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Borealis results continue to improve in the second quarter of 2010 in an ongoing volatile economic environment

- Borealis recorded a net profit of EUR 92 million in the second quarter of 2010, resulting in a net profit of EUR 146 million year to date; this compared to EUR 35 million during the same period in 2009 which resulted in a net loss of EUR 21 million for the first half of 2009.
- The Polyolefins business realised further increased margins and started-up and inaugurated a new 350,000 tonnes/year LDPE plant for wire and cable in Stenungsund, Sweden
- The Base Chemicals business contributed favourably to the results in the first half and an investment programme was initiated to further optimise the melamine and plant nutrients assets in Linz, Austria.
- Major milestones were achieved in the Borouge 2 project in Abu Dhabi with the starting-up of the new ethane cracker as well as the PE plant and multi-billion contracts were signed for the Borouge 3 project.

Key figures and ratios (Quarter ending June 30, 2010)		Q2 2010	Q2 2009	H1 2010	H1 2009
Sales revenue	MEUR	1,614	1,142	3,026	2,167
Operating profit / (loss)	MEUR	126	27	187	(45)
Net profit / (loss) after tax	MEUR	92	35	146	(21)
Reduction / (increase) in net interest- bearing debt	MEUR	76	(76)	(138)	22
Gearing	%	44	46	44	46

Borealis, a leading provider of chemical and innovative plastics solutions, announces a net profit of EUR 92 million for the second quarter of 2010, a further improvement compared to EUR 54 million in the first quarter of this

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year as well as versus the second quarter of 2009 when Borealis recorded a net profit of EUR 35 million.

Net debt decreased during the second quarter driven by the higher margin environment. Gearing reached 44 % at the end of June 2010 which is slightly above last years' closing balance of 43%, but well within Borealis' target range of 40-60%.

Feedstock prices came down after a peak in April while polyolefin market prices continued to increase leading to improved industry margins. European polyolefins industry sales volumes are in line with previous years' sales levels. Borealis' sales volumes increased quarter-on-quarter in most market segments compared to the first quarter of 2010.

The Base Chemicals business group positively contributed to the result with volume growth and improved margins in the feedstock and olefins business. The melamine and plant nutrients business also showed improved sales volumes and profitability compared to the first half of 2009.

Backed by its strong financial position and its two owners IPIC and OMV, Borealis continues with its investment programme across its portfolio of products and regions. In the Middle East, Borouge, Borealis' joint venture in Abu Dhabi, has initiated the start up of its Borouge 2 operations as planned. The new world-scale ethane cracker, Olefins Conversion Unit, and polyethylene (PE) unit have all been successfully started and the polypropylene (PP) units, the first at the plant, will follow shortly. Once fully operational, the expanded plant will have the capacity to manufacture 2 million tonnes of polyolefins per year. During the quarter, contracts valued at US\$ 3.7 billion were awarded for the Borouge 3 mega-project in Abu Dhabi, thereby underpinning the further expansion of the plant's production capacity to 4.5 million tonnes by the end of 2013. Borouge also celebrated the groundbreaking of its Abu Dhabi innovation centre and the inauguration

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of its first compounding plant in China, in addition to announcing its plans to build a second plant by 2012.

Borealis also continues to develop its European assets. Over the next three years EUR 145 million will be invested in the melamine and plant nutrients production in Linz, Austria, while at the same time internal efficiency and profitability of the site will be increased. The new LDPE plant in Stenungsund, Sweden was started-up and was officially inaugurated on June 2. The investment of over EUR 400 million will further secure Borealis' position serving the growing wire and cable market.

In May 2010, Borealis announced its joint participation with Borouge and for the first time with NOVA Chemicals at K 2010, the biggest plastics fair in the world. The three independent companies under the ownership of ADNOC, IPIC and OMV will share one presence built around the theme of "Creating New Horizons - Capability, Commitment, Care".

"Our start-ups in Europe and the Middle East are progressing well which gives us confidence for the future," says Borealis Chief Executive Mark Garrett. "However, as the world economy remains volatile we need to remain cautious in the short term. Thanks to our liquidity and the commitment of our owners we are able to continue to invest in our future, in Europe and in the Middle East. At the same time, we will continue to focus on operational excellence and safety which stays our top priority at all times."

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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

The complete interim financial statement of Borealis AG will be published on August 31.