

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

New ways to look at the world

# Acquisition of Dow Polypropylene Business

Carlos Fadigas  
Luiz de Mendonça  
Marcelo Lyra

July 2011

# 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.

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The forward-looking statements in this presentation are valid only on the date they are made (March 31, 2011) and the Company does not assume any obligation to update them in light of new information or future developments.

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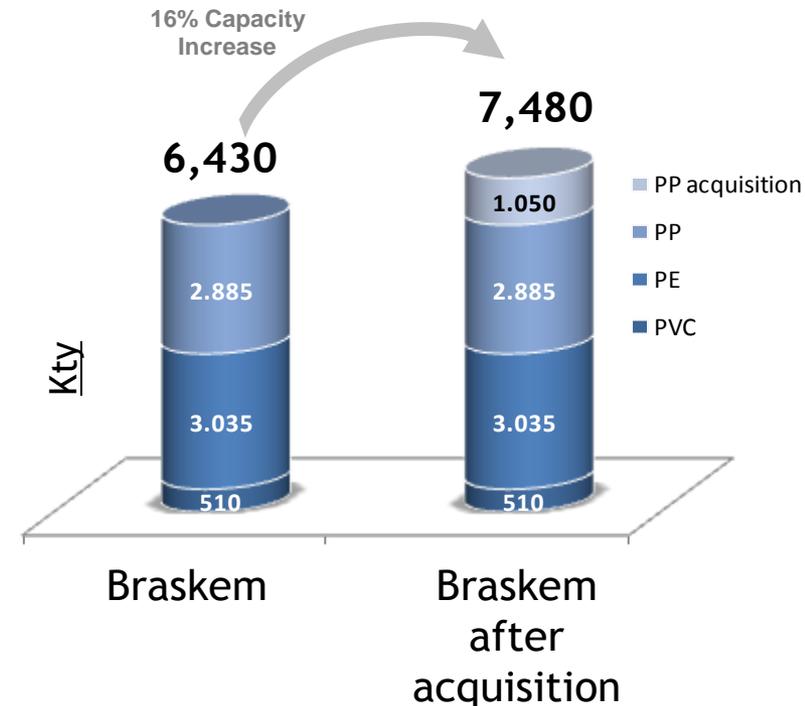
Braskem is not responsible for any transaction or investment decision taken based on the information in this presentation.

# Transaction overview

- ▶ On July 27, Braskem acquired Dow's Polypropylene (PP) business, increasing its PP capacity by 1,050 kty
- ▶ Upon approval of antitrust authorities, Braskem will pay US\$323 million for the business
- ▶ Dow PP business: - Spheripol and Unipol technologies
  - North America: 50% increase in our capacity in the region
    - 2 plants in Texas: Freeport (320 kty) and Seadrift (185 kty)
  - Europe:
    - 2 plants in Germany: Wesseling (225 kty) and Schkopau (320 kty)
- ▶ Rational behind the acquisition
  - Polypropylene resins are one of the fastest-growing categories of thermoplastic resins in the world
  - U.S. is one of the largest global consumers of PP
  - Fragmented market in US - Potential of additional consolidation

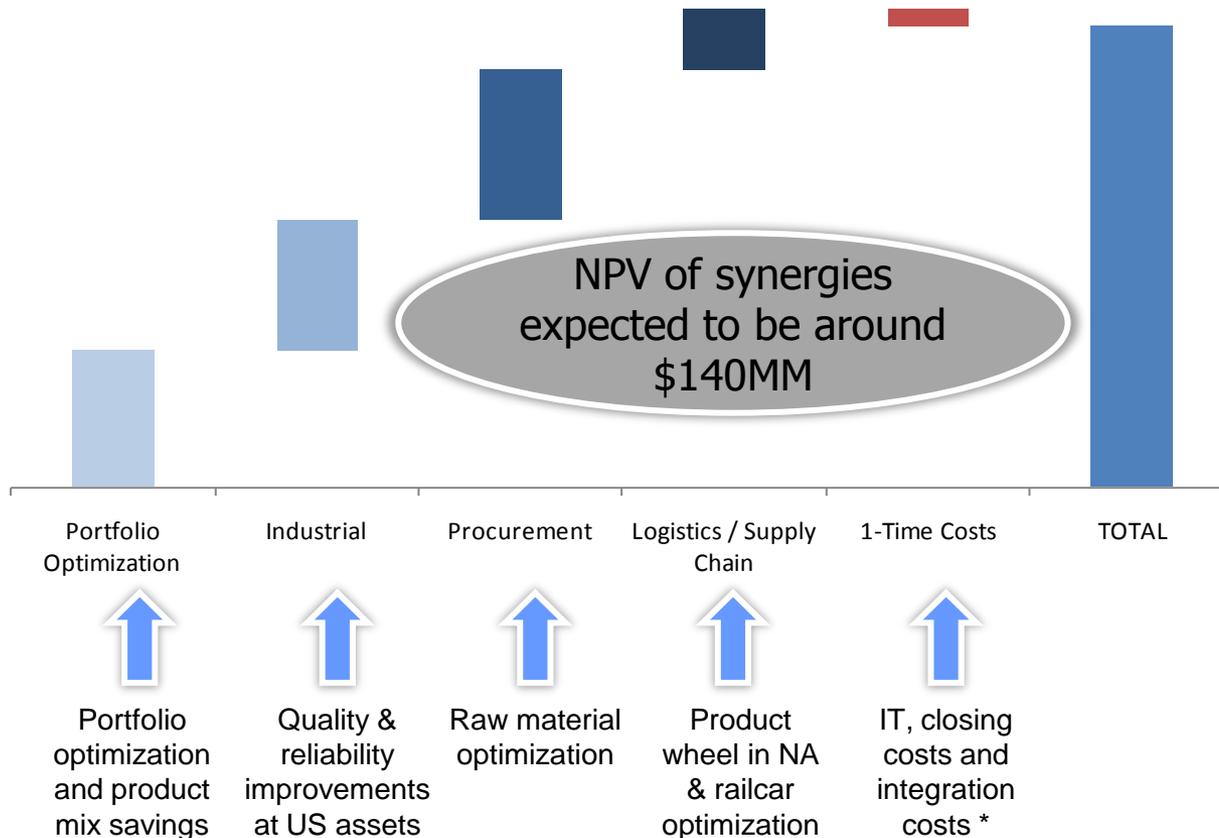
# Benefits and strategic drivers

- ▶ Tied as the # 1 player in the US market
- ▶ Expansion of global industrial footprint
- ▶ Geographical diversification
- ▶ Complementary product portfolio
  - Strong focus on higher margin co-polymers
- ▶ Access to propylene pipeline grid in US
- ▶ Value creation through potential synergies with current business
- ▶ Enhanced presence in the European market
  - Proximity with new clients
  - Support to global leadership in biopolymers



# Overview of Braskem Synergies

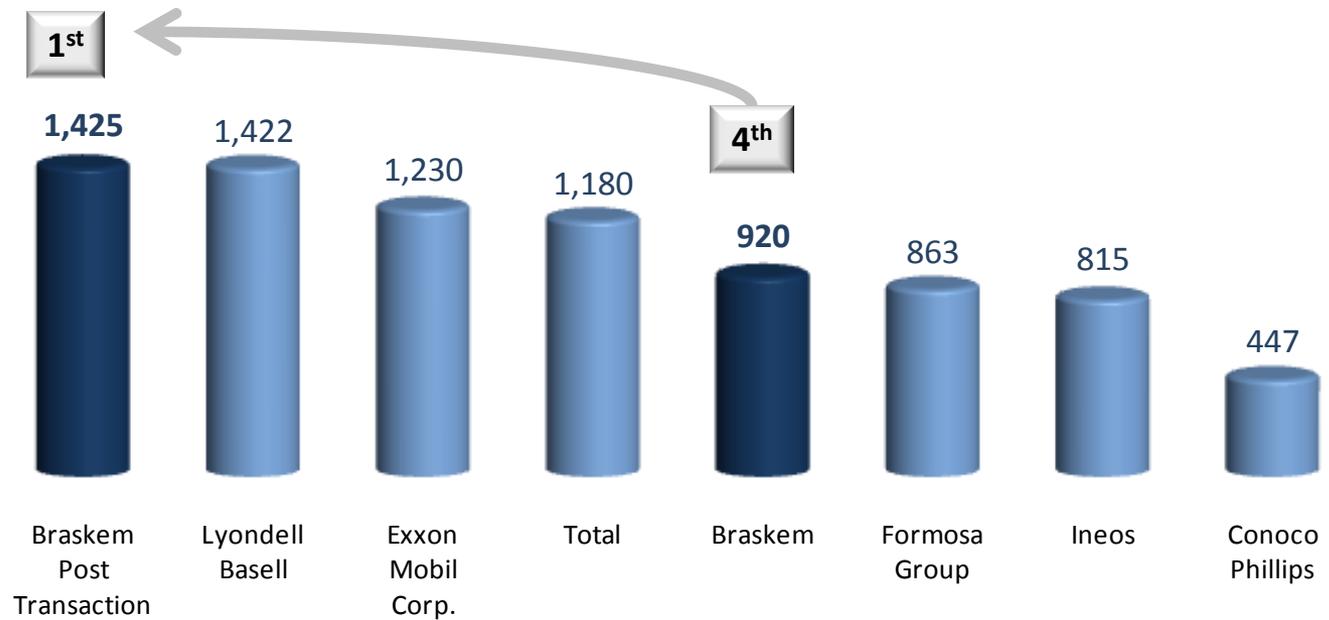
## Components of Synergies



- Braskem should enjoy substantial amount of annual run-rate synergies
- Synergies incorporate business leaders' expectations

# Leader in the US PP market

PP Capacity in the  
U S market (kton/y)



# Dow PP business acquisition does not change Capital Structure and Leverage

- ✓ Strong liquidity with cash and cash equivalents of approximately R\$3 billion (US\$2 bi)
- ✓ Capital structure practically unchanged after acquisition

| (In R\$ million)    | Braskem 1Q11 | After PP assets acquisition |
|---------------------|--------------|-----------------------------|
| Cash disbursement   |              | 497**                       |
| Cash & Cash Equiv.* | 2,890        | 2,393                       |
| Gross Debt          | 12,537       | 12,537                      |
| Net Debt            | 9,647        | 10,144                      |
| EBITDA (LTM)        | 4,064        | 4,154 ***                   |
| Net Debt / EBITDA   | 2.37x        | 2.44x                       |

\* Not considering the standby of \$350 million

\*\* Exchange rate: 1.54

\*\*\* Includes US\$ 51 million in 2010 EBITDA for the acquired business at an exchange rate of 1.76

## To be the global leader in sustainable chemicals, innovating to better serve people

Shareholder commitment

Technological autonomy

International expansion  
in Attractive markets

Financial Solidity

Geopolitical alliances

Grow through  
cultural initiative

Improve core  
business performance

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**Braskem**

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