

Media Release

Vienna, Austria | 2 March 2015, 10.00 CET

Borealis delivers a record result in 2014

- Borealis announces a net profit of EUR 571 million in 2014 compared to EUR 423 million in 2013
- Successful start-up of Borouge 3 mega project
- A year of active consolidation for the Borealis Group

| Key figures and ratios | | Q4 2014 | Q4 2013 | FY 2014 | FY 2013 |
|---|-------------|------------|------------|------------|------------|
| Net Sales | EUR Million | 1,980 | 2,108 | 8,330 | 8,106 |
| Net Profit | EUR Million | 141 | 148 | 571 | 423 |
| Reduction / (increase) in net interest-bearing debt | EUR Million | 255 | 41 | (28) | (225) |
| Gearing | % | | | 40% | 45% |

Borealis, a leading provider of innovative solutions in the fields of polyolefins and base chemicals, announces a net profit of EUR 141 million for the fourth quarter of 2014, compared to EUR 148 million in the same quarter of 2013. For the full year 2014 the company recorded a net profit of EUR 571 million, compared to EUR 423 million in 2013. The improved result over 2013 was driven by overall stronger margins in the olefins and polyolefins business and an improved contribution from Borouge following the startup of the Borouge 3 project. Within Base Chemicals the fertilizer business did not deliver as well as expected due to operational challenges at the newly acquired plants in France.

In the fourth quarter net debt reduced by EUR 255 million largely due to lower working capital needs driven by a lower price environment for polyolefins and by an inventory reduction following the completion of the site turnaround in Burghausen, Germany. In 2014, net debt increased by EUR 28 million. Borealis' financial position remains strong with a gearing of 40%.

Continuously maintaining a world-class safety performance

Borealis reports a Total Recordable Injuries (TRI) frequency of 1.3 per million hours worked in 2014, as compared to a TRI frequency of 1.5 in 2013. Although a TRI frequency below two is world-class in the industry, Borealis continues to maintain even more ambitious targets and will continue to work harder towards the ultimate goal of zero injuries.

Borouge 3 start-up

A clear highlight in 2014 for Borouge, Borealis' joint venture with the Abu Dhabi National Oil Company in Abu Dhabi, UAE, is the successful start-up of the mega project Borouge 3. After the successful start-up of the cracker in June, three out of five polyolefin plants started up in the period until year end. 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.

2014: A year of consolidation for the Borealis Group

In 2014, Borealis has successfully increased its long-term feedstock flexibility for its petrochemical plant in Stenungsund, Sweden. In February the company signed a new long-term agreement to source ethane from Norwegian Statoil for Borealis' steam cracker, one of the most feedstock flexible crackers in Europe. Apart from ethane it can also crack naphtha, propane and butane. Stenungsund has significant liquefied petroleum gas (LPG) storage capacity, allowing the company to source LPG from various sources with vessel sizes up to very large gas carriers. In August, Borealis signed in addition a 10-year agreement with Antero Resources to supply ethane from the United States. The project also includes a shipping agreement with Navigator Holdings and a related multi-million investment in an upgrade of the cracker and the construction of an ethane storage tank. The ethane supplied from the US complements the ethane supply contract with Statoil, providing Borealis with attractive alternative sources of feedstock.

A series of rebranding initiatives, including the launch of a new corporate design and the introduction of the new Borealis tagline were timed to coincide with the twentieth anniversary of the company in March. Borealis has been shaping the future with plastics for twenty years. At the core of the new Borealis positioning is the tagline "Keep Discovering", which draws on the spirit of continual innovation that has always been integral to Borealis and which was celebrated internally throughout 2014.

In August, the company's strategy to grow its polyolefin business in specific market areas was underlined with the acquisition of all the outstanding shares in DuPont Holding Netherland B.V.'s shares of Speciality Polymers Antwerp N.V., located in Zwijndrecht (Antwerp, Belgium).

Borealis continued to expand its footprint in South America, most specifically in Brazil, where the company has made a substantial investment in its Itatiba complex near Sao Paulo in order to better exploit growth opportunities in pioneering applications in the automotive and appliance industries.

For Borealis, 2014 has been a period of active consolidation following a period of real transformation. The company continued work on earlier acquisitions like Borealis Plastomers, formerly DEXPlastomers and Borealis' fertilizer production in France, formerly GPN S.A.

Outlook

“In 2014 we have been working to capture strategic opportunities to remain robust in our traditional European base, giving the company multiple sources of profit while at the same time building Borouge,” comments Mark Garrett, Borealis Chief Executive. “Looking ahead, we will be impacted by negative inventory effects in the first half of 2015 on the back of the rapidly falling monomer prices, and Borouge’s profitability will be lower due to the lower oil price environment. However, a lower cost base will help improve the competitiveness of European producers. Borealis expects to see a solid but lower profitability in 2015 compared to 2014. The company will harvest the benefits of the consolidation completed in 2014 as well as Borouge 3 becoming fully operational. In addition, Borealis is well positioned for the future as the company committed to investments to increase feedstock flexibility in 2014, which will help the company remain competitive and resilient also in the long run.”

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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, 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 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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