

Borealis continues strong financial performance with a net profit of EUR 1,095 million in 2017

- Borealis announces a continued stable net profit of EUR 1,095 million in 2017 at previous year's record levels
- Healthy integrated polyolefin margins and the continued strong profit contribution by Borouge are the main drivers of the result
- 2017 highlights are the announcement of further significant global growth projects and the completion of a record number of turnarounds

Key figures and ratios		Q4 2017	Q4 2016	FY 2017	FY 2016
Net Sales	EUR million	1,852	1,803	7,564	7,218
Total Sales*	EUR million	2,175	2,269	9,069	8,768
Net Profit	EUR million	247	239	1,095	1,107
Reduction / (increase) in net interest-bearing debt	EUR million	335	157	(140)	445
Gearing	%			12%	10%

* Net sales of Borealis plus pro-rata sales of 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 247 million for the fourth quarter of 2017, compared to EUR 239 million in the same quarter of 2016. For the full year 2017 the company recorded a net profit of EUR 1,095 million, compared to EUR 1,107 million in 2016. The 2017 result was driven by healthy European integrated polyolefin margins and an improved profit contribution from Borouge. The contribution from Base Chemicals was lower compared to 2016 as a result of a continued weak fertilizer business environment.

In the fourth quarter, net debt reduced by EUR 335 million. Over the full year 2017, net debt increased by EUR 140 million largely driven by the high investment level related to growth projects and turnarounds as well as the payment of a EUR 750 million dividend to Borealis' shareholders mostly offset by the strong cash inflow from the solid business result. Consequently, Borealis' financial position remains strong, with a gearing of 12% at year-end 2017.

Safety

Borealis reports a Total Recordable Injuries (TRI) frequency of 1.1 per million hours worked in 2017, as compared to a TRI frequency of 0.9 in 2016. A TRI frequency below two is considered world-class in the industry and the safety performance in 2017 has to be seen against the backdrop of the heavy turnaround schedule involving 5 locations: Kallo, Geleen, Grandpuits, Schwechat and Porvoo. Borealis continues to set ambitious safety targets and works towards the ultimate goal of zero injuries. A number of additional and targeted initiatives were launched in 2017 to drive the safety performance towards this goal.

Borouge

The Abu Dhabi National Oil Company (ADNOC) and Borealis announced a framework agreement on two key projects that will expand both ADNOC and Borealis downstream petrochemicals business and support the delivery of ADNOC's integrated smart growth and partnership strategy. ADNOC and Borealis have moved to the pre-FEED phase for the construction of the Borouge 4 complex, which is slated to come on stream around 2023. Borouge 4 encompasses a world-scale mixed feedstock cracker, using existing feedstock available in Abu Dhabi and downstream derivatives units for both polyolefin and non-polyolefin products.

Simultaneously, the companies commenced engineering, procurement & construction (EPC) tendering for an additional polypropylene plant (PP5) based on Borealis proprietary Borstar® technology. The plant, to be integrated with the Borouge 3 complex, will add value to the surplus propylene available from ADNOC Refining's new Propane Dehydrogenation (PDH) unit, producing around 0.5 million tonnes per annum of polypropylene.

On the product side, Borealis and Borouge announced the launch of Anteo™, a new family of linear low density polyethylene (LLDPE) packaging grades for the global packaging market. Anteo completes the full solution offer for high performance, multilayer flexible packaging applications using Borealis Borstar Bimodal Terpolymer (BBT) Technology. Borouge produces Anteo at the Ruwais plant in the United Arab Emirates (UAE).

2017: continuing the journey of sustainable global growth

A number of important global growth projects were announced in 2017. These include the signing of a preliminary agreement by Borealis AG and NOVA Chemicals Corporation ("NOVA Chemicals") to form a joint venture (JV) with Total Petrochemicals and Refining USA, Inc. ("Total"). The JV will build and own a new light feed cracker and a new Borstar polyethylene (PE) facility in Bayport, Texas. It will also include Total's existing Bayport PE facility. In addition, Borealis announced its decision to build a dedicated automotive polypropylene (PP) compounding plant in Taylorsville, Alexander County, North Carolina, to help secure its position as a local supplier to automotive OEMs and their Tier partners in North America.

In September, Borealis announced the FEED-phase for a new, world-scale propane dehydrogenation (PDH) plant, which is planned to be located at the existing Borealis production site in Kallo, Belgium. The final investment decision is expected to be taken in the third quarter of 2018, while the potential start-up of the plant is scheduled for the second half of 2021. In November, Borealis announced that it will study the feasibility to significantly increase the capacity of its polypropylene (PP) plants in Europe. The study will assess a series of capacity increases through the debottlenecking of existing European PP assets, initially targeting the three PP plants Borealis is operating in Belgium. Final investment

decisions are expected to be taken in Q4 of 2018, with capacity increases coming on stream from Q1 2020 to early 2022.

Outlook

“2017 was another very good year for Borealis with a very strong financial performance exceeding EUR one billion net profit for the second time in a row and maintaining our position as one of Austria’s most profitable companies. With upcoming significant global capacity expansions, we expect some softening of polyolefin prices in Europe but believe that improved performance in Fertilizers will compensate the price pressure in Polyolefins, at least to a certain extent. As a result we still expect 2018 to be a solid year”, says Mark Garrett, Borealis Chief Executive.

“During 2017 we continued to transition into a new phase of growth and global outreach, with a veritable feast of major growth projects over the next few years. Our challenge at Borealis is to invest intelligently in a counter cyclical manner, as we did with Borouge 3.”

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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. Mubadala, through its holding company, 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). www.borealisgroup.com
