

October 30, 2008, 10.00 CET

Borealis achieves sound performance in the third quarter as markets cool down

- Despite the increased softening of markets and volatile economic conditions, Borealis achieves a net profit of EUR 159 million in the third quarter
- Borealis remains on track with its investments in Europe and the Middle East
- Innovation and safety remain priorities

Key figures and ratios (Quarter ending September 30, 2008)		3Q 2008	3Q 2007	YTD 2008	YTD 2007
Sales revenue	MEUR	1.830	1.665	5.351	4.740
Operating profit / (loss)	MEUR	173	143	362	423
Net profit / (loss) after tax	MEUR	159	225	361	475
Reduction / (increase) in net interest-bearing debt	MEUR	(207)	(43)	(546)	(71)
Gearing	%			46	31

Borealis, a leading provider of innovative, value creating plastics solutions, announces a net profit of EUR 159 million for the third quarter of 2008, a 30% decrease over the same period last year. Excluding the one-off gain on the sale of assets in 2007, the net profit increased by 33% over the same period last year. Net interest-bearing debt increased by EUR 207 million during the quarter, predominantly due to increased working capital. The gearing ratio increased to 46%, up from 41% in the second quarter of 2008.

These solid third-quarter results were achieved despite worsening market conditions in the polyolefins business. The plant nutrients businesses continued to experience favourable trading conditions and Borealis benefited from its feedstock flexibility. The results also reflect a gain arising from contracts undertaken to secure feedstock advantage for the future.

1 (3)

During the quarter Borealis held firm on its pricing and remained true to its Value Creation through Innovation path, working more closely than ever with its loyal customer base. Its investment projects in Europe and the Middle East moved forward as planned. In Europe, the expanded polypropylene Burghausen plant in Germany was inaugurated and the majority of its new advanced packaging grades approved and commercialised. In Sweden, construction of the 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. In the Middle East, the construction of Borouge 2 is proceeding as planned for completion in 2010, and feasibility studies are in progress for Borouge 3 and a new Chemicals Industrial City, both to be located in Abu Dhabi, the United Arab Emirates.

The ongoing financial crisis and volatility of the markets around the globe is affecting real demand and will impact the petrochemicals industry. Borealis is taking the necessary steps to mitigate this impact while remaining alert to the evolving situation.

"We believe that significant parts of the world economy are already in recession and while we should be pleased with our third-quarter results, there are very clear indications of a significant softening of the polyolefin markets in the current quarter and beyond," comments Borealis Chief Executive Mark Garrett. "We need to step up attention to our cost-competitiveness, particularly in Europe, and operational performance without compromising our commitment to safety. Our strategic focus on innovation and commercial excellence in our value added key market segments of infrastructure, automotive and advanced packaging will ensure that we stay on course in the challenging times to come. Our long-term growth potential remains our driving force."

End

For further information, please contact:

Kerstin Meckler, Borealis Group Media Relations Manager, Tel. +43 122 400 389,
Email: kerstin.meckler@borealisgroup.com

2 (3)

media release

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.

3 (3)