

Media Release

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Borealis to appeal Finnish tax authority re-assessment

Borealis, a leading provider in the fields of polyolefins, base chemicals and fertilizers, has received a re-assessment decision from the Finnish tax authority for its Finnish subsidiary Borealis Technology Oy regarding the year 2008. The Finnish tax authority requests Borealis to pay an additional total amount of EUR 281.7 million comprising of taxes, late payment interest and penalties.

Borealis believes the re-assessment to be unjustified and will appeal by filing a claim for adjustment with the Board of Adjustment of the Finnish tax authority. Furthermore, Borealis will also ask for a suspension of the payment pending the appeal.

The amount claimed, if in fact due, would not have a material adverse impact on Borealis' ability to conduct its business operations in the future.

“Borealis is a responsible company and operates according to its high ethical standards” comments Mark Tonkens, Borealis Chief Financial Officer. “Borealis declares and pays taxes in line with applicable tax laws and principles. Clear and consistent taxation practices within the European Union are needed for international companies to ensure competitiveness and future growth.”

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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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