

Quarterly Business Update: PolyOlefins

May 2008



44 South Broadway, White Plains, New York 10601, USA
Tel: +1 914 609 0300 Fax: +1 914 609 0399

Copyright© by Nexant, Inc. 2008

This report was prepared by Nexant, Inc ("Nexant") and is part of the PolyOlefins Planning Service. Except where specifically stated otherwise in this Report, the information contained herein is prepared on the basis of information that is publicly available, and contains no confidential third party technical information to the best knowledge of Nexant. Aforesaid information has not been independently verified or otherwise examined to determine its accuracy, completeness or financial feasibility.

Neither NEXANT, Subscriber nor any person acting on behalf of either assumes any liabilities with respect to the use of or for damages resulting from the use of any information contained in this Report. Nexant does not represent or warrant that any assumed conditions will come to pass.

The report is submitted on the understanding that the Subscriber will maintain the contents confidential except for the Subscriber's internal use. The Report should not be reproduced, distributed or used without first obtaining prior written consent by Nexant. Each Subscriber agrees to use reasonable effort to protect the confidential nature of the Report.

Contents

Section	Page
1 Industry Performance Overview	1
1.1 U.S. MARKET.....	1
1.2 WEST EUROPEAN MARKET	2
1.3 ASIAN MARKET	3
2 Regional Round-Up	4
2.1 NORTH AMERICA	4
2.2 LATIN AMERICA	6
2.3 WESTERN EUROPE	7
2.4 CENTRAL AND EASTERN EUROPE.....	8
2.5 ASIA	9
2.6 MIDDLE EAST AND AFRICA.....	11
3 Prices	13
3.1 LDPE.....	13
3.2 LLDPE.....	14
3.3 HDPE.....	15
3.4 POLYPROPYLENE	15
4 Capacity Expansion Monitor	25
5 Propylene Outlook	31
5.1 INTRODUCTION	31
5.2 PROPYLENE DEMAND	32
5.3 PROPYLENE SUPPLY.....	34
5.4 PROPYLENE SUPPLY, DEMAND AND TRADE.....	37

Figure	Page
3.1 U.S. Polyolefin Prices	22
3.2 Brazilian Polyolefin Prices	22
3.3 West European Polyolefin Prices.....	23
3.4 Asian Polyolefin Prices.....	23
3.5 Middle East Polyolefin Prices.....	24
3.6 PE Price Differentials	24
5.1 Propylene Price Development n.....	31
5.2 Global Combined Propylene Consumption Growth	32
5.3 Global Combined Propylene Demand, 2007	33
5.4 Global Combined Propylene Consumption	34
5.5 Global Propylene Capacity by Region.....	35
5.6 Percentage of Combined Propylene Production by On-purpose Process	36
5.7 Global Combined Propylene Production by On-purpose Technology	37
5.8 Global Propylene Consumption and Operations.....	38

Table	Page
2.1 North American Production and Trade Statistics	5
3.1 Polyolefin Prices, United States.....	17
3.2 Polyolefin Prices, Latin America.....	18
3.3 Polyolefin Prices, Western Europe	19
3.4 Polyolefin Prices, Asia.....	20
3.5 Polyolefin Prices, Middle East.....	21
4.1 Global LDPE Capacity Additions.....	25
4.2 Global LLDPE Capacity Additions	26
4.3 Global HDPE Capacity Additions	27
4.4 Global Polypropylene Capacity Additions	28