

Borealis delivers a strong financial performance with a net profit of EUR 906 million in 2018

- Borealis announces a strong full year financial result with a net profit of EUR 906 million in 2018
- Solid integrated polyolefin margins and the continued strong profit contribution from Borouge are the main drivers of the result
- Borealis strengthens commitment to customers and continues journey of sustainable global growth

Key figures and ratios		Q4 2018	Q4 2017	FY 2018	FY 2017
Net Sales	EUR million	2,091	1,852	8,337	7,564
Total Sales*	EUR million	2,551	2,175	9,937	9,069
Net Profit	EUR million	94	247	906	1,095
Reduction / (increase) in net interest-bearing debt	EUR million	151	335	(515)	(140)
Gearing	%			20%	12%

* 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 94 million for the fourth quarter of 2018, compared to EUR 247 million in the same quarter of 2017. The fourth quarter result reflects a weaker economic and industry environment for the integrated polyolefins (PO) business and includes an impairment charge of EUR 92 million for the fertilizer business. For the full year 2018, the company recorded a net profit of EUR 906 million, compared to EUR 1,095 million in 2017. The 2018 result was driven by weaker integrated PO margins and an improved profit contribution from Borouge compared to 2017. The contribution from base chemicals was lower compared to 2017, due to a continued weak fertilizer business.

In the fourth quarter, net debt reduced by EUR 151 million. Over the full year 2018, net debt increased by EUR 515 million, largely driven by the high investment level related to growth projects and turnarounds as well as the payments of a EUR 700 million dividend for 2017 and a EUR 300 million interim dividend for 2018 to Borealis' shareholders. After obtaining a BBB+ rating with stable outlook from S&P Global Ratings in November, Borealis issued for the first time a rated corporate bond with a volume of EUR 300 million and a tenure of seven years. The cash inflow from the solid business result and dividends from Borouge enabled to keep Borealis' financial position strong, with a gearing of 20% at year-end 2018.

Safety

Borealis reports a Total Recordable Injuries (TRI) frequency of 1.3 per million hours worked in 2018, as compared to a TRI frequency of 1.1 in 2017. A TRI frequency below two is considered world-class in the industry. Steps taken in 2018 to improve process safety and deliver an accident-free work environment for both, employees and contractors, yielded immediate results in the second half of 2018, during which the TRI frequency again began to improve. Safety is always the top priority at Borealis. The management team will continue to take initiatives together with all employees and contractors to reach the goal of zero injuries.

Borouge

Borouge, Borealis' joint venture with the Abu Dhabi National Oil Company (ADNOC) in the United Arab Emirates (UAE), commenced the construction of its fifth polypropylene unit within the Borouge 3 plant in Ruwais, UAE. This will grow Borouge's polypropylene capacity by more than 25% to 2.24 million tonnes per year and unlock new opportunities to boost the local economy. Contributing to growing Borouge's total polymers production capacity by almost 11% to reach 5 million tonnes per year, the PP5 unit is an important step towards meeting the increasing requirements of customers across the world, especially in the field of household packaging, including food containers and films that are light, stiff and transparent and can be used, re-used and recycled. Enabled by Borealis' proprietary Borstar® technology, Borouge's PP5 unit will become the tenth Borstar unit in Ruwais.

Borealis strengthens commitment to customers and continues journey of sustainable global growth

In 2018, Borealis strengthened its commitment to support the growth of its European customers by taking the final investment decision for a new, world-scale propane dehydrogenation (PDH) plant in Kallo (Antwerp), Belgium, after successfully concluding the Front-End Engineering & Design (FEED) study in June 2018. The plant is scheduled to start up in the first half of 2022 and will have a targeted production capacity of 750,000 tonnes per year, making it one of the largest and most efficient facilities in the world. The Borealis Kallo location was selected due to its excellent logistical position, its experience in propylene production, material handling and synergies with the existing PDH unit.

Borealis took the final investment decision to expand the capacity of its polypropylene (PP) plant in Kallo, Belgium, by 80kt. The added capacity is expected to come on stream in mid-2020. Borealis also approved the start of the FEED phase for the expansion of its PP plant in Beringen, Belgium. The final investment decision on this 250-300kt expansion is foreseen by the end of 2019.

Borealis, Total and NOVA Chemicals announced the establishment of their joint venture in petrochemicals on the U.S. Gulf Coast. The company named Bayport Polymers LLC (Baystar™) is 50% owned by Total and 50% owned by Novealis Holdings LLC, a joint venture between Borealis and NOVA Chemicals. The Baystar joint venture includes an under-construction 1Mt/y ethane steam cracker in Port Arthur, Texas, as well as Total's existing polyethylene 400kt/y facility in Bayport, Texas. In September 2018, the joint venture also announced the final investment decision to build a 625kt/y Borstar polyethylene unit at its production site in Bayport in September 2018. The new unit, which is scheduled

to start up in 2021, will more than double the site's polyethylene capacity to 1.1Mt/y and will serve the customer base in the North American markets with Borstar polyethylene.

Borealis strengthened its commitment to plastics recycling and the circular economy, with the full acquisition of Austrian plastics recycler Ecoplast Kunststoffrecycling GmbH. 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 low- and high-density polyethylene (LDPE and HDPE) recyclates, primarily, but not exclusively, for the plastic film market. Borealis also launched its new communication platform, EverMinds™, a dedicated umbrella brand created to heighten the visibility of plastics circularity and promote a more circular mind-set within the polyolefins industry. The [EverMinds platform](#) will enable Borealis to take concrete actions together with their value chain partners and customers to implement the principles of the circular economy on a wider scale in the industry. It facilitates deeper collaboration between Borealis and its partners in order to develop innovative and sustainable polyolefins solutions based on the circular principles of reduce, re-use, recycling, and design for circularity. EverMinds also extends to pioneering corporate programmes such as [Project STOP](#), and engagement in industry initiatives like the Polyolefins Circular Economy Platform (PCEP), and Project CEFLEX.

Outlook

“2018 was another year with a strong financial performance for Borealis. With the slowdown of the global economy and the increased geopolitical risk, we expect the market conditions to be less favourable in 2019. However, with our focus on customers, value creation through innovation and circularity, Borealis is well positioned for the future. Improvements in operational reliability and an embedded commercial and operational excellence mind-set will further optimize our performance. Additionally, we are convinced that the dedicated management team for the Fertilizer and Melamine business will achieve significantly improved financial performance quickly. As a result we anticipate 2019 to be another good year,” says Alfred Stern, Borealis CEO. “During 2019 we will continue to increase the value we deliver to our customers by making progress on our ongoing growth projects, driving excellence in our core businesses and – last but not least – taking additional steps in the circular economy.”

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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 more than 6,800 employees and operates in over 120 countries. Borealis generated EUR 8.3 billion in sales revenue and a net profit of EUR 906 million in 2018. 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 globally, in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC) and with Bayport Polymers, a joint venture with Total and NOVA Chemicals in Texas, USA.

For further information visit:

www.borealisgroup.com

www.stopoceanplastics.com

www.borealiseverminds.com