

May 5, 2009, 9.30h CET

In a volatile market, Borealis focuses on cost competitiveness and cash preservation

- Despite continued volatile market conditions, Borealis reduces the net loss to EUR 56 million
- Consequent focus on cost competitiveness and liquidity to weather the economic crisis
- Strategic investments in Abu Dhabi (UAE), Stenungsund (Sweden) and Linz (Austria) are on track

Key figures and ratios (Quarter ending March 31, 2009)		1Q 2009	1Q 2008	4Q 2008	FY 2008
Sales revenue	MEUR	1.025	1.696	1.346	6.697
Operating profit / (loss)	MEUR	(72)	137	(199)	163
Net profit / (loss) after tax	MEUR	(56)	130	(122)	239
Reduction / (increase) in net interest-bearing debt	MEUR	98	(194)	93	(453)
Gearing	%	43	36	47	47

Borealis, a leading provider of innovative, value creating plastics solutions, announces a net loss of EUR 56 million for the first quarter of 2009, a 54% improvement compared to the last quarter of 2008 as the company quickly reacts to the most significant global demand shock in decades. Focused working capital management contributed to a net debt reduction of EUR 98 million versus the end of the fourth quarter of 2008 and an improved gearing ratio of 43%, from 47% at the end of the fourth quarter of 2008.

Despite the continuous extremely challenging market conditions, both polyolefins sales volumes and prices have shown some recovery during the first quarter of 2009. Results were negatively impacted by the high cost inventory produced in the fourth quarter of 2008 which was largely cleared in the first quarter of 2009. This effect contributed to a majority of the

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operating losses in the quarter. The contribution of Borouge was soft during the first quarter, partly due to a scheduled maintenance shut down.

In April, Borealis announced that Borouge 3 has entered the engineering and design stage and will come on stream at the end of 2013, adding another approximately 2.5 million tons per year (t/y) of polyolefins capacity. Borouge 3 is a further expansion of Borealis' joint venture with ADNOC (Abu Dhabi National Oil Company) in Abu Dhabi to meet the growing demands of the high value polyethylene and polypropylene markets in the Middle East and Asia and will specifically add low-density polyethylene capability for the growing wire and cable market to Borouge's portfolio.

Borealis' 350,000 t/y low-density polyethylene plant in Stenungsund, Sweden, which supplies the wire and cable market, will be completed according to plan by the end of this year. The expansion of the international Innovation Headquarters in Linz, including an application hall, storage facilities, a state-of-the-art polymerisation laboratory and office building, is on track to be completed in autumn of this year.

"After a dramatic drop in demand, the world economy has stabilised at a low level. We do not expect real demand to recover before the end of 2010," comments Mark Garrett, Borealis Chief Executive. "Borealis continues to work hard to ensure a competitive cost position while making no compromises on safety. The investments in Abu Dhabi and Stenungsund as well as the expansion of our Innovation Headquarters in Linz confirm our long-term commitment to providing innovative solutions to the market and will guarantee a strong competitive position when the global economy recovers."

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Borealis and Borouge are leading providers of innovative, value creating plastics solutions. With more than 40 years of experience in polyolefins and using our unique Borstar® technology, we focus on the infrastructure, automotive and advanced packaging markets across Europe, the Middle East and Asia. Our production facilities, innovation centres and service centres work with customers in more than 170 countries to provide the materials that make an essential contribution to society and sustainable development. We are committed to the principles of Responsible Care® and to leading the way in 'Shaping the Future with Plastics'™.

For more information on Borealis and Borouge, a joint venture between Borealis and the Abu Dhabi National Oil Company, visit www.borealisgroup.com and www.borouge.com.

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