

25.02.2013 – 10:01 Uhr

EANS-Tip Announcement: Borealis AG / Yearly Report

Tip announcement for financial statements transmitted by euro adhoc. The issuer is responsible for the content of this announcement.

Borealis continues to deliver strong results in 2012 despite a volatile market environment

- Borealis announces a net profit of EUR 480 million in 2012, compared to EUR 507 million in 2011
- Growth and innovation continue to dominate Borealis' agenda
- Agreement reached to acquire DEXPlastomers whose products complement the polyolefins product portfolio
- Continuing the fertilizer growth strategy, Borealis made a firm offer on February 6, 2013 to TOTAL to acquire all outstanding shares of GPN SA and to acquire a 56.86% block of shares in Rosier SA

Borealis, a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers, announces a net profit of EUR 100 million in the fourth quarter of 2012, compared to EUR 58 million in the same quarter of 2011. The company recorded a net profit of EUR 480 million in 2012, compared to EUR 507 million in 2011. The reduction in 2012 was largely driven by a weaker margin environment in Europe within the Polyolefins business. In 2012, net debt increased by EUR 403 million, due in part to the acquisition of the French fertilizer producer PEC-Rhin and other investments to position the company for future growth. Despite the increase in debt, Borealis' financial position remains strong with a gearing of 43%.

2012: A year marked by high volatility

The Base Chemicals business, especially the Fertilizer business, and the joint venture Borouge significantly contributed to Borealis' positive results for the year. The European polyolefins market continued to be challenging with lower demand levels adversely affecting margins, particularly in the second half of the year.

Growth and innovation still continue to dominate Borealis' agenda

Despite a challenging year, Borealis continued to invest for the future. In a move to further strengthen its Base Chemical business segment, Borealis completed the acquisition of French fertilizer producer PEC-Rhin at the beginning of the year, now known as Borealis Ottmarsheim. The fertilizer sales out of Borealis Ottmarsheim have since been successfully integrated into Borealis' LINZER AGRO TRADE sales channel. The site celebrated at year-end 2012 the breaking of a 16 year old record for fertilizer production.

In addition, Borealis made a firm offer on February 6, 2013 to TOTAL to acquire all outstanding shares of GPN SA and to acquire a 56.86% block of shares in Rosier SA (listed on the NYSE Euronext in Brussels), both suppliers of fertilizers in France and the Benelux region. Following the firm offers, employee representatives are being informed and consulted. The planned acquisitions are subject to the approval of the relevant authorities, in particular the relevant antitrust authorities. The proposed acquisition of Rosier will only be completed if Borealis simultaneously acquires all outstanding shares of GPN.

The construction of the semi-commercial polyolefin catalyst plant in Linz, Austria was completed in August 2012. After an intensive commissioning phase, the plant was started up successfully and a first batch of Borealis' Ziegler Natta polypropylene catalyst, based on its proprietary Sirius emulsion technology, was produced in December. The ability to develop and manufacture proprietary catalysts for the production of its most advanced polyolefins lies

at the heart of Borealis' polyolefin growth and innovation strategy.

In November, Borealis reached an agreement to acquire DEXPlastomers, a 50/50 joint venture owned by Royal DSM and ExxonMobil Chemical Company. The products of DEXPlastomers are specialties that fully complement Borealis' current Polyolefins business. The agreement underpins Borealis' commitment to its Value Creation through Innovation strategy. The transaction is still subject to customary approvals and notifications.

The Borouge 3 expansion project in Abu Dhabi, UAE, is on schedule, with the annual production capacity of the integrated olefins/polyolefins site set to rise from 2 million tonnes today to 4.5 million tonnes by mid-2014.

Expecting challenging years ahead

"In 2012 our Fertilizer business as well as our joint venture Borouge significantly contributed to our profitability," states Mark Garrett, Borealis Chief Executive. "However, 2012 showed that the polyolefins industry in Europe is still suffering from low growth and margins, and it is likely that this will not improve materially for some time. We will further optimise our European operations in order to be sustainably profitable to grow in these volatile markets."

"Despite the difficult market environment, Borealis again delivered solid results in 2012," says His Excellency, Khadem Al Qubaisi, Chairman of Borealis' Supervisory Board and Managing Director of IPIC (Abu Dhabi based International Petroleum Investment Company). "I am confident that Borealis' consistent winning strategy will support the company's growth agenda also in 2013."

END

The company Borealis AG is declaring the following financial reports below:

Report Type: Yearly Report

German:

Publication Date : 25.02.2013

Publication Location:

<http://www.borealisgroup.com/news-and-events/financial-news/investor-information/>

English:

Publication Date : 25.02.2013

Publication Location:

<http://www.borealisgroup.com/news-and-events/financial-news/investor-information/>

end of announcement

euro adhoc

issuer: Borealis AG

Wagramerstrasse 17-19

A-1220 Wien

phone: +43 1 22 400

FAX: 43 1 22400 333

mail: info@borealisgroup.com

WWW: www.borealisgroup.com

sector: Chemicals

ISIN: AT0000A0H0V3

indexes:

stockmarkets: Regulated free trade: Wien

language: English

Original content of: Borealis AG, transmitted by news aktuell

Diese Meldung kann unter <https://www.presseportal.de/en/pm/80044/2422046> abgerufen werden.