩9,753,794</td>
<td>₩9,753,794</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>₩240,384</td>
<td>₩365,494</td>
</tr>
<tr>
<td>Provisions</td>
<td>₩25,981,151</td>
<td>₩20,000,042</td>
</tr>
<tr>
<td>Retirement benefit obligation</td>
<td>₩79,823,972</td>
<td>₩116,666,451</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>₩170,799,931</td>
<td>₩274,592,732</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>₩2,448,871,912</td>
<td>₩2,742,592,713</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>₩4,028,989,296</td>
<td>₩3,691,416,392</td>
</tr>
</tbody>
</table>

## SHAREHOLDERS’ EQUITY

<table>
<thead>
<tr>
<th>SHAREHOLDERS’ EQUITY</th>
<th>December 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>₩127,246,856</td>
<td>₩127,246,856</td>
</tr>
<tr>
<td>Other contributed capital</td>
<td>₩79,954,703</td>
<td>₩80,949,104</td>
</tr>
<tr>
<td>Other components of capital</td>
<td>₩29,311,563</td>
<td>₩1,290,776</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>₩1,955,655,431</td>
<td>₩1,244,395,963</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>₩3,273,301,355</td>
<td>₩3,191,833,257</td>
</tr>
</tbody>
</table>

## NON-CONTROLLING INTERESTS

<table>
<thead>
<tr>
<th>NON-CONTROLLING INTERESTS</th>
<th>December 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>₩440,853,515</td>
<td>₩417,915,539</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>₩3,273,301,355</td>
<td>₩3,191,833,257</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td>₩7,302,290,651</td>
<td>₩7,283,049,629</td>
</tr>
</tbody>
</table>
## Consolidated statements of comprehensive income

For the years ended December 31, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET INCOME (LOSS)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified subsequently to income (loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement factor on defined benefit plans</td>
<td>28,385,398</td>
<td>2,313,446</td>
</tr>
<tr>
<td>Items that may be reclassified subsequently to income (loss):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on valuation of AFS financial assets</td>
<td>(18,107,989)</td>
<td>(578,471)</td>
</tr>
<tr>
<td>Share of other comprehensive income of joint entities and associates</td>
<td>183,736</td>
<td>(1,706,925)</td>
</tr>
<tr>
<td>Loss on overseas operations translation</td>
<td>(15,237,701)</td>
<td>(13,947,875)</td>
</tr>
<tr>
<td>Gain (loss) on valuation of derivative instruments</td>
<td>1,369,335</td>
<td>1,267,789</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(5,158,360)</td>
<td>(144,477)</td>
</tr>
<tr>
<td><strong>COMPREHENSIVE LOSS</strong></td>
<td>(14,420,992)</td>
<td>(126,512,760)</td>
</tr>
</tbody>
</table>

## Consolidated statements of changes in shareholders’ equity

For the years ended December 31, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Totals</strong></td>
<td>(287,777,262)</td>
<td>12,709,190</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td>(287,777,262)</td>
<td>12,709,190</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td>(3,264,198,308)</td>
<td>(1,015,131,753)</td>
</tr>
<tr>
<td><strong>Owners of the Company</strong></td>
<td>(3,551,646,545)</td>
<td>(1,027,840,946)</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>(385,489,950)</td>
<td>(417,913,539)</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>(3,937,136,501)</td>
<td>(3,445,754,485)</td>
</tr>
</tbody>
</table>

For the years ended December 31, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January 1, 2012</strong></td>
<td>(287,777,262)</td>
<td>12,709,190</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>(52,468,615)</td>
<td>(52,468,615)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>(3,264,198,308)</td>
<td>(1,015,131,753)</td>
</tr>
<tr>
<td><strong>Paid-in capital increase</strong></td>
<td>(3,551,646,545)</td>
<td>(1,027,840,946)</td>
</tr>
<tr>
<td><strong>Acquisition of non-controlling interests</strong></td>
<td>(385,489,950)</td>
<td>(417,913,539)</td>
</tr>
<tr>
<td><strong>Loss on valuation of AFS financial assets</strong></td>
<td>(3,264,198,308)</td>
<td>(1,015,131,753)</td>
</tr>
<tr>
<td><strong>Joint entities and associates</strong></td>
<td>(3,551,646,545)</td>
<td>(1,027,840,946)</td>
</tr>
<tr>
<td><strong>Translation loss on overseas operation</strong></td>
<td>(385,489,950)</td>
<td>(417,913,539)</td>
</tr>
<tr>
<td><strong>Loss on valuation of derivatives</strong></td>
<td>(3,264,198,308)</td>
<td>(1,015,131,753)</td>
</tr>
<tr>
<td><strong>Remeasurement factor on defined benefit plan</strong></td>
<td>(385,489,950)</td>
<td>(417,913,539)</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>(385,489,950)</td>
<td>(417,913,539)</td>
</tr>
</tbody>
</table>

For the years ended December 31, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January 1, 2013</strong></td>
<td>(287,777,262)</td>
<td>12,709,190</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>(9,539,748)</td>
<td>(9,539,748)</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>(3,264,198,308)</td>
<td>(1,015,131,753)</td>
</tr>
<tr>
<td><strong>Paid-in capital increase of subsidiary</strong></td>
<td>(926,045,366)</td>
<td>926,045,366</td>
</tr>
<tr>
<td><strong>Capital transactions with non-controlling interests</strong></td>
<td>(44,889,216)</td>
<td>(44,889,216)</td>
</tr>
<tr>
<td><strong>Change in consolidation scope</strong></td>
<td>(227,715,806)</td>
<td>227,715,806</td>
</tr>
<tr>
<td><strong>Loss on valuation of AFS financial assets</strong></td>
<td>(18,107,989)</td>
<td>(18,107,989)</td>
</tr>
<tr>
<td><strong>Joint entities and associates</strong></td>
<td>(101,546)</td>
<td>(101,546)</td>
</tr>
<tr>
<td><strong>Translation loss on overseas operation</strong></td>
<td>(52,468,615)</td>
<td>(52,468,615)</td>
</tr>
<tr>
<td><strong>Gain on valuation of derivatives</strong></td>
<td>1,267,789</td>
<td>1,267,789</td>
</tr>
<tr>
<td><strong>Remeasurement factor on defined benefit plan</strong></td>
<td>28,385,398</td>
<td>2,313,446</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>(191,320)</td>
<td>(58,525)</td>
</tr>
</tbody>
</table>
### Consolidated statements of cash flows

For the years ended December 31, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operating activities</td>
<td>₩327,304,927</td>
<td>₩268,912,023</td>
</tr>
<tr>
<td>Interest income received</td>
<td>₩16,759,127</td>
<td>₩31,015,209</td>
</tr>
<tr>
<td>Interest expense paid</td>
<td>(₩91,759,066)</td>
<td>(₩82,601,920)</td>
</tr>
<tr>
<td>Dividends income received</td>
<td>₩9,774,525</td>
<td>₩11,041,463</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(₩233,939,627)</td>
<td>(₩173,024,076)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>₩28,139,886</td>
<td>₩55,342,699</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM INVESTING ACTIVITIES:** |
| Decrease in short-term financial instruments | ₩1,470,400,000 | ₩962,650,429 |
| Increase in short-term financial instruments | (₩1,370,768,854) | (₩829,938,100) |
| Decrease in short-term loans | ₩10,035 | ₩129,191 |
| Increase in short-term loans | (₩1,225,500) | (₩58,200) |
| Decrease in HTM financial investments | ₩881,005 | ₩531,595 |
| Increase in HTM financial investments | (₩117,165) | (₩241,270) |
| Decrease in AFS financial assets | ₩40,605,781 | ₩778,479 |
| Increase in AFS financial assets | - | (₩1,089,298) |
| Decrease in long-term financial instruments | (₩56,348) | - |
| Increase in long-term loans | ₩4,318,427 | ₩1,668,131 |
| Increase in long-term loans | (₩248,750) | (₩2,221,390) |
| Disposal of investment property | ₩460,605 | - |
| Disposal of property, plant and equipment | ₩7,597,745 | ₩19,016,440 |
| Acquisition of property, plant and equipment | (₩418,655,254) | (₩744,385,464) |
| Disposal of intangible assets | ₩340,378 | ₩741,400 |
| Acquisition of intangible assets | (₩6,394,760) | (₩6,665,859) |
| Acquisition of investments in joint entities and associates | ₩4,431,400 | - |
| Increase in other non-current assets | ₩3,285,444 | (₩421,885) |
| Cash inflow from business combination | ₩24,663,320 | - |
| **Net cash used in investment activities** | (₩215,271,167) | (₩801,007,746) |

**Continued**
Corporate info and contacts

Date of establishment
November 8, 1959

Head office
OCI Building, 94 Sogong-ro, Jung-gu, Seoul, 100-718, Korea
+82-2-727-9500

Website
www.oci.co.kr

Stock information
The stock was listed on the Korea Exchange in 1976.
Paid-in capital | USD 116.2 million
Based on KRW-USD exchange rate of 1,095.04 on Dec. 31, 2013.
Common stock | 23,849,371 shares

IR contact point
email | ir@oci.co.kr