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Borealis delivers solid third quarter results

- Borealis recorded a net profit of EUR 54 million in the third quarter of 2010, resulting in a net profit of EUR 200 million year to date
- Start-up of the new low density polyethylene (LDPE) plant in Stenungsund, Sweden as well as the new ethane cracker and PO plants (Borouge 2) in Abu Dhabi, United Arab Emirates, ongoing
- Borouge 3 expansion project in Abu Dhabi on track
- Joint presence together with Borouge and NOVA Chemicals at K2010 in Düsseldorf, Germany

Key figures and ratios (Quarter ending September 30)		Q3 2010	Q3 2009	YTD 2010	YTD 2009
Sales revenue	MEUR	1,590	1,281	4,616	3,447
Operating profit / (loss)	MEUR	80	58	267	13
Net profit / (loss) after tax	MEUR	54	47	200	26
Reduction / (increase) in net interest-bearing debt	MEUR	103	(58)	(36)	(36)
Gearing	%			39	47

Borealis, a leading provider of chemical and innovative plastics solutions, announces a net profit of EUR 54 million for the third quarter of 2010. The result exceeds the performance in the third quarter of 2009 by 15%, although profitability reduced from the second quarter of 2010 largely due to the impact of start-up and turnaround activities.

The net debt position improved during the third quarter which provides continued flexibility for Borealis to pursue its long-term strategic projects. Gearing reached 39% at the end of September 2010 which is now slightly below Borealis' target range of 40-60%.

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Feedstock prices slightly decreased compared to the second quarter of 2010. Polyolefin market prices stabilised resulting in a further improvement of the polyolefins business group results, while the cracker margins were impacted by turnaround activities. The plant nutrient and melamine businesses delivered improved financial performance driven by a favourable market environment.

During the third quarter, Borealis announced changes in its Executive Board. Herbert Willerth took on the responsibility for the Middle East & Asia under the umbrella of his current role of Deputy CEO. Executive Board member, Gerd Löbberth, has taken on the position of Executive Vice President Polyolefins, while Markku Korvenranta joined the Executive Board as Executive Vice President Base Chemicals, effective October 1, 2010.

The Borouge 2 project in Abu Dhabi, UAE, is well on track and the expanded plant is starting-up as planned with all olefin and polyolefin units operational by the end of the third quarter. With this investment of approximately USD 5 billion, Borouge expands its product offering into polypropylene while tripling its overall polyolefins capacity to over 2 million tonnes per year. This enhances its ability to fully serve the growing Middle East and Asia markets. The Borouge 3 project is on schedule with land preparation activities adjacent to the Borouge 2 site almost completed. While still in start-up mode, the new LDPE plant in Sweden has initially demonstrated high quality output, which has been confirmed by tests with key customers. The organisation continues to work towards delivering consistent operability.

Borealis, together with Borouge and NOVA Chemicals, prepared during the third quarter for K2010, the largest plastics fair in the world, which was held in Düsseldorf in the last weeks of October. The theme of "Creating New Horizons - Capability, Commitment, Care" was emphasised with a focus on

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new innovations using Borealis' value adding solutions. Examples presented during K-Fair included the electronic automobile, TEAMO (True Electric Auto Mobility) along with shopping carts and baskets using recycled polypropylene.

Investments continue in Europe, with the groundbreaking ceremony for the semi-commercial catalyst plant in Linz planned for early 2011. The Engineering, Procurement and Construction (EPC) contract was signed at the end of September. The investment programme for the plant nutrient and melamine plants in Linz is also ongoing according to plan.

"In 2010 the market recovered more quickly than anticipated, which has a direct positive effect on our results," says Borealis Chief Executive Mark Garrett. "However we believe the world economy is still volatile and the positive trend in the polyolefins business will not be a steady upswing therefore we continue to follow the market developments closely. Our focus on Innovation, Operational and Commercial Excellence remains unchanged as does our constant commitment to safety in everything we do."

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Borealis is a leading provider of chemical and innovative plastics solutions that create value for society. With sales of EUR 4.7 billion in 2009, customers in over 120 countries, and 5,200 employees worldwide, Borealis is owned 64% by the International Petroleum Investment Company (IPIC) of Abu Dhabi and 36% by OMV, the leading energy group in the European growth belt. Borealis is headquartered in Vienna, Austria, and has production locations, innovation centres and customer service centres across Europe and the Americas.

Through Borouge, a joint venture between Borealis and the Abu Dhabi National Oil Company (ADNOC), one of the world's major oil and gas companies, the company's footprint reaches out to the Middle East, Asia Pacific, the Indian sub-continent and Africa. Established in 1998, Borouge employs approximately 1,600 people, has customers in more than 50 countries and its headquarters are in Abu Dhabi in the UAE and Singapore.

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Building on Borealis' unique Borstar® technology and their experience in polyolefins of more than 50 years, Borealis and Borouge provide innovative, value creating plastics solutions for the infrastructure (pipe systems and power and communication cables), automotive and advanced packaging markets. In addition, Borealis offers a wide range of base chemicals from melamine and plant nutrients to phenol and acetone.

Today, Borealis and Borouge have a manufacturing capacity of over 5.4 million tonnes of polyolefins (polyethylene and polypropylene) per year of which 26% are the result of a recently completed capacity expansion in Abu Dhabi. An additional 2.5 million tonnes per year is scheduled for completion by the end of 2013, creating the world's largest integrated polyolefins plant. The companies continue to invest to ensure that their customers throughout the value chain, around the world, can always rely on superior products and security of supply.

Borouge and Borealis are committed to the principles of Responsible Care® and proactively contribute to addressing the world's water and sanitation challenges through their Water for the World™ initiative.

For more information visit:

Borealis: www.borealisgroup.com

Borouge: www.borouge.com

Water for the World: www.waterfortheworld.net

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