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Borealis increases net profit in Q1 2008

- Despite increasingly challenging market conditions, Borealis achieves EUR 130 million net profit for the first quarter, a 15% increase compared to first quarter of 2007
- Plans announced during quarter for further expansion of asset footprint in Middle East
- Asset investments in Europe for the wire and cable market progressing well

Key figures and ratios (Quarter ending March 31, 2008)		1Q 2008	1Q 2007	4Q 2007	1-4Q 2007
Sales revenue	EUR M	1.696	1.481	1.610	6.350
Operating profit / (loss)	EUR M	137	127	28	451
Net profit / (loss) after tax	EUR M	130	113	58	533
Reduction / (increase) in net interest-bearing debt	EUR M	(194)	61	64	(7)
Gearing	%	36	30	27	27

Borealis, a leading provider of innovative, value creating plastics solutions, announces a net profit of EUR 130 million for the first quarter of 2008, a 15% increase over the same period last year. Net interest-bearing debt increased by EUR 194 million during the quarter, and the gearing ratio increased to 36%, up from 27% in the fourth quarter of 2007.

The first- quarter results were achieved by growth in the polyolefin target market segments of infrastructure, automotive and advanced packaging as well as positive contributions from the newly formed base chemicals business and from Borouge, Borealis' joint venture with the Abu Dhabi National Oil Company.

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Announcements were made during the quarter on plans to expand assets in the Middle East. The first regards the joint signing of a memorandum of understanding by the International Petroleum Investment Company and Borealis along with the Abu Dhabi Investment Council for the creation of a new Chemicals Industrial City to be located in Abu Dhabi, the United Arab Emirates. The second was made regarding the initiation of a feasibility study for Borouge 3, a further expansion of Borouge, which would add approximately 2.5 million tonnes per year of polyolefin capacity by 2014.

In Sweden, construction of a 350,000 t/y low-density polyethylene plant, the company's largest European investment to date, is on track for completion in 2009 to supply the growing wire and cable market.

"We have achieved a solid financial performance in the first quarter," comments Chief Executive Mark Garrett. "Our steadfast dedication to innovation, operational competitiveness, commercial excellence and safety combined with a strong focus on our key market segments continue to drive sales growth and bring us good results. We are preparing to handle upcoming volatility in the market and will remain focused on our long-term growth strategy."

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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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