

Borealis starts strongly in 2017 with a net profit of EUR 313 million

- Borealis announces a strong net profit of EUR 313 million in the first quarter of 2017, compared to EUR 255 million in the same quarter of 2016
- Borealis and NOVA Chemicals enter into a preliminary agreement for an ethane cracker/polyethylene project with Total, to meet growing global demand for polyethylene
- Borealis and Borouge announce a new world record of 640 kilovolt (kV) for extruded high voltage direct current (HVDC) cable technology

Key figures and ratios		Q1 2017	Q1 2016	Q4 2016	FY 2016
Net Sales	EUR million	2,030	1,871	1,803	7,218
Total Sales*	EUR million	2,452	2,193	2,269	8,768
Net Profit	EUR million	313	255	239	1,107
Reduction / (increase) in net interest-bearing debt	EUR million	(619)	(125)	157	445
Gearing	%	21%	22%		10%

* Net sales of Borealis plus pro-rata sales at equity consolidated companies

Borealis, a leading provider of innovative solutions in the fields of polyolefins and base chemicals, announces a net profit of EUR 313 million for the first quarter of 2017, compared to EUR 255 million in the same quarter of 2016. The strong result was driven by continuing high margins in the polyolefins business and by an improved contribution from Borouge. The contribution from Base Chemicals was lower compared to the first quarter of 2016, as a result of a more difficult fertilizer market environment.

Net debt increased by EUR 619 million in the first quarter, largely due to the payment of a EUR 750 million dividend to Borealis' shareholders. Despite the increase in net debt, Borealis' financial position remains strong, with a gearing of 21% at the end of the first quarter 2017.

Next step in going global

Borealis and NOVA Chemicals Corporation ("NOVA Chemicals") signed a preliminary agreement to form a joint venture (JV) with Total Petrochemicals and Refining USA, Inc. ("Total"). Key aspects of the JV will include building a new 1,000 kilotonnes per annum (ktpa) ethane cracker in Port Arthur, Texas and a

new 625 ktpa Borstar® PE plant in Bayport, Texas. It will also include owning and operating Total's existing Bayport polyethylene (PE) facility, with a total capacity of 400 ktpa.

The JV is expected to be established in late 2017 and the final investment decision on the Borstar PE plant will be taken at the same time. The ethane cracker and Borstar PE plant are planned to start-up in late 2020. The JV will create significant synergies by enabling both a strong integration of the value chain as well as the first-time use of the proprietary Borstar PE process technology in the Americas. It will also provide competitive export access to markets outside of North America and help meet the growing global demand for PE.

World record of 640 kV for HVDC cable technology

Borealis and Borouge announced a new world record of 640 kilovolt (kV) for extruded high voltage direct current (HVDC) cable technology. As a global leading innovator, Borealis builds on over 15 years of operational experience in extruded HVDC materials and on its proprietary Borlink™ technology, to set ever higher standards in proven system performance. This new step-change in electrical performance and record-breaking voltage level has been made possible through the unique properties of tailored polymers based on Borlink, in combination with the high levels of chemical and physical cleanliness of these compounds.

Outlook

“Borealis continues to benefit from the strong polyolefins industry margin supporting the polyolefins business profit contribution”, comments Mark Garrett, Borealis Chief Executive. “The Borouge result in the first quarter was firm but was impacted by the limited availability of feedstock. All in all our excellent financial performance has also allowed us to return cash to our shareholders, via a EUR 750 million dividend, probably a record in Austrian industrial history.”

“In the second quarter, Borealis expects another solid result. The fertilizer market conditions are improving and we expect the polyolefins business and Borouge to continue to perform well. The main challenge going forward this year will be the successful execution of a record number of planned turnarounds, involving multiple locations.”

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Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With its Head Office in Vienna, Austria, the company currently has around 6,600 employees and operates in over 120 countries. Borealis generated EUR 7.2 billion in sales revenue and a net profit of EUR 1,107 million in 2016. The International Petroleum Investment Company (IPIC) of Abu Dhabi owns 64% of the company, with the

remaining 36% belonging to Austria-based OMV, an integrated, international oil and gas company. 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 more than 50 years of experience in polyolefins, Borealis and Borouge support key industries with a wide range of applications in the areas of energy, automotive, pipes, consumer products, healthcare, and advanced packaging.

The Borouge 3 plant expansion made Borouge the world's largest integrated polyolefins complex. Now fully ramped up, the additional 2.5 million tonnes of polyolefins capacity yield a total Borouge capacity of 4.5 million tonnes, and a combined Borealis and Borouge capacity of 8 million tonnes.

Borealis offers a wide range of base chemicals, including melamine, phenol, acetone, ethylene, propylene, butadiene and pygas, servicing a wide range of industries. Borealis also creates real value for the agricultural industry, selling approximately 5 million tonnes of fertilizers. Technical nitrogen and melamine products complement the portfolio with applications ranging from mono-nitrogen oxide (NOx) abatement to glues and laminates in the wood working industry.

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 work 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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