



Braskem

New ways to look at the world

Braskem Day SP

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Forward-looking statements

This presentation contains forward-looking statements. These statements are not historical facts and are based on management's objectives and estimates. The words "anticipate", "believe", "expect", "estimate", "intend", "plan", "project", "aim" and similar words indicate forward-looking statements. Although we believe they are based on reasonable assumptions, these statements are based on the information currently available to management and are subject to a number of risks and uncertainties.

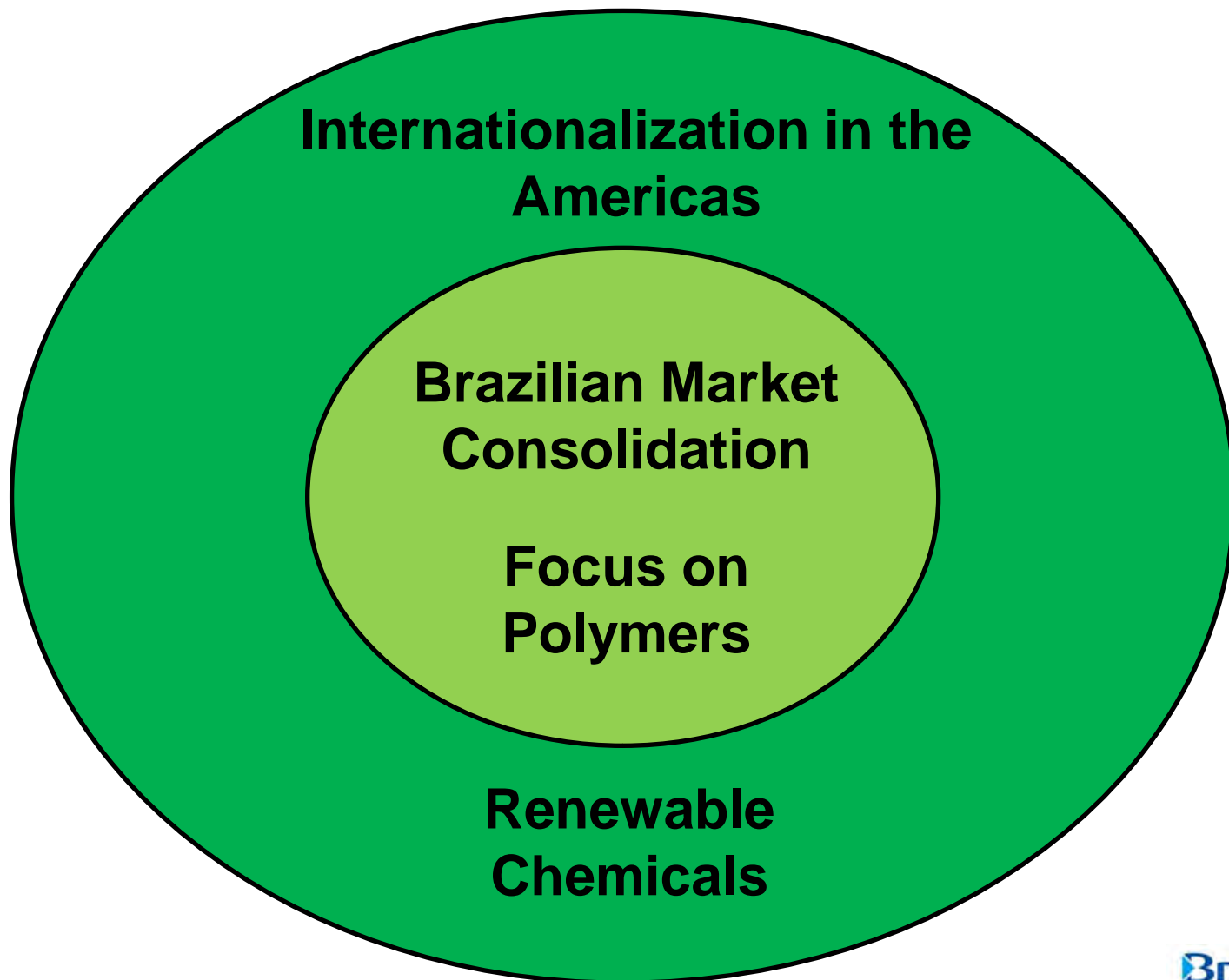
The forward-looking statements in this presentation are valid only on the date they are made (June 30, 2011) and the Company does not assume any obligation to update them in light of new information or future developments.

Braskem is not responsible for any transaction or investment decision taken based on the information in this presentation.

Agenda

- ▶ **International Business Unit**
- ▶ N. America Polypropylene
- ▶ Ethylene XXI Project
- ▶ L. America Growth Opportunities
- ▶ Renewable Chemicals

Internationalization is key component of Braskem's growth strategy

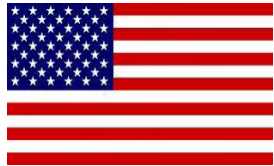


Attractive scenario for international growth

- **Rebirth of US petrochemicals** from competitiveness of low-cost ethane and sizable market
- Focus on **petrochemical development in Mexico**; most competitive internationalization opportunity for Braskem
- **Advantaged feedstock opportunities** in several L. American countries (Peru, Venezuela and Bolivia)
- **PP acquisition** opportunities in US, as companies exit the business
- **Green chemicals are high-growth global business** – S. America source of low-cost renewable feedstock, N. America the center of I&T excellence, and Europe/Japan have high demand

In order to achieve our 2020 Vision, Braskem has to focus on a consistent growth strategy, which will bring an international footprint, and a global business reach

Our internationalization strategy revolves around three focus areas



N. America – Grow the current beach-head

- Growth through “smart” M&As
- Focus on clients and new products
- Monomer-polymer integration



Mexico – Lead the market

- Flawless execution of Ethylene XXI
- Growth through future petchem investments
- Opportunistic on other business options

L. America – Create the industry

- Strengthen position as partner of choice for petchem development
- Advantaged feedstock opportunities
- Develop regional industry having Petrobras as partner



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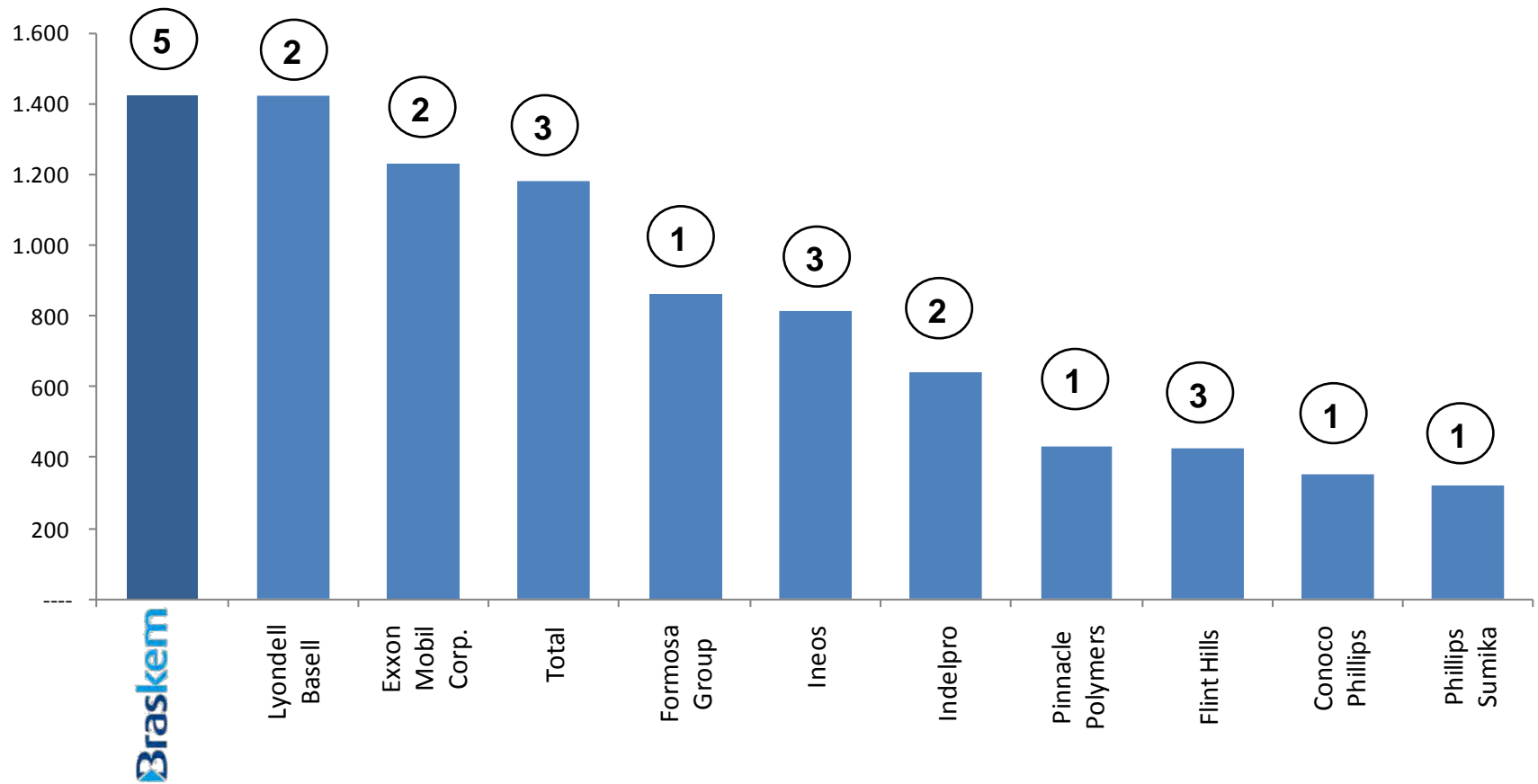
- ▶ L. America Growth Opportunities

- ▶ Renewable Chemicals

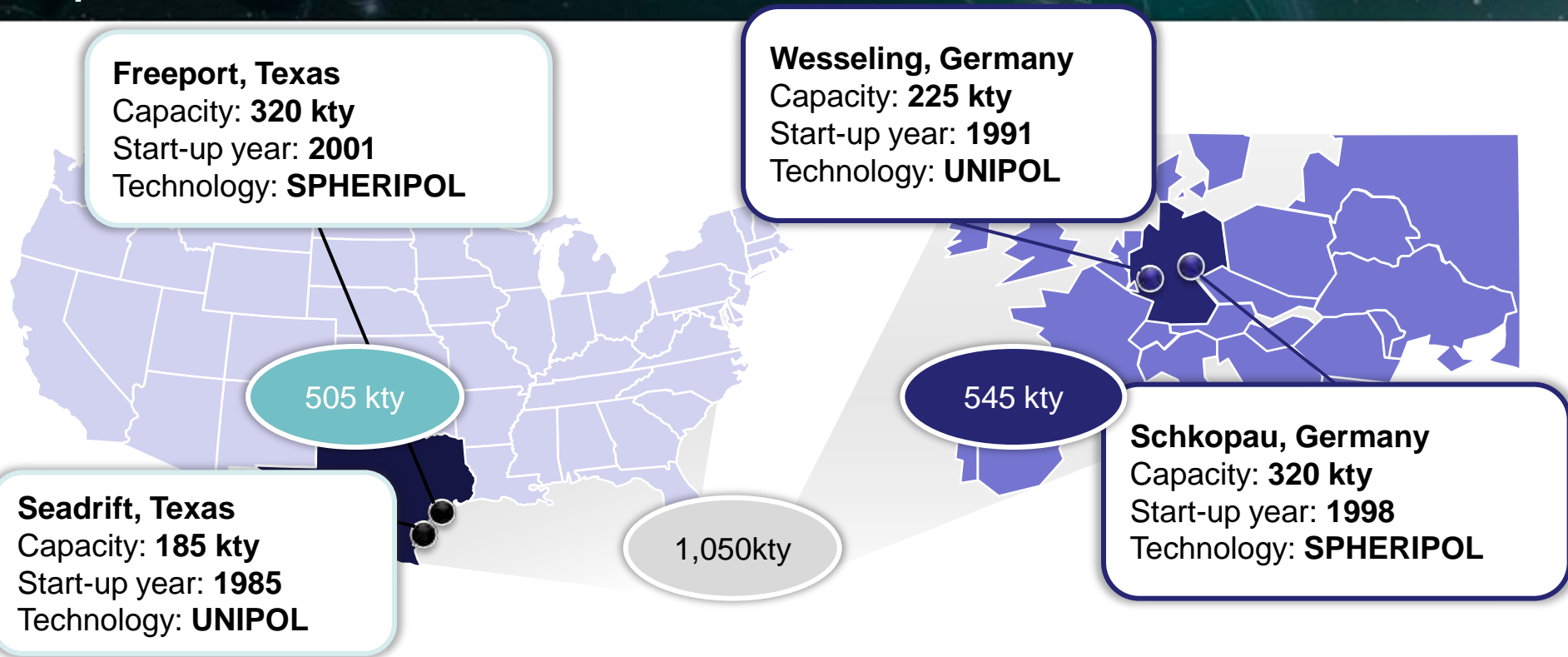
Acquisition of Dow PP assets has made us the #1 PP producer in the US

N. America PP capacity kT

(X) Number of plants



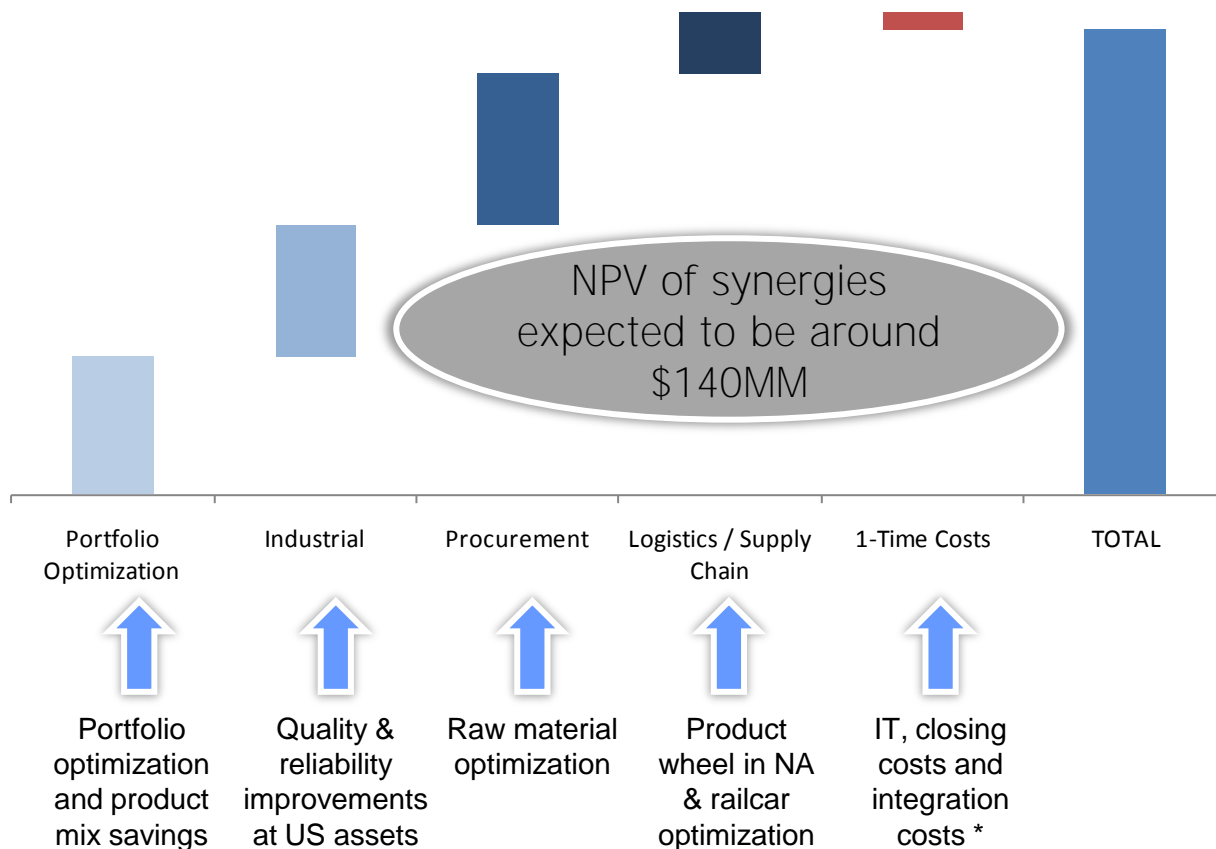
Dow's PP business will be a major boost to our operations



- ▶ \$323 million acquisition
- ▶ Largest PP player in the US and in the Americas
- ▶ Brands, patents and IP included in deal
- ▶ Complementary product portfolio focused on high-value segments
- ▶ \$140 million NPV of synergies
- ▶ Expected financial closing in 3Q 2011

Overview of synergies

Components of Synergies



- Braskem should enjoy synergies of roughly \$18-20 MM on a run-rate basis
- Synergies incorporate business leaders' expectations and one-time costs

We are beginning the implementation process in preparation for integration after the closing

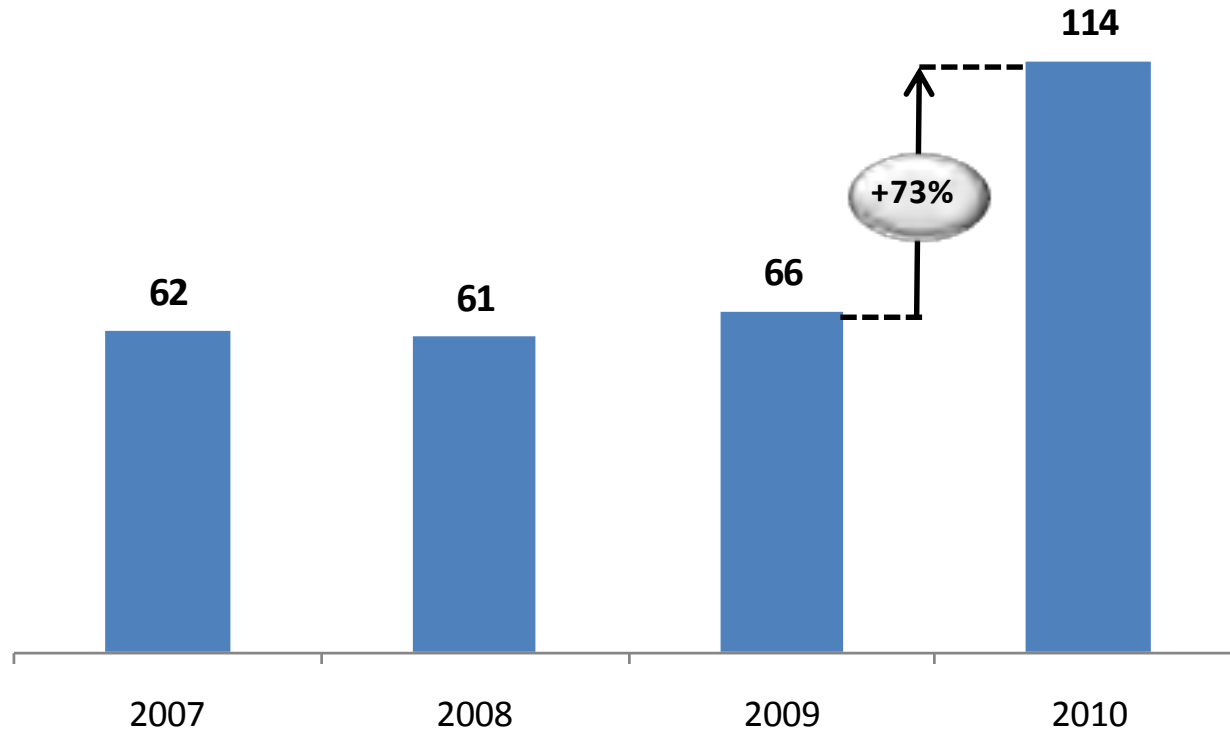
Up to 90 days

Preliminary list:

- **Anti-trust process** for approval
- **Environmental permits** to operate
- Assignment of **key contracts**
- **Transition service agreements** and **site service agreements**
- Overall **People & Organization aspects**
- **Integration of** new US employees/sites to Braskem; adjust the **US organization**
- Braskem Europe as **legal entity**; **build Braskem Europe organization**
- **Insurance policy** for Dow PP assets

We have a proven track record of improving our prior acquisition in the US

Braskem America EBITDA, US\$ million



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Overview of Ethylene XXI project

- ▶ Project Ethylene XXI: **Cracking Unit** integrated with **3 polyethylene plants** (total capacity: 1,050 kty)
- ▶ PEMEX will supply 66 bpd of Ethane to the project based on a contract already signed
- ▶ Start-up expected for the first quarter of 2015
- ▶ The project's shareholders are Braskem (65%) and IDESA group (35%)
- ▶ Total fixed cost: approx. USD 2.5 billion → Goal to be financed: 30% equity and 70% project financing
- ▶ The complex will be located close to the Coatzacoalcos industry complex, Veracruz State
- ▶ Strategic location:
 - ▶ Largest production of petroleum and Gas in Mexico
 - ▶ Offshore wells in operation
 - ▶ Highest potential zone to new oil and gas reservoir
 - ▶ Easy access to roads, ports and railroads to national and international product distribution

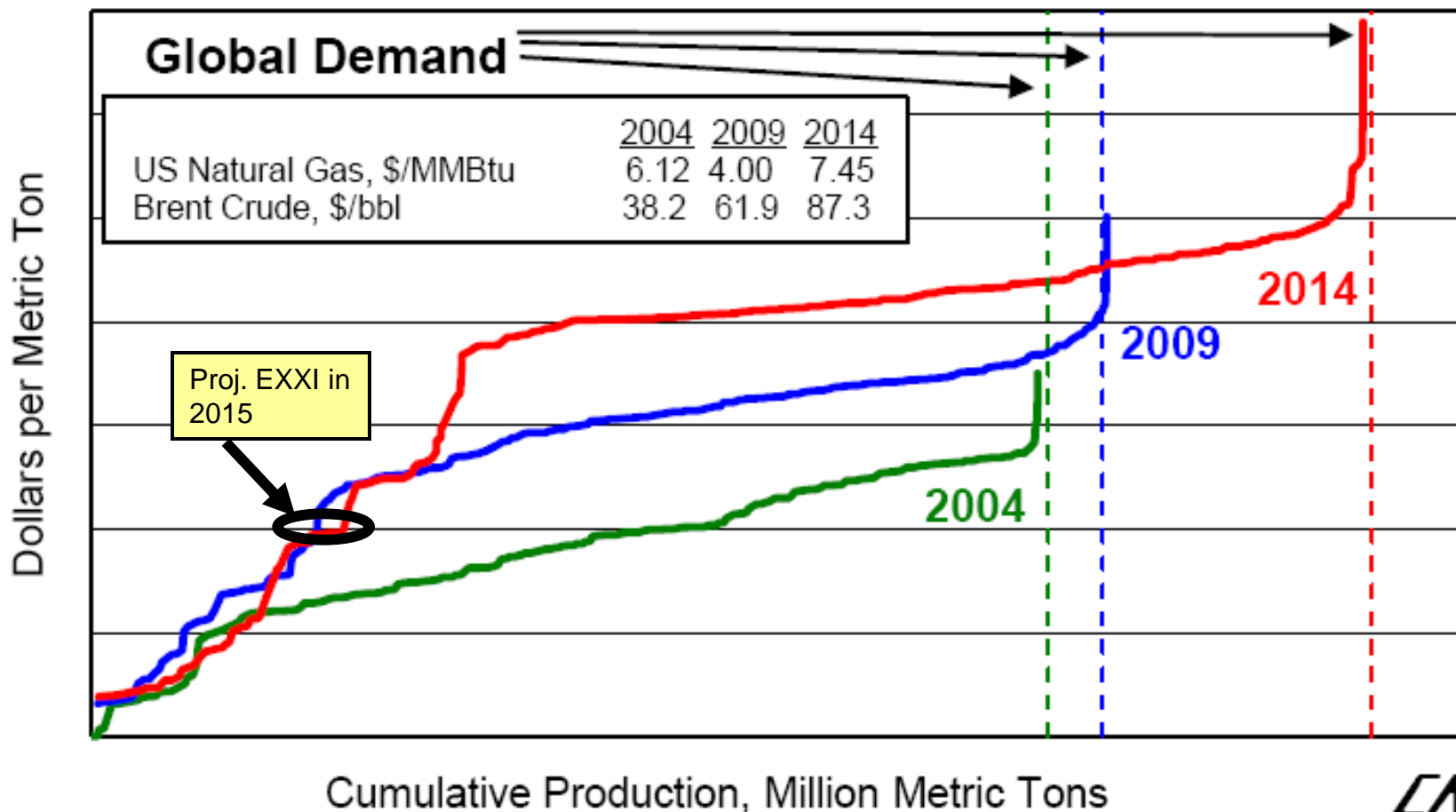


Attractive conditions for a long term contract for ethane supply with PEMEX

- ▶ PEMEX and Braskem IDESA signed a 20 years contract to the ethane supply for the project with the option to extend it for more 5 years, 3 times
- ▶ The contract established technical, economical and legal conditions required to the project development
- ▶ PEMEX will develop the required infra-structure to ensure the ethane gas supply
- ▶ The pricing formula for the ethane guaranteed a favorable condition to the project development
- ▶ In case of ethane supply incapacity PEMEX will:
 - a) Pay liquidated damage
 - b) Repay outstanding project debt or buy back asset – on our discretion
- ▶ For the first time in Mexico, a private company will have access to produce thermoplastics resins ethane based

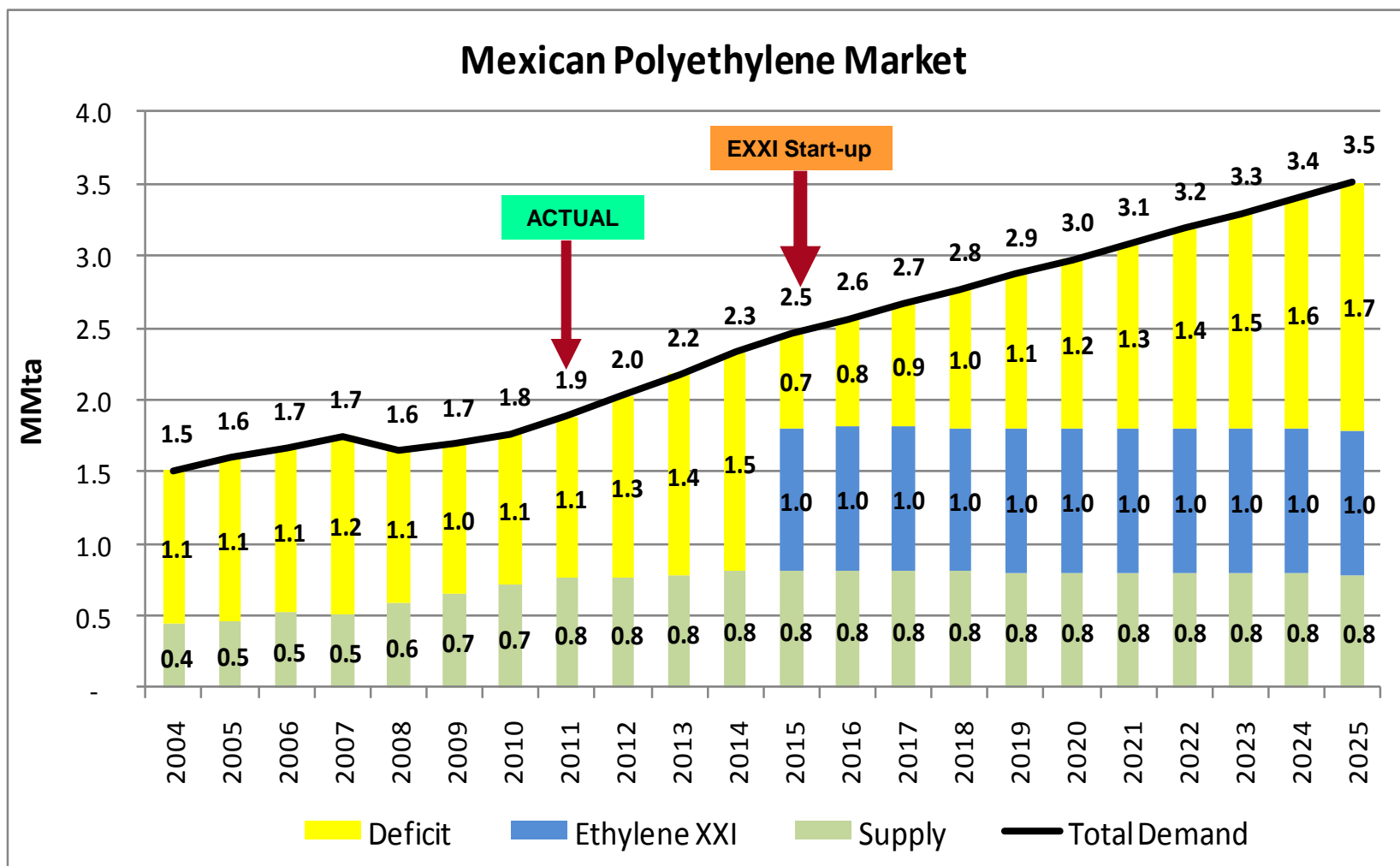
Project Ethylene XXI has an advantageous position on the global cost curve

Ethylene Industry Production Cash Cost



Start-up of Ethylene XXI will not cover the domestic supply deficit of the Mexico polyethylene market

Positive perspective to PE Mexican market



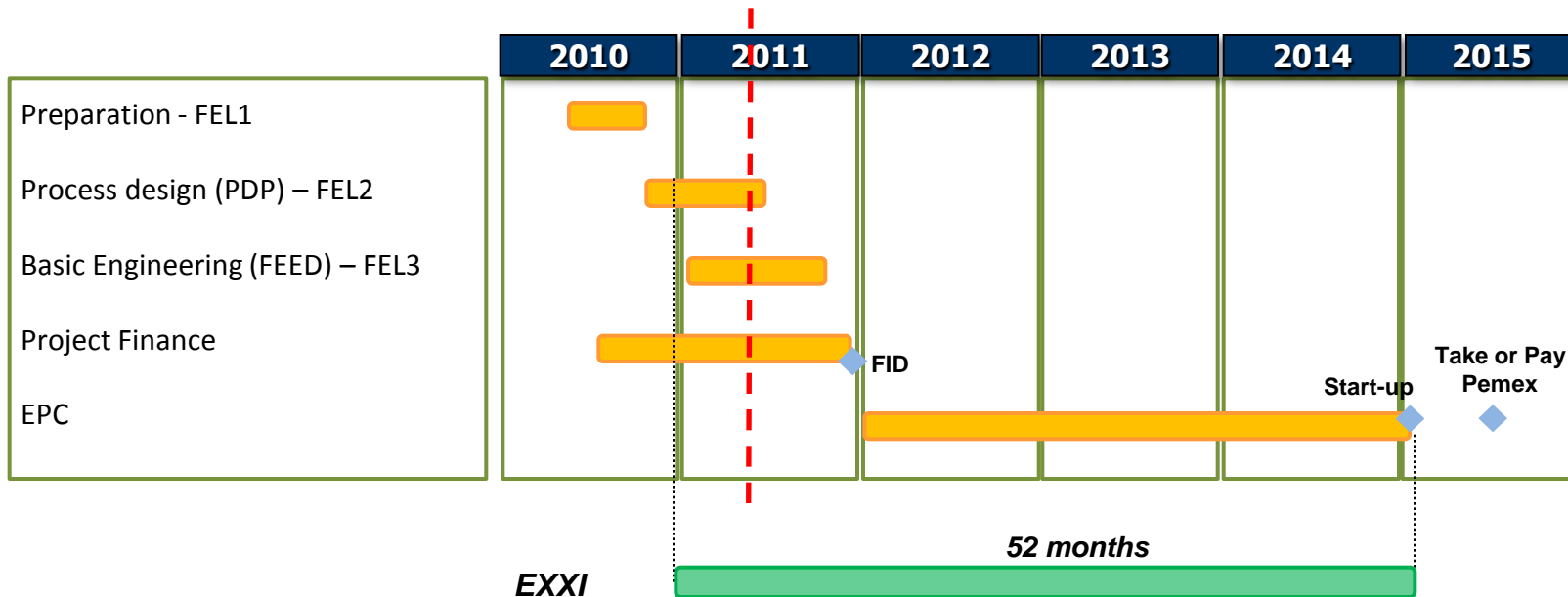
Main land acquired for ~ US\$ 4.5 million



- ▶ **LAND already acquired**
- ▶ GUIZAR: 190 has → USD 4 MM (20%)
- ▶ 6 has LAND → USD 360,000
- ▶ 400 m2 PROPERTY → USD 50,000
- ▶ POZOS: 1.0 has → USD 100,000

Project schedule

The actual schedule is based on a fast track approach, to take advantage of the global and American new projects slow down



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Several strategic drivers for our participation in Venezuela and Peru



Oil & Gas Reserves

Large oil & gas reserves, with potentially advantaged petchem feedstock

Geographic Position

Easy access to the markets in Americas (North, Central and South)

Market Expansion in S. America

Expanding the production footprint in key markets in S. America

Coordinate with Odebrecht and Petrobras

Key market for the shareholders, who have significant presence in the countries

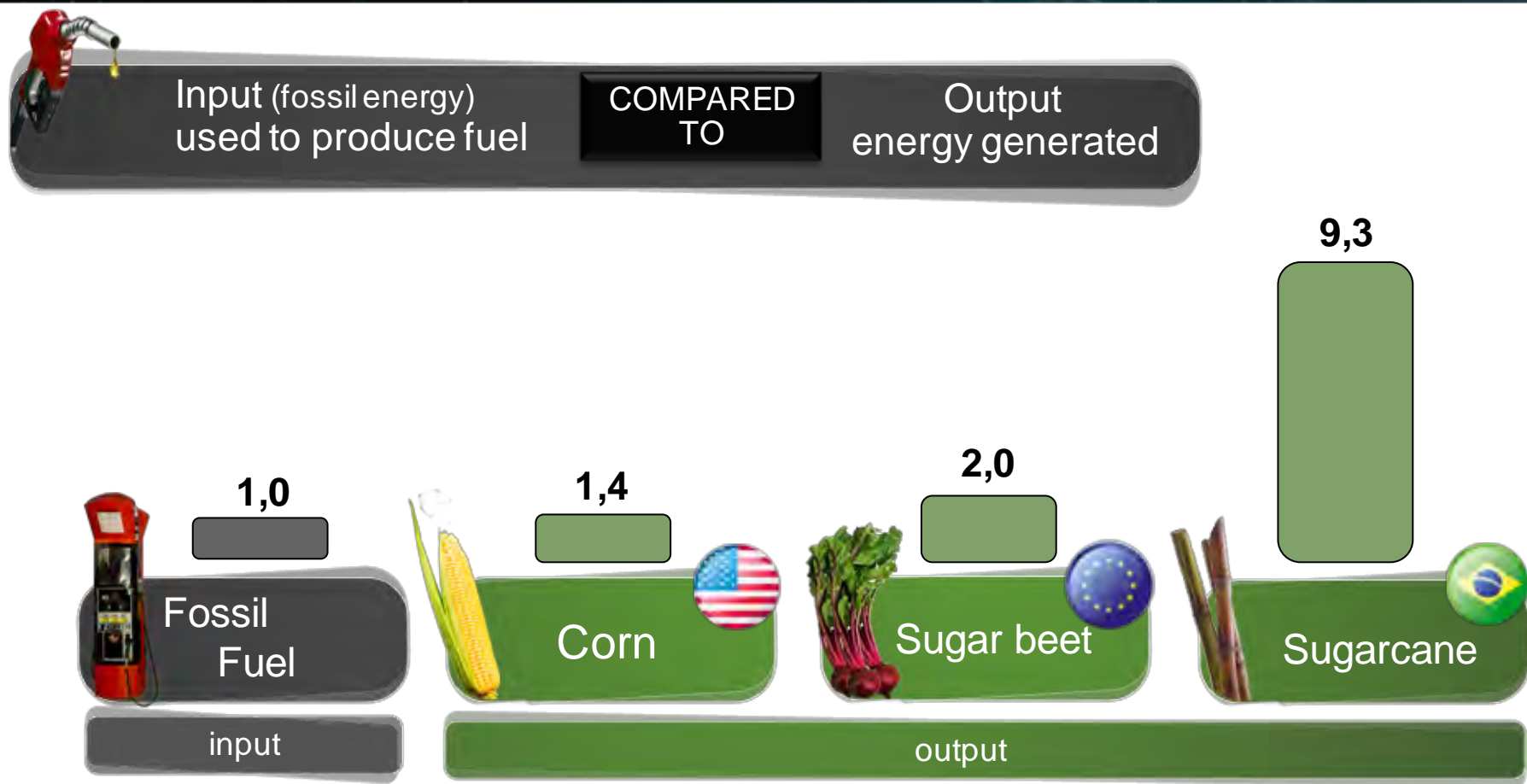
Braskem's vision for Peru and Venezuela is to ***be the company/partner of choice for projects that contribute to the growth of the national petrochemical industry***

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- ▶ **Renewable Chemicals**

Brazil sugar cane is among most sustainable feedstocks for chemicals



- New technologies expected to double productivity

Green polyethylene offers a “cradle-to-cradle” solution towards sustainability

FROM CRADLE TO CRADLE

Sugarcane

The sugarcane crop metabolizes the CO₂ to produce sucrose



Ethanol CH₃-CH₂OH

At the distillery, the sugar juice is fermented and distilled to produce ethanol



Ethylene CH₂=CH₂

Through the dehydration, the ethanol is transformed in ethylene



Very Favorable Ecoprofile*

Captures and Fixes
2,5 t CO₂/t PE

Braskem



Recycling

The green polyethylene is 100% recyclable (Mechanical / Incineration)



Carbon capture

The green polyethylene is transformed in final products in the same unities already existents



Green PE [CH₂=CH₂]

The ethylene is polymerized in polyethylene production unities

* Preliminary Ecoefficiency Analysis (From cradle to Braskem gate)– Fundação Espaço Eco 2007/2008

Good response from several brand owners



natura
bem estar bem

Fennel Soap Refill
Brazil




Johnson & Johnson

Sundown Bottles
Brazil



P&G

Pantene Bottles
Europe



**PROTECTS
Tetra Pak
WHAT'S GOOD™**

Tetra Pak
Brazil



op
PLASTIC OMNIUM

100%
green
made

Waste Containers
Europe



Emba Lixo
sustentável

Emba Lixo
sustentável

Emba Lixo
sustentável

Garbage Bags
Brazil



DANONE

Actimel Bottles
Europe



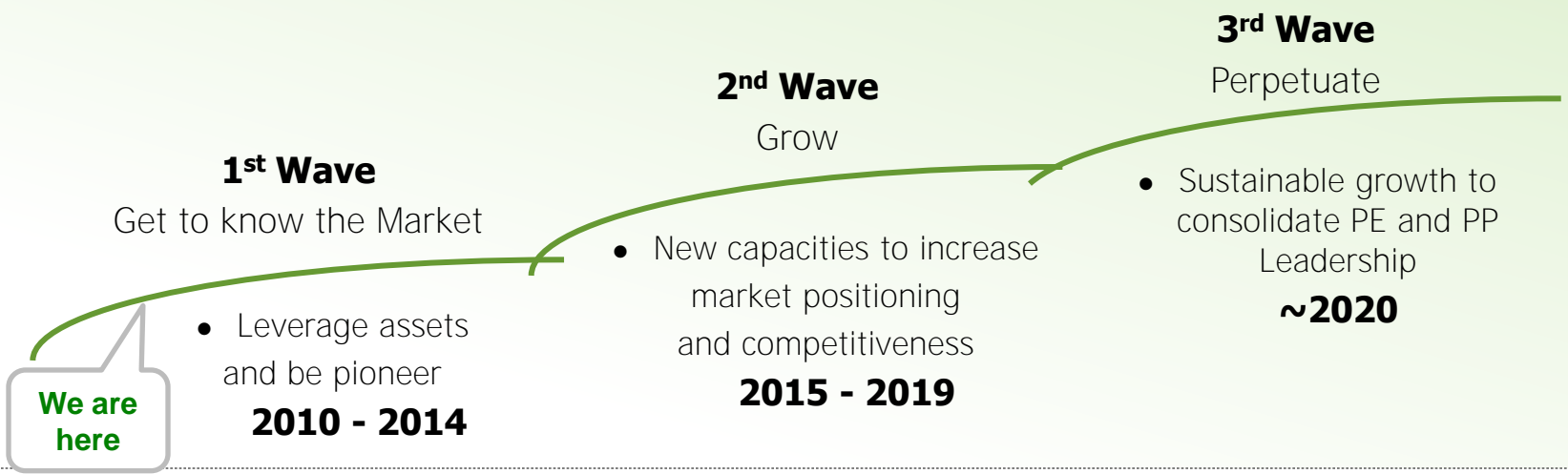
Coca-Cola

plantbottle™
up to 100% plant-based
100% recyclable bottle
redesigned plastic,
recyclable as ever.

Plantbottle Odwalla
USA

Strategic path forward for our Renewable Chemicals business

Phases



Capacity

Green PE



200 kt Green PE (Triunfo-RS)



New capacities **Green PE**



Additional Capacities

Green PP



30kt+ Green PP **Existent Technology**



New capacity **Green PP Technology Improvement**



Bigger Capacities Green PP **Bio chemical route**

Capacity

230 kt+

TBD

TBD

The Braskem logo features a stylized 'B' icon followed by the word 'Braskem' in a bold, white, sans-serif font.

New ways to look at the world

Thank you!

Questions?

