

December 21, 2009

Borealis to exit rotomoulding business

Borealis, a leading provider of chemical and innovative plastics solutions, has announced its decision to withdraw all activities for the rotomoulding sector by March 31, 2010.

Borealis has been committed to the rotomoulding market for many years, introducing leading rotomoulding products under its Borcene™ and Borplus™ trademarks, providing value for a wide customer base and driving industry standards through its active participation in the Association of Rotational Moulding.

Its decision to withdraw is the result of a serious study of the changing market drivers and careful evaluation of future opportunities for Borealis within the sector. Recent economic developments in Europe have forced the rotomoulding industry to focus on a shrinking end user market and to look for alternative cost efficient solutions.

“Despite Borealis’ continued demonstration of outstanding technical performance in this competitive market, limited current production possibilities are preventing us from creating the added value we aim to give all our customers”, comments Wim Roels, Vice President Moulding, Borealis.

“Our primary goal over the next few months will be to ensure continuity of supply to existing customers while they make alternative future supply arrangements.”

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Borealis' sales and technical teams will offer support to customers during the transition period.

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Borealis is a leading provider of chemical and innovative plastics solutions that create value for society. With sales of EUR 6.6 billion in 2008, customers in over 120 countries, and 5,400 employees worldwide, Borealis is owned 64% by the International Petroleum Investment Company (IPIC) of Abu Dhabi and 36% by OMV, the leading energy group in the European growth belt. Borealis is headquartered in Vienna, Austria, and has production locations, innovation centers and customer service centers across Europe and the Americas. Through Borouge, a joint venture between Borealis and the Abu Dhabi National Oil Company (ADNOC), one of the world's major oil companies, the company's footprint reaches out to the Middle East, Asia Pacific, the Indian sub-continent and Africa. Established in 1998, Borouge employs approximately 1,400 people, has customers in more than 50 countries and its headquarters are in Abu Dhabi in the UAE and Singapore.

Building on the unique Borstar® technology and their experience in polyolefins for almost 50 years, Borealis and Borouge provide innovative, value creating plastics solutions for the infrastructure (pipe systems and power and communication cables), automotive and advanced packaging markets. In addition, Borealis offers a wide range of base chemicals from melamine and plant nutrients to phenol and acetone.

Today Borealis and Borouge manufacture 4.4 million tonnes of polyolefins (polyethylene and polypropylene) per year. Borouge is currently tripling its polyolefins manufacturing capacity to 2 million tonnes per year (t/y) by mid-2010 and an additional 2.5 million t/y is scheduled for 2013. The companies continue to invest to ensure that their customers throughout the value chain, across the globe, can always rely on product quality, consistency and security of supply.

Borouge and Borealis are committed to the principles of Responsible Care® and proactively contribute to addressing the world's water and sanitation challenges through their Water for the World™ initiative.

For more information visit:

Borouge: www.borouge.com
Water for the World: www.waterfortheworld.net