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Borealis' strong performance drives positive Q1 results

- Borealis recorded a net profit of EUR 174 million in the first quarter of 2011, an increase of EUR 120 million compared to the first quarter of 2010
- Both the Polyolefins and Base Chemicals businesses improved versus last year's results
- Continuing investment programme with the groundbreaking for a semi-commercial catalyst plant in Linz, Austria and the establishment of the largest butane cavern in Europe in Stenungsund, Sweden
- Borouge expansion projects progressing according to plan

Key figures and ratios		Q1 2011	Q1 2010	Q4 2010	Year 2010
Net sales	EUR Million	1,859	1,412	1,653	6,269
Operating profit	EUR Million	179	61	82	349
Net profit	EUR Million	174	54	134	333
Reduction / (increase) in net interest-bearing debt	EUR Million	(195)	(214)	9	(27)
Gearing	%	43	49	37	37

Borealis, a leading provider of chemical and innovative plastics solutions, announces a net profit of EUR 174 million for the first quarter of 2011, a substantial increase compared to the same quarter in 2010. This achievement was mainly driven by two factors: a healthy volume growth and margin improvement in both Polyolefins and Base Chemicals. In addition, the Borouge joint venture provided an increased contribution given the continuing successful ramp-up of Borouge 2.

The company's overall financial position remains strong. Gearing remains well within the target range at 43%, reflecting an increase since the

beginning of the year, driven largely by the dividend payment of EUR 100 million in March.

Continued Investment

Advancing further its Value Creation through Innovation strategy, Borealis celebrated the groundbreaking of a new semi-commercial catalyst plant in Linz, Austria in March 2011, a EUR 75 million investment to expand its innovation capabilities. During the first quarter, Borealis completed its investment of EUR 7.8 million to convert a naphtha cavern to butane use at its plant in Stenungsund, Sweden. The new cavern is by far the largest in Europe and will improve both competitiveness and feedstock flexibility at the site.

Borouge Expansion

In the Middle East and Asia, Borouge continues to perform well with an excellent safety record and firm demand for its products. All the major packages for the Borouge 3 expansion project have been awarded and the implementation phase has commenced.

Construction of the new Innovation Centre in Abu Dhabi is proceeding well and is scheduled to be completed by the end of 2011. The investment will further extend Borealis' and Borouge's capabilities to bring high value solutions to our customers.

Student Innovation Award

In January, Borealis announced the winners of its Student Innovation Award for 2010. This award recognises the most innovative masters and doctoral research papers on polyolefins, olefins or melamine, and was presented to the winners at the Borealis Annual Innovation Day in Porvoo, Finland.

Water for the World™

As part of its Water for the World initiative to help address the global water challenge, Borealis has co-sponsored a recent study of agricultural irrigation practices in Italy. The research was developed through the analysis of practices in four critical areas: irrigation methods, management models, new technologies and the water intake and distribution grids. The study indicates that an overhaul of agricultural water supply could save up to EUR 17 billion over a 30 year period in Italy alone.

“The first quarter financial results represent an excellent start to 2011 and illustrate how our prudent and structured measures taken before and during the global crisis now position us well to benefit from the recovery,” says Mark Garrett, Chief Executive of Borealis. “The growth in sales and margins indicates we are on track to deliver another set of solid results in 2011. We will further build on our strategic focus on innovation, operational and commercial excellence while never compromising on safety.”

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Borealis is a leading provider of chemical and innovative plastics solutions that create value for society. With sales of EUR 6.3 billion in 2010, customers in over 120 countries, and 5,100 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 centres and customer service centres 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 1,600 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 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 have a manufacturing capacity of over 5.4 million tonnes of polyolefins (polyethylene and polypropylene) per year of which 26% are the result of a recently completed capacity expansion in Abu Dhabi. An additional 2.5 million tonnes per year (t/y) is scheduled for completion by mid-2014. 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

Water for the World is a trademark of the Borealis group.