

FOR IMMEDIATE RELEASE



Braskem's Shareholders Approve Stock Split

São Paulo, October 21, 2003 --- **BRASKEM S.A.** (NYSE: BAK; BOVESPA: BRKM5; LATIBEX: XBRK) today announced that the stock split proposal presented by the Company's Board of Directors was approved at an Extraordinary Shareholders' Meeting held on October 20, 2003.

The transaction involves splitting each of the Company's common and preferred class A and class B shares using a ratio of 20 shares for every share held as of October 20, 2003. Braskem's shares will be quoted ex-split as of today, October 21, 2003.

In addition, the Company's ratio of underlying shares to ADRs traded on the New York Stock Exchange will consequently increase from 50 : 1 (50 preferred class A shares for each Braskem ADR) to 1,000 : 1 (1,000 preferred class A shares for each ADR). In parallel, the conversion unit used for the Company's preferred class A shares on Latibex will be changed from 50 to 1,000.

One of Braskem's objectives of the stock split is to attract new shareholders, particularly individual investors, in an effort to improve the liquidity of Braskem's shares traded on the São Paulo Stock Exchange (BOVESPA).

The new shares issued as a result of the stock split will have the same rights as existing outstanding shares of the same class.

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Braskem is a world-class Brazilian petrochemical company, leader in the thermoplastics segment in Latin America and among the five largest Brazilian privately-owned industrial companies. The company operates 13 manufacturing plants located throughout Brazil, and it has a yearly production capacity of approximately 5.0 million tons of chemical and petrochemical products.

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