

Media Release

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Borealis announces improved results for the third quarter

- Borealis announces a net profit of EUR 185 million for the third quarter of 2014
- Borouge 3 start-up progressing well with initial commercial polymer production commencing in the quarter
- Acquisition of Speciality Polymers Antwerp N.V in Zwijndrecht, Belgium completed

Key figures and ratios		Q3 2014	Q3 2013	YTD 2014	YTD 2013
Net Sales	EUR Million	2,003	2,043	6,350	5,998
Net Profit	EUR Million	185	131	430	275
Reduction / (increase) in net interest-bearing debt	EUR Million	(114)	61	(283)	(266)
Gearing	%			47%	47%

Borealis, a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers, recorded a net profit of EUR 185 million in the third quarter of 2014, compared to EUR 131 million in the same quarter of 2013. The improved result is a reflection of stronger margins for the polyolefins and olefins businesses, as well as the start-up of the Borouge 3 project. Borouge, Borealis' joint venture in Abu Dhabi, started up its third cracker in June and, as a result, had an improved result in the third quarter of 2014 compared to the third quarter of 2013.

Net debt increased by EUR 114 million in the third quarter of 2014 largely due to an increase in working capital needs driven by a stock build-up ahead of the site turnaround in Burghausen, Germany. Borealis' financial position remains strong with financial gearing of 47% at the end of the third quarter.

Borouge 3 start-up

Borouge 3's newest world scale ethane cracker is running efficiently, the rest of the plants are scheduled to start-up sequentially. With Borouge 3 operational, Borouge's total annual production will increase to 4.5 million tonnes of polyolefins, making Borouge the biggest integrated polyolefins complex in the world. Borouge also commissioned the Borouge 3 Container Terminal in Ruwais, with the additional

equipment the yard's total capacity of 16,000 twenty-foot equivalent units (TEUs) for Borouge will be able to handle an annual throughput of up to 1 million TEUs.

Capturing strategic opportunities to remain strong in Europe

In August, Borealis announced the signing of a 10-year agreement with US-listed Antero Resources to supply, on an annual basis, 240,000 tonnes of ethane from the United States for its flexible steam cracker in Stenungsund, Sweden. A related long-term shipping agreement was signed with US-listed Navigator Holdings, who will build a new, 35,000 cbm state-of-the-art ethane vessel to ensure cost effective, safe and reliable transport of ethane to Stenungsund. The ethane supply coming to Stenungsund by ship will be stored in a purpose-built, fully refrigerated ethane tank. An amount of EUR 120 million will be invested in the Stenungsund location, including the upgrade of the cracker to enable this move to more light feed cracking.

In August, Borealis and Borouge announced a true step-change in high voltage direct current (HVDC) innovation based on the Borlink™ technology platform. Developed in partnership with power and automation technology leader ABB, this major HVDC innovation will support the further integration of renewable energies into the grid and the establishment of more interconnections among countries in major infrastructure projects around the world without significant energy losses, providing higher efficiency and increased sustainability.

In September, Borealis completed the acquisition of DuPont Holding Netherland B.V. shares of Speciality Polymers Antwerp N.V, located in Zwijndrecht (Antwerp, Belgium). Previously, the company was a joint venture between DuPont Holding Netherlands B.V. (67%), Borealis Polymers N.V. and Borealis Kallo N.V. (together 33%). Speciality Polymers Antwerp N.V primarily manufactures ethylene acrylates copolymers and ethylene vinyl acetate.

Beyond the third quarter 2014 – optimising production in Brazil

In October, Borealis announced plant restructuring measures aimed at optimising production in Brazil. The company 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 plant in Itatiba, a move scheduled for early 2015.

Outlook

"The improved results in the third quarter are again a reflection of the better margins in the polyolefins industry as well as our ongoing efforts to improve efficiency, plant operability and commercial excellence," comments Mark Garrett, Borealis Chief Executive. "In addition, the successful start-up of the Borouge 3 cracker contributes positively to the quarterly results. We are well on track to achieve full operation of the Borouge 3 expansion with the Borstar™ polyethylene and polypropylene plants starting up sequentially to the cracker."

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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 20th 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.

For more information visit:

www.borealisgroup.com
www.borouge.com
www.waterfortheworld.net

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