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Borealis announces record net profit: EUR 137 million for second quarter and EUR 250 million for first half of 2007

Key figures and ratios (Quarter ending June 30, 2007)		2Q 2007	2Q 2006	1-2Q 2007	1-2Q 2006
Sales revenue	EUR M	1,593	1,454	3,075	2,786
Operating profit / (loss)	EUR M	152	98	280	134
Net profit / (loss) after tax	EUR M	137	92	250	123
Reduction / (increase) in net interest-bearing debt	EUR M	(89)	(36)	(28)	(115)
Gearing	%			32	48

- Strong growth of net profit in Q2 2007 - 50% increase on the same period in 2006
- Asset development programmes in Europe and the Middle East continue to increase competitiveness
- Acquisition of AMI extends base chemicals offering

Borealis, a leading provider of innovative, value creating plastics solutions, announces a net profit of EUR 137 million after tax for the second quarter of 2007, a 20% increase over the previous quarter and a 50% increase on the same period last year. The net profit after tax for the first half of the year is EUR 250 million and the financial gearing at the end of June was 32%, providing a solid platform for the company's growth plans in Europe, the Middle East and Asia.

The performance was driven by strong market conditions coupled with the company's focus on specialised applications, enabling Borealis to better manage pressure from rising feedstock prices, and was achieved in spite of maintenance turnarounds at the steam crackers in Norway and Finland.

"Our positive results reflect the continued success of our 'Value Creation through Innovation' strategy," says Borealis Chief Executive John Taylor. "While we have benefited from market conditions, our focus on customers and applications in the infrastructure, automotive and advanced packaging sectors underpins our strong financial performance."

Borealis has completed the acquisition of Agrolinz Melamine International (AMI), a leading international provider of melamine and plant nutrients, as part of its strategy to develop a Base Chemicals business.

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The second quarter also saw the sale of the company's Norwegian polyolefins business and share in the Noretyl gas cracker to Ineos for EUR 290 million, a further step towards increasing the overall competitiveness of Borealis' European operations.

The growth of Borealis in the Middle East and Asia is being boosted by Borouge, the company's joint venture with the Abu Dhabi National Oil Company. Major contracts valued at approximately US\$ 4.7 billion have now been signed for Borouge 2, the major expansion project in Ruwais, Abu Dhabi, aimed at tripling annual production capacity to two million tonnes of polyolefins by 2010.

"We are encouraged by our record results and look forward to another strong year in 2007," adds Taylor. "Additionally, we welcome AMI's customers, suppliers and employees to the Borealis Group."

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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.'

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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