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Borealis breaks ground for expansion of its Innovation Headquarters in Austria

Borealis, a leading provider of innovative, value creating plastics solutions, celebrates the groundbreaking for the expansion of its Innovation Headquarters in Linz, Austria. With an investment of EUR 30 million, Linz is becoming the international hub of Borealis' research activities.

One hundred newly recruited international researchers will join the current team of 250 employees to focus on innovations for compounding as well as solutions for the pipe, automotive and advanced packaging industries.

"Plastics is the material of the future and with a yearly production volume of 200 million tonnes, it is a real growth sector," comments Dr. Gerhard Roiss, Vice Chairman of the Executive Board of OMV and Chairman of the Borealis Supervisory Board. "Upper Austria offers the essential success factors and actively supports the local expansion of the plastics industry. This is the reason why Borealis chose Linz for its international Innovation Headquarters. The expansion of the research and education infrastructure in Upper Austria offers excellent conditions, which have been essential for this decision."

"For Borealis, creating value through innovation is an essential success factor," adds Borealis Chief Executive Mark Garrett. "Here in Linz, we have created award-winning solutions like the body panels for the smart fortwo. With this expansion and the associated

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reinforcement of our research activities, we will be able to provide future-oriented solutions to the market faster than ever before.”

“For a modern and open city like Linz, it is a very positive signal if international companies like Borealis choose this city as the location for their research activities,” says Franz Dobusch, Mayor of Linz. “It is now our responsibility to create the necessary conditions in Linz to make it attractive for the international top-level researchers moving here.”

“Upper Austria is the Austrian province with the most patents; 26.4% of the patents registered in 2007 have been filed by Upper Austrian companies and research centres,” comments Dr. Josef Pühringer, Governor of Upper Austria. “In addition, Upper Austria receives the highest proportion of research subsidies from the federal government, and with the EUR 600 million strategic programme called Innovative Upper Austria 2010, the direction of the province for the next years is clearly defined. Half of this investment is dedicated to research and development activities. The decision of a global corporation like Borealis to choose Linz as the location for its international Innovation Headquarters is a further milestone for Upper Austria as a research hub.”

To secure this position and further expand it in the world market, the Upper Austrian plastics industry also needs universities with strong polymer processing research facilities of international importance. Three institutes (Institute for Polymer Processing, Polymer Product Engineering and Institute for Polymer Materials and Testing) at Johannes Kepler University are in a position to fulfill the estimated local personnel needs of around 35 graduates per year.

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The Borealis Innovation Headquarters is scheduled to be completed in autumn of 2009. In addition to Linz, Borealis has innovation centres in Porvoo, Finland and Stenungsund, Sweden.

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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.