

**Media Release**

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## **Growing the Borealis asset footprint in South America through investment in Itatiba**

Borealis, a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers, announces plant restructuring measures aimed at optimising production in Brazil. Borealis has strengthened its market position in Brazil by way of a EUR 45 million investment in its Itatiba production facilities located near Sao Paulo. Borealis will be able to better capitalise on long-term growth opportunities in Brazil and the South American market by transferring production from its second plant in Triunfo to the newly upgraded and expanded Itatiba, a move scheduled for early 2015.

Borealis is stepping up its efforts in South America to meet increased market demand, in particular from leading automotive manufacturers and Original Equipment Manufacturers (OEMs); it also aims to pursue more vigorously new opportunities in pioneering, value-added applications in both the automotive and appliance industries. The EUR 45 million Itatiba investment is a key component of the long-term Borealis growth strategy and has involved the construction of an additional production building, state-of-the-art polypropylene (PP) compounding extruders, blending and raw material silos, warehouse facilities and a bagging line. In addition, extensive upgrading of utility and water systems has been carried out. With construction nearing completion, the commissioning and start-up plan has already commenced. The expanded and modernised facility is scheduled to be fully on stream by the end of the fourth quarter of 2014. Its output will increase annual production volumes of high-performance, high-quality PP compounds in Brazil.

### **Consolidating Brazilian production at upgraded Itatiba plant**

In Brazil, Borealis currently has production sites in Itatiba and Triunfo, with a total of around 150 employees. As development centres and PP compound producers for the automotive, appliances and pioneering applications fields, combined annual production capacity is currently around 60 kt. More than 100 customers in Brazil and Argentina are now being served. Physical expansion of the Triunfo plant is not feasible because of space restrictions inside the petrochemical complex. Because most of Borealis' Brazilian customers are located nearer to Sao Paulo, the closer proximity will result in freight optimisation, an additional advantage of consolidating operations in Itatiba. Once production of all grades is transferred from Triunfo to Itatiba, Borealis customers in South America will be able to rely on a seamless and secure supply from the Itatiba plant.

“It is important to maintain our focus on growth opportunities in South America, and we can only do so by optimising operations,” explains Leonardo Harsch, Managing Director Borealis Brasil. “Our significant investment in upgrading our Itatiba production facilities enables us to better and more efficiently serve our customers in Brazil and Argentina.”

Ceasing production at the ageing Triunfo plant is a necessary step in the implementation of the Borealis Group's "scrap and build" strategy, which entails ongoing investment in its most modern facilities. Thanks to continuous upgrading through investment, the cutting-edge production facilities and the jobs they provide are safeguarded in the long term, whilst older plants such as Triunfo are closed. Borealis will seek to transfer as many of the approximately 30 Triunfo employees as possible to the Itatiba site or relocate within the existing petrochemical complex in Triunfo. Where reassignment is not feasible, severance schemes will be offered.

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**Borealis** is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. This year, Borealis already celebrates its 20<sup>th</sup> anniversary. With headquarters in Vienna, Austria, Borealis currently employs around 6,400 and operates in over 120 countries. It generated EUR 8.1 billion in sales revenue in 2013. The International Petroleum Investment Company (IPIC) of Abu Dhabi owns 64% of the company, with the remaining 36% owned by OMV, the leading energy group in the European growth belt. Borealis provides services and products to customers around the world in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC).

Building on its proprietary Borstar® and Borlink™ technologies and 50 years of experience in polyolefins, Borealis and Borouge support key industries including infrastructure, automotive and advanced packaging.

The Borouge 3 plant expansion in Abu Dhabi will be fully operational in 2014. Borouge 3 will deliver an additional 2.5 million tonnes of capacity when fully ramped up, bringing the total Borouge capacity to 4.5 million tonnes. Borealis and Borouge will then have approximately 8 million tonnes of polyolefin capacity.

Borealis offers a wide range of base chemicals, including melamine, phenol, acetone, ethylene, propylene, butadiene and pygas, servicing a wide range of industries. Together with Borouge the two companies will produce approximately 6 million tonnes of Base Chemicals in 2014.

Borealis also creates real value for the agricultural industry with a large portfolio of fertilizers. The company distributes approximately 2.1 million tonnes per year. This volume will increase to more than 5 million tonnes by the end of 2014.

Borealis and Borouge aim to proactively benefit society by taking on real societal challenges and offering real solutions. Both companies are committed to the principles of Responsible Care®, an initiative to improve safety performance within the chemical industry, and contribute to solve the world's water and sanitation challenges through product innovation and their Water for the World™ programme.

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[www.borouge.com](http://www.borouge.com)  
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