

May 22, 2007

## Borealis announces EUR 113 million Q1 net profit

Key figures and ratios (Quarter ending March 31, 2007)		1Q 2007	1Q 2006	4Q 2006	1-4Q 2006
Sales revenue	EUR M	1,481	1,332	1,423	5,742
Operating profit / (loss)	EUR M	127	36	108	353
Net profit / (loss) after tax	EUR M	113	31	100	327
Reduction / (increase) in net interest-bearing debt	EUR M	61	(79)	136	58
Gearing	%	30	49	34	34

- Borealis announces EUR 113 million net profit for the first quarter, a 13% increase over previous quarter
- Continued investments strengthen European asset base
- USD 3 billion in new Borouge 2 contracts to support growth in the Middle East and Asia

Borealis, a leading provider of innovative, value creating plastics solutions, announces a net profit of EUR 113 million for the first quarter of 2007, a 13% increase over the previous quarter. Net interest-bearing debt was reduced by EUR 61 million during the quarter, and the gearing ratio decreased from 34% in the fourth quarter of 2006 to 30%.

This performance was fuelled by strong market conditions, especially in the infrastructure sector, as well as by key market sales growth and operational excellence.

### Commenting on the results, Chief Executive John Taylor said:

“Our Value Creation through Innovation strategy and focus on specific market sectors continue to drive sales growth and to deliver results to the bottom line.”

During the quarter, Borealis announced that it will invest EUR 370 million in its Stenungsund, Sweden, operation to supply the growing wire and cable market, and confirmed that it is also on track to complete the 330,000 t/y expansion of its polypropylene facilities in Germany based on Borstar technology by the end of this year.

In April, Borouge, the company's joint venture with the Abu Dhabi National Oil Company, awarded a further USD 3 billion in contracts for Borouge 2, the major expansion project in Ruwais, Abu Dhabi, in the United Arab Emirates, that will triple annual production capacity to two million tonnes of polyolefins.

**Looking ahead, John Taylor comments:**

"We will continue to strengthen our European asset base by driving cost competitiveness throughout the value chain. In addition, the expansion of Borouge will substantially develop our position in the high growth markets of the Middle East and Asia Pacific."

**End**

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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. We have production facilities, innovation centres and service centres across Europe, the Middle East and Asia Pacific and work with customers in more than 170 countries around the world to provide plastic materials that make an essential contribution to society and to sustainable development. We are committed to the principles of Responsible Care® and to leading the way in 'Shaping the Future with Plastics.'

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For more information on Borealis and Borouge, a joint venture between Borealis and the Abu Dhabi National Oil Company, visit [www.borealisgroup.com](http://www.borealisgroup.com) and [www.borouge.com](http://www.borouge.com).

**Borstar®** is Borealis' proprietary technology supporting differentiated PE and PP products and is a registered trademark of Borealis A/S.

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