

Media Release | June 20, 2012

## **Borealis AG plans to issue a corporate bond**

- **Nominal amount: EUR 100 million**  
(up to to a maximum of EUR 200 million)
- **Tenor: 7 years**
- **Denomination: 1,000 EUR**

**Borealis**, a leading provider of chemical and innovative plastics solutions, plans to issue a retail-targeted corporate bond with a nominal amount of EUR 100 million (up to a maximum of EUR 200 million) and a tenor of 7 years subject to market conditions. The net proceeds of the issue of notes will be used for general corporate purposes, including the strengthening of its financial position and to expand its funding options. In particular, the proceeds are intended to be used for refinancing bank debt, the restructuring of the existing debt portfolio, terming out Borealis' debt and optimising the overall finance structure is part of this initiative.

The interest rate, volume and issue price will be fixed shortly before the subscription period starts and will be subject to market conditions. The denomination will be EUR 1,000. It is planned to place the notes with both private and international institutional investors. The issue date of the notes is expected to be July 2, 2012 and the subscription period for retail investors is planned for June 25 to 27 (subject to early closing). Erste Group Bank AG and UniCredit Bank Austria AG will act as Joint Lead Managers for the transaction.

### **Borealis at a glance**

With sales of EUR 7.1 billion in 2011, customers in over 120 countries, and around 5,300 employees worldwide, Borealis is owned 64% by the International Petroleum Investment Company (IPIC) of Abu Dhabi and 36% by OMV, the leading energy group in the European growth belt. Borealis is

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headquartered in Vienna, Austria, and has production locations, innovation centres and customer service centres across Europe and the Americas.

Through Borouge, a joint venture between Borealis and the Abu Dhabi National Oil Company (ADNOC), one of the world's major oil and gas companies, the company's footprint reaches out to the Middle East, Asia Pacific, the Indian sub-continent and Africa. Established in 1998, Borouge employs approximately 1,700 people, has customers in more than 50 countries and its headquarters are in Abu Dhabi in the UAE and Singapore.

### **Driven by innovation and technology**

Building on Borealis' unique Borstar<sup>®</sup> technology and their more than 50 years experience in polyolefins, Borealis and Borouge provide innovative, value creating plastics solutions for the infrastructure (pipe systems and power and communication cables), automotive and advanced packaging markets. In addition, Borealis offers a wide range of base chemicals from melamine and fertilizer to phenol and acetone.

### **Tradition and expansion in Austria**

Borealis is one of the biggest companies in Austria and has its global headoffice in Vienna. In Schwechat, Borealis operates one of the most modern polyolefins production plants in Europe with an annual production capacity of around 1 million tonnes. The Company's international Innovation Headquarters is located in Linz. Borealis employs roughly 1,700 people on 3 locations in Austria. Over the last few years, more than EUR 150 million were invested in research and production in Austria.

„Value Creation through Innovation is the basis for our long-term, world-wide growth strategy,” says Borealis Chief Financial Officer Daniel Shook. “With the support of our owners, we continuously follow this strategy with

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multi-million-Euro investments at our Borealis locations in Europe but also in the Middle East through our successful joint-venture, Borouge.”

“Borealis is a leading European provider of innovative chemical and plastics solutions with its headoffice in Austria. Market leadership through innovation has been one of the company’s principal features for many decades. The industrial company with its strong profitability has managed the turmoil of the past few years very well and plans to use the proceeds of the bond issue to further strengthen its balance sheet,” states Franz Hochstrasser, Deputy Chairman of Erste Group.

“The attractive Borealis bond emphasises once more the importance of the Austrian bond market in corporate financing. We again expect a very strong demand especially among private investors,” states Dieter Hengl, Management Board member responsible for Corporate & Investment Banking at Bank Austria.

**End**

#### **Key terms of the issue**

|                 |                                                                                                                    |
|-----------------|--------------------------------------------------------------------------------------------------------------------|
| Issuer:         | Borealis AG                                                                                                        |
| Nominal amount: | EUR 100 million (up to a maximum of EUR 200 million)*                                                              |
| Denomination:   | EUR 1,000,--                                                                                                       |
| Coupon:         | Will be fixed shortly prior to the subscription period*                                                            |
| Issue price:    | Will be fixed shortly prior to the subscription period and contains a selling commission of 1.5 percentage points* |
| Tenor:          | 7 years, bullet repayment                                                                                          |
| Redemption:     | 2. July 2019 at 100% of the nominal value                                                                          |

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|---------------------------------|---------------------------------------------------------------------------|
| Listing:                        | Listing on the Vienna Stock Exchange, Second Regulated Market is intended |
| Subscription period (expected): | June 25-27, 2012 (subject to early closing)                               |
| Paying agent:                   | Erste Group Bank AG                                                       |
| Value date                      | July 2, 2012                                                              |
| ISIN:                           | AT0000A0VL70                                                              |

\* The final volume, issue price and coupon will be fixed shortly prior to the subscription period

#### IMPORTANT NOTICE

This information is neither an offer nor a solicitation for an offer to purchase notes (the "**Notes**") of Borealis AG (the "**Issuer**"). The offer of Notes (the "**Offer**") is solely made on the basis of a prospectus (the "**Prospectus**") which has been approved by the *Commission de Surveillance du Secteur Financier* (CSSF) of the Grand Duchy of Luxembourg and published on the website of the Issuer ([www.borealisgroup.com](http://www.borealisgroup.com)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Only the information contained in the Prospectus is binding in connection with the Offer.

Securities investments entail risks, particularly the risk of a total loss of the invested funds. Prior to deciding whether to invest in any Notes, prospective investors should therefore seek professional investment advice taking into account the prospective investor's particular financial and other circumstances and not rely on the information provided in this document. Therefore, investors should approach their credit institutions or investments firms. The permissibility of an acquisition of Notes may depend on certain conditions, in particular on the citizenship of the investor; investors should also seek advice regarding this respect.

This document may not be disseminated in the United States, Australia, Canada, Japan or any other jurisdiction where the dissemination or publication of this document would be unlawful. The Notes will neither be registered under the US Securities Act of 1933 nor with any authority of any U.S. State nor in accordance with any applicable securities laws in Australia, Canada or Japan and may not be offered or sold in the United States or for the account of U.S. persons or any other persons domiciled in Australia, Canada, Japan or the United States. No public offer of Notes will be made in the United States, Australia, Canada and Japan.

**End**

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**Borealis** is a leading provider of chemical and innovative plastics solutions that create value for society. With sales of EUR 7.1 billion in 2011, customers in over 120 countries, and around 5,300 employees worldwide, Borealis is owned 64% by the International Petroleum Investment Company (IPIC) of Abu Dhabi and 36% by OMV, the leading energy group in the European growth belt. Borealis is headquartered in Vienna, Austria, and has production locations, innovation centres and customer service centres across Europe and the Americas.

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Today, Borealis and Borouge have a manufacturing capacity of over 5.4 million tonnes of polyolefins (polyethylene and polypropylene) per year having recently completed a 1.5 million tonne capacity expansion in Abu Dhabi. The Borouge 3 plant expansion will be completed at the end of 2013 with a further capacity of 2.5 million tonnes per year (t/y) being fully operational in mid-2014. The companies continue to invest to ensure that their customers throughout the value chain and across the globe can always rely on product quality, consistency and security of supply.

Borouge and Borealis are committed to the principles of Responsible Care<sup>®</sup> and proactively contribute to addressing the world's water and sanitation challenges through their Water for the World<sup>™</sup> initiative.

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**For more information visit:**

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

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

[www.waterfortheworld.net](http://www.waterfortheworld.net)

Water for the World is a trademark of the Borealis group.

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