

Media Release

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## Borealis' third quarter net profit improves in a market that remains soft

- Borealis announces a net profit of EUR 131 million in the third quarter of 2013, an improvement over the third quarter of 2012
- Sale of Melamine Process Technology to Urea Casale SA
- Martijn van Koten joins the Borealis Executive Board
- Borouge 3 expansion gaining momentum as preparations begin for start-up in 2014

Key figures and ratios		Q3 2013	Q3 2012	YTD 2013	YTD 2012
Net sales	EUR Million	2,043	1,920	5,998	5,671
Net profit	EUR Million	131	129	275	380
Reduction / (increase) in net interest-bearing debt	EUR Million	61	63	(266)	(346)
Gearing	%			47%	41%

**Borealis**, a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers, recorded a net profit of EUR 131 million for the third quarter of 2013 compared to EUR 129 million in the same quarter in 2012.

The improvement in net profit in the third quarter versus the second quarter of 2013 was driven by continued good results in Base Chemicals and an improved result for Polyolefins despite a continuing soft market. The fertilizer business delivered a lower result in the third quarter due to operational challenges and some weakening of the market environment. Borouge continued its good performance and delivered a strong result. Net debt decreased in Q3 2013 with Borealis' financial position remaining strong reflected in a gearing (net debt/equity) of 47% at the end of the quarter.

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## **Borouge, Borealis' joint venture in Abu Dhabi**

Borouge continued to perform well during the quarter, with the expansion of its plant in Abu Dhabi gaining momentum as preparations begin for a start-up in 2014. In line with its commitment to advancing sustainability in the petrochemicals industry, Borouge achieved Responsible Care 14001 certification for its entire global operations, being the first company in the Gulf to do so.

## **Borealis, Borouge and NOVA Chemicals had a successful K 2013**

'Open your mind' was the theme for the combined presence of Borealis, Borouge and NOVA Chemicals at K 2013. Borealis highlights included lightweight solutions for the automotive sector and product innovations in surface aesthetics. "K 2013 was a big success for us", says Alfred Stern, Borealis Executive Vice President Polyolefins. "Once again this fair proved to be the perfect platform for fruitful discussions with our customers and partners as well as a source for inspiration."



'Open your mind' was the theme for the combined presence of Borealis, Borouge and NOVA Chemicals at K 2013. Photo: © Borealis

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### **Sale of Melamine Process Technology**

In October, Borealis announced the sale of its proprietary Melamine high pressure process technology and its newly developed super high pressure process technology and all related intellectual property rights to Urea Casale SA, Switzerland. The divestment follows an earlier strategic decision by the company to focus on the Melamine business and production, and to exit the Melamine licensing activity. Borealis produces Melamine at two sites in Linz, Austria and Piesteritz, Germany. These sites will be not affected by the sale.

### **Martijn van Koten joined Borealis Executive Board**

Martijn van Koten was appointed Executive Vice President Operations effective November 1, 2013. In this capacity he succeeds Herbert Willerth who will shift, as Deputy CEO, his focus completely to Borealis' Middle East and Asia activities.

### **Still expecting challenging years ahead**

"We are pleased with our results during the third quarter, although we were held back because of some plant operability issues in the ammonia area," states Mark Garrett, Borealis Chief Executive. "We will continue our work to optimise our European Polyolefin business and assets in order to improve our profitability and grow in these volatile markets. We will take the necessary decisions now, always in line with our values, to be fit for the future. At the same time, we will continue to optimise and expand our fertilizer business, in order to create a more diversified business portfolio whilst also supporting the further growth and development of Borouge."

**END**

#### **For further information please contact:**

Kerstin Meckler, Director Communications  
Tel. +43 (0)1 22 400 389 (Vienna, Austria)  
e-mail: kerstin.meckler@borealisgroup.com

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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 6,200 and operates in over 120 countries. It generated EUR 7.5 billion in sales revenue in 2012. 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 the unique 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 plant expansion in Abu Dhabi will be fully operational by mid-2014 with a total annual capacity of 4.5 million tonnes. After this Borealis and Borouge will have approximately 8 million tonnes of polyolefin capacity.

Borealis offers a wide range of base chemicals, including melamine, phenol, acetone, ethylene and propylene 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 around 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.

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