

Borealis delivers a solid quarter, focusses on growth and further strengthens commitment to plastics recycling

- Borealis announces a net profit of EUR 279 million in the third quarter of 2018, compared to EUR 273 million in the third quarter of 2017
- Bayport Polymers to double polyethylene capacity, JV between Total, Borealis and NOVA Chemicals takes final investment decision for new 625,000 tonne/year PE unit
- Borealis appoints Rainer Höfling as CEO of its dedicated Fertilizer & Melamine business, Borealis EVP Base Chemicals Markku Korvenranta steps down
- Borealis strengthens its commitment to plastics recycling, acquires Austrian plastics recycler Ecoplast Kunststoffrecycling GmbH

Key figures and ratios		Q3 2018	Q3 2017	YTD 2018	YTD 2017
Net Sales	EUR million	2,046	1,822	6,246	5,712
Total Sales*	EUR million	2,538	2,191	7,386	6,892
Net Profit	EUR million	279	273	812	848
Reduction / (increase) in net interest-bearing debt	EUR million	(282)	33	(666)	(475)
Gearing	%			23%	18%

* 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 279 million for the third quarter of 2018, compared to EUR 273 million in the same quarter of 2017. The good result in the third quarter was supported by the strong profit contribution from Borouge. European integrated polyolefin margins continue at a decent level. The fertilizer business performance remains under pressure.

In the third quarter, net debt increased by EUR 282 million. An interim dividend for 2018 of EUR 300 million and investments related to growth projects were only partially offset by the strong cash inflow from the business. Borealis financial position remains strong, with a gearing of 23% at the end of the third quarter of 2018.

Bayport Polymers to double polyethylene capacity, JV between Total, Borealis and NOVA Chemicals takes final investment decision for new 625,000 tonne/year PE unit

Bayport Polymers, LLC – the 50/50 joint venture owned by Total S.A. and Novaleis Holdings LLC – the joint venture of Borealis AG and NOVA Chemicals Inc. – announced the final investment decision to build a 625,000 tonne/year polyethylene unit at its production site in Bayport, Texas.

The new unit will use Borstar® technology and more than double the site's polyethylene capacity to 1,100,000 tonne/year with a start-up scheduled in 2021. The unit engineering, procurement and construction has been awarded to McDermott and is expected to employ 1,750 staff during peak activity.

Formed in May 2018, Bayport Polymers is currently building a one-million-tonnes per year steam cracker in Port Arthur, Texas. This cracker will process ethane, which is abundantly available and competitively priced in the U.S. and will supply Bayport polyethylene units.

Borealis appoints Rainer Höfling as CEO of its dedicated Fertilizer & Melamine business, Borealis EVP Base Chemicals Markku Korvenranta steps down

Borealis announced the appointment of Rainer Höfling as CEO of its dedicated Fertilizer & Melamine business, as of the 1st October 2018. This business will include both operational, commercial and supporting functions and comprises approximately 2,000 employees. The dedicated management team under the lead of Rainer Höfling will provide higher agility and increased customer focus for the business.

Borealis also announced that Markku Korvenranta, Borealis EVP Base Chemicals, would step down from his role, as of the 30th September.

Borealis strengthens its commitment to plastics recycling, acquires Austrian plastics recycler Ecoplast Kunststoffrecycling GmbH

Borealis announced the full acquisition of the Austrian plastics recycler Ecoplast Kunststoffrecycling GmbH ("Ecoplast"). Based in Wildon, Austria, Ecoplast processes around 35,000 tonnes of post-consumer plastic waste from households and industrial consumers every year, turning them into high-quality LDPE and HDPE recyclates, primarily but not exclusively for the plastic film market. Borealis has made PO recycling a key element of its overall PO strategy because of its potential to support both growth and sustainability, as well as its ability to support the growing customer demand for recycled PO.

Borealis has been an industry frontrunner in making polyolefins more circular. In 2014, it began offering high-end compound solutions to the automotive industry, consisting of 25% and 50% post-consumer recycled content. Borealis was also the first virgin PO producer to explore the possibilities of mechanical recycling, by acquiring one of Europe's largest producers of post-consumer polyolefin recyclates - mtm plastics GmbH and mtm compact GmbH – in July 2016. Since then it has continued to invest in the development of technology and new products in the area of circular polyolefins.

Outlook

"With the solid result in the third quarter, Borealis is showing a strong year-to-date financial performance. The outstanding profit contribution of Borouge and the decent integrated polyolefin margins have been the main elements for this result," said Alfred Stern, Borealis Chief Executive. "For

the fourth quarter of 2018 Borealis expects further softening of the integrated polyolefin margins and ongoing challenges in the fertilizer market environment.”

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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 7.5 billion in sales revenue and a net profit of EUR 1,095 million in 2017. 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
