

## Borealis records a strong first half year despite an ongoing challenging fertilizer market environment

- Borealis announces a net profit of EUR 293 million in the second quarter of 2018, compared to EUR 261 million in the second quarter of 2017
- Borealis, Total and NOVA Chemicals establish their petrochemicals Joint Venture
- Borealis invests in mtm; value chain cooperation produces plastic bottle and nozzle composed 100% of post-consumer recycled material
- Borealis honoured as best European polymer producer of HDPE and LDPE by Polymers for Europe Alliance

Key figures and ratios		Q2 2018	Q2 2017	YTD 2018	YTD 2017
Net Sales	EUR million	2,149	1,861	4,200	3,891
Total Sales*	EUR million	2,460	2,250	4,848	4,701
Net Profit	EUR million	293	261	533	574
Reduction / (increase) in net interest-bearing debt	EUR million	175	112	(384)	(508)
Gearing	%			19%	19%

\* Net sales of Borealis plus pro-rata sales of at equity consolidated companies

Borealis, a leading provider of innovative solutions in the fields of polyolefins and base chemicals, announces a net profit of EUR 293 million for the second quarter of 2018, compared to EUR 261 million in the same quarter of 2017. The strong result was supported by healthy integrated polyolefin margins and license income, while the fertilizer market environment remains difficult.

In the second quarter, net debt reduced by EUR 175 million, despite the investment into Bayport Polymers LLC, the US Gulf coast joint venture with Total and NOVA Chemicals. The reduction was driven by a solid business performance and a strong contribution from Borouge. Borealis financial position remains healthy, with a gearing of 19% at the end of the second quarter of 2018.

## **Borealis, Total and NOVA Chemicals establish their petrochemicals Joint Venture**

Borealis, Total and NOVA Chemicals announced on the 24<sup>th</sup> May that they have established their petrochemicals joint venture on the U.S. Gulf Coast, after having received all required regulatory approvals.

The company named Bayport Polymers LLC (“Bay-Pol”) is 50% owned by Total and 50% owned by Novealis Holdings LLC, a joint venture between Borealis and NOVA Chemicals. Diane Chamberlain has been appointed President of the new entity. The Bay-Pol joint venture includes:

- Total’s existing polyethylene 400 kt/y facility in Bayport, Texas
- the under-construction 1Mt/y ethane steam cracker in Port Arthur, Texas
- a new 625 kt/y Borstar® polyethylene unit at the joint venture site in Bayport, Texas (subject to final investment decision)

## **Borealis invests in mtm; value chain cooperation produces plastic bottle and nozzle composed 100% of post-consumer recycled material**

Borealis inaugurated a EUR 15 million investment project in mtm plastics GmbH in Niedergerbra, Germany. The investment brings the overall input processing capacity of mtm plastics up from 60,000 to 80,000 tonnes and aims at improving the capability to meet the needs of the high-end market for re-granulates. Borealis also announced an additional EUR 2.5 million investment in environmental protection and capacity expansion of mtm compact, the sister company in Fürstenwalde. Borealis fully acquired mtm plastics GmbH and mtm compact GmbH in July 2016.

A success story originating from Borealis and mtm’s circular economy solutions is a recently completed pilot project with Henkel, the global leader for adhesives, sealants and functional coatings. The companies have worked to develop a new packaging solution based on 100% post-consumer recycled material for the Made-at-Home all-purpose glue bottle and cap, which Henkel is marketing under its well-known Pattex brand. Value chain partner KKT Kaller Kunststoff Technik GmbH, a plastics processor also based in Germany, manufactures the bottles. German plastic components manufacturer bomo trendline Technik GmbH produces the applicator nozzles.

## **Borealis honoured as best European polymer producer of HDPE and LDPE by Polymers for Europe Alliance**

Borealis was awarded best European polymer producer in the categories high-density polyethylene (HDPE) and low-density polyethylene (LDPE). Users of polymers across Europe participated in a survey to rate their supplier’s performance from June 2017 up to May 2018. The evaluation considered the categories Polymer Quality, Regulatory Compliance, Delivery Reliability, Communication and Innovation for 8 different materials. The Award ceremony was held on the 24th of May during the European Plastics Converters (EuPC) Annual Conference in Milan, Italy.

## **Outlook**

“Borealis has achieved a solid result for the second quarter resulting into a strong first half year. While we saw a softening of the integrated polyolefin margin over the second quarter, we continued to deliver strong financial results,” said Borealis Chief Executive Alfred Stern. “For the second half of the year we expect a further softening of the integrated polyolefin margin and we keep an uncertain outlook on the fertilizer business environment.”

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Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With its head office in Vienna, Austria, the company currently has around 6,600 employees and operates in over 120 countries. Borealis generated EUR 7.5 billion in sales revenue and a net profit of EUR 1,095 million in 2017. Mubadala, through its holding company, owns 64% of the company, with the remaining 36% belonging to Austria-based 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). [www.borealisgroup.com](http://www.borealisgroup.com)

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