

Annual Results 2008

Mark Garrett, Chief Executive
Daniel Shook, Chief Financial Officer

March 11, 2009



SHAPING *the* FUTURE *with* PLASTICS

Borealis at a glance

- **Leading provider of innovative, value creating plastics solutions**
- **Developing our Base Chemicals business**
- **More than 40 years of experience**
- **Unique Borstar® technology to develop polyolefin solutions that are tailored to customers' needs**
- **5,400 employees in around 20 countries**
- **Ownership 64% IPIC / 36% OMV**
- **Joint venture in Middle East and Asia: Borouge (Abu Dhabi)**



Borealis and Borouge locations

Borealis Locations

Customer Service Centres

Abu Dhabi, Austria, Belgium, Finland, Germany, Italy, Russia, Singapore, Turkey, United States

Production Plants

Austria, Belgium, Brazil, Finland, Germany, Italy, Sweden, United States

Innovation Centres

Austria, Finland, Sweden

Head Office

Austria

Borouge Locations

Customer Service Centres

Abu Dhabi (UAE), China, India, Singapore

Sales Offices

Abu Dhabi (UAE), Australia, China, Lebanon, New Zealand, Saudi Arabia

Production Plants

Ruwais (UAE)

Head Offices

Abu Dhabi (UAE), Singapore



Commitment to Value Creation through Innovation secures future growth

'Commodity' path



'Value Creation' path



Providing solutions in Polyolefins



infrastructure



automotive



advanced packaging

...and in Base Chemicals



phenol and acetone



feedstocks and olefins



melamine



plant nutrients

Even more in tough times, we need to live our values equally



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

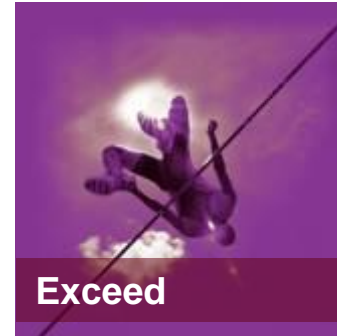


Respect

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



Nimbllicity™

We are fit, fast and flexible

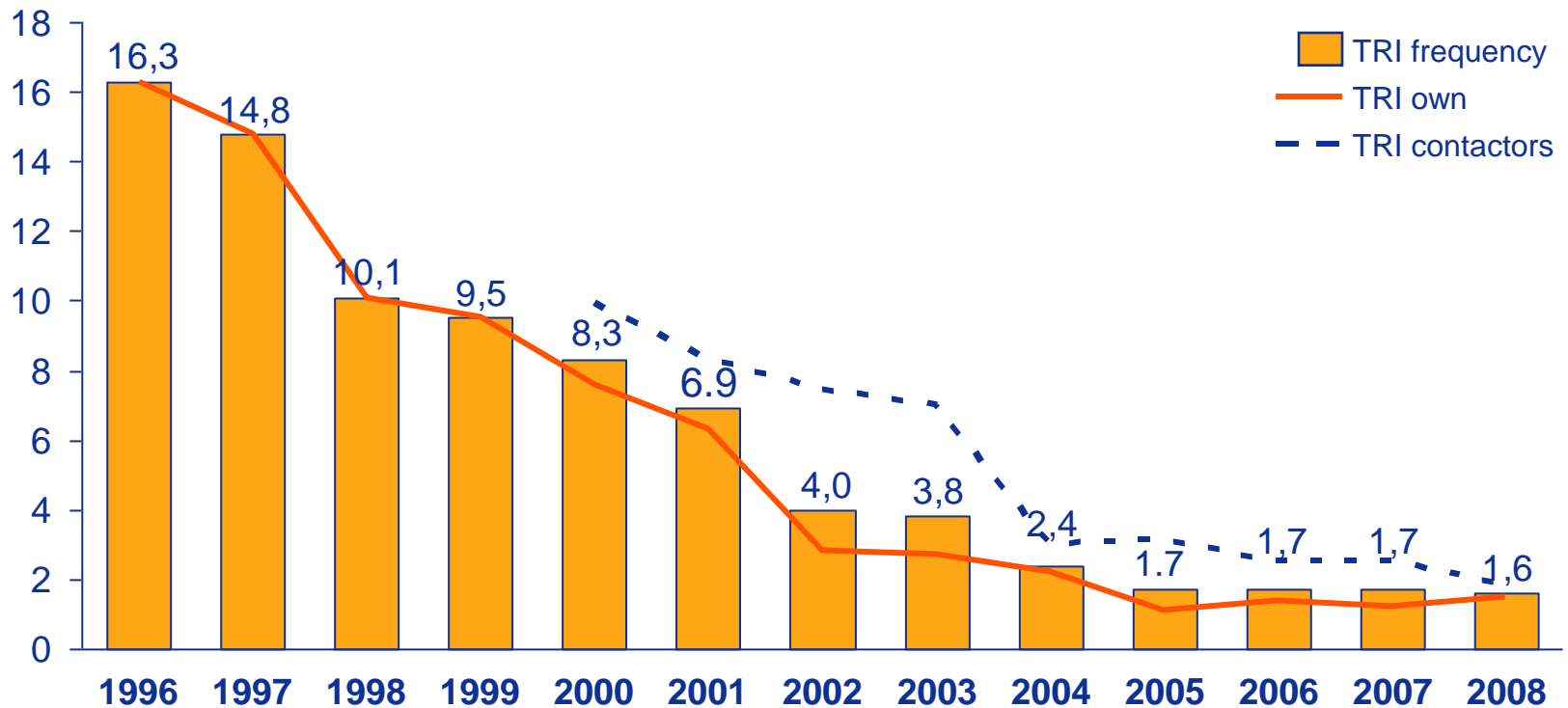
We create and capture opportunities

We seek the smart and simple solutions

Results (2008/Q4) and Investments

Safety performance at constant levels than previous years

TRI frequency 1996 - December 2008 YTD, own vs. contractors

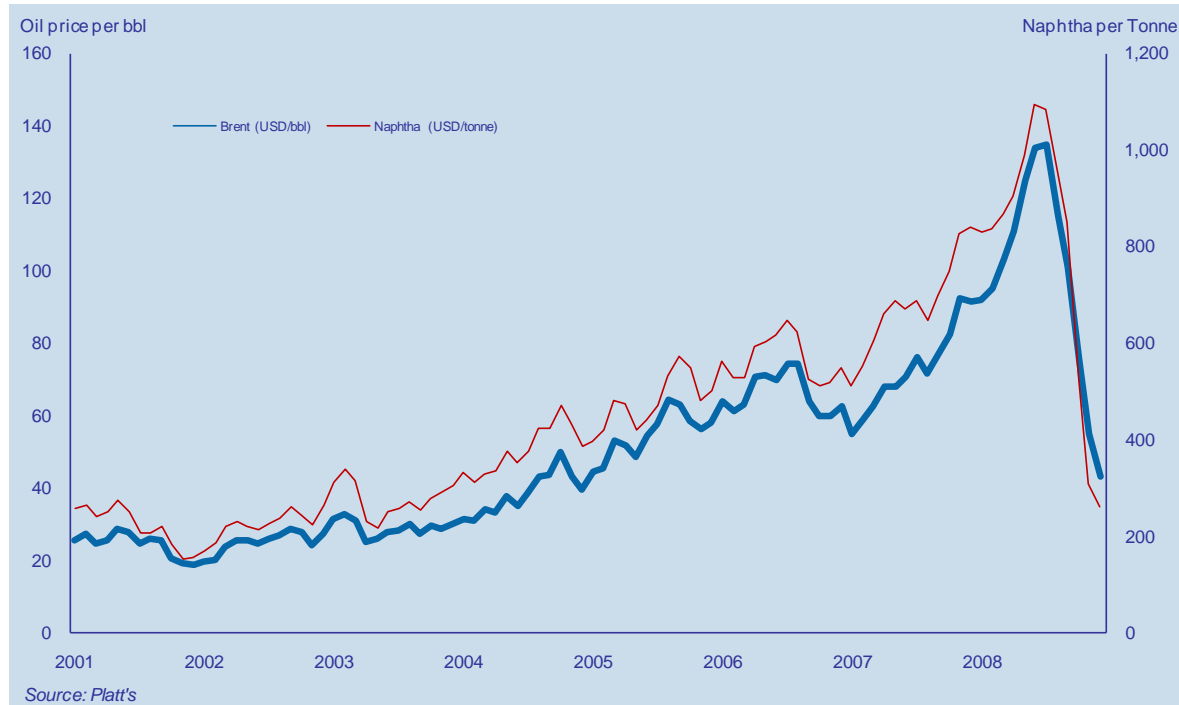


Feedstock prices collapsed at the end of the year ...

Brent	USD per barrel	EUR per barrel
Q4 2008 average	58	44
Q3 2008 average	117 (-51%)	78 (-44%)
Q4 2007 average	89 (-35%)	61 (-28%)
2008 average	99	67
2007 average	73 (+36%)	53 (+26%)

Naphtha	USD per tonne	EUR per tonne
Q4 2008 average	364	277
Q3 2008 average	962 (-62%)	640 (-57%)
Q4 2007 average	803 (-55%)	554 (-50%)
2008 average	790	538
2007 average	676 (+17%)	493 (+9%)

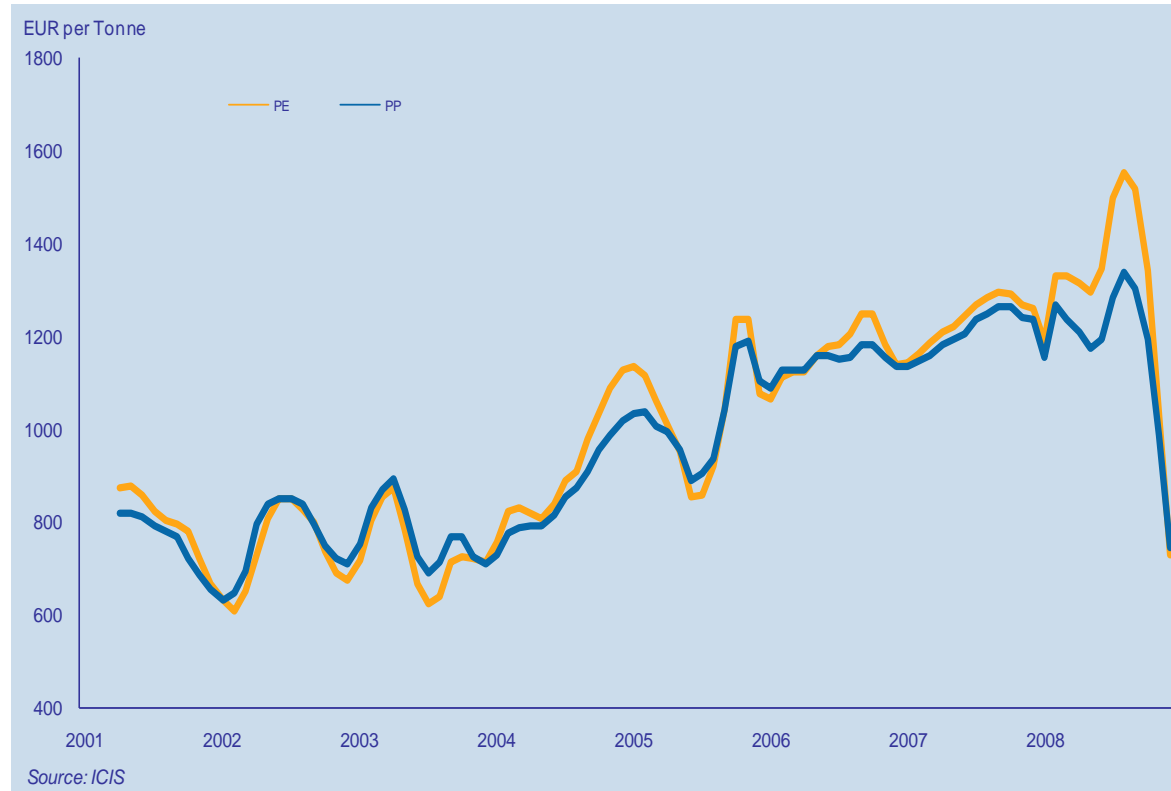
Current period vs previous period change in brackets



... and PO prices followed resulting in negative margins in Q4 ...

EUR per tonne	PE	PP
Q4 2008 average	1,036	976
Q3 2008 average	1,522 (-32%)	1,310 (-25%)
Q4 2007 average	1,274 (-19%)	1,249 (-22%)
2008 average	1,290	1,175
2007 average	1,236 (+4%)	1,211 (-3%)

Current period vs previous period change in brackets

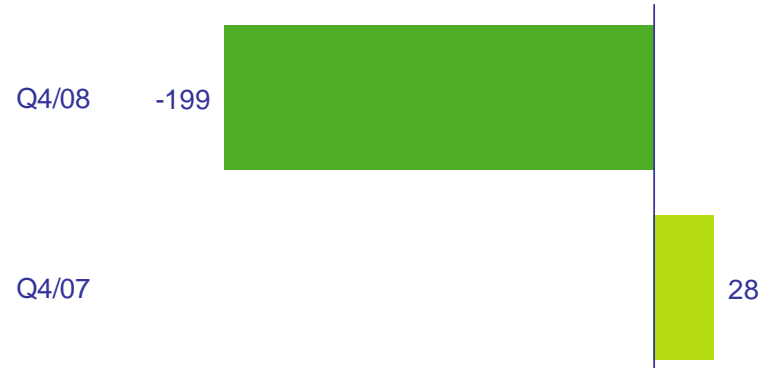


Key figures – Q4 2008

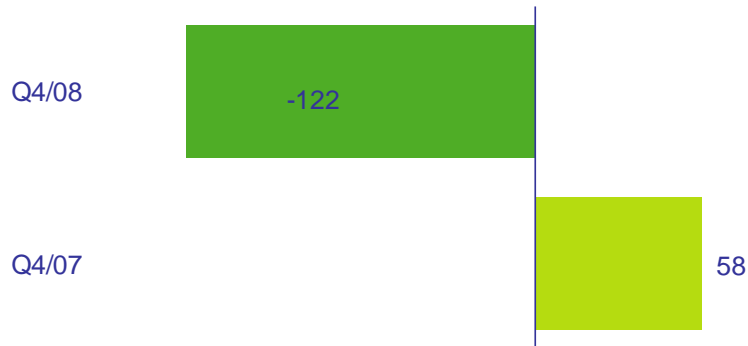
Net Sales (MEUR)



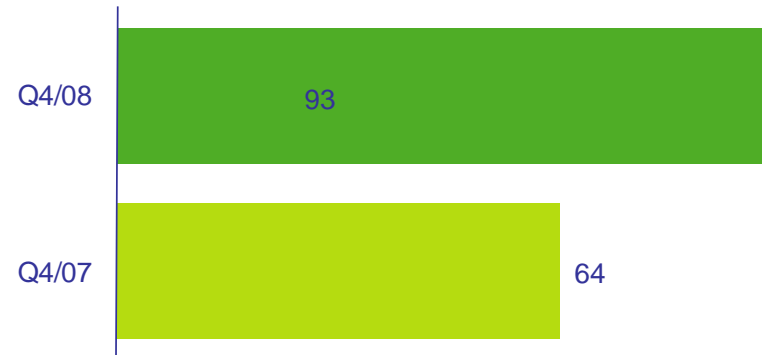
Operating Profit (MEUR)



Net Profit (MEUR)



Reduction/(Increase) in Net Debt (MEUR)

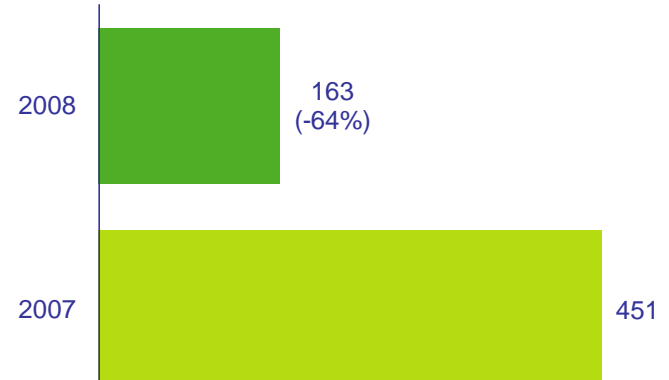


Key figures – Full year 2008

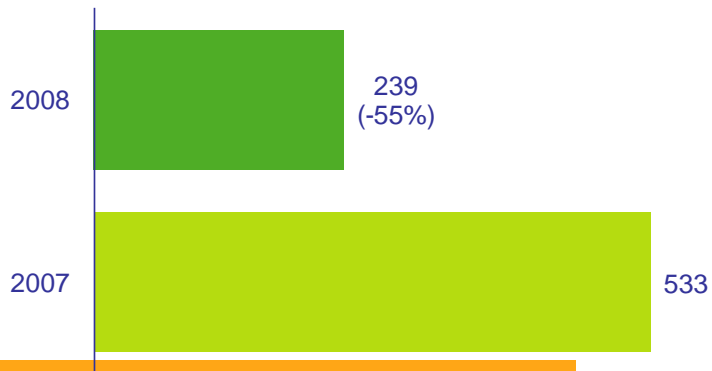
Net sales (MEUR)



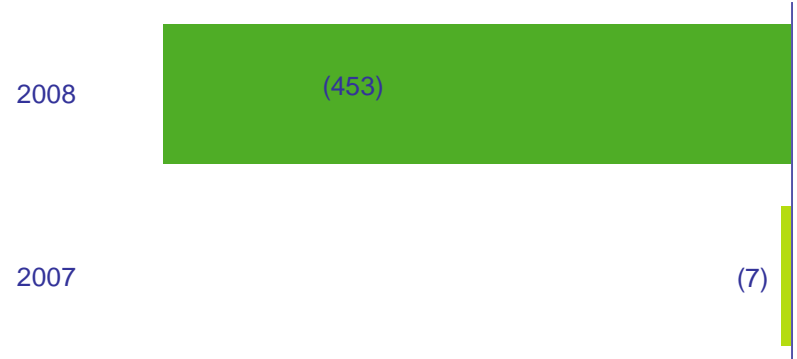
Operating Profit (MEUR)



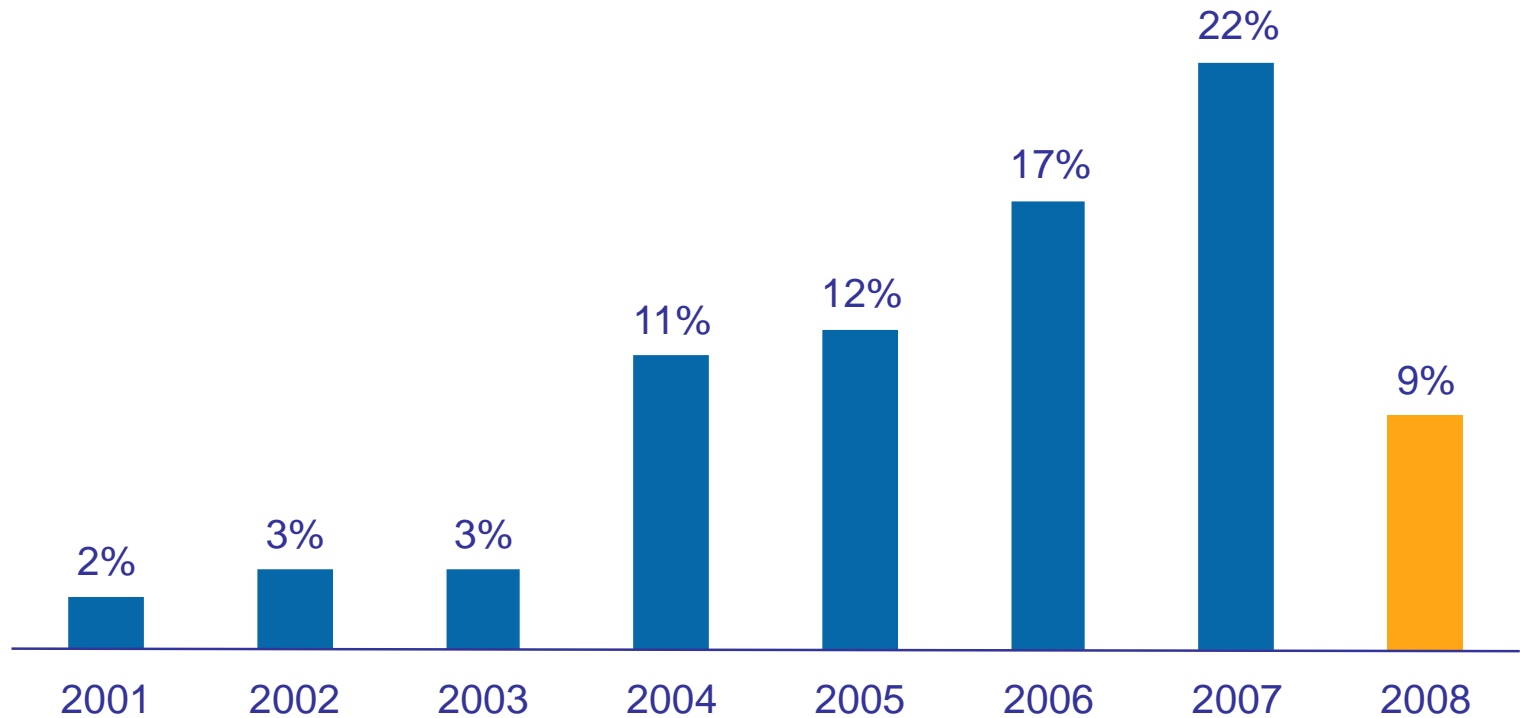
Net Profit (MEUR)



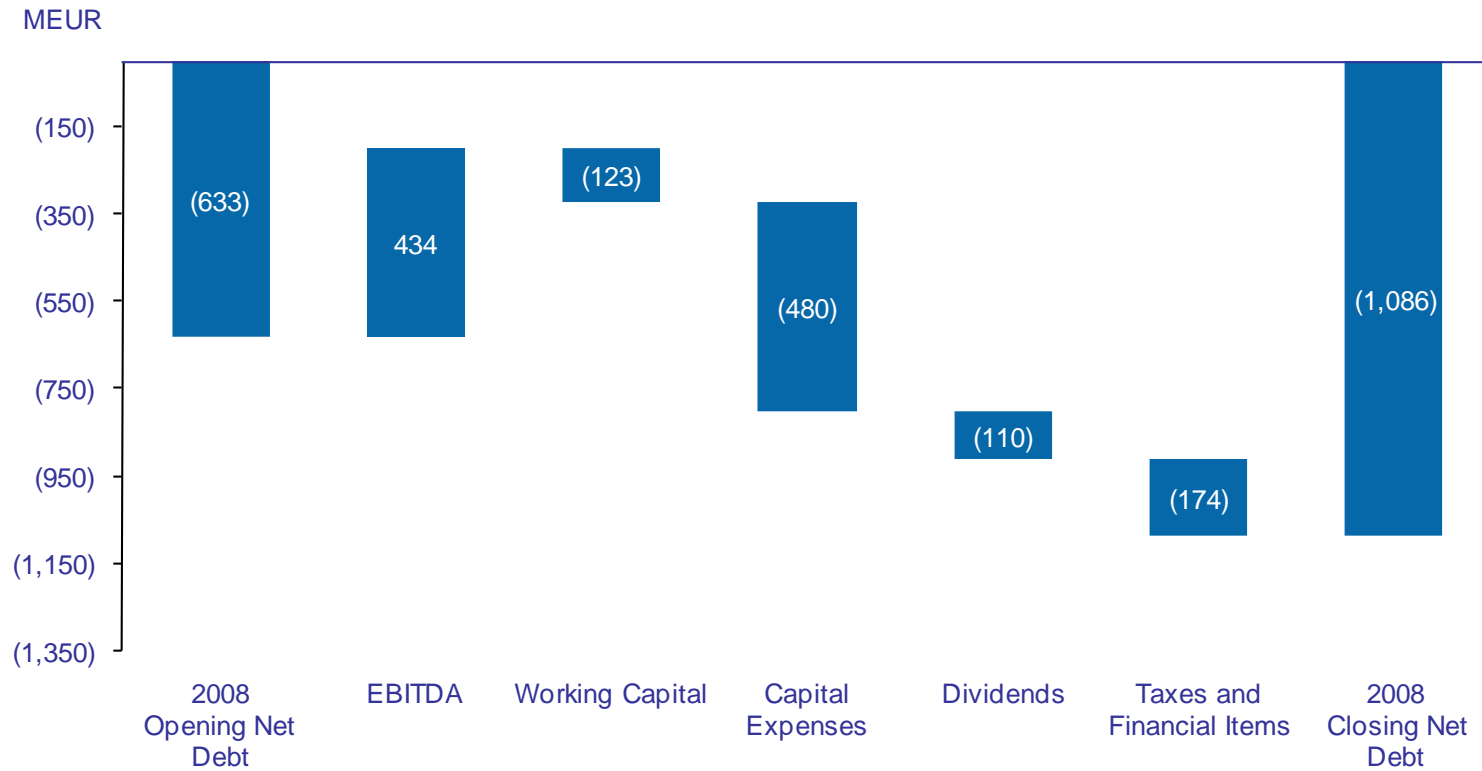
Reduction/(Increase) in Net Debt (MEUR)



Return on capital employed impacted by economic crisis



Increase in net debt driven by growth project investments



Gearing 27 %

47 %

Investments in Europe

- **Burghausen, Germany: Inauguration of Borstar® PP 2G plant**
- **Stenungsund, Sweden: low density PE plant on track for start-up in late 2009**
- **Schwechat, Austria: Four-reactor configuration of PP plant completed and Borstar® PP pilot plant on track for start-up in 2009**
- **Linz, Austria: Groundbreaking of international Innovation Headquarters**



Expansion in the Middle East and Asia

- **Good performance of Borouge, advancing reputation and business in the Middle East and Asia**
- **Borouge 2 on track for start-up in 2010, expand production capacity from 600,000 t/y of PE to 2 million t/y of both PE and PP**
- **Groundbreaking for 2 new logistic hubs in Shanghai and Guangzhou, China**
- **New compounding unit to be built in Shanghai**
- **Feasibility study for Borouge 3 to add an additional 2.5 million t/y of capacity**



Developing our Base Chemicals business

- Successful turnaround of melamine and plant nutrients business in Austria and Germany
- Sale of business and operations (AMI Italy) in Castellanza, Italy
- Actively participating in first complex of the new Chemicals Industrial City (Chemaweyaah) in Abu Dhabi, UAE
- Feasibility study for world-scale plant nutrients complex in Uzbekistan on track



Innovation activity bringing tailor-made products to market quicker

Infrastructure: Continue to be the innovation leader in Wire & Cable

- New LDPE plant in Sweden to assure continued growth and commitment to wire & cable market
- New technologies being developed allowing customers to operate more efficiently
- Wire & Cable Academy supports customers and the industry with unparalleled expertise
- Unrivaled track record in the most demanding segments of wire & cable (high voltage)



Infrastructure: New concept for PE pipes with BorPEX™

The challenge

- Pipe manufacturers lack experience and technical skills

The solution

- Development of “ready-to-use” concept with partners and two new grades for new production process

The benefits

- “Ready-to-use” PEX delivers high speed and high quality pipe output



Automotive: Light Weight Rear Seat Carrier (BMW 7-series)

The challenge

- Increasing pressure on better fuel efficiency by weight saving
- Fulfilling demanding safety requirements for Seats

The solution

- High Performance Short Glasfibre PP
- Material suitable for film blowing, extrusion and injection moulding

The benefits

- High dimensional stability
- Weight saving of approx. 35%



Advanced Packaging: Bormed packaging in healthcare

The challenge

- High safety and security throughout the value chain in demanding healthcare market

The solution

- Bormed™ LE6607-PH for bottles or ampoules
- Material suitable for film blowing, extrusion and injection moulding

The benefits

- High quality based on special production and quality control precautions
- Regulatory compliance and DMF (Drug Master File) registered
- Suitable for different sterilization techniques
- Dedicated grade with long term commitment



stability

reliability

consistency

traceability

continuity

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Advanced Packaging: Borclear RE936CF – designed to shine

The challenge

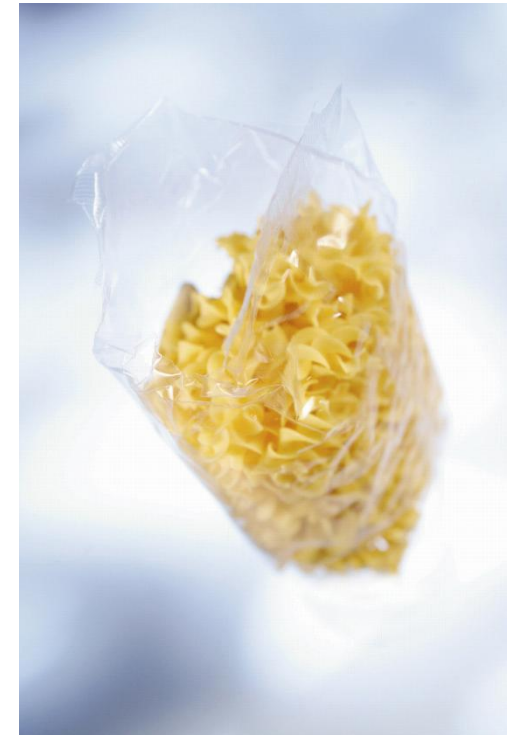
- Improved brand perception by superior pack aesthetics (very glossy films with high transparency even after heat treatments)

The solution

- Borclear RE936CF
- A polymer design tailored to give superior optical properties

The benefits

- Low haze and highest gloss
- Reduced orange peel at highest line speeds
- Best transparency after sterilization
- High purity



Step change in transparency at > 20% higher line speed

Melamine: HIPE®FIBRE

The challenge

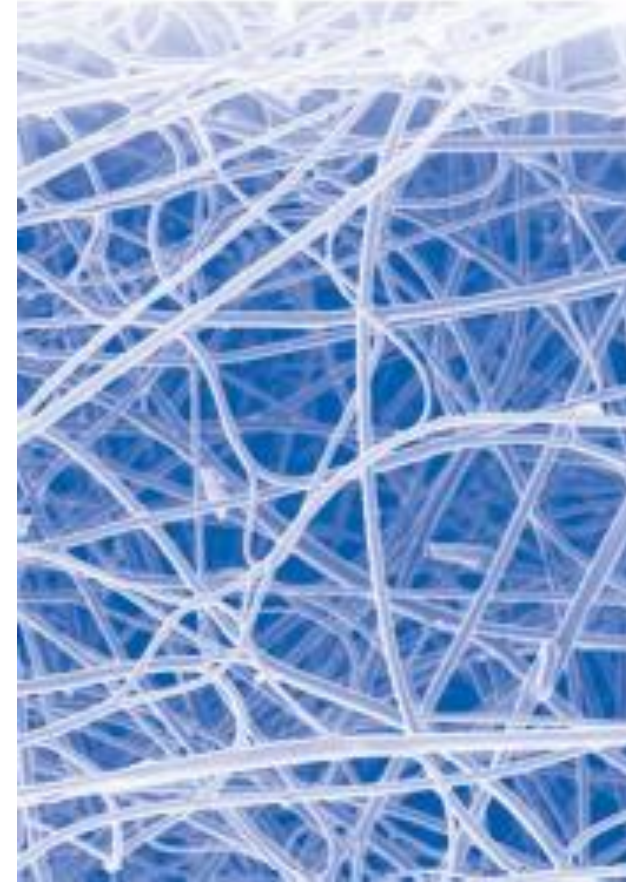
- Inherently flame retardant material to meet increasing demand for heat and flame protection

The solution

- Melamine-based meltblown non-wovens made of Melamine Etherified Resin

The benefits

- 1-step meltblown process
- Excellent thermal and acoustic insulation due to microfibres
- No shrinking and melting when exposed to open flame



HIPE®FIBRE

We are responding to global challenges

Global challenges...



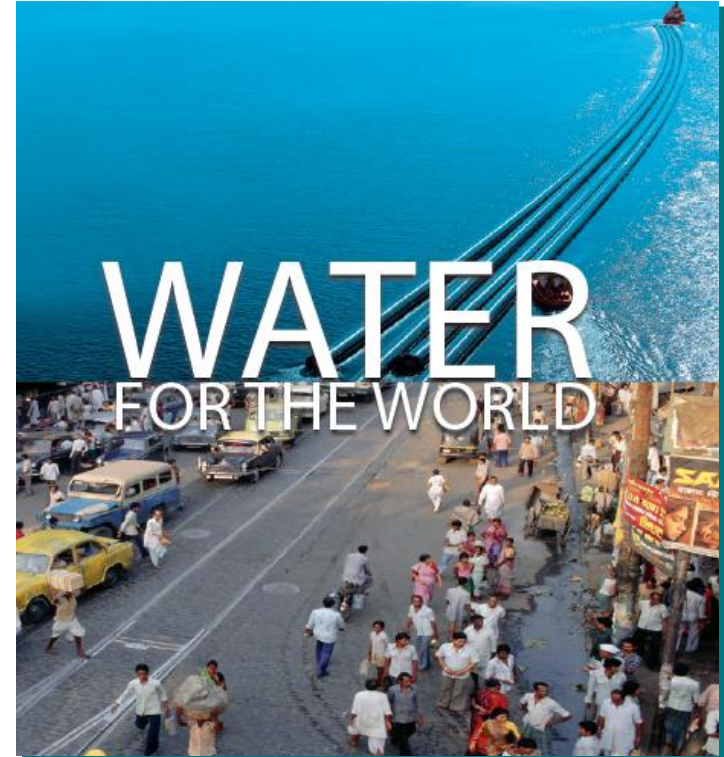
Responding to global challenges...



Committed leadership

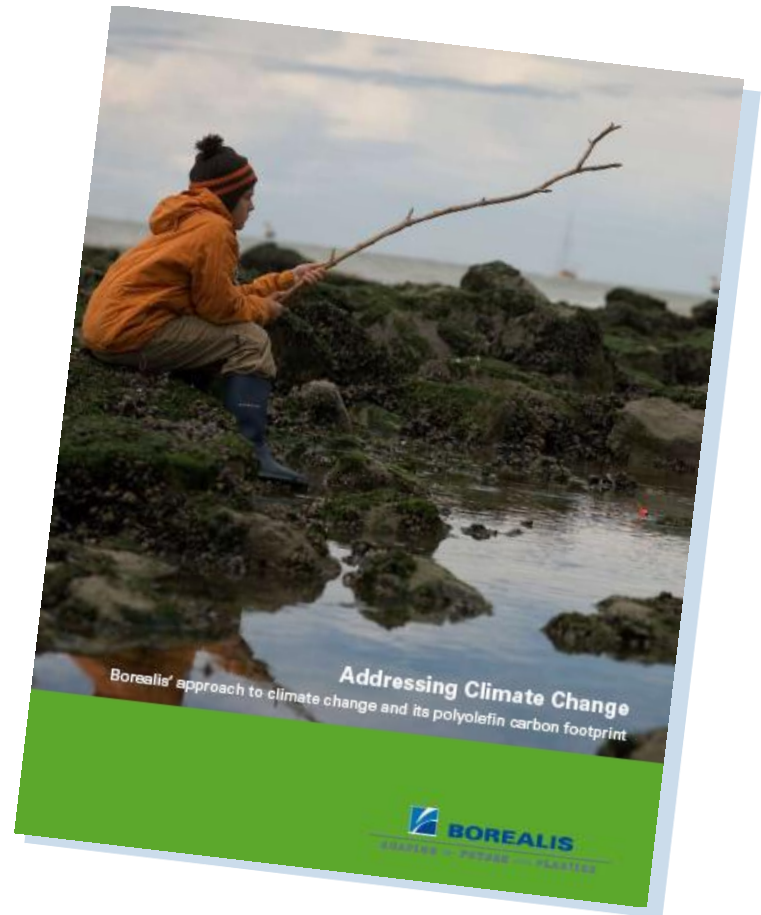
- **Exceptional feedback from water stakeholders at regional launches**
- **400.000 people outreached with business-NGO coalition WSUP**
- **Malkapur community sustainable supply and Sichuan disaster emergency piping systems**
- **Spearheading precision farming to prevent fertilisers runoffs in Austria**

www.waterfortheworld.net



Advancing with Responsible Care®

- Enhanced product stewardship and REACH implementation leadership:
 - 146 substances pre-registered
- Energy and carbon management from operations to products: Green House Gas emissions per tonne produced reduced by 60% over the Kyoto protocol period
- Health, safety, environment and Responsible Care integration and adoption for AMI





BOREALIS

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End of presentation
Mark Garrett, Daniel Shook
March 11, 2009

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