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Borealis starts off the challenging year 2010 with a positive result

- Borealis recorded a net profit of EUR 54 million in the first quarter of 2010 in a stabilising market
- Continued focus on cost competitiveness, commercial and operational excellence
- New LDPE-plant for wire & cable in Sweden in final start-up phase
- Bourouge 2 on track for completion in mid 2010, good progress in Bourouge 3

Key figures and ratios (Quarter ending March 31, 2010)		1Q 2010	1Q 2009	4Q 2009	1-4Q 2009
Sales revenue	MEUR	1.412	1.025	1.267	4.714
Operating profit / (loss)	MEUR	61	(72)	11	24
Net profit / (loss) after tax	MEUR	54	(56)	13	38
Reduction / (increase) in net					
interest-bearing debt	MEUR	(214)	98	91	55
Gearing	%	49	43	43	43

Borealis, a leading provider of chemical and innovative plastics solutions, announces a net profit of EUR 54 million for the first quarter of 2010, compared to a net loss of EUR 56 million in the first quarter of 2009. Despite an increase in net debt, the company's financial position remains solid with a gearing ratio of 49% at the end of Q1, compared to 43% in Q1 2009, within Borealis' target range of 40-60%.

In line with the general market trend, both feedstock prices and polyolefin market prices continue to increase. Due to this development as well as some delays in expansion projects in the Middle East, industry margins improved during the first quarter of 2010. Borealis' positive result was also

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driven by an increase in sales of value added products within the company's portfolio.

In the base chemicals business group, Borealis saw some recovery with sales volumes in melamine and plant nutrients as well as in phenol. The results of Borealis' joint venture Borouge also contributed positively to the results of the first quarter.

In an effort to stay competitive, Borealis closed, as planned, its high-density polyethylene plant in Beringen, Belgium on March 31.

Borealis' major investment in a new 350,000 tonnes per year LDPE plant in Stenungsund, Sweden is in the final start-up phase and will be inaugurated in June 2010. In the Middle East, the Borouge 2 project is preparing to start up in the middle of this year and Borouge 3, which will add another 2.5 million tonnes of polyolefin capacity by 2013, is in the FEED (front-end engineering and design) phase with site preparations ongoing. The preparations for the groundbreaking of the Innovation Centre in Abu Dhabi, Borouge's world-scale innovation facility as well as the inauguration of the Compound Manufacturing Unit (CMU) and Shanghai logistics hub proceeded with the events taking place end of April.

As part of its strategy to further diversify its financing sources, Borealis prepared its inaugural bond issue for launch in Austria in late April. The bond was very successfully placed with a final volume of EUR 200 million at attractive terms.

"The positive result in the first quarter of 2010 is the outcome of some stabilisation that we can see in the international polyolefins industry as well as our continuous efforts in cost competitiveness and efficiency," says Borealis Chief Executive Mark Garrett. "But we cannot expect the positive upward trend to continue throughout 2010. We need to remain alert and

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cautious as we expect the second half of the year to be more difficult with additional capacities coming on stream in the Middle East and our results will be impacted by two major start-ups. We will continue on the path that has taken us successfully through this storm so far – sticking to our strategy of Value Creation through Innovation and focusing on efficiency improvement, cost and operational excellence while never compromising on safety.”

End

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Borealis is a leading provider of chemical and innovative plastics solutions that create value for society. With sales of EUR 4.7 billion in 2009, customers in over 120 countries, and 5,200 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 of more than 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 over 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:
Borealis: www.borealisgroup.com
Borouge: www.borouge.com
Water for the World: www.waterfortheworld.net

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