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Borealis' third quarter delivers positive results in an increasingly challenging market environment

- Borealis reports a net profit of EUR 107 million in the third quarter of 2011, resulting in a net profit of EUR 448 million year to date compared to EUR 200 million during the same period in 2010.
- European market conditions became increasingly challenging in the third quarter of 2011, leading to decreasing margins in the Polyolefins business segment.
- Following the peak in the second quarter, the Base Chemicals business segment also experienced softer market conditions.
- Borouge, Borealis' joint venture in Abu Dhabi, continues to contribute significantly to the results as the Borouge 2 expansion is now fully on stream.

		Q3 2011	Q3 2010	YTD 2011	YTD 2010
Net sales	EUR Million	1,751	1,590	5,507	4,616
Net profit	EUR Million	107	54	448	200
Reduction / (increase) in net interest-bearing debt	EUR Million	17	103	(166)	(36)
Gearing	%			38%	39%

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Borealis, a leading provider of chemical and innovative plastics solutions, reports a net profit of EUR 107 million in the third quarter of 2011 compared to EUR 54 million in the same quarter of 2010. Overall the company announces a net profit of EUR 448 million year to date, compared to EUR 200 million during the same period in 2010. Borealis' net debt position improved in the third quarter by EUR 17 million, resulting in a gearing of 38%.

These results were achieved in an increasingly challenging European market, particularly within the Polyolefins business segment. The Base Chemicals business segment also reported lower results, as margins have reduced from their peak in the second quarter of 2011.

Borouge

Borealis' joint venture in Abu Dhabi, Borouge performed well in the third quarter, continuing to successfully ramp up production of new polyethylene and polypropylene grades at its plant in Ruwais, Abu Dhabi. The distribution of the additional volumes to Borouge's customers is supported by the three logistics hubs in China and Singapore. The Borouge 3 project, which will increase the annual production capacity of the plant by 2.5 million tonnes to 4.5 million tonnes by 2014, is progressing as scheduled.

Borealis was awarded the Frost & Sullivan Award 2011

Borealis was recently awarded the Frost & Sullivan 2011 Award (Europe Product Leadership) in the High Voltage Direct Current (HVDC) Cable Insulation Market. This Award is a prestigious recognition of Borealis' accomplishments in the HVDC cable insulation market, where Borealis has played a pioneering role by introducing its cross linked polyethylene (XLPE) based insulation compound Borealis Superclean™ LE4253DC.

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Stockholm Water Week

Under the umbrella of its Water for the World programme, Borealis played an active role at the Stockholm World Water Week, leading debates on water risk management and having Gerd Löbbert, Executive Vice President Polyolefins, participating on a high level business panel discussing urban water challenges. During the third quarter Borealis together with the European Water Partnership (EWP) also pilot-tested a new water stewardship standard for industry operators. The EWP standard will be launched on November 24, 2011, during a launch event held at the Royal Academy of Belgium in Brussels. This standard will help provide a practical framework and tools for sustainable water management across industries.

“Whilst our third quarter financial results are very good” says Mark Garrett, Chief Executive of Borealis, “we have, as expected, found market conditions particularly in Europe, to be progressively more difficult. We see that our customers have become more cautious due to the unstable economic environment. However, our long term strategy is continuing to benefit our business and we remain committed to delivering value creating solutions for our customers around the world.”

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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 around 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 and gas 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.

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Building on Borealis' unique Borstar® technology and their more than 50 years experience in polyolefins, 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 fertilizer 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 having recently completed a 1.5 million tonne capacity expansion in Abu Dhabi. The Borouge 3 plant expansion will be completed at the end of 2013 with a further capacity of 2.5 million tonnes per year (t/y) being fully operational in mid-2014. The companies continue to invest to ensure that their customers throughout the value chain and 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:

www.borealisgroup.com
www.borouge.com
www.waterfortheworld.net

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