

Media Release

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Borealis records a solid second quarter and first half year supported by strong European business performance

Key figures and ratios		Q2 2019	Q2 2018	YTD 2019	YTD 2018
Net Sales	EUR million	2,137	2,149	4,280	4,200
<i>Total Sales*</i>	<i>EUR million</i>	2,583	2,460	5,127	4,848
Net Profit	EUR million	328	293	528	533
Reduction / (increase) in net interest-bearing debt	EUR million	279	176	(149)	(384)
Gearing	%			22%	19%

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

Borealis announces a net profit of EUR 328 million for the second quarter of 2019, compared to EUR 293 million in the same quarter of 2018. The solid result was supported by good integrated polyolefin margins in Europe and improved results in the Borealis fertilizer business, which offset a weaker polyolefins market in Asia.

On 7 June 2019, the Finnish and Austrian tax authorities **reached an agreement** on two cases regarding the taxation of Borealis Finnish subsidiaries Borealis Technology Oy and Borealis Polymers Oy. The dispute was resolved through a Mutual Agreement Procedure (MAP) between Finland and Austria. Borealis welcomes that an agreement has been reached which finally eliminates double taxation.

In the second quarter, net debt was reduced by EUR 279 million, driven by the business performance and a healthy contribution from Borouge. The Borealis financial position remains strong, with a net gearing ratio of 22% at the end of the second quarter of 2019.

Outlook

"Borealis has achieved a respectable result for the second quarter, which translates into solid results for the first half year. While Borouge is facing a softer polyolefin market in Asia, the fertilizer business considerably improved in the first half of 2019," said Borealis CEO Alfred Stern. "For the second half of 2019, we expect pressure on integrated polyolefin margins in Europe, but remain confident that Fertilizers will continue on a positive trend."

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Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals, fertilizers and melamine. 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 Baystar™, a joint venture with Total and NOVA Chemicals in Texas, USA. www.borealisgroup.com
