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Borealis' second quarter results positive in a continuing difficult economic environment

- Borealis reports a net profit of EUR 35 million in the second quarter after a net loss of EUR 56 million in the first quarter, resulting in a net loss of EUR 21 million for the first half of 2009
- Continued focus on cost competitiveness and cash preservation delivers net profit improvement
- Major milestones achieved in the Borouge 3 investment project in the Middle East

Key figures and ratios (Quarter ending June 30, 2009)		2Q 2009	2Q 2008	1 H 2009	1 H 2008
Sales revenue	MEUR	1.142	1.825	2.167	3.521
Operating profit / (loss)	MEUR	27	52	(45)	189
Net profit / (loss) after tax	MEUR	35	71	(21)	201
Reduction / (increase) in net interest-bearing debt*	MEUR	(76)	(145)	22	(339)
Gearing	%	46	40	46	40

* Q2 2008 and 1H 2008 change in net debt and gearing restated to reflect net debt figures on a comparable basis

Borealis, a leading provider of innovative, value creating plastics solutions, announces a net profit of EUR 35 million for the second quarter of 2009, a EUR 91 million improvement compared to the first quarter of 2009 but a 50% decrease against the second quarter of 2008. The positive development in this year's second quarter reflects the company's focus on cost competitiveness and operational excellence. While sales volumes increased in all businesses compared to the first quarter of this year the volatile market environment continues to put margins under pressure. A strong focus on working capital management contributed to a reduction of net debt versus the end of last year and resulted in a slightly improved gearing ratio of 46%.

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However, the result of the first half of 2009 in total shows a net loss of EUR 21 million. Sales volumes remain slightly behind last year and additional polyolefin capacities from the Middle East are expected to keep industry margins under pressure. While Borouge continues to contribute positively to the result, the melamine and fertiliser businesses suffer from lower sales volumes and decreasing margins.

Borouge's current expansion plans to triple its polyolefins production capacity by the middle of 2010 are well on track. Three important contracts were awarded during the quarter for its Borouge 3 project, which will take the total production capacity to 4.5 million t/y by the end of 2013.

Borealis' biggest European investment to date in a 350,000 t/y low-density polyethylene plant in Stenungsund, Sweden, is on schedule to be finalised by the end of this year. In Linz, Austria, Borealis is expanding its international Innovation Headquarters, which will be completed in the autumn of 2009.

"The result of the second quarter clearly shows that our efforts in cost management and cash preservation are paying off," comments Mark Garrett, Borealis Chief Executive. "However, the market environment continues to be extremely challenging and we do not expect real demand to recover before the end of 2010. Additional capacities coming on stream in the Middle East will put a lot of pressure on our margins and we need to stay focused on our innovation strategy and effectively managing our costs and asset portfolio."

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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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