

Borealis

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2013

About Borealis

Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With headquarters in Vienna, Austria, Borealis currently employs around 6,200 and operates in over 120 countries. It generated EUR 7.5 billion in sales revenue in 2012. The International Petroleum Investment Company (IPIC) of Abu Dhabi owns 64% of the company, with the remaining 36% owned by OMV, the leading energy group in the European growth belt. 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).

Building on the unique Borstar® and Borlink™ technologies and 50 years of experience in polyolefins, Borealis and Borouge support key industries including infrastructure, automotive and advanced packaging. The Borouge plant expansion in Abu Dhabi will be fully operational by mid-2014 with a total annual capacity of 4.5 million tonnes. After this, Borealis and Borouge will have approximately 8 million tonnes of polyolefin capacity.

Borealis offers a wide range of base chemicals, including melamine, phenol, acetone, ethylene and propylene servicing a wide range of industries. Together with Borouge the two companies will produce approximately 6 million tonnes of Base Chemicals in 2014.

Borealis also creates real value for the agricultural industry with a large portfolio of fertilizers. The company distributes approximately 2.1 million tonnes per year. This volume will increase to around 5 million tonnes by the end of 2014.

Borealis and Borouge aim to proactively benefit society by taking on real societal challenges and offering real solutions. Both companies are committed to the principles of Responsible Care®, an initiative to improve safety performance within the chemical industry, and contribute to solve the world's water and sanitation challenges through product innovation and their Water for the World™ programme.

For more information visit:

www.borealisgroup.com

www.borouge.com

www.waterfortheworld.net

Borstar is a registered trademark of the Borealis Group.

Borlink and Water for the World are trademarks of the Borealis Group.

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OUR VALUES

RESPONSIBLE

We are leaders in Health, Safety and the Environment

We are good neighbours wherever we operate

We do business according to high ethical standards

RESPECT

We involve people and communicate in a straightforward way

We work together – helping and developing each other

We are 'One Company' – building on diversity

EXCEED

Our customers' and owners' success is our business

We win through commitment and innovation

We deliver what we promise – and a little bit more

NIMBLICITY™

We are fit, fast and flexible

We create and capture opportunities

We seek the smart and simple solutions



About us

OUR STRATEGY IS CLEAR

**FROM NEW TECHNOLOGIES TO SERVICES AND SOLUTIONS –
EVERYTHING WE DO IS ROOTED IN A CLEAR STRATEGY**

Grow

our PO business
in Infrastructure,
Automotive and
Advanced
Packaging

Expand

Borouge to supply
growth in the Middle
East and Asia and
leverage into Europe

Continue

to drive productivity in Base
Chemicals with a focus on
growth in Fertilizers and
strengthening cracker asset
base and business

Pursue

operational excellence,
considering safety at
all times

Achieve

a step change in
innovation

Exceed

in serving our customers
with a focus on quality
and reliable execution

Continue

to develop our cross-cultural
organisational capability and
learning organisation

Outperform financially ...

11%+ average return on capital employed (ROCE) after tax

40–60% debt to equity ratio

OUR BUSINESS is strong and growing

As a leading provider of innovative chemicals and plastic solutions, Borealis looks back at more than 50 years of experience. But with tomorrow in focus, the two business groups Polyolefins and Base Chemicals will continue to excel in quality and reliability whilst offering products that enhance society in general and address global challenges in particular.

POLYOLEFINS

Infrastructure: pipe systems

A well-established and highly experienced market leader in materials for advanced polyolefin pipe systems, Borealis' applications include water and gas distribution, wastewater and sewage disposal, chemical and industrial pipelines, in-house plumbing and heating as well as pipe coating solutions for oil and gas exploration and transportation.

Infrastructure: energy and communication cables

Borealis is the leading provider of polyolefin compounds for the global wire and cable industry. The company delivers effective solutions that are widely applied in low, medium, high and extra high-voltage energy transmission and distribution cables, in data and communication cables as well as in building and automotive wires and cables.

Automotive

Borealis' advanced polyolefin plastics are the first choice of renowned global automotive manufacturers, who use our innovative solutions for a wide range of exterior, interior and under-the-bonnet applications. These include bumpers, body panels, trims, dashboards, door cladding, climate control units, air intake manifolds and battery cases.

Advanced packaging

Thanks to their superior properties and excellent flexibility, Borealis polyolefins are the advanced packaging material of choice for applications in healthcare, courier bags, food packaging, flexible and rigid transport packaging, bottles, crates, boxes, trays, large containers and pallets.



BOREALIS AND BOROUGE

Driving change and leading the way – Borealis and Borouge, its joint venture with the Abu Dhabi National Oil Company (ADNOC), make life more comfortable in many ways, from everyday products to next-generation technological advancements.

OUR BUSINESS

CUTTING-EDGE TECHNOLOGIES: BORSTAR® AND BORLINK™

Borealis' cutting-edge Borstar® technology is a crucial contributor when it comes to meeting today's growing demand for advanced plastics and the development of innovative, value-creating products of the next generation. Borstar is the company's proprietary process technology. Combined with its unique catalyst technology, it supports the production of a wide range of enhanced polyethylene (PE) and polypropylene (PP) products. Borstar PE 3G and Borstar PP 2G are Borealis' next-generation technologies. They represent a leap forward in process technology, allowing flexible polymer design from bi-modal to multi-modal PE/PP and facilitating the development of an ever-widening range of new plastics that outperform alternative materials in meeting the needs of manufacturers and end users. By tailoring the molecular structure of PE and PP to precisely match

the application requirements, Borstar PE 3G and Borstar PP 2G extend the product range, making it possible to create more sophisticated, customer-oriented solutions characterised by a unique combination of outstanding mechanical properties and excellent processability.

Borlink™ is an innovation that underscores Borealis' commitment to the wire and cable industry. It combines the company's leading production technology with the support of our world-leading application experts. Borlink serves as a platform for Borealis and Borouge to work together with the entire energy infrastructure value chain to establish innovative solutions that address the challenges of an increasingly interconnected world.



BASE CHEMICALS

Feedstocks and olefins

Borealis sources basic feedstocks such as naphtha, butane, propane and ethane from the oil and gas industry and converts these into ethylene and propylene through its olefin units. Steam crackers in Finland, Sweden and Abu Dhabi, the latter operated by Borouge, produce both ethylene and propylene, while propylene is also produced in a propane dehydrogenation plant in Kallo, Belgium. Feedstock and olefins required for Borealis' plants and those of its joint ventures are sourced from its owners or joint venture partners; any surplus requirement is purchased from the markets. A range of co-products from the steam cracking process, including pygas and butadiene, are also sold to international markets.

Phenol and aromatics

Phenol, benzene and cumene as well as acetone are produced in Finland and are sold mainly to the adhesive, fibre, epoxy resin and polycarbonate industries in Northern Europe. Phenol is used in adhesives, construction materials, carpets, CDs, DVDs, mobile phones and household appliances. Borealis is the leading phenol producer in the Nordic and Baltic regions. Acetone is commonly used in solvents for paints, acrylics, fibres and pharmaceuticals. Benzene and cumene are feedstocks for other chemical processes.

Fertilizer and melamine

Fertilizer is produced in Linz, Austria and in Grandpuits and Grand-Quevilly, France. Melamine is produced in Linz, Austria and at Borealis facilities in Piesteritz, Germany. The company is the European leader in the melamine market and a leading provider of fertilizer in the Danube region.



MANAGEMENT REPORT – HALF YEAR REPORT 2013

Borealis incurred a total number of recordable injuries (TRIs) per million working hours of 1.4 compared to a frequency of 1.5 during the same period last year. The improvement compared to last year demonstrates Borealis' ongoing commitment to safety, which remains its top priority at all times. The company will continue to work with all employees and contractors to continuously improve safety performance with the ultimate goal of an accident-free working environment.

The first six months of 2013 were influenced by continuing economic uncertainties. Feedstock prices peaked in February before declining in March-April and stabilised during the May-June period. Brent Crude reached an average of 116 USD/bbl in February before declining 11% to 103 USD/bbl during May-June. Naphtha followed a similar pattern to Brent Crude and ethylene and propylene contract prices followed the same pattern with only a small increase in June.

The European polyolefins demand in the first six months of 2013 was unchanged from the same period in 2012. Despite this, Borealis managed to increase its sales volume by 7% to approximately 1.8 million tonnes compared to 1.7 million tonnes in the same period in 2012. Market prices for polyolefins followed monomer contract prices, with a softening from March to May followed by a slight recovery in June. Borealis fertilizers sales volume increased by 6% in the first 6 months of 2013 compared to the same period of last year following the successful integration of Borealis Ottmarsheim, which was acquired in February 2012.

Borealis achieved a positive operating result of EUR 72 million during the first six months of 2013, compared to EUR 106 million in the same period 2012. The operating profit of the Polyolefins business deteriorated due to decreasing prices and the resulting negative inventory effects. The operating profit excluding inventory effects (clean operating profit) improved compared to the same period of last year. The Base Chemicals business had a strong performance in the first six months of 2013, similar to the same period in 2012. All businesses within Base Chemicals contributed positively to the results.

Borealis' net debt increased by EUR 327 million during the first six months of 2013 driven by acquisitions and a dividend payment to Borealis' shareholders. On March 1, 2013 Borealis acquired the Dutch speciality plastics producer DEX Plastomers. On June 28, 2013 Borealis acquired France's largest nitrogen fertilizer manufacturer, GPN S.A., from TOTAL as well as TOTAL's majority interest of 56.86% in Rosier S.A. Investments in tangible and intangible assets reached EUR 117 million compared to EUR 132 million in the same period of 2012. Borealis' financial position remains solid with a gearing of 50% at the end of June compared to 44% at the end of June 2012.

To support the strategy of maintaining a strong liquidity position, Borealis concluded an acquisition finance syndicated term loan for EUR 100 million in March 2013. In addition, EUR 150 million of the EUR 1 billion of the syndicated revolving facility was drawn to finance the acquisitions in the first half of 2013. Borealis continues to maintain a strong liquidity position through its EUR 1 billion fully committed revolving credit facility of which EUR 850 million remained undrawn at the end of June 2013 and by terming out its debt through diverse funding channels.

The Borouge joint venture continued to perform well, delivering a net profit contribution for Borealis of EUR 137 million in the first six months of 2013 compared to EUR 198 million in the same period last year. The result in the first six months of 2013 was negatively impacted by the turnaround activities during the first quarter and the ongoing preparations for the Borouge 3 start up. Borouge 3 will increase the annual production capacity of the company's integrated polyolefin site from the current 2 million tonnes to 4.5 million tonnes by mid-2014. Over 23,000 contractors and sub-contractors are involved in the construction work in Ruwais.

The recently completed investments and acquisitions in polyolefins and fertilizers demonstrate Borealis' commitment to continue to grow in its core markets. On June 3, 2013 Borealis inaugurated its new catalyst plant in Linz, which pioneers Borealis' Sirius catalyst technology.

The Sirius technology as well as the acquisition of DEX Plastomers will further enable Borealis to expand its offerings within plastics and position the company to grow with innovative solutions. The acquisitions of GPN and 56.86% of Rosier complement Borealis' existing fertilizer assets and market position and support the strategy to grow the fertilizer business and become a leading producer in Europe.

Borealis and Borouge are committed to the principles of Responsible Care® and proactively contribute to addressing the world's water and sanitation challenges through their CSR programme "Water for the World". Since its launch in 2007, Water for the World has directly improved access to water for about a quarter of a million people and the number of people indirectly impacted is well over one million. Together with local NGOs and pipe customers, Water for the World has supported projects in India, Vietnam, Nepal, China and Pakistan. On March 7, 2013, the Water for the World programme received the "Outstanding International Development Project in a Fragile State" award from the non-profit organisation HEED. The award was presented by His Royal Highness the Duke of Gloucester, President of British Expertise. The award was granted as recognition for the programme's efforts to provide access to water to 5,200 people after the devastating floods of 2010 in Northern Pakistan.

Borealis announced Indira Thapa and Alexander Kogler as the winners of its 2013 Borealis Student Innovation Awards. The awards recognise the most innovative research papers for master's students and doctorate degree candidates working in olefins and polyolefins. The master's thesis award went to Alexander Kogler, while Indira Thapa received the PhD award. The high quality of submissions and high standards of innovation insight will bring significant benefits to the industry in the future.

"Open Your Mind" will be the key message at K 2013 in Dusseldorf from October 16 to October 23 for Borealis, Borouge and NOVA Chemicals. The combined presence of Borealis, Borouge and NOVA Chemicals at K 2013 will allow participants to see the future opportunities and value created through continuous investments that are expanding all three companies' capabilities and offerings, as well as underpinning their leading positions in the polyolefins business.

Borealis' Executive Board and senior management expect the second half of 2013 to remain challenging, especially in Europe, driven by the weak economic environment. Within this context the results for the first six months are solid. Borealis continues to benefit from its long-term strategy to develop the Base Chemicals business segments, to grow the value added Polyolefins business and to further expand the Borouge joint venture. By staying true to its strategy of focusing on innovation, commercial and operational excellence, while never compromising on safety the Executive Board is confident that Borealis will also be able to deliver a solid performance in the second half of 2013.

Review of results

Sales

The business environment in the first half of 2013 remained challenging for the European polyolefins industry. Borealis increased its polyolefins sales volume by 7% and realised sales of 1.8 million tonnes of polyolefins for the first six months of 2013. Fertilizer sales realised another period of growth, reaching a sales level of 1.3 million tonnes (6% increase compared to first six months of 2012). Melamine sales volumes decreased from 78 kt to 70 kt whilst margins recovered. The phenol and aromatics business improved its sales volume by 3% when compared to the first half of the previous year. Compared to the same period last year, pricing improved for both phenol and melamine whilst polyolefins remained stable, whereas fertilizer prices dropped by 2%.

Cost development

As a result of overall higher feedstock costs, as well as the acquisition of DEX Plastomers, total production costs increased by approximately 6% versus 2012. Underlying sales and distribution costs increased by 9% year on year, due to higher sales volumes generated. The number of full-time equivalent employees (FTEs) at the end of June 2013 was 6,231, compared to 5,339 as of December 2012. The increase in headcount is mainly attributable to the acquisition of DEX Plastomers, GPN and Rosier in the course of the first half of 2013.

Operating profit

Operating profit for the first six months of 2013 amounted to EUR 72 million compared to EUR 106 million for the same period of 2012. Reducing prices in the polyolefin market during the period February-May 2013, leading to negative inventory effects, are the main cause for the lower results.

Financial income and expenses

Net financial expenses for the first six months of 2013 amounted to EUR 31 million, on the same level as for the first six months of 2012.

Taxes

The provision for income taxes for the first six months of 2012 amounted to EUR 34 million, compared to EUR 21 million in 2012. The increase is attributable to tax losses in the first six months of 2013, for which no deferred tax assets were recognised. Borealis paid income taxes of EUR 16 million in the first six months of 2013, compared with EUR 20 million in the same period of 2012.

Net profit and distribution of dividend

The net profit for the first six months of 2013 amounted to EUR 144 million, compared to a net profit of EUR 252 million in first six months of 2012. In March 2013, Borealis distributed a dividend of EUR 60 million to its shareholders from the results of the financial year 2012.

Financial position

Total assets/capital employed

At the end of June 2013, the total assets and capital employed stood at EUR 7,511 million and EUR 5,632 million respectively, compared to EUR 6,956 million and EUR 5,237 million at year-end 2012. The increase results largely from the acquisition of DEX Plastomers, GPN and Rosier group of companies.

The solvency ratio was 51% at June 30, 2013, down by 2% compared to year-end 2012. The gearing ratio increased to 50%, compared to 43% at the end of December 2012 as a result of the recent acquisitions. Net debt increased in the first half of 2013 by EUR 327 million to EUR 1,872 at the end of June 2013. Total equity increased by EUR 86 million in the first six months of 2013, mainly as a result of the profit generated in the first six months and the minorities recognised through the Rosier SA acquisition, partially offset by foreign exchange translation effects.

Cash flows and liquidity reserves

Cash flow from operations for the first six months of 2013 was EUR 176 million, reflecting, amongst other factors, the positive working capital development in the first half of 2013. Liquidity reserves, composed of undrawn, long-term committed credit facilities and cash balances, amounted to EUR 897 million at end of June 2013, compared to EUR 1,095 million at year-end 2012. Several short-term bank lines were utilised, which led to the reduction.

Capital expenditure

Investments in tangible assets amounted to EUR 95 million in the first six months of 2013, compared to EUR 118 million in the same period of 2012. The largest portion of this investment relates to the investment project to improve efficiency and reliability at the company's Linz facility.

Vienna, August 19, 2013

Management



Mark Garrett
Chief Executive



Daniel Shook
Chief Financial Officer



Markku Korvenranta



Herbert Willerth



Alfred Stern

INTERIM CONSOLIDATED INCOME STATEMENT

EUR million	2013	2012	Note
For the six months ended June 30	Unaudited	Unaudited	
Net sales	3,955	3,751	1
Production costs	-3,451	-3,247	
Gross profit	504	504	
Sales and distribution costs	-284	-260	
Administration costs	-94	-92	
R&D costs	-54	-45	
Operating profit	72	106	
Net results in associated companies after tax	137	198	
Financial income	4	5	
Financial expenses	-35	-36	
Profit before taxation	178	273	
Taxes	-34	-21	
Net profit for the period	144	252	
Attributable to:			
Non-controlling interest	0	1	
Equity holders of the parent	144	251	

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	2013	2012
For the six months ended June 30	Unaudited	Unaudited
Net profit for the period	144	252
Items that may be reclassified subsequently to the income statement		
Net gain/loss on translation of financial statements of foreign operations	5	80
Reclassifications during the period to the income statement	0	0
Tax effect recognised in other comprehensive income	0	0
Net gain/loss on long-term loans to foreign operations	-3	3
Reclassifications during the period to the income statement	0	0
Tax effect recognised in other comprehensive income	0	-1
Net gain/loss on loans and financial contracts to hedge investments in foreign operations	-3	-13
Reclassifications during the period to the income statement	0	0
Tax effect recognised in other comprehensive income	0	3
Fair value adjustment of cash flow hedges	-38	-44
Reclassifications during the period to the income statement	19	35
Tax effect recognised in other comprehensive income	0	2
Items that will not be reclassified to income statement		
Actuarial gains and losses	0	0
Tax effect recognised in other comprehensive income	0	0
Net income/expense recognised in other comprehensive income	-20	65
Total comprehensive income	124	317
Attributable to:		
Non-controlling interest	0	1
Equity holders of the parent	124	316

INTERIM CONSOLIDATED BALANCE SHEET

EUR million	30.06.2013	31.12.2012	Note
	Unaudited	Audited	
Assets			
Non-current assets			
Intangible assets	323	273	2
Tangible assets			2
Production plants	2,455	2,383	
Machinery and equipment	29	29	
Construction in progress	325	192	
	2,809	2,604	
Investments in associated and jointly controlled companies	1,907	1,751	4
Other investments	18	15	10
Other receivables and other assets	22	15	10
Deferred tax assets	195	191	5
Total non-current assets	5,274	4,849	
Current assets			
Inventories	1,048	1,053	6
Receivables			
Trade receivables	777	584	10
Receivables from associated companies	84	95	10, 12
Income taxes	7	10	10
Other receivables and other assets	274	300	10
	1,142	989	
Cash and cash equivalents	47	65	
Total current assets	2,237	2,107	
Total assets	7,511	6,956	

INTERIM CONSOLIDATED BALANCE SHEET

EUR million	30.06.2013	31.12.2012	Note
	Unaudited	Audited	
Total equity and liabilities			
Shareholders' equity			
Share capital and contributions by shareholders	1,619	1,619	
Reserves	-82	-62	
Retained earnings	2,144	2,060	
	3,681	3,617	
Non-controlling interest	32	10	
Total equity	3,713	3,627	
Liabilities			
Non-current liabilities			
Loans and borrowings	1,334	1,236	9, 10
Deferred tax	294	293	
Employee benefits	307	284	
Provisions	59	49	7
Government grants	21	23	8
Other liabilities	108	22	10
	2,123	1,907	
Current liabilities			
Loans and borrowings	585	374	9, 10
Trade payables	757	754	10, 12
Income taxes	5	7	
Provisions	2	5	7
Other liabilities	326	282	10
	1,675	1,422	
Total liabilities	3,798	3,329	
Total equity and liabilities	7,511	6,956	

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital* and contributions by shareholders	Reserve for actuarial gains/losses recognised in equity	Hedging reserve	Reserve for unrealised exchange gains	Retained earnings	Total attributable to the equity holders of the parent	Attributable to non-controlling interest	Total equity
For the six months ended June 30								
Balance as of December 31, 2012	1,619	-102	-23	63	2,060	3,617	10	3,627
Profit of the period	0	0	0	0	144	144	0	144
Other comprehensive income	0	0	-19	-1	0	-20	0	-20
Total comprehensive income	0	0	-19	-1	144	124	0	124
Dividend payment by subsidiaries	0	0	0	0	0	0	0	0
Dividend payment	0	0	0	0	-60	-60	0	-60
Business combination	0	0	0	0	0	0	22	22
Transfer of reserves	0	0	0	0	0	0	0	0
Balance as of June 30, 2013 (unaudited)	1,619	-102	-42	62	2,144	3,681	32	3,713
Balance as of December 31, 2011	1,799	-63	-34	63	1,511	3,276	10	3,286
Profit of the period	0	0	0	0	251	251	1	252
Other comprehensive income	0	0	-7	73	0	65	0	65
Total comprehensive income	0	0	-7	73	251	316	1	317
Dividend payment by subsidiaries	0	0	0	0	0	0	0	0
Dividend payment	0	0	0	0	-110	-110	0	-110
Transfer of reserves	0	0	0	0	0	0	0	0
Balance as of June 30, 2012 (unaudited)	1,799	-63	-41	136	1,652	3,482	11	3,493

* Share capital of Borealis AG (parent company) amounts to EUR 300,000 (30.6.2012: EUR 300,000).

A dividend of EUR 60 million was paid in 2013 out of the result of the year 2012.

INTERIM CONSOLIDATED CASH FLOW

EUR million	2013	2012	Note
For the six months ended June 30	Unaudited	Unaudited	
Cash flows from operating activities			
Payments from customers	3,883	3,573	
Payments to employees and suppliers	-3,657	-3,510	
Interest received	1	2	
Interest paid	-29	-26	
Other financial expenses paid	-6	-10	
Income taxes paid	-16	-20	
	176	9	
Cash flows from investing activities			
Investments in tangible assets	-95	-118	
Investments in intangible assets and other investments	-22	-14	
Acquisition of subsidiaries	-236	-93	3
Capital injections/repayments of associates	0	-69	
	-353	-294	
Cash flows from financing activities			
Long-term loans obtained	100	76	
Short-term loans obtained	292	459	
Long-term loans repaid	0	-174	
Short-term loans repaid	-172	0	
Dividends paid	-60	-110	
	160	251	
Net cash flow for the period	-17	-34	
Cash and cash equivalents as of January 1	65	96	
Effect of exchange rate fluctuations on cash held	-1	-1	
Cash and cash equivalents as of June 30	47	61	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Reporting entity

Borealis AG (the “Company” or “Group”) is a company domiciled in Austria. The address of the Company’s registered office is Wagramer Strasse 17–19, 1220 Vienna, Austria. Borealis is a leading provider of chemical and innovative plastics solutions.

In our Polyolefins segment we focus on three specific market sectors: infrastructure (including pipes for utilities such as water, gas and sewage and oil transport as well as power and communication cables), automotive (components that enhance safety and bring lightweight energy saving and corrosion-proof solutions) and advanced packaging (niche and specialised applications in rigid moulded and flexible film packaging as well as highly advanced medical applications).

Base Chemicals is the other reporting segment and includes the following product ranges: phenol/aromatics (phenol and acetone), feedstock (naphtha, LPG, etc.), olefins (ethylene, propylene, butadiene, etc.), melamine and fertilizer.

Basis of preparation

The interim consolidated financial statements for the six months ended June 30, 2013 have been prepared in compliance with International Financial Reporting Standards as adopted by the EU, IAS 34 for interim financial statements. They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as of December 31, 2012.

The interim consolidated financial statements for the six months ended June 30, 2013 are unaudited and have not been subject to an external audit review.

The interim consolidated financial statements are presented in Euro, rounded to the nearest million.

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2012. The adoption of IFRS 10 and IFRS 11, effective as of January 1, 2013, do not change the consolidation group of Borealis nor are there any entities becoming or ceasing to be investment entities in accordance with IFRS 10.

The following new standards and interpretations, as endorsed by the EU, are applied as of January 1, 2013:

- IFRS 7 Disclosures: Offsetting Financial Assets and Financial Liabilities (amended), effective January 1, 2013
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12), effective January 1, 2013
- IFRS 13 Fair Value Measurement (new standard), effective January 1, 2013
- IAS 1 Presentation of Items of Other Comprehensive Income (amended), effective July 1, 2012
- IAS 19 Employee Benefits (amended), effective January 1, 2013
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (new interpretation), effective January 1, 2013
- IFRS 1 Government Loans (amended), effective January 1, 2013
- Improvements to IFRSs 2009–2011 (May 2012), effective January 1, 2013

Effective means effective for annual periods beginning on or after that date

The adoption of the new and amended standards and interpretations stated above is included in the financial statements. This did not have a material impact on the financial position or performance of the Group.

1. Segment reporting

EUR million	Polyolefins		Base Chemicals		Non-Allocated		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012
For the six months ended June 30, if not indicated otherwise								
Net sales by business:								
Total sales	2,642	2,484	3,523	3,240	35	45	6,200	5,769
Group internal sales	0	0	-2,245	-2,018	0	0	-2,245	-2,018
	2,642	2,484	1,278	1,222	35	45	3,955	3,751

Prices for Group inter-segment sales are based on monthly market prices for ethylene and propylene contracts.

Result:

Operating profit	-4	2	204	214	-128	-110	72	106
Net result in associated companies					137	198	137	198
Net financial items					-31	-31	-31	-31
Income tax					-34	-21	-34	-21
Non-controlling interest					0	-1	0	-1
Net profit for the year attributable to equity holders of the parent							144	251

Other information:

Investments in tangible assets	36	70	59	44	0	2	95	118
Depreciation and amortisation	67	65	51	48	28	23	146	136

	30.06.	31.12.	30.06.	31.12.	30.06.	31.12.	30.06.	31.12.
Segment assets	3,292	3,302	2,011	1,611	2,208	2,043	7,511	6,956
<i>thereof Austria</i>	1,965	1,993	811	905	2,002	1,790	4,778	4,688
Segment liabilities					3,798	3,329	3,798	3,329

2. Intangible and tangible assets

Borealis invested EUR 82 million into intangible assets in the first six months of 2013 (first six months 2012: EUR 54 million), whereof EUR 60 million (first six months 2012: EUR 40 million) were acquired through business combinations, including goodwill of EUR 52 million (first six months 2012: EUR 40 million). The goodwill recognised is based on the preliminary purchase price allocation, which is expected to be finalised by year-end 2013. Additions arising from internal development amounted to EUR 11 million (first six months 2012: EUR 9 million). Intangible assets received by the way of government grants as allowances for emissions (EU Emissions Trading System) amounted to EUR 0 million (first six months 2012: EUR 14 million). Their carrying value is in line with their fair value. The impairment of intangible assets in the first six months of 2013 for which the carrying value exceeds the present value of future cash amounted to EUR 5 million (first six months 2012: EUR 3 million).

Additions to tangible assets in the first six months of 2013 amounted to EUR 347 million (first six months 2012: EUR 175 million), whereof EUR 252 million were acquired through business combinations (first six months 2012: EUR 53 million). Moreover, borrowing costs amounting to EUR 2 million (first six months 2012: EUR 2 million) have been capitalised, using a 3.5% (first six months 2012: 4%) interest rate. Major projects advanced in the first six months of 2013 relate to the Licence-to-operate project in Linz, Austria and the turnaround project in Geleen, The Netherlands.

Future capital expenditure approved (tangible and intangible) by Management totals EUR 380 million (31.12.2012: EUR 438 million), out of which EUR 63 million (31.12.2012: EUR 52 million) is contractually committed.

3. Business Combinations

Borealis has made three acquisitions in the first six months of 2013, which are described below:

3.1. Acquisition of DEX Plastomers

On March 1, 2013 Borealis (via Borealis Plastomers BV, in Heerlen, The Netherlands, a 100% subsidiary of Borealis AG, Vienna, Austria) has acquired the shares of DSM Plastomers B.V. and Exxon Chemical Holland Ventures B.V., each holding a 50% interest in DEX Plastomers V.O.F. in Heerlen, The Netherlands, from DSM Nederland B.V. and ExxonMobil Benelux Holdings B.V. DEX Plastomers was a 50/50 Joint Venture ultimately owned by Royal DSM and ExxonMobil Chemical Company.

The products of DEX Plastomers are specialties complementary to Borealis' current innovative plastic solutions. The acquisition underpins Borealis' commitment to its Value Creation through Innovation strategy, as Borealis believes there is significant potential in DEX-Plastomers' technology.

The acquisition has been accounted for using the acquisition method. The acquisition date fair value of acquired assets and liabilities is preliminary and may be adjusted as additional information is obtained. The interim consolidated financial statements include the results of Borealis Plastomers for the four-month period from the acquisition date.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of DEX Plastomers as at the date of acquisition were:

EUR million	Fair value recognised on acquisition*	Note
Assets		
Tangible and intangible assets	19	2
Inventories	52	
Trade receivables	17	
Other current receivables and other assets	9	
Cash and cash equivalents	7	
Total assets acquired	104	
Liabilities		
Loans and borrowings non-current liabilities	9	
Trade payables	34	
Other current liabilities	4	
Total liabilities	47	
Total identifiable net assets at fair value	57	
Goodwill arising on acquisition	52	2
Total purchase consideration transferred	109	
Percentage acquired	100%	

*Due to the recentness of the acquisition, the fair value recognised is preliminary and still subject to finalisation.

The total acquisition costs of 100% of the share capital of DSM Plastomers B.V. and 100% of the share capital Exxon Chemical Holland Ventures B.V., each holding a 50% interest in DEX Plastomers V.O.F. comprised of a cash payment of EUR 109 million and costs of EUR 1 million directly attributable to the acquisition. The cash acquired with this acquisition amounted to EUR 7 million, resulting in a net cash outflow on the acquisition of EUR 103 million. The transaction costs of EUR 1 million have been expensed and are included in administrative expenses in the income statement and are part of operating cash flows in the statement of cash flows.

DSM Plastomers B.V. was renamed as Borealis Plastomers 1 B.V., Exxon Chemical Holland Ventures B.V. was renamed as Borealis Plastomers 2 B.V. and DEX Plastomers V.O.F. as Borealis Plastomers V.O.F., all three referred hereinafter as Borealis Plastomers.

The fair value of the trade receivables acquired through this business combination amounted to EUR 17 million, and have been fully collected by June 30, 2013. From the date of acquisition to June 30, 2013, Borealis Plastomers has contributed EUR 55 million of revenue and EUR 1 million to the profit before taxation of the Group. If the combination had taken place at the beginning of the year, the revenue contribution from Borealis Plastomers would have been EUR 84 million and the profit before taxation would have been EUR 3 million.

The goodwill of EUR 52 million comprises the value of the expected synergies and other benefits from combining the assets and activities of former DEX Plastomers Group with those of Borealis. None of the recognised goodwill is deductible for income tax purposes. The purchase price allocation is expected to be finalised by year-end 2013.

3.2. Acquisition of GPN

On June 28, 2013 Borealis (via Borealis France S.A.S., in Nanterre, France, a 100% subsidiary of Borealis AG, Vienna, Austria) acquired the shares of GPN S.A., Nanterre, France, from Elf Aquitaine Fertilisants S.A., Nanterre, France (the Seller) a 100% subsidiary of TOTAL S.A., Paris, France.

GPN S.A. is France's largest manufacturer of nitrogen fertilizers and nitrogen oxide reducers. Borealis is already active in nitrogen fertilizers in Central Europe, as well as in France following its acquisition of PEC-Rhin S.A., today known as Borealis PEC-Rhin SAS, in early 2012. This acquisition is in line with Borealis' strategy to grow the fertilizer business and to become a leading producer in Europe.

GPN S.A. is the main production, sales and marketing entity. Furthermore GPN S.A. directly and indirectly holds shares in 12 companies, supporting GPN S.A. mainly in blending and distributing its products. In the interim consolidated financial statements GPN S.A. and its 99.9% subsidiary GRATECAP S.A., La Rochelle, France, has been included. Borealis is currently evaluating the materiality of the other 11 companies, but based on the preliminary analyses, no material impact on the consolidated financial statements is to be expected. These companies are included in the interim consolidated financial statements at cost in other investments.

The acquisition has been accounted for using the acquisition method. The acquisition date fair value of acquired assets and liabilities is preliminary and may be adjusted as additional information is obtained. The interim consolidated financial statements do not include the results of GPN S.A., as the acquisition took place at the end of reporting period.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of GPN Group as at the date of acquisition were:

EUR million	Fair value recognised on acquisition*	Note
Assets		
Tangible and intangible assets	222	2
Other investments	3	
Other non-current receivables and other assets	6	
Deferred tax assets	16	
Inventories	48	
Trade receivables	61	
Other current receivables and other assets	21	
Cash and cash equivalents	4	
Total assets acquired	381	
Liabilities		
Loans and borrowings non-current liabilities	69	
Employee benefits	21	
Provisions non-current	13	7
Other non-current liabilities	16	
Trade payables	66	
Other current liabilities	23	
Total liabilities	208	
Total identifiable net assets at fair value	173	
Contingent consideration liability	-60	
Total purchase consideration transferred	113	
Percentage acquired	100%	

*Due to the recentness of the acquisition, the fair value recognised is preliminary and still subject to finalisation.

The total acquisition costs of 100% of the share capital of GPN S.A. comprised a cash payment of EUR 113 million, subject to adjustments based on the closing balance sheet, a contingent consideration liability of EUR 60 million and costs of EUR 1 million directly attributable to the acquisition. The cash acquired with this acquisition amounted to EUR 4 million, resulting in a preliminary net cash outflow on the acquisition of EUR 110 million. The transaction costs of EUR 1 million have been expensed and are included in administrative expenses in the income statement and are part of operating cash flows in the statement of cash flows.

Borealis agreed with the Seller to transfer up to a maximum amount of EUR 75 million to the Seller if the agreed earnings target, over a three year period as from the date of acquisition, is met. The additional consideration shall be transferred to the Seller no later than seven months after the third anniversary of the acquisition date. Borealis assumes to meet the agreed target of 100% and accounts the contingent consideration liability at EUR 60 million fair value as of June 30, 2013.

The fair value of the trade receivables acquired through this business combination amounted to EUR 61 million, expected to be collected by year end 2013. If the combination had taken place at the beginning of the year, the revenue contribution from GPN Group would have been EUR 258 million and the result before taxation would have been EUR 18 million loss.

The purchase price allocation is to be finalised within the next 12 months.

3.3. Acquisition of Rosier

On June 28, 2013 Borealis AG, Vienna, Austria acquired from Elf Aquitaine S.A., Nanterre, France (the Seller, a 100% subsidiary of TOTAL S.A., Paris, France) its controlling interest of 56.86% in Rosier S.A., Moustier, Belgium – listed on NYSE Euronext Brussels.

Rosier is a mineral fertilizer manufacturer and markets its products in more than 80 countries worldwide. Borealis is already active in nitrogen fertilizers. This acquisition is in line with Borealis' strategy to grow the fertilizer business and to become a leading producer in Europe.

Rosier Group consists of Rosier S.A., Moustier, Belgium and its 3 wholly owned subsidiaries.

The acquisition has been accounted for using the acquisition method and measuring the non-controlling interest at fair value. The acquisition date fair value of acquired assets and liabilities is preliminary and may be adjusted as additional information is obtained. The fair value of the non-controlling interest has been determined in line with the stock share price value on the day of acquisition. The interim consolidated financial statements do not include the results of the Rosier Group, as the acquisition took place at the end of reporting period.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of Rosier Group as at the date of acquisition were:

EUR million	Fair value recognised on acquisition*	Note
Assets		
Tangible and intangible assets	19	2
Inventories	41	
Trade receivables	43	
Income taxes	2	
Other current receivables and other assets	5	
Cash and cash equivalents	2	
Total assets acquired	112	
Liabilities		
Loans and borrowings non-current liabilities	23	
Employee benefits	2	
Trade payables	30	
Other current liabilities	7	
Total liabilities	62	
Total identifiable net assets at fair value	50	
Non-controlling interest measured at fair value	-22	
Total Purchase consideration transferred	28	
Percentage acquired	56.86%	

*Due to the recentness of the acquisition, the fair value recognised is preliminary and still subject to finalisation.

The total acquisition costs for the interest of 56.86% in Rosier S.A., comprised a cash payment of EUR 28 million and costs of EUR 0.3 million directly attributable to the acquisition. The cash acquired with this acquisition amounted to EUR 2 million, resulting in net cash outflow on the acquisition of EUR 26 million. The transaction costs of EUR 0.3 million have been expensed and are included in administrative expenses in the income statement and are part of operating cash flows in the statement of cash flows.

As Borealis acquired the controlling interest of 56.86% in Rosier S.A., it is required to launch a mandatory public takeover bid for the remaining outstanding shares. Borealis intends to proceed with a squeeze-out if it obtains 95% or more of the Rosier shares by the

end of the bidding period. The mandatory public takeover bid has been initiated and is subject to authority approvals and notifications. The fair value of the non-controlling interest amounted to EUR 22 million at the date of acquisition.

The fair value of the trade receivables acquired through this business combination amounted to EUR 43 million, expected to be collected by year end 2013. If the combination had taken place at the beginning of the year, the revenue contribution from Rosier Group would have been EUR 139 million and the profit before taxation would have been EUR 2 million.

The purchase price allocation is expected to be finalised within the next 12 months.

4. Investments in subsidiaries, associated companies and joint ventures

The Group has the following investments in associated companies and jointly controlled companies:

30.06.2013	Country	Ownership in %
Associates		
Abu Dhabi Polymers Company Limited (Borouge)	United Arab Emirates	40
Borouge Pte Ltd	Singapore	50
Speciality Polymers Antwerp N.V.	Belgium	33
Borealis Financial Services Ltd	Jersey	25
Chemiepark Linz Betriebsfeuerwehr GmbH*	Austria	47.5
Jointly controlled companies		
PetroPort Holding AB	Sweden	50
BTF Industriepark Schwechat GmbH*	Austria	50

*Excluded from the consolidation at equity due to immateriality

In the first 6 months of the reporting period a new subsidiary, Finphenol Oy Finland was established. In investments in associated companies and joint ventures no changes took place. On July 23, 2013 Borealis Financial Services Ltd was liquidated.

5. Deferred tax assets

In addition to the tax assets capitalised, the Group has unrecognised tax assets of EUR 58 million (31.12.2012: EUR 35 million), due to current forecasts indicating insufficient future profits, justifying further capitalisation

of tax assets. These tax losses carried forward have no expiry date.

The recognised deferred tax assets are expected to be utilised against future profits based on internal projections in the relevant jurisdictions.

6. Inventories

Inventories of ethylene and propylene are included under finished products.

EUR million	30.06.2013	31.12.2012
Raw materials and consumables	271	301
Finished products	777	752
Total	1,048	1,053

The costs for the consumption of inventories recognised during the period in the income statement amounted to EUR 2,987 million (first six months 2012: EUR 2,871 million), including impairment cost of EUR 16 million (first six months 2012: EUR 41 million).

7. Provisions

The Group's provisions mainly consist of provisions for decommissioning and restructuring, and other provisions including environmental and legal exposures. The provisions are generally based on the past events and commitments arising thereon. The timing of the cash outflows cannot be determined with certainty.

Decommissioning

The provision for decommissioning amounted to EUR 19 million (31.12.2012: EUR 19 million) and covers the expected clean-up and dismantling costs, mainly for plants in Germany and Sweden.

Restructuring

The provision for restructuring amounted to EUR 2 million (31.12.2012: EUR 5 million) and covers estimated costs for the restructuring programmes, mainly in Belgium. The decrease in the provision reflects its

utilisation over the first six months in 2013, where part of the commitments related to restructuring programmes was paid.

Other

Other provisions amounted to EUR 40 million (31.12.2012: EUR 30 million), whereof EUR 13 million recognised are based on the preliminary purchase price allocation, which is to be finalised within the next 12 months. Other provisions mainly cover the best estimate of the Company's environmental and legal exposures.

8. Government grants

Emission rights from the EU Emissions Trading System for 2013 have not been granted during the reporting period.

9. Loans and borrowings

The composition of interest-bearing loans and borrowings (short and long-term debt) at June 30, 2013 in EUR million was as follows:

Maturities		30.06.2013					
Due		Total	Term loans	Utilised uncommitted facilities	Export credits	Finance leases	Unutilised committed facilities
After	5 years	555	555				
Within	5 years	33	33				850
	4 years	521	521				
	3 years	32	31			1	
	2 years	193	193				
Total long-term debt		1,334	1,333	0	0	1	850
Total short-term debt	1 year	585	297	122	166 ¹⁾	0	0
Total debt		1,919	1,630	122	166	1	850

¹⁾ Borealis maintains EUR 166 million in export credit facilities (EUR 166 million drawn at June 30, 2013). These facilities are economically evergreen in nature, but include a one year notice for cancellation.

The composition of interest-bearing loans and borrowings (short and long-term debt) at December 31, 2012 in EUR million was as follows:

Maturities		31.12.2012					
Due		Total	Term loans	Utilised uncommitted facilities	Export credits	Finance leases	Unutilised committed facilities
After	5 years	506	506				
Within	5 years	331	331				1,000
	4 years	201	201				
	3 years	158	157			1	
	2 years	40	40				30
Total long-term debt		1,236	1,235	0	0	1	1,030
Total short-term debt	1 year	374	198	10	166 ²⁾	0	0
Total debt		1,610	1,433	10	166	1	1,030

²⁾ Borealis maintains EUR 166 million in export credit facilities (EUR 166 million drawn at December 31, 2012). These facilities are economically evergreen in nature, but include a one year notice for cancellation.

The Group's financing is mainly comprised of committed credit lines (largely syndicated), term loans, bonds, private placements and export credits. The loans and borrowings are all measured at amortised cost.

To support the strategy of maintaining a strong liquidity position Borealis concluded an acquisition finance syndicated term loan in the amount of EUR 100 million in March 2013. In addition EUR 150 million of the EUR 1 billion of the syndicated revolving facility was drawn to finance the acquisitions made in the first half of 2013.

Borealis continues to maintain a strong liquidity position through its EUR 1 billion fully committed revolving credit facility of which EUR 850 million remained undrawn at the end of June 2013 and by terming out its debt through diverse funding channels.

At June 30, 2013, the Group has committed long-term credit facilities of EUR 1,271 million (31.12.2012: EUR 1,271 million) of which EUR 421 million (31.12.2012: EUR 241 million) has been utilised. Some loan agreements have financial covenants, which are based on maintaining certain gearing and solvency ratios.

10. Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

EUR million	30.06.2013		31.12.2012	
	Carrying value	Fair value	Carrying value	Fair value
Other investments				
Other investments	18	n/a	15	n/a
Available-for-sale financial assets	18		15	
Other non-current receivables and assets				
Deposits and other receivables	11	11	3	3
Loans and receivables	11	11	3	3
Long-term deposits for tax requirements	9	9	9	9
Available-for-sale financial assets	9	9	9	9
Financial assets for which hedge accounting is applied				
Commodity derivative contracts	2	2	1	1
Foreign exchange derivative contracts	0	0	2	2
Hedging instruments	2	2	3	3
Total other non-current receivables and assets	22	22	15	15
Trade receivables				
Trade receivables	777	777	584	584
Loans and receivables	777	777	584	584
Receivables from associated companies				
Receivables from associated companies	84	84	95	95
Loans and receivables	84	84	95	95
Other current receivables and other assets				
Derivative financial assets for which hedge accounting is not applied				
Commodity derivative contracts	1	1	1	1
Foreign exchange derivative contracts	0	0	1	1
Financial assets at fair value through profit or loss	1	1	2	2
Financial assets for which hedge accounting is applied				
Commodity derivative contracts	17	17	15	15
Foreign exchange derivative contracts	1	1	7	7
Hedging instruments	18	18	22	22
Income Taxes	7	7	10	10
Other assets	255	255	276	276
Other non-financial assets	262	262	286	286
Total current receivables and assets	1,142	1,142	989	989

EUR million	30.06.2013		31.12.2012	
	Carrying value	Fair value	Carrying value	Fair value
Loans and borrowings non-current liabilities				
Floating rate loans and borrowings non-current	399	399	378	378
Fixed rate loans and borrowings non-current	935	959	858	874
Financial liabilities	1,334	1,358	1,236	1,252
Other non-current liabilities				
Other liabilities	60	60	3	3
Financial liabilities	60	60	3	3
Financial liabilities for which hedge accounting is applied				
Commodity derivative contracts	20	20	13	13
Interest derivative contracts	1	1	2	2
Cross currency interest rate swaps	3	3	1	1
Foreign exchange derivative contracts	6	6	3	3
Hedging instruments	30	30	19	19
Other non-current liabilities	18	18	0	0
Other non-financial liabilities	18	18	0	0
Total other non-current liabilities	108	108	22	22
Loans and borrowings current liabilities				
Floating rate loans and borrowings current	498	498	270	270
Fixed rate loans and borrowings current	87	87	104	104
Financial liabilities	585	585	374	374
Trade payables				
Trade payables	757	757	754	754
Financial liabilities	757	757	754	754
Other current liabilities				
Interest accruals	21	21	21	21
Financial liabilities	21	21	21	21
Derivative financial liabilities for which hedge accounting is not applied				
Commodity derivative contracts	1	1	1	1
Financial liabilities at fair value through profit or loss	1	1	1	1
Financial liabilities for which hedge accounting is applied				
Commodity derivative contracts	37	37	32	32
Interest derivative contracts	1	1	2	2
Foreign exchange derivative contracts	3	3	1	1
Hedging instruments	41	41	35	35
Other liabilities	263	263	225	225
Other non-financial liabilities	263	263	225	225
Total other current liabilities	326	326	282	282
Fair value over carrying value		24		16

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Fair value for available-for-sale financial assets has been determined in accordance with Level 1, except for other investments where the fair value cannot be reliably estimated.

- Level 2: Valuation techniques based on observable inputs, either directly or indirectly. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in less active markets, or other valuation techniques, where all significant inputs are directly or indirectly observable from market data.

Fair value for financial assets at fair value through profit and loss, financial liabilities, hedging instruments, financial liabilities at fair value through profit and loss has been determined in accordance with Level 2.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Borealis has no assets or liabilities determined in accordance with Level 3.

Derivatives:

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using market interest rates at the reporting date.

The fair value of interest rate swaps is estimated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of commodity derivative contracts is estimated by discounting the difference between current forward price and contractual forward price.

Non-derivative financial liabilities:

We estimate that the carrying amount of the long and short-term loans and borrowings that are based on variable interest rates equals fair value as it corresponds to the current market rate of interest.

Fair value for fixed rate loans and borrowings is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest at the reporting date. All fair values are excluding outstanding interest accruals. The fair value of trade and other payables is estimated to equal the carrying amount.

Investments:

In absence of a quoted market price for other investments in other companies, the fair value is estimated to equal historic cost.

Trade and other receivables:

The fair value of trade and other receivables, is estimated to equal the carrying amount.

11. Contingent liabilities

Several Borealis group companies are currently subject to tax audits performed by their respective tax authorities. Management's opinion is that the company is in full compliance with all applicable regulations. Given the preliminary nature of the proceedings, potential impacts, if any, cannot be currently reliably estimated.

12. Transactions with related parties

EUR million	Goods and Services				Financing			
For the six months ended June 30, 2013	Purchases from	Sales to	Receivables from	Payables to	Loans	Borrowings	Interest received	Interest paid
Associates and Joint Ventures	76	210	84	41	0	0	0	0
Parent company	0	0	0	0	0	0	0	0
Companies with significant influence	906	28	6	143	0	0	0	0
Key management personnel	0	0	0	0	0	0	0	0
Other related parties	5	4	1	0	0	0	0	0
Total	987	242	91	184	0	0	0	0

EUR million	Goods and Services				Financing			
For the six months ended June 30, 2012	Purchases from	Sales to	Receivables from	Payables to	Loans	Borrowings	Interest received	Interest paid
Associates and Joint Ventures	55	208	260	16	0	0	0	0
Parent company	0	0	0	0	0	0	0	0
Companies with significant influence	916	28	6	138	0	0	0	0
Key management personnel	0	0	0	0	0	0	0	0
Other related parties	7	0	0	2	0	0	0	0
Total	978	236	266	156	0	0	0	0

The sales to associates mainly relate to sales of finished goods and services. Purchases from companies with significant influence mainly relate to purchase of feedstock and utilities from OMV group companies at market rates.

Receivables from associates included securitisation related transactions in June 2012. As of June 30, 2012, receivables worth EUR 441 million were sold. The company continues to administer the relationship with debtors and will compensate the purchaser for credit notes issued subsequent to the sale. To cover that compensation, a receivable of EUR 170 million was

outstanding as of June 30, 2012 and is reported under receivables from associated companies. As of June 30, 2013 no receivables from securitisation related transactions are included. The transactions with other related parties relate to the subsidiaries and associated companies of the parent company of Borealis.

13. Subsequent events

On July 12, 2013, Borealis announced the closure of its HDPE plant in Borealis Polymere GmbH, in Burghausen, Germany. The plant will cease to operate by the end of 2014. The closure costs are estimated at EUR 10 million. Borealis finalised the 3rd set of transactions under the

umbrella of US private placement in July 2013. The volume of the financing with maturities between 7 and 12 years amounts to USD 75 million at an average interest rate of 5 %.

Borealis has no other significant subsequent events after June 30, 2013.

14. Management and Supervisory Board

Management:

Mark Garrett, Daniel Shook, Herbert Willerth, Markku Korvenranta, Alfred Stern

Supervisory Board:

Khadem A. Al-Qubaisi, David C. Davies, Mohamed A. Al-Azdi, Mohamed H. Al Mehairi, Manfred Leitner

Vienna, August 19, 2013

Management



Mark Garrett
Chief Executive



Daniel Shook
Chief Financial Officer



Markku Korvenranta



Herbert Willerth



Alfred Stern

STATEMENT BY THE MANAGEMENT IN ACCORDANCE WITH § 87 (1) Z3 OF AUSTRIAN STOCK EXCHANGE ACT

We confirm to the best of our knowledge that the consolidated interim financial statements, prepared in accordance with the rules for interim financial statements set forth in the International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group and that the group management report on the first half year provides a true and fair view of

important events that have occurred during the first six months of the financial year and the impact on the interim financial statements as well as the principal risks and uncertainties for the remaining six months of the financial year.

The presented interim financial report has not been subject to an audit or review.

Vienna, August 19, 2013

Management



Mark Garrett
Chief Executive



Daniel Shook
Chief Financial Officer



Markku Korvenranta



Herbert Willerth



Alfred Stern

CONTACT US

Open dialogue with our stakeholders is the only way we can continue to provide cutting-edge solutions to everyday problems. If you would like to learn more about Borealis, contact us at info@borealisgroup.com, visit www.borealisgroup.com or call +43 1 22 400 302.

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