

Borealis delivers strong result in the second quarter of 2015

- Borealis announces a net profit of EUR 351 million in the second quarter of 2015 compared to EUR 143 million in the second quarter of 2014
- Cracker and all five polyolefin plants of Borouge 3 are running as planned
- Investing EUR 160 million in Stenungsund, Sweden

Key figures and ratios		Q2 2015	Q2 2014	H1 2015	H1 2014
Net Sales	EUR million	2,039	2,091	4,027	4,347
Net Profit	EUR million	351	143	489	245
Reduction / (increase) in net interest-bearing debt	EUR million	69	(58)	201	(169)
Gearing	%			31%	48%

Borealis, a leading provider of innovative solutions in the fields of polyolefins and base chemicals announces a net profit of EUR 351 million for the second quarter of 2015, compared to EUR 143 million in the same quarter of 2014. The strong result reflects improvements in all three profit centers of Borealis, particularly the polyolefins segment.

In the second quarter net debt reduced by EUR 69 million due to the solid business performance. Borealis' financial position strengthened further with financial gearing of 31% at the end of the second quarter.

In the second quarter of 2015, integrated polyolefin producers saw strong industry margins. Despite lower feedstock costs, polyolefin prices did not retreat driven by a tight market as a result of solid demand combined with a supply shortfall. In addition, imports of polyolefins into Europe have been uncompetitive following the weakening of the Euro. However, in the first quarter of 2015, the falling monomer prices did cause large negative inventory effects for polyolefin producers.

Borouge 3

Borouge, Borealis' joint venture with the Abu Dhabi National Oil Company in Abu Dhabi, UAE, continues the successful start-up of the mega project Borouge 3. In April, the low density

polyethylene plant (LD1) had a smooth start-up. With this start-up, all five polyolefin plants are now running as planned. The only remaining unit to be started-up is the cross-linked polyethylene (XLPE) plant which is scheduled towards the end of 2015 and will complete the start-up of the Borouge 3 mega project.

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, thus making Borouge the biggest integrated polyolefins complex in the world. Borealis and Borouge will then have approximately 8 million tonnes of polyolefin capacity.

Investing in Europe

In July, Borealis announced a EUR 160 million investment in its production location in Stenungsund, Sweden. The investment entails the upgrade and revamp of four cracker furnaces to the highest currently available standards in process safety and energy efficiency. The Stenungsund programme is scheduled to begin in late 2016 and be completed by 2020.

Outlook

“The record result in the second quarter came on the back of a very favourable polyolefin market,” says Mark Garrett, Borealis Chief Executive. “While pleased with the result, we faced a number of production interruptions in the second quarter, causing issues in the supply chain. For this reason operational excellence remains a key focus for the company. Despite an overall lower price environment compared to 2014, 2015 presents industry margins for the polyolefins segment not seen since 2007. Borealis is well positioned to take advantage of this opportunity as it has upgraded its European asset base and grown through the Borouge expansions over the past several years.”

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Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With headquarters in Vienna, Austria, Borealis currently employs around 6,500 and operates in over 120 countries. It generated EUR 8.3 billion in sales revenue in 2014. The International Petroleum Investment Company (IPIC) of Abu Dhabi owns 64% of the company, with the remaining 36% owned by OMV, an integrated, international oil and gas company. 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 2015. 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 2015.

Borealis also creates real value for the agricultural industry with a large portfolio of fertilizers and technical nitrogen products. The company distributes approximately 5 million tonnes per year.

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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