

Media Release  
Vienna, Austria / Düsseldorf, Germany | October 16, 2013

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...published at K 2013

## International plant expansion projects bring Borealis customers closer

**Borealis, a leading provider of chemical and innovative plastics solutions, is responding to rising demand for added-value products in growth markets with the expansion of its production facility in Itatiba, Brazil. One innovative new grade being produced in Itatiba and launched specially for the Brazilian market is Fibremod™ GD213WGB-W003, a member of the Fibremod family of fibre reinforced polypropylene (PP) compounds. The grade was developed in co-operation with a leading international manufacturer and serves as a replacement for metal components in top grill applications in air conditioning systems.**

Since 2000, Borealis has had two plants in Brazil, one in the southernmost region in Triunfo and a second in Itatiba, near Sao Paulo. After the completion of several feasibility studies, Borealis announced in June 2012 the expansion of its Itatiba facility with an investment of approximately EUR 50 million. Ground was broken ceremoniously in November 2012, and construction is currently in progress on a new state-of-the-art production building including extruders, support silos and warehouse facilities. The new facility is scheduled to be fully on stream by the end of 2014 and its output will augment the current annual production in Brazil of 60 kt of high-performance PP compounds. In conjunction with other strategic marketing initiatives, the Itatiba expansion activities will not only enable Borealis to continue to satisfy increasing customer demand in the future, but mark another important step on the way to becoming the leading supplier to the appliance and automotive industries in South America by 2020.

An important grade produced at Itatiba is the short glass fibre (SGF) material Fibremod GD213WGB-W003, a member of the Fibremod family of engineered short glass fibre (SGF) and long glass fibre (LGF) compounds. Launched in September this year, Fibremod now consolidates the former Xmod™ and Nepol™ glass fibre brands under a common name. Fibremod represents both the material category and the ability of Borealis and

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Borouge to transform and modify highly engineered PP compounds to fit the needs and requirements of their customers. Fibremod innovations support the appliance and automotive value chain in achieving goals in weight reduction of parts and cost savings in processes. The customised glass fibre reinforced PP solutions are at the leading edge of innovation, enhancing a variety of applications by making them lighter, more robust and impact-resistant. They also support more environmentally-friendly production by reducing the required processing temperatures and energy consumption in comparison to other material solutions.

Highly engineered Fibremod PP compounds such as Fibremod GD213WGB-W003, which was developed specially for top grill applications of air conditioning systems, offer many advantages to appliance manufacturers. A general trend in the appliance market is towards replacement of metals by PP compounds in order to enhance aesthetic appeal and accommodate size reduction. The challenge in this specific instance was to develop a product that offers the mechanical properties of metal when exposed to weather and the elements. Borealis developed a PP compound featuring a good balance between stiffness and impact while at the same time fulfilling sophisticated mechanical requirements: not only does the AC unit feature an engine system fixed directly to the top grill, but the top grill must also fulfil the safety function of preventing contact with the propeller below. Due to this potential accident risk, especially rigorous homologation tests were carried out, also in order to assess noise levels during operation and overall equipment performance. Ultimately, the same material could be applied to the propeller, yielding the added benefit of a recycling process that is more convenient and less complex.

According to Jost Eric Laumeyer, Borealis Global Marketing Manager Engineering Applications, "This project is one concrete example of how our global brands such as Fibremod, paired with our international network of production and support facilities, help Borealis deliver high-end products to local markets."

Borealis Vice President Engineering Applications Harald Hammer concludes, "Our expansion of production facilities, whether in Itatiba, Brazil, or at our specialty plant in Monza, Italy – where we have installed a new PP-LGF production line – underscores our mission to deliver cutting-edge product and technology innovations to the appliance and automotive industries."

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With innovative compound solutions, such as the Fibremod GD213WGB-W003 grade produced in Brazil, Borealis is delivering high-end products to the global appliance industry that provide quality appliances to the end consumer. Photo: © Borealis.

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**About Borealis Engineering Applications**

For over 50 years, Borealis has been a leading supplier of advanced polyolefin plastics for engineering applications in the automotive industry and for household appliances. Thanks to its unique and proprietary Borstar® technology, Borealis provides a large portfolio of innovative products and services which create real value for customers and partners around the world. Innovative automotive solutions include materials for exterior, interior and under the bonnet applications, such as bumpers, body panels, trims, dashboard, door cladding, climate control units, air intake manifolds as well as battery cases. The appliance product range includes materials for small appliances and white goods, from coffeemakers to refrigerators and beyond. Borealis offers advanced polypropylene solutions which make engineering applications lighter, more energy efficient, robust and visually appealing.

**About Borealis and Borouge**

Borealis is a leading provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. With headquarters in Vienna, Austria, Borealis currently employs

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around 6,200 and operates in over 120 countries. It generated EUR 7.5 billion in sales revenue in 2012. The International Petroleum Investment Company (IPIC) of Abu Dhabi owns 64% of the company, with the remaining 36% owned by OMV, the leading energy group in the European growth belt. Borealis provides services and products to customers around the world in collaboration with Borouge, a joint venture with the Abu Dhabi National Oil Company (ADNOC).

Building on the unique Borstar® and Borlink™ technologies and 50 years of experience in polyolefins, Borealis and Borouge support key industries including infrastructure, automotive and advanced packaging. The Borouge plant expansion in Abu Dhabi will be fully operational by mid-2014 with a total annual capacity of 4.5 million tonnes. After this Borealis and Borouge will have approximately 8 million tonnes of polyolefin capacity.

Borealis offers a wide range of base chemicals, including melamine, phenol, acetone, ethylene and propylene servicing a wide range of industries. Together with Borouge the two companies will produce approximately 6 million tonnes of Base Chemicals in 2014.

Borealis also creates real value for the agricultural industry with a large portfolio of fertilizers. The company distributes approximately 2.1 million tonnes per year. This volume will increase to around 5 million tonnes by the end of 2014.

Borealis and Borouge aim to proactively benefit society by taking on real societal challenges and offering real solutions. Both companies are committed to the principles of Responsible Care®, an initiative to improve safety performance within the chemical industry, and contribute to solve the world's water and sanitation challenges through product innovation and their Water for the World™ programme.

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