

Borealis delivers solid result in the first quarter of 2015

- Borealis announces a net profit of EUR 137 million in the first quarter of 2015 compared to EUR 102 million in the first quarter of 2014
- Continuing the successful start-up of Borouge 3 mega project
- Improved operations of fertilizer plants

Key figures and ratios		Q1 2015	Q1 2014	Q4 2014	FY 2014
Net Sales	EUR Million	1,988	2,256	1,980	8,330
Net Profit	EUR Million	137	102	141	571
Reduction / (increase) in net interest-bearing debt	EUR Million	132	(111)	255	(28)
Gearing	%	34%	48%		40%

Borealis, a leading provider of innovative solutions in the fields of polyolefins and base chemicals announces a net profit of EUR 137 million for the first quarter of 2015, compared to EUR 102 million in the same quarter of 2014. The improved result reflects improvements in all three profit centers of Borealis despite the lower price environment which led to substantial negative inventory effects in Q1 2015, especially for polyolefins.

In the first quarter net debt reduced by EUR 132 million largely due to lower working capital needs driven by the lower price environment for polyolefins. Borealis' financial position remains strong with financial gearing of 34% at the end of the first quarter.

Borouge 3 start-up

Borouge, Borealis' joint venture with the Abu Dhabi National Oil Company in Abu Dhabi, UAE, continues the successful start-up of the mega project Borouge 3. By the end of 2014, the cracker as well as three out of five polyolefin plants had started up. In the first quarter of 2015 Borouge continued this process with the start-up of its high pressure polyethylene plant. The inauguration of new warehouses in Tianjin, China and Jurong Island in Singapore as well as the opening of the Borouge 3 container terminal show that Borouge is now "in gear" to take on the volumes of Borouge 3, which are increasing every month.

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.

Borealis Chimie fertilizer plants show improved operability

Following the turnarounds in the second half of 2014 and the ongoing transformation programme for Borealis Chimie, the operability of the ammonia and fertilizer plants has further improved in the first quarter of 2015. The scheduled turnarounds were safely undertaken to perform needed maintenance and repair works to improve the operability of the plants. After some difficult first months following the turnarounds, progress is being made at both locations towards reaching the full potential of the plants. While there is still more work to be done to reach full plant capacity, Borealis is confident that the turnarounds as well as the transformation programme has moved Borealis Chimie forward toward the ultimate goal of safe and reliable operations.

Outlook

“The solid result in the first quarter was realised in a challenging price environment and is testament to the robustness of our European base,” says Mark Garrett, Borealis Chief Executive. “Despite the improved result, operability was not where we want to see it in the first quarter and the focus remains on ensuring good operability and safety at all our European sites as well as in regards to the start-up of the remaining plants of the Borouge 3 project. We expect 2015 to be a challenging year, but are pleased to see that the work to be a resilient company is supporting our bottom line in volatile times”.

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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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