

NOVA CHEMICALS:
2008 Supplemental Financial
and Product Information

AFTER-TAX RETURN ON CAPITAL EMPLOYED⁽¹⁾⁽²⁾⁽³⁾

%	08	07	06	05	04	03	02	01	00	99
Olefins/Polyolefins	12.9	29.9	20.3	16.6	15.0	2.6	1.6	1.6	28.2	21.1
Performance Styrenics	(20.5)	(9.3)	(7.8)	1.2	(0.8)	N/A	N/A	N/A	N/A	N/A
INEOS NOVA / STYRENIX⁽⁴⁾	(24.8)	(1.8)	(7.7)	(11.7)	(2.8)	N/A	N/A	N/A	N/A	N/A
Styrenics	N/A	N/A	N/A	N/A	N/A	(6.9)	(5.5)	(10.6)	4.4	0.6
NOVA Chemicals	1.8	14.0	(16.2)	(0.5)	10.1	(1.8)	(1.9)	(2.4)	12.1	9.1
Peer Average ⁽⁵⁾	5.7	11.1	15.0	17.9	12.0	0.8	3.3	1.6	12.6	4.9

OPERATING MARGIN⁽²⁾⁽⁶⁾

%	08	07	06	05	04	03	02	01	00	99
Olefins/Polyolefins	6.8	17.3	15.1	14.1	13.6	3.8	3.5	2.8	20.1	18.5
Joffre Olefins	28.8	29.5	30.9	16.9	16.1					
Corunna Olefins	(9.9)	7.0	1.9	2.1	6.6					
Polyethylene	(1.8)	6.2	3.9	10.6	8.7					
Performance Styrenics	15.9	(7.3)	(7.3)	(1.3)	(1.0)					
INEOS NOVA / STYRENIX⁽⁴⁾	5.3	(0.2)	(6.9)	(10.9)	(3.3)					
Styrenics	N/A	N/A	N/A	N/A	N/A	(9.3)	(9.0)	(17.2)	5.3	1.6
NOVA Chemicals	0.6	8.2	(10.4)	0.0	5.0	(1.9)	(2.3)	(6.1)	10.6	10.9
Peer Average ⁽⁵⁾	5.0	6.8	8.1	9.6	5.3	(0.4)	3.0	1.1	11.0	10.7

WORKING CAPITAL AS A PERCENTAGE OF SALES⁽²⁾

%	08	07	06	05	04	03	02	01	00	99
Olefins/Polyolefins	4.8	10.5	6.6	7.8	10.5	6.3	3.2	8.7	10.5	13.3
Joffre Olefins	1.1	1.0	(2.1)	(3.3)	(1.4)					
Corunna Olefins	2.8	8.8	4.6	7.8	9.3					
Polyethylene	6.6	16.0	12.7	14.6	17.0					
Performance Styrenics	16.2	19.1	18.5	13.6	18.8					
INEOS NOVA / STYRENIX⁽⁴⁾	4.5	9.3	9.0	9.1	11.4					
Styrenics	N/A	N/A	N/A	N/A	N/A	12.2	10.9	13.9	19.5	14.0
NOVA Chemicals	4.4	8.3	5.4	5.8	7.8	9.0	6.6	11.2	15.2	14.2
Peer Average ⁽⁵⁾	6.4	9.1	8.5	8.9	20.4	8.4	7.8	11.4	13.2	21.5

OTHER RATIOS

For the years ended Dec. 31	08	07	06	05	04	03	02	01	00	99
Cash flow cycle time (days)	37	37	27	29	35	28	20	39	60	59
Percentage of debt to total assets ⁽⁷⁾⁽⁸⁾	40.9%	36.9%	43.3%	38.1%	33.1%	38.1%	43.2%	47.9%	42.2%	46.2%
Return (loss) on average common equity ⁽⁹⁾	(4.4)%	43.2%	(55.6)%	(7.5)%	19.1%	(0.1)%	(11.1)%	(13.5)%	19.5%	17.5%
Employees at year-end ⁽¹⁰⁾	2,850	2,820	3,300	3,600	4,100	4,300	4,300	4,600	4,700	4,700

(1) Equals net income (loss) plus after-tax interest expense divided by average capital employed. Years prior to 1999 based on year-end capital employed.

(2) Excludes Methanex Corporation and Dynegy, Inc.

(3) Assumes effective tax rate of 34% for 2004 through 2007 peer average.

(4) Due to the expansion of the INEOS NOVA joint venture on October 31, 2007, NOVA Chemicals has two business units - Olefins/Polyolefins and Performance Styrenics, and one major joint venture - INEOS NOVA. The results for 2005 through 2007 have been restated accordingly. The company no longer reports on its STYRENIX business.

(5) Peers were: Dow, Eastman, Lyondell, and Millennium from 1998-2004; Dow, Eastman, and Lyondell for 2005-2006; Dow, Eastman, and Westlake for 2007-2008.

(6) Operating margin is calculated as operating income (loss) divided by sales.

(7) Debt includes long-term debt plus current portion of long-term debt. Excludes intercompany debt.

(8) Effective January 1, 2005, NOVA Chemicals adopted new accounting standards that require the preferred shares of its subsidiary, NOVA Chemicals, Inc., and its preferred securities to be classified as debt, and the related dividends and distributions to be classified as interest. Prior periods have been restated accordingly.

(9) Net income (loss) divided by average common equity. During 1998 average common equity excludes the effects of the Huntsman Corporation transaction. 1996 to 1997 average common equity is net of advances to parent and affiliates.

(10) Excludes employees of INEOS NOVA. The year 2005 includes the transfer of employees to NOVA Innovene; 1999 includes the addition of Royal Dutch/Shell Group employees; 1998 includes the addition of Huntsman employees.

FINANCIAL HIGHLIGHTS

(millions of U.S. dollars)	08	07	06	05	04	03	02	01	00	99
Revenue										
Olefins/Polyolefins	\$ 5,301	4,533	4,281	3,586	3,230	2,559	1,930	2,014	2,228	1,671
Joffre Olefins	2,159	1,803	1,744	1,704	1,417					
Corunna Olefins	2,537	2,075	1,997	1,430	1,406					
Polyethylene	2,383	2,022	1,922	1,628	1,469					
Eliminations	(1,778)	(1,367)	(1,382)	(1,176)	(1,062)					
Performance Styrenics	433	412	385	363	394					
INEOS NOVA / STYRENIX⁽¹⁾	1,942	2,092	2,186	1,937	1,979					
Styrenics ⁽²⁾	N/A	N/A	N/A	N/A	N/A	1,579	1,305	1,314	1,866	1,273
Eliminations ⁽³⁾	(310)	(305)	(333)	(270)	(333)	(189)	(144)	(134)	(178)	(136)
	\$ 7,366	6,732	6,519	5,616	5,270	3,949	3,091	3,194	3,916	2,808
Adjusted EBITDA⁽⁴⁾										
Olefins/Polyolefins	\$ 576	975	817	666	622	285	233	189	534	389
Joffre Olefins	686	588	587	340	300					
Corunna Olefins	(179)	209	93	79	142					
Polyethylene	33	196	141	234	188					
Eliminations	36	(18)	(4)	13	(8)					
Performance Styrenics	(45)	(5)	(17)	7	8					
INEOS NOVA / STYRENIX⁽¹⁾	(78)	17	(43)	(102)	38					
Styrenics ⁽²⁾	N/A	N/A	N/A	N/A	N/A	(36)	(18)	(128)	200	95
Corporate⁽⁵⁾	(12)	(123)	(133)	(110)	(98)	(30)	—	1	(14)	(6)
	\$ 441	864	624	461	570	219	215	62	720	478
Depreciation and amortization										
Olefins/Polyolefins	\$ 213	191	173	161	181	187	166	132	86	80
Joffre Olefins	65	57	50	50	72					
Corunna Olefins	72	65	57	49	49					
Polyethylene	76	69	66	62	60					
Performance Styrenics	24	25	12	12	12					
INEOS NOVA / STYRENIX⁽¹⁾	25	21	106	109	104					
Styrenics ⁽²⁾	N/A	N/A	N/A	N/A	N/A	111	100	98	102	75
Corporate	11	9	8	8						
	\$ 273	246	299	290	297	298	266	230	188	155
Operating income (loss)⁽⁶⁾										
Olefins/Polyolefins	\$ 363	784	644	505	441	98	67	57	448	309
Joffre Olefins	621	531	537	290	228					
Corunna Olefins	(251)	144	36	30	93					
Polyethylene	(43)	127	75	172	128					
Eliminations	36	(18)	(4)	13	(8)					
Performance Styrenics	(69)	(30)	(29)	(5)	(4)					
INEOS NOVA / STYRENIX⁽¹⁾	(103)	(4)	(149)	(211)	(66)					
Styrenics ⁽²⁾	N/A	N/A	N/A	N/A	N/A	(147)	(118)	(226)	98	20
Corporate⁽⁵⁾	(147)	(197)	(1,146)	(286)	(106)	(45)	(20)	(26)	(132)	(24)
	\$ 44	553	(680)	3	265	(94)	(71)	(195)	414	305

(1) Due to the expansion of the INEOS NOVA Joint Venture on October 1, 2007, NOVA Chemicals has two business units - Olefins/Polyolefins, Performance Styrenics and one major joint venture - INEOS NOVA. The results for 2005 through 2007 have been restated accordingly. The company no longer reports on its former STYRENIX business.

(2) NOVA Chemicals restructured in June 2006, creating three new business units - Olefins/Polyolefins, Performance Styrenics and STYRENIX. The company no longer reports on its former Styrenics business.

(3) Reflects the sale of products among Olefins/Polyolefins, Performance Styrenics and STYRENIX.

(4) Earnings (loss) before interest, income taxes, depreciation and amortization, equity in earnings (losses) of affiliates, other gains (losses), mark-to-market feedstock derivatives and restructuring. In the second quarter of 2008, NOVA Chemicals changed its definition of adjusted EBITDA to exclude the non-cash mark-to-market impact of feedstock derivatives. 2006 and 2007 have been restated accordingly.

(5) Includes stock-based compensation and other corporate expenses. Beginning in 2007, the Company included ongoing corporate costs in corporate rather than allocating this amount to the businesses. For comparison purposes, 2005 through 2007 have been restated to reflect this change.

(6) Earnings before interest, income taxes, equity in earnings (losses) of affiliates and other gains and losses.

QUARTERLY RESULTS
08
07
06
(millions of dollars)

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue												
Olefins/Polyolefins	\$1,402	1,583	1,514	801	934	1,106	1,206	1,287	1,008	1,078	1,146	1,049
Joffre Olefins	551	631	616	361	411	425	448	519	501	399	417	427
Corunna Olefins	684	767	711	375	397	502	595	581	418	507	557	515
Polyethylene	644	675	709	355	423	475	519	605	467	493	507	455
Eliminations	(477)	(490)	(522)	(290)	(297)	(296)	(356)	(418)	(378)	(321)	(335)	(348)
Performance Styrenics	122	127	114	70	93	105	107	107	91	99	100	95
INEOS NOVA	479	594	549	320	556	549	537	450	519	517	565	585
Eliminations	(91)	(91)	(89)	(38)	(77)	(84)	(95)	(49)	(65)	(75)	(99)	(94)
	\$1,912	2,213	2,088	1,153	1,506	1,676	1,755	1,795	1,553	1,619	1,712	1,635
Operating income (loss)												
Olefins/Polyolefins	\$ 191	206	230	(264)	116	183	232	253	144	180	228	92
Joffre Olefins	151	169	210	91	95	108	157	171	149	121	148	119
Corunna Olefins	(3)	8	(16)	(240)	27	42	41	34	8	26	13	(11)
Polyethylene	23	31	42	(139)	6	34	43	44	(2)	34	67	(24)
Eliminations	20	(2)	(6)	24	(12)	(1)	(9)	4	(11)	(1)	—	8
Performance Styrenics	(4)	(10)	(14)	(41)	(9)	(12)	(3)	(6)	(4)	(3)	(5)	(17)
INEOS NOVA	2	(1)	(20)	(84)	13	22	(28)	(11)	(37)	(42)	(31)	(39)
Corporate	(82)	(128)	(8)	71	(19)	(43)	(13)	(122)	(66)	(28)	(179)	(873)
	\$ 107	67	188	(318)	101	150	188	114	37	107	13	(837)

CAPITAL SPENDING⁽¹⁾
years ended December 31
(millions of U.S. dollars)

	08	07	06	05	04	03	02	01	00	99
Olefins/Polyolefins	\$ 133	116	93	256	128	74	43	125	401	565
Joffre Olefins	15	21	25	18	(2)					
Corunna Olefins	41	62	45	204	105					
Polyethylene	77	33	23	34	25					
Performance Styrenics	13	10	81	86	35					
INEOS NOVA / STYRENIX⁽²⁾	20	30	24	77	79					
Styrenics ⁽³⁾	N/A	N/A	N/A	N/A	N/A	56	28	43	39	55
Less project advances	—	—	—	—	(15)	(11)	(1)	—	—	—
	\$ 166	156	198	419	227	119	70	168	440	620

ADJUSTED EBITDA⁽⁴⁾ NET OF PLANT, PROPERTY AND EQUIPMENT ADDITIONS
years ended December 31
(millions of U.S. dollars)

	08	07	06	05	04	03	02	01	00	99
Adjusted EBITDA	\$441	864	624	461	570	219	215	62	720	478
Less: Plant, property and equipment additions ⁽⁵⁾	166	156	198	419	227	119	70	168	440	620
	\$275	708	426	42	343	100	145	(106)	280	(142)

(1) Excluding acquisitions.

(2) Due to the expansion of the INEOS NOVA Joint Venture on October 1, 2007, NOVA Chemicals has two business units - Olefins/Polyolefins, Performance Styrenics and one major joint venture - INEOS NOVA. The results for 2005 through 2007 have been restated accordingly. The company no longer reports on its former STYRENIX business.

(3) NOVA Chemicals restructured in June 2006, creating three new business units - Olefins/Polyolefins, Performance Styrenics and STYRENIX. The company no longer reports on its former Styrenics business.

(4) Earnings (loss) before interest, income taxes, depreciation and amortization, equity in earnings (losses) of affiliates, other gains (losses), mark-to-market feedstock derivatives and restructuring. In the second quarter of 2008, NOVA Chemicals changed its definition of adjusted EBITDA to exclude the non-cash mark-to-market impact of feedstock derivatives. 2006 and 2007 have been restated accordingly.

(5) Net of project advances.

STATEMENTS OF (LOSS) INCOME

years ended December 31

millions of U.S. dollars, except per share amounts

	08	07	06	05	04	03	02	01	00	99
Revenue	\$7,366	6,732	6,519	5,616	5,270	3,949	3,091	3,194	3,916	2,808
Feedstock, operating, SG&A, R&D expenses and foreign exchange gains (losses)	7,012	5,847	5,915	5,155	4,700	3,730	2,876	3,132	3,196	2,330
Restructuring	37	86	985	168	8	15	20	27	118	18
Depreciation	273	246	299	290	297	298	266	230	188	155
	7,322	6,179	7,199	5,613	5,005	4,043	3,162	3,389	3,502	2,503
Operating income (loss)	44	553	(680)	3	265	(94)	(71)	(195)	414	305
Other income (deductions)										
Interest expense, net ⁽¹⁾	(156)	(175)	(168)	(113)	(108)	(130)	(131)	(136)	(94)	(110)
Equity in earnings (losses) of affiliates	—	—	—	—	—	39	5	14	32	(11)
Other (losses) gains, net	(2)	20	1	8	177	92	59	58	32	251
	(158)	(155)	(167)	(105)	69	1	(67)	(64)	(30)	130
(Loss) income before income taxes	(114)	398	(847)	(102)	334	(93)	(138)	(259)	384	435
Income tax recovery (expense)	66	(51)	144	1	(81)	79	26	98	(118)	(218)
Net (loss) income⁽¹⁾	\$ (48)	347	(703)	(101)	253	(14)	(112)	(161)	266	217
Add back unusual items ⁽²⁾	—	—	—	—	—	—	—	—	—	60
Net (loss) income before unusual items	\$ (48)	347	(703)	(101)	253	(14)	(112)	(161)	266	277
(Loss) earnings per common share before unusual items										
Basic	\$ (0.57)	4.19	(8.52)	(1.22)	2.92	(0.16)	(1.30)	(1.88)	3.00	2.99
Diluted	\$ (0.57)	4.16	(8.52)	(1.22)	2.72	(0.16)	(1.30)	(1.88)	2.84	2.93
(Loss) earnings per common share after unusual items										
Basic	\$ (0.57)	4.19	(8.52)	(1.22)	2.92	(0.16)	(1.30)	(1.88)	3.00	2.35
Diluted	\$ (0.57)	4.16	(8.52)	(1.22)	2.72	(0.16)	(1.30)	(1.88)	2.84	2.26
Weighted-average common shares outstanding (millions)										
Diluted	83	84	83	83	87	87	86	85	89	93

(1) Effective January 1, 2005, NOVA Chemicals adopted new accounting standards that require the preferred shares of its subsidiary, NOVA Chemicals, Inc., and its preferred securities to be classified as debt, and the related dividends and distributions to be classified as interest. Prior periods have been restated accordingly.

(2) Effective March 28, 2003, new SEC rules in the U.S. came into effect with respect to non-GAAP financial measures and accordingly, certain information in prior years has been restated. 1999 unusual item is a loss on foreign exchange hedge restructuring.

BALANCE SHEETS

December 31 (millions of U.S. dollars)	08	07 ⁽¹⁾	06 ⁽¹⁾	05	04	03	02	01	00 ⁽²⁾	99
Assets										
Current assets										
Cash and cash equivalents	\$ 74	118	53	166	245	212	14	10	27	59
Accounts receivable	290	608	507	564	567	316	249	362	451	226
Inventories	529	882	669	680	634	392	321	279	533	380
Prepaid expenses and other assets	34	20	12	—	—	—	—	—	—	—
Future income taxes	68	—	—	—	—	—	—	—	—	—
Restricted cash	49	4	7	—	—	—	—	—	—	—
Sale proceeds receivable	—	—	—	—	—	—	—	—	—	542
	1,044	1,632	1,248	1,410	1,446	920	584	651	1,011	1,207
Investments and other assets	182	177	133	142	82	157	537	549	447	589
Property, plant and equipment	6,553	7,132	6,671	6,478	6,348	5,842	4,934	4,936	4,951	4,312
Less accumulated depreciation	(3,745)	(4,085)	(3,952)	(2,852)	(2,894)	(2,506)	(1,901)	(1,777)	(1,655)	(1,549)
Net property, plant and equipment	2,808	3,047	2,719	3,626	3,454	3,336	3,033	3,159	3,296	2,763
	\$ 4,034	4,856	4,100	5,178	4,982	4,413	4,154	4,359	4,754	4,559
Liabilities										
Current liabilities										
Bank loans	\$2	3	1	1	—	—	3	14	28	—
Accounts payable and accrued liabilities	781	1,183	1,006	1,038	790	587	562	437	617	563
Long-term debt due within one year ⁽³⁾⁽⁴⁾	380	254	197	301	100	—	1	186	17	385
	1,163	1,440	1,204	1,340	890	587	566	637	662	948
Long-term debt ⁽⁴⁾	1,270	1,540	1,582	1,672	1,549	1,682	1,792	1,903	1,987	1,721
Deferred credits and long-term liabilities	687	775	768	951	1,059	843	816	786	760	507
Shareholders' equity										
Common shares	508	505	497	494	499	493	484	472	460	497
Contributed surplus	25	27	25	16	11	5	—	—	—	—
Cumulative translation adjustment	464	612	378	324	353	232	(109)	(179)	(39)	72
Reinvested (deficit) earnings ⁽⁵⁾	(83)	(43)	(354)	381	621	571	605	740	924	814
	914	1,101	546	1,215	1,484	1,301	980	1,033	1,345	1,383
	\$ 4,034	4,856	4,100	5,178	4,982	4,413	4,154	4,359	4,754	4,559

(1) In 2008, NOVA Chemicals reclassified prepaid expenses and rebate accruals for 2007 and 2006 from Accounts receivable to Other assets and Accounts payable and accrued liabilities, respectively, and reclassified for 2007, Future income taxes from Deferred credits and long-term liabilities to current assets.

(2) NOVA Chemicals acquired Shell's European polystyrene operations on January 31, 2000.

(3) Effective January 1, 2005, NOVA Chemicals adopted new accounting standards that require the preferred shares of its subsidiary, NOVA Chemicals, Inc., and its preferred securities to be classified as debt, and the related dividends and distributions to be classified as interest. Prior periods have been restated accordingly.

(4) As a result of adopting new Canadian GAAP pronouncements under CICA section 3855 on Jan. 1, 2007, long-term debt is required to be initially measured at fair value and subsequently measured at amortized cost. As a result, \$7 million of deferred debt discount and issuance costs that were reported in Restricted cash and other assets prior to Jan. 1, 2007, on the Consolidated Balance Sheets were reclassified in the first quarter, on a prospective basis, and are now reported as a reduction of the respective debt obligations. In addition, beginning December 2007, \$65 million that had previously been recorded as Restricted cash on the Consolidated Balance Sheets has been reclassified as Debt.

(5) Changes from 2005 to 2006 relate to total restructuring charges of \$985 million (\$861 million after-tax). See Note 13.

STATEMENTS OF CASH FLOW

years ended December 31 (millions of U.S. dollars)	08	07	06	05	04	03	02	01	00	99
Operating activities										
Net (loss) income	\$ (48)	347	(703)	(101)	253	(14)	(112)	(161)	266	217
Depreciation and amortization	273	246	299	290	297	298	266	230	188	155
Future income tax (recovery) expense	(123)	(58)	(219)	(69)	36	(90)	(5)	(17)	93	80
Equity in (earnings) losses of affiliates	—	—	—	—	—	(39)	(5)	(14)	(32)	11
Dividends received	—	—	—	—	—	14	4	—	—	—
Other losses (gains)	2	(20)	(1)	(8)	(177)	(92)	(39)	—	60	(173)
Asset and intangibles writedowns	25	61	907	161	—	9	—	10	—	2
Unrealized losses (gains) on derivatives ⁽¹⁾	87	(21)	20	(12)	—	N/A	N/A	N/A	N/A	N/A
Unrealized foreign exchange gain	(119)	—	—	—	—	—	—	—	—	—
Stock option expense	2	2	8	8	2	5	—	—	—	—
	99	557	311	269	411	91	109	48	575	292
Changes in non-cash working capital	136	(113)	2	69	(76)	(117)	205	191	(261)	77
Changes in non-current assets & liabilities	37	(115)	37	—	—	—	—	—	—	—
Cash provided by (used in) operating activities	272	329	350	338	335	(26)	314	239	314	369
Investing activities										
Proceeds on asset sales and other capital transactions ⁽²⁾	—	6	3	11	225	564	82	—	741	—
Shell acquisition	—	—	—	—	—	—	—	—	(212)	—
Plant, property and equipment additions	(166)	(156)	(198)	(419)	(242)	(130)	(71)	(168)	(440)	(620)
Turnaround costs, long-term investments and other assets	(44)	(42)	(48)	(176)	(4)	(57)	(18)	(156)	(8)	(12)
Settlement of derivatives	—	—	—	—	(6)	N/A	N/A	N/A	N/A	N/A
Acquisition of production rights	—	(30)	—	—	—	—	—	—	—	—
Changes in non-cash working capital	—	—	—	—	(110)	7	—	(16)	(186)	17
Cash (used in) provided by investing activities	(210)	(222)	(243)	(584)	(137)	384	(7)	(340)	(105)	(615)
Financing activities										
(Decrease) increase in current bank loans	(1)	2	—	1	—	(3)	(11)	(14)	28	—
Proceeds on swap crystallizations	—	—	—	—	—	—	13	27	—	—
Long-term debt additions	1	1	5	419	400	—	—	302	170	272
Long-term debt repayments	(128)	(12)	(308)	(103)	(2)	(152)	(2)	(61)	(385)	(187)
Increase (decrease) in revolving debt	37	(4)	108	—	—	(2)	(294)	(159)	115	134
Preferred securities redeemed	—	—	—	—	(383)	—	—	—	—	—
Preferred securities issued ⁽³⁾	—	—	—	—	—	—	—	—	—	165
Common shares issued for stock options	3	8	3	13	37	9	11	12	(146)	5
Common share repurchases	—	—	—	(125)	(188)	—	—	—	—	—
Options retired for cash	—	(6)	(2)	(11)	(18)	—	—	—	—	—
Common share dividends	(31)	(31)	(29)	(27)	(28)	(25)	(23)	(23)	(23)	(25)
Project advances	—	—	—	—	15	11	1	—	—	—
Affiliate long-term notes	—	—	3	—	—	—	—	—	—	—
Changes in non-cash working capital	—	—	—	—	2	2	2	—	—	(96)
Cash (used in) provided by financing activities	(119)	(42)	(220)	167	(165)	(160)	(303)	84	(241)	268
Increase in cash due to exchange rates	13	—	—	—	—	—	—	—	—	—
(Decrease) increase in cash and cash equivalents	(44)	65	(113)	(79)	33	198	4	(17)	(32)	22
Cash and cash equivalents, beginning of year	118	53	166	245	212	14	10	27	59	37
Cash and cash equivalents, end of year	\$ 74	118	53	166	245	212	14	10	27	59

(1) Beginning January 1, 2004, NOVA Chemicals is required to record outstanding derivative positions, which do not qualify for hedge accounting treatment, at fair market value, and record any resulting gains or losses.

(2) Proceeds in 2000 from the sale of Dynegy, Inc.

(3) Net of underwriting commissions.

CAPITALIZATION

years ended December 31 (millions of U.S. dollars)	08	07	06	05	04	03	02	01	00	99
Current bank loans	\$2	3	1	1	—	—	3	14	28	—
Less cash and cash equivalents	(74)	(118)	(53)	(166)	(245)	(212)	(14)	(10)	(27)	(59)
Restricted cash and other assets ⁽¹⁾	(49)	(4)	(7)	(7)	(7)	(72)	(50)	(82)	—	—
Current bank loans (cash)	(121)	(119)	(59)	(172)	(252)	(284)	(61)	(78)	1	(59)
Long-Term Debt⁽²⁾										
Huntsman acquisition facility due March 2000	—	—	—	—	—	—	—	—	—	220
6.5% notes due September 2000	—	—	—	—	—	—	—	—	—	150
E2 unsecured facility due June 2004	—	—	—	—	—	—	—	—	53	69
7% debentures due August 2026	—	—	—	—	—	—	150	150	150	150
9.50% preferred securities ⁽⁷⁾	—	—	—	—	—	210	210	210	210	210
9.04% preferred securities ⁽⁷⁾	—	—	—	—	—	173	173	173	173	173
7% notes due September 2005	—	—	—	—	100	100	100	100	100	100
7% medium-term notes due May 2006	—	—	—	300	300	300	300	300	—	—
7.25% debentures due August 2028 ⁽⁴⁾	—	125	125	125	125	125	125	125	125	125
Series A Preferred Shares ⁽⁷⁾	126	126	133	133	133	198	198	198	198	198
7.4% medium-term notes due April 2009	250	250	250	250	250	250	250	250	250	250
7.875% debentures due September 2025 ⁽³⁾	100	100	100	100	100	100	100	100	100	100
7.85% notes due August 2010 ⁽⁵⁾	204	253	215	214	208	193	158	157	167	—
6.5% notes due January 2012	400	400	400	400	400	—	—	—	—	—
Floating rate notes due November 2013 ⁽⁶⁾	400	400	400	400	—	—	—	—	—	—
Other loans and unsecured credit facilities	170	140	156	51	33	33	29	326	478	361
Total long-term debt	1,650	1,794	1,779	1,973	1,649	1,682	1,793	2,089	2,004	2,106
Net debt	1,529	1,675	1,720	1,801	1,397	1,398	1,732	2,011	2,005	2,047
Shareholders' equity ⁽⁸⁾	914	1,101	546	1,215	1,484	1,301	980	1,033	1,345	1,383
Total Capitalization	\$2,443	2,776	2,266	3,016	2,881	2,699	2,712	3,044	3,350	3,430
Net debt to total capitalization	62.6%	60.3%	75.9%	59.7%	48.5%	51.8%	63.9%	66.1%	59.9%	59.7%

SENIOR DEBT RATINGS AS OF MAR. 5, 2009⁽¹⁾

	Senior Unsecured Debt
Dominion Bond Rating Service Limited	B High
Fitch Ratings Ltd.	B- (watch positive)
Moody's Investor Service	B2 (watch positive)
Standard & Poor's	CCC+ (watch positive)

(1) As a result of adopting new Canadian GAAP pronouncements under CICA section 3855 on Jan. 1, 2007, long-term debt is required to be initially measured at fair value and subsequently measured at amortized cost. As a result, \$7 million of deferred debt discount and issuance costs that were reported in Restricted cash and other assets prior to Jan. 1, 2007, on the Consolidated Balance Sheets were reclassified in the first quarter, on a prospective basis, and are now reported as a reduction of the respective debt obligations. In addition, beginning December 2007, \$65M that had previously been recorded as Restricted cash on the Consolidated Balance Sheets has been reclassified as Debt.

(2) Includes current portion.

(3) Callable at the Corporation's option, on or after September 15, 2005.

(4) On August 15, 2008, NOVA Chemicals paid its \$125 million 7.25% debentures which were redeemed at the holders' option.

(5) \$250 million Canadian; callable at the Corporation's option at any time.

(6) \$400 million senior floating rate notes due in 2013. Floating rate was 5.72% (LIBOR + 3.125%) on December 31, 2008.

(7) Effective January 1, 2005, NOVA Chemicals adopted new accounting standards that require the preferred shares of its subsidiary, NOVA Chemicals Inc., and its preferred securities to be classified as debt and the related dividends and distributions to be classified as interest. Prior periods have been restated accordingly.

(8) Credit ratings are not recommendations to purchase, hold or sell securities and do not comment on market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future.

NOVA CHEMICALS PRODUCTION CAPACITY AS OF DEC. 31, 2008

(millions of pounds)

Olefins/ Polyolefins	Ethylene ⁽¹⁾	Coproducts ⁽¹⁾⁽²⁾	Standard PE	Advanced Sclairtech PE ⁽³⁾	Performance Styrenics	Styrene Monomer	Expandable Polystyrene	Styrenic Performance Products ⁽⁷⁾
Corunna, ON	1800	4700						
Joffre, AB		830			Channelview, TX ⁽⁵⁾	400		
E1	1600				Monaca, PA ⁽⁶⁾		285	158
E2	1800				Painesville, OH ⁽⁶⁾		85	
E3 ⁽⁴⁾	1400				Total	400	370	158
PE1			1480					
PE2				950				
Moore, ON			740					
St.Clair River, ON			450					
Total	6600	5530	2670	950				

INEOS NOVA PRODUCTION CAPACITY⁽⁸⁾

(millions of pounds)

North America	Styrene Monomer	Solid Polystyrene ⁽¹⁰⁾	EPS	Europe	Styrene Monomer	Solid Polystyrene	EPS
Bayport, TX	1700 ⁽⁹⁾			Breda, Netherlands		200	240
Texas City, TX	1070			Marl, Germany		400	220
Sarnia, ON	950			Ribécourt, France			220
Joliet, IL		880		Trelleborg, Sweden		175	
Decatur, AL		425		Wingles, France		400	220
Montréal, PQ				Europe Total		1175	900
Springfield, MA		330		INEOS NOVA Total	3720	2810	900
Belpre, OH							
N.A. Total	3720	1635					

(1) Ethylene and coproduct capacities are dependent on feedstock mix.

(2) Coproducts include energy coproducts such as vacuum gas oil and distillates and chemical co-products such as propylene, aromatics, crude C4 hydrocarbons, C5 dienes, dicyclopentadiene, C9 resin oils, and hydrogen.

(3) Advanced SCLAIRTECH includes SURPASS and SCLAIR grades.

(4) The annual design capacity of E3 is 2.8 billion pounds and is divided equally between NOVA Chemicals and Dow.

(5) Represents NOVA Chemicals' equity position in the LyondellBasell Channelview facility.

(6) In the first quarter of 2009, the capacities of the Monaca, PA, and Painesville, OH, EPS operations were re-rated to 180 MM lb and 100 MM lb, respectively, for a combined total of 280 MM lb.

(7) Styrenics Performance Products total includes finishing capacities available at third party toll manufacturers.

(8) The expanded INEOS NOVA joint venture was launched on October 1, 2007. NOVA Chemicals holds a 50% equity position in INEOS NOVA. Capacities shown are for the joint venture.

(9) Approximately 220 million pounds per year is committed to BASF as part of a capacity reservation agreement.

(10) INEOS NOVA shut down the Montréal polystyrene production (120 million pounds) and the Belpre polystyrene production (220 million pounds) in December 2007 and January 2008, respectively.

NOVA CHEMICALS PRODUCTION INFORMATION

(millions of pounds)

	08	07	06	05	04	03	02	01	00	99
Ethylene – Joffre	3,908	4,217	4,057	4,285	4,735	4,117	3,812	3,538	3,376	3,071
– Corunna	1,629	1,635	1,482	943	1,566	1,434	1,554	1,213	1,514	1,476
Total Ethylene	5,537	5,852	5,539	5,228	6,301	5,551	5,366	4,751	4,890	4,547
Co-products ⁽¹⁾	3,200	3,461	4,004	3,717	4,009	4,323	4,448	4,162	4,783	4,059
Propylene	944	975	878	664	975	907	874	639	793	776
Polyethylene										
Standard products ⁽²⁾⁽³⁾	2,498	2,500	2,416	2,060	2,530	2,429	2,405	2,326	2,733	2,573
Advanced SCLAIRTECH PE	864	894	840	717	797	615	413	164	—	—
Total Polyethylene	3,362	3,394	3,256	2,777	3,327	3,044	2,818	2,490	2,733	2,573
Styrene⁽⁴⁾⁽⁵⁾	1,601	2,151	2,130	1,906	2,476	1,928	2,012	1,874	2,426	2,376
Polystyrene⁽⁵⁾⁽⁶⁾	1,267	1,547	2,396	2,244	2,448	2,409	2,493	2,510	3,057	2,900

(1) Includes hydrogen, crude C4, hydrocarbons, C5 dienes, dicyclopentadiene (DCPD), aromatics, C9 resin oils and fuels.

(2) Includes LLDPE, HDPE and LDPE produced at Joffre, AB, and at Mooretown and St. Clair River, ON.

(3) NOVA Chemicals shut down the A-line LLDPE plant at Corunna, Ontario, in May 2004. The A-line had a nameplate production capacity of 275 million pounds per year.

(4) Includes equity arrangements. Does not include tolling arrangements. The year 1999 includes styrene production from Bayport, Texas facility acquired from Huntsman.

(5) Includes NOVA Chemicals production for Q1, Q2 and Q3 2007, Performance Styrenics Production for Q4 2007, and 50% INEOS NOVA production for Q4 2007.

(6) Includes expandable polystyrene and other styrenic polymers.

CO-PRODUCT SALES VOLUMES AND TOTAL REVENUE⁽¹⁾

(millions of pounds; millions of U.S. dollars)	08	07	06	05	04	03	02	01	00
Volumes									
Propylene	944	970	829	667	944	946	879	680	764
No. 2 Fuel Oil	266	326	284	272	261	263	275	310	281
Vacuum Gas Oil	461	588	824	690	747	852	725	977	712
Residual Fuel Oil (No. 6)	200	252	360	312	367	483	322	517	3
Joffre C3s to C5s	248	304	68	140	55	86	139	395	297
C4s	629	553	678	550	769	730	696	454	534
C5s	128	139	124	106	168	166	—	134	180
Other	1,237	1,360	1,830	1,783	1,207	1,259	1,312	1,037	1,667
Total Volume	4,113	4,492	4,997	4,520	4,518	4,785	4,348	4,504	4,438
Total Revenue	1,861	1,563	1,523	1,133	889	688	513	545	660

(1) Excludes intercompany sales, third-party sales only.

ALBERTA ADVANTAGE⁽¹⁾

(cents per pound)	08	07	06	05	04	03	02	01	00	99
Alberta Advantage	17	17	11	6	7	4	4	6	10	10

(1) Cash cost advantage for production of ethylene in Alberta versus U.S. Gulf Coast facilities using ethane feedstock. See page 31 of the MD&A for details.

AVERAGE BENCHMARK PRICES⁽¹⁾

	08	07	06	05	04	03	02	01	00	99
Ethylene (\$/lb)⁽²⁾	0.59	0.49	0.48	0.44	0.34	0.29	0.22	0.26	0.30	0.22
Natural Gas (\$/mmbtu)										
NYMEX ⁽³⁾	8.95	6.92	7.26	8.55	6.09	5.44	3.25	4.38	3.91	2.29
Alberta Spot Price ⁽⁴⁾	7.91	6.12	6.18	6.98	5.21	4.74	2.59	4.11	3.37	1.99
WTI Crude Oil (\$/bbl) ⁽⁵⁾	99.65	72.34	66.21	56.56	41.41	31.04	26.08	25.97	30.20	19.24
USGC Ethane (\$/gallon) ⁽⁶⁾	0.89	0.79	0.66	0.62	0.50	0.40	0.26	0.33	0.40	0.28
Propylene (\$/lb)⁽²⁾	0.60	0.50	0.46	0.41	0.32	0.21	0.18	0.19	0.23	0.13
Polyethylene (\$/lb)										
Linear low-butene liner ⁽⁷⁾	0.79	0.65	0.65	0.60	0.48	0.43	0.34	0.35	0.40	0.33
Weighted-Average Polyethylene ⁽⁸⁾	0.81	0.68	0.67	0.63	0.50	0.46	0.38	0.39	0.42	0.36
Styrene (\$/lb)⁽²⁾	0.73	0.68	0.65	0.63	0.58	0.41	0.33	0.31	0.40	0.27
Benzene (\$/gallon) ⁽²⁾	3.57	3.62	3.26	2.90	2.88	1.54	1.19	1.02	1.38	0.87
Expandable Polystyrene (\$/lb)⁽²⁾	1.07	0.99	0.93	1.00	0.85	0.69	0.58	0.54	0.64	0.49

(1) Average benchmark prices are not necessarily the prices realized by NOVA Chemicals or any other petrochemical company.

(2) Source: CMAI.

(3) NYMEX Henry-Hub 3-day average close.

(4) Weighted-average spot prices at Alberta Energy Company (AECO) monthly index via NOVA Gas Transmission Inventory Transfer. Source: Canadian Gas Prices Reporter.

(5) Source: Platt's

(6) Source: Oil Price Information Service.

(7) Source: Townsend Polymer Services Inc. (TPSI)

(8) Benchmark prices weighted according to NOVA Chemicals' product mix in North America. Source for benchmark prices: TPSI.

U.S. / CANADIAN DOLLAR EXCHANGE RATES

	08	07	06	05	04	03	02	01	00	99
High	1.0241	1.1030	0.9099	.8751	.8493	.7789	.6654	.6711	.6984	.6935
Low	0.7731	0.8419	0.8528	.7853	.7159	.6338	.6179	.6230	.6398	.6462
Average Noon Rate	0.9381	1.0748	0.8817	.8254	.7683	.7135	.6368	.6458	.6733	.6730
Year-End	0.8210	0.9931	0.8581	.8598	.8308	.7713	.6339	.6278	.6672	.6929

Examples: U.S. \$0.82 = CDN \$1.00. On December 31, 2008, the rate for Canadian dollars as reported by the Bank of Canada was Cdn. \$1.00 = U.S. \$0.8210.

U.S. / EURO EXCHANGE RATES⁽¹⁾

	08	07	06	05	04	03	02	01	00	99
High	1.6038	1.4873	1.3376	1.3530	1.3667	1.2645	1.0503	.9590	1.0410	1.1897
Low	1.2330	1.2892	1.1798	1.1643	1.1759	1.0334	.8565	.8354	.8227	.9993
Average Rate	1.4712	1.3709	1.2554	1.2380	1.2441	1.1328	.9445	.8956	.9225	1.0665
Year-End	1.3971	1.4603	1.3188	1.1836	1.3558	1.2584	1.0496	.8910	.9416	1.0058

Example: U.S. \$1.3971 = 1 euro. On December 31, 2008 the rate for euros as reported by Bloomberg LP was euro 1 = U.S. \$1.3971.

(1) Euro was introduced on January 1, 1999

DEMAND GROWTH SUMMARY BY REGION

(consumption in millions of pounds,
except growth percentages)

	98-08 ⁽¹⁾	08	07	06	05	04	03	02	01	00	99
Polyethylene⁽²⁾											
North America	0.6	32,816	35,461	35,602	34,301	35,836	33,574	34,621	32,671	33,877	33,506
South America	4.7	10,013	9,348	8,602	7,824	7,824	7,158	6,864	7,014	6,838	6,714
Asia	7.8	65,488	60,843	56,804	53,889	50,066	47,414	43,395	39,396	37,291	34,853
West Europe	1.5	28,653	29,361	28,336	27,551	27,877	27,240	27,325	26,348	26,239	24,968
East Europe	6.7	4,085	3,931	3,596	3,307	3,073	2,696	2,580	2,411	2,275	2,179
Africa and Middle East	8.2	13,997	12,745	11,557	10,589	9,870	8,618	7,925	7,740	7,416	6,804
Solid and Expandable Polystyrene⁽²⁾											
North America	(2.0)	6,235	6,975	7,308	7,533	7,765	7,412	7,633	7,089	7,589	8,120
South America	2.5	1,519	1,493	1,429	1,332	1,354	1,202	1,105	1,173	1,163	1,135
Asia	2.8	13,951	15,082	14,284	14,458	14,782	14,720	13,912	13,015	12,694	12,092
West Europe	(0.1)	6,393	6,889	6,713	6,587	6,605	6,852	7,134	6,756	6,726	6,628
East Europe	9.2	1,830	1,656	1,426	1,237	1,153	1,058	999	964	925	840
Africa and Middle East	9.2	2,169	1,989	1,806	1,671	1,581	1,321	1,134	1,065	1,059	1,005

(1) Ten-year annual average demand growth rate.

(2) Source: CMAI.

NORTH AMERICAN INDUSTRY OPERATING RATES⁽¹⁾

(percent)	08	07	06	05	04	03	02	01	00	99
Ethylene	78	89	88	86	93	83	85	82	93	96
Polyethylene ⁽²⁾	84	94	91	86	92	83	85	81	91	92
Styrene	70	82	76	79	90	87	87	77	92	94
Polystyrene	75	83	76	77	82	75	77	79	85	86

(1) Source: CMAI.

(2) Source: American Chemistry Council

GLOBAL ETHYLENE DERIVATIVES — 2008⁽¹⁾

(percent)	
Polyethylene	60
Ethylene Oxide	14
Ethylene Di-chloride	11
Ethylbenzene	7
Alpha Olefins	3
Others	5

GLOBAL STYRENE DERIVATIVES — 2008⁽¹⁾

(percent)	
Polystyrene	40
Expandable Polystyrene	19
ABS	17
SB Latex	6
SB Rubber	4
Unsaturated PE Resins	5
Others	11

MAJOR U.S. AND CANADA POLYETHYLENE MARKETS⁽²⁾

(percent of sales by volume)	
Packaging Film	21
Non-Packaging Film	15
Blow Molding	15
Injection Molding	11
Pipe & Conduit	7
Extrusion Coating	3
Resellers and Distributors	16
Other	13

(1) Source: CMAI.

(2) Source: American Chemistry Council

MAJOR U.S. AND CANADA POLYSTYRENE MARKETS⁽²⁾

(percent of sales by volume)	
Food Service	40
Expandable Polystyrene	15
Packaging	14
Consumer and Institutional	8
Electrical and Electronics	7
Building and Construction	5
Resellers and Distributors	10
Other	2

PRODUCT AND CAPACITY RANKING

12

NORTH AMERICA			GLOBAL		
	KT	mmlbs		KT	mmlbs
Ethylene			Ethylene		
The Dow Chemical Company	5,700	12,600	The Dow Chemical Company	10,200	22,500
LyondellBasell Industries	4,900	10,700	SABIC	8,500	18,800
ExxonMobil Chemical Company	4,300	9,500	ExxonMobil Chemical Company	8,100	17,800
Chevron Phillips Chemical Company	3,500	7,800	LyondellBasell Industries	6,800	15,000
NOVA Chemicals Corporation	3,000	6,600	Royal Dutch/Shell Group	6,500	14,400
Royal Dutch/Shell Group	3,000	6,500	ExxonMobil	5,400	11,900
INEOS	1,700	3,800	SINOPEC	5,000	11,000
Formosa Group	1,500	3,300	INEOS	4,800	10,600
PEMEX	1,400	3,000	Formosa Group	4,100	9,100
Westlake	1,300	2,900	NPC-Iran	3,700	8,200
Others	4,500	10,000	Others ⁽¹⁾	66,200	145,700
Total	34,800	76,700	Total	129,300	285,000
Polyethylene			Polyethylene		
The Dow Chemical Company	4,450	9,810	The Dow Chemical Company	7,970	17,560
ExxonMobil Chemical Company	3,930	8,660	ExxonMobil Chemical Company	7,090	15,620
LyondellBasell Industries	2,520	5,560	LyondellBasell Industries	4,920	10,840
Chevron Phillips Chemical Company	2,310	5,090	SABIC	4,100	9,030
NOVA Chemicals Corporation	1,640	3,620	SINOPEC	3,670	8,080
Westlake	1,160	2,550	INEOS	3,080	6,800
Formosa Group	1,000	2,190	Chevron Phillips Chemical Company	2,800	6,170
INEOS	930	2,040	Formosa Group	2,030	4,480
PEMEX	880	1,940	Total Petrochemicals	2,010	4,430
Total Petrochemicals	440	970	CNPC	1,780	3,930
Others	380	850	Others ⁽¹⁾	37,080	81,770
Total	19,640	43,280	Total	76,530	168,710
Styrene			Styrene		
INEOS NOVA ⁽²⁾	1,690	3,720	Royal Dutch Shell	2,650	5,830
Cosmar (SABIC / Total)	1,150	2,540	BASF AG	2,200	4,860
Americas Styrenics (Dow / CPC)	950	2,100	Total Petrochemicals	1,730	3,810
LyondellBasell Industries ⁽³⁾	910	2,000	INEOS NOVA ⁽²⁾	1,690	3,720
The Dow Chemical Company	470	1,030	The Dow Chemical Company	1,580	3,480
Shell Chemical Company	450	990	SABIC ⁽³⁾	1,440	3,170
Westlake Chemical Corporation	250	560	LyondellBasell Industries ⁽³⁾	1,400	3,080
NOVA Chemicals Corporation ⁽⁴⁾	180	400	Formosa Group	1,200	2,650
BASF	170	380	Americas Styrenics	950	2,100
PEMEX	150	330	SINOPEC	770	1,700
Others	—	—	Others	13,460	29,680
Total	6,370	14,050	Total	29,070	64,080
Polystyrene			Polystyrene		
Americas Styrenics	860	1,900	Total Petrochemicals	1,400	3,090
Total Petrochemicals	750	1,650	BASF	1,390	3,070
INEOS NOVA ⁽²⁾	740	1,640	INEOS NOVA ⁽²⁾	1,270	2,810
BASF	160	350	The Dow Chemical Company	1,260	2,780
Resirene	150	330	Americas Styrenics	1,120	2,470
Dart Container	100	210	Chi Mei	610	1,340
The Dow Chemical Company	80	170	Formosa Group	530	1,170
SABIC	50	100	SINOPEC	460	1,010
American PS	30	70	PS Japan	450	980
Others	10	30	Polimeri Europa	420	930
Total	2,930	6,450	Others	5,640	12,440
Expandable Polystyrene			Expandable Polystyrene		
NOVA Chemicals Corporation ⁽⁶⁾	168	370	Loyal	960	2,110
Flint Hills Resources	91	201	BASF	610	1,340
Dart Container	90	198	Wuxi Xingda	500	1,100
Grupo Alfa	83	182	INEOS NOVA ⁽²⁾	410	900
BASF SE	83	182	Taita Chemical	340	750
Styrochem	50	110	Chengda	240	530
Grupo Idesa	30	65	Ming Dih	200	440
Nexkemia	18	40	Chem China	180	410
Plastifab	8	18	NOVA Chemicals Corporation ⁽⁶⁾	170	370
Productos de Estireano	8	18	Dart Container	170	360
Others	4	12	Others	3,600	7,970
Total	633	1,396	Total	7,380	16,280

Source: Chemical Markets Associates, Inc. and public information compiled by NOVA Chemicals. Capacity as of December 2008.

- (1) NOVA Chemicals is ranked 13 for both global ethylene and polyethylene capacity.
- (2) NOVA Chemicals holds a 50% position in INEOS NOVA.
- (3) Excludes equity positions with NOVA Chemicals and BASF Corporation.
- (4) This represents NOVA Chemicals' minority interest in the LyondellBasell Channelview, Texas, facility
- (5) Includes equity from Cosmar joint venture.
- (6) In the first quarter of 2009, Nova Chemicals' EPS capacity was re-rated to 280 million pounds.