

January 15, 2007

Borealis invests EUR 90 million to further develop its polypropylene business

Borealis expands its polypropylene (PP) capacity at Porvoo in Finland and extends the product range from its Borstar® PP plant in Schwechat, Austria.

Borealis, a leading provider of innovative, value creating plastics solutions, will invest EUR 25 million to expand the capacity of its PP plant in Porvoo, Finland, by 65,000 tonnes per annum (tpa) to 220,000 tpa by the end of 2008. The increased capacity will meet rapidly growing customer demand for innovative plastics solutions in the pipe and advanced packaging markets and better supply the developing Russian market.

Borealis will also invest EUR 35 million to create a four-reactor configuration at its Borstar® PP plant in Schwechat, Austria, to support the production of superior materials that meet the needs of the automotive, pipe and advanced packaging industries. The plant is well positioned to take advantage of the expanding automotive markets in Central and Eastern Europe. The additional gas phase reactor will be operational during 2009.

In addition, Borealis will invest EUR 30 million in a four-reactor Borstar PP pilot plant at Schwechat that will strengthen the company's ability to readily develop innovative, advanced multimodal PP solutions. The pilot plant will be completed in 2009.

"We are increasing our capacity in Europe to be able to provide an exciting range of polypropylene solutions for the infrastructure, automotive and advanced packaging markets," says David Rolph, Borealis Executive Vice President Polyolefins. "Our strategy is Value Creation through Innovation and these additions to our asset capability will provide advantages for the entire value chain."

Wim Roels, Borealis Vice President Innovation & Technology comments: "In addition to these asset investments in polypropylene, the ongoing investment in innovation centres and polymer expertise demonstrates our commitment to maintain our leadership position for the benefit of our customers."

Borealis recently announced that it is expanding its plant at Burghausen in Germany to manufacture 330,000 tpa Borstar PP.

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1 (3)

Borealis will invest EUR 65 million in Schwechat



2 (3)

The capacity of Borealis' PP plant in Porvoo will be expanded



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Borealis is a leading provider of innovative, value creating plastics solutions. With more than 40 years of experience in the polyethylene (PE) and polypropylene (PP) business, we focus on pipe systems, energy and communications cables, automotive and advanced packaging markets. Our technology shapes plastic products that make an essential contribution to the society in which we live. We are committed to lead the way in 'Shaping the Future with Plastics.'

Learn more about us at www.borealisgroup.com

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