

Media Release

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Borealis records improved net profit in the first quarter

- Borealis announces a net profit of EUR 102 million for the first quarter of 2014
- Celebration of Borealis 20th anniversary
- Turnarounds at Borealis' production sites at Kallo, Belgium and Grand-Quevilly, France
- Borouge 3 start-up in full swing

Key figures and ratios		Q1 2014	Q1 2013	Q4 2013	FY 2013
Net Sales	EUR Million	2,256	1,979	2,146	8,144
Net Profit	EUR Million	102	61	148	423
Reduction / (increase) in net interest-bearing debt	EUR Million	(111)	(173)	41	(225)
Gearing	%	48%	47%		45%

Borealis, a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers, recorded a net profit of EUR 102 million in the first quarter of 2014, compared to EUR 61 million in the same quarter of 2013. The improved result reflects a better performance of the polyolefins business, while the fertilizer business has been impacted by a soft market and operational challenges. Borouge delivered improved results in the first quarter of 2014 compared to the first quarter of 2013 which was strongly impacted by the turnaround of the Borouge 1 and Borouge 2 plants.

Net debt increased by EUR 111 million in the first quarter of 2014 largely due to a dividend payment to Borealis' shareholders. Borealis' financial position remains strong with financial gearing of 48% at the end of the first quarter.

Borouge 3 start-up in full swing

Borouge is now in the commissioning stage of the start-up of its new Borouge 3 plants as planned. Borouge has increased its commercial activities and is in the process of expanding its logistics and supply chain network across Asia. During the first quarter, Borouge's innovation team started relocating to the new Abu Dhabi Innovation Centre which will enhance the company's ability to provide new value-

added innovative plastics solutions. In parallel with the Borouge 3 activity, the company continues to deliver solid results from existing operations, supporting the increased profitability in the first quarter.

Turnarounds at Grand Quevilly and Kallo

In March, Borealis' Propane Dehydrogenation plant in Kallo, Belgium, successfully completed its turnaround including the replacement of equipment and maintenance. The turnaround at Borealis' fertilizer site in Grand-Quevilly, France, started in early April. Although these planned operational stops impact short term performance, they remain an important activity to ensure the company's sites continue to deliver improved efficiency and reliability over the long term.

Celebrating 20 years Borealis

In March 2014, Borealis announced a series of rebranding efforts timed to coincide with the twentieth anniversary of the company. Borealis has evolved considerably over the past two decades, developing from its early Nordic roots as a plastic manufacturer to a global provider of plastics and chemical solutions with operations across Europe as well as in the Middle East and Asia. Now supported by a solid foundation consisting of Polyolefins, Base Chemicals and Fertilizers, and its joint venture Borouge, the brand Borealis is being re-launched to reflect this significant transformation. Borealis' rebranding efforts include a new corporate design, the introduction of the new Borealis tagline, "Keep Discovering", and a redesigned corporate website (www.borealisgroup.com).

Outlook

"The improved results in the first quarter reflect our ongoing efforts to improve efficiency and plant operability as well as a slight upturn of the polyolefins market. Yet, we have to keep in mind that the first quarter results of 2013 were strongly influenced by the Borouge turnaround," says Mark Garrett, Borealis Chief Executive. "The single biggest challenge for 2014 will be the start-up of Borouge 3. At the same time we need to remain focused on executing our strategy and ensuring the operability and safety of our European plants.

We are proud to celebrate Borealis' twentieth birthday this year. Our company has fundamentally changed and grown in particular over the past several years. Our new slogan 'Keep Discovering' reflects these changes and describes what we as a company already do well: pushing ourselves to new boundaries in order to create more value for Borealis partners and customers."

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Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. This year, the company 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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