

$$\frac{\sum_{n=1}^{\infty} (L, \beta)^n}{m} \cdot \frac{1}{2\pi} \left[ \frac{1}{1+c} - \frac{1}{1+c^2} \right]$$
$$+ \frac{1}{\pi} [G_2(L, \beta) - 2G_2(L, 2\beta)]$$
$$- 2G_2(2L, \beta) + 4G_2(2L, 2\beta)$$

# Braskem

New ways to look at the world

## Conference Call 3Q10

Investor Relations  
Sao Paulo, November 12, 2010



# 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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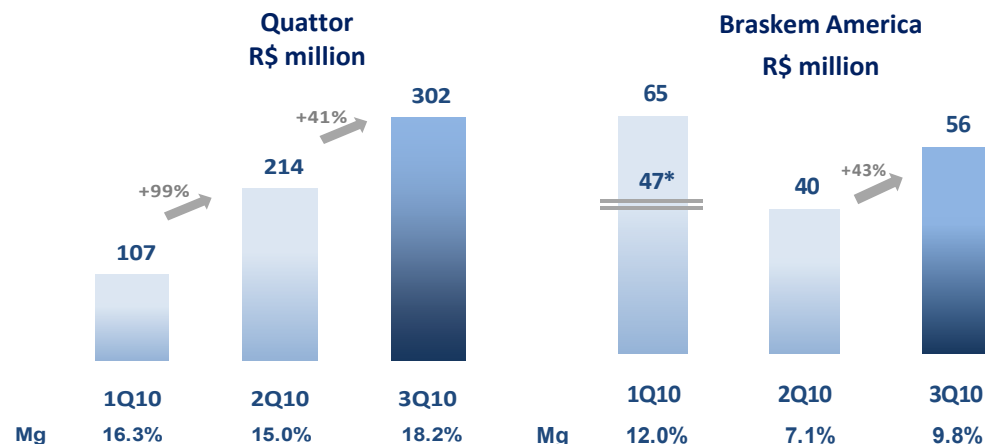
The forward-looking statements in this presentation are valid only on the date they are made (September 30, 2010) and the Company does not assume any obligation to update them in light of new information or future developments.

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

# Highlights

- ▶ **Braskem's EBITDA** was R\$ 1,030 million in 3Q10, in a scenario marked by the duncycle of the petrochemical industry and Real appreciation
- ▶ **Crackers** in the quarter operated at capacity operating rate of **over 90%** for the first time since the asset merger
- ▶ **Braskem's domestic resin sales rose 17%** from 2Q10 and 11% from 9M09



- ▶ Braskem is committed to its financial solidity: **Net Debt/EBITDA\*** ratio fell from 3.46x (acquisition in January 2010) to **2.63x** in the quarter
- ▶ **US\$ 450 million raised** in perpetual bonds with **coupon of 7.375% p.a.**, lengthening its pro-forma average debt term to 11.9\*\* years
- ▶ Start up of the Green Ethylene plant led Braskem to become the **global leader in biopolymers**
- ▶ **Advances** in the process of **integrating and improving the performance of the Quattor assets**
  - 3Q10 EBITDA was R\$ 302 million
  - Merger of Riopol shares by Braskem on August 30
  - **Synergies implemented** total **R\$ 235 million** in annual and recurring **EBITDA** for **2011**
  - **SEAE and SDE of the Ministry of Justice** recommend to CADE the **unqualified approval** of the Quattor acquisition

\*EBITDA in Last 12 Months (LTM)

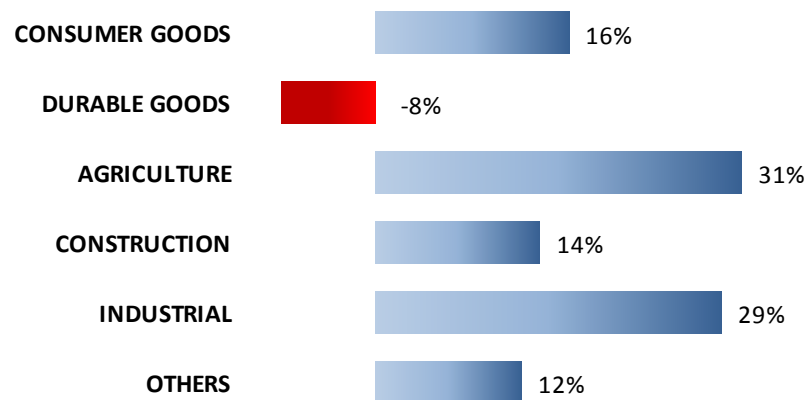
\*\* Includes the bond issue in October and call in December 2010 of the US\$150 million in perpetual bonds with coupon of 9.75%

# Domestic market performance

## Domestic Resin Performance - 3Q10 vs. 2Q10

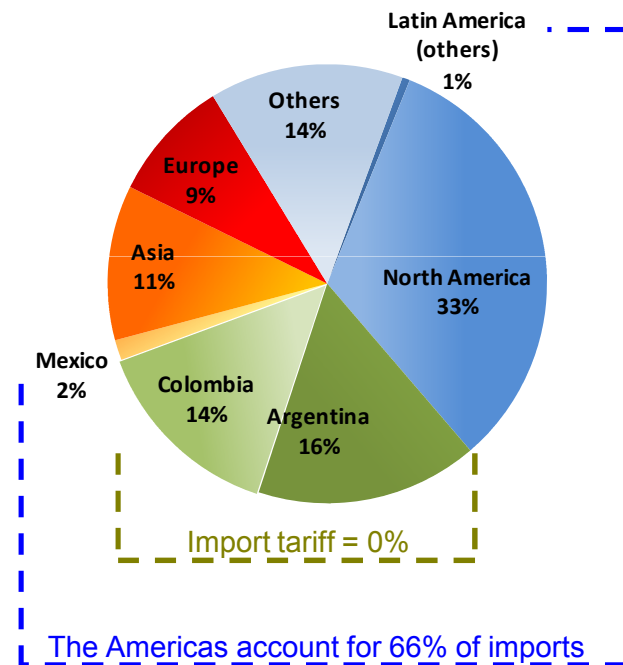


## Δ Braskem's Sales by Sector - 3Q10 vs. 2Q10



- Growth explained by seasonality, higher income, credit and industrial activity in 3Q10
- Durable Goods: slowdown in automotive and home appliance sectors due to elimination of IPI tax benefits

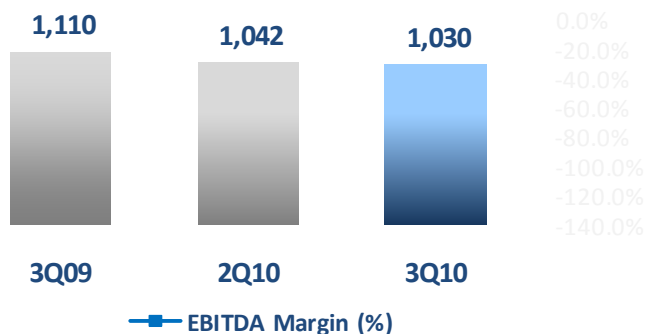
## Origin of Imports in 3Q10 (PE, PP and PVC)



- Imports continued to represent 26% of the domestic market

# Strong cash generation and competitive margins

EBITDA (R\$ million)

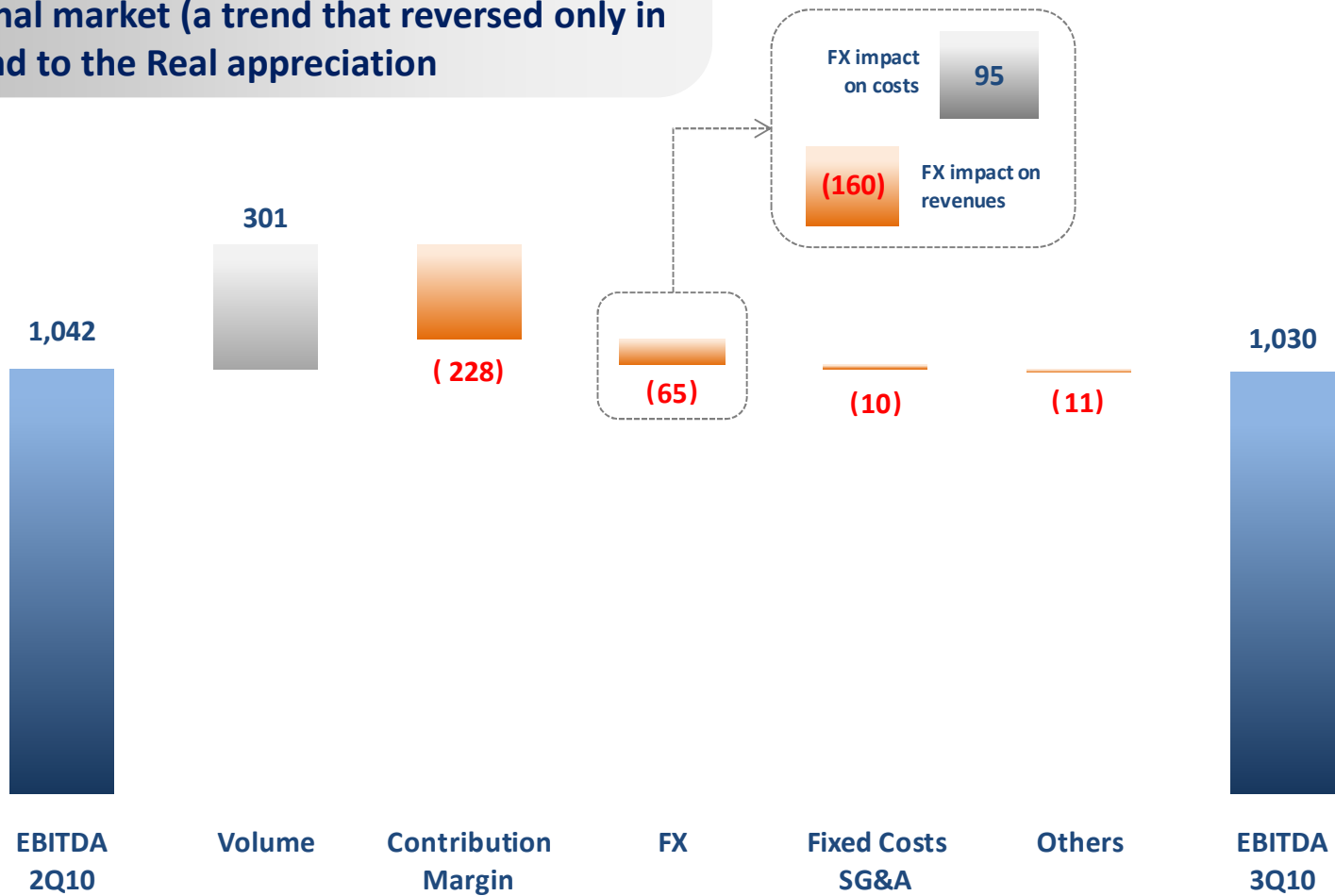


| Financial Result                                  | 3Q10 (A) | 2Q10 (B) | 3Q09 (C) | Var. (A)/(B) | Var. (A)/(C) |
|---|----------|----------|----------|--------------|--------------|
| Net Financial Result                              | 193      | (575)    | 244      | -134%        | -21%         |
| Foreign Exchange (FX) and Monetary (MV) Variation | 599      | (216)    | 609      | -377%        | -2%          |
| Financial Result excluding F/X and MV             | (406)    | (359)    | (364)    | 13%          | 22%          |
| Non recurring                                     | (140)    | (51)     | -        | 175%         | -            |
| Financial Result Adjusted                         | (266)    | (308)    | (364)    | -14%         | -27%         |

# EBITDA in 3Q10 vs. 2Q10

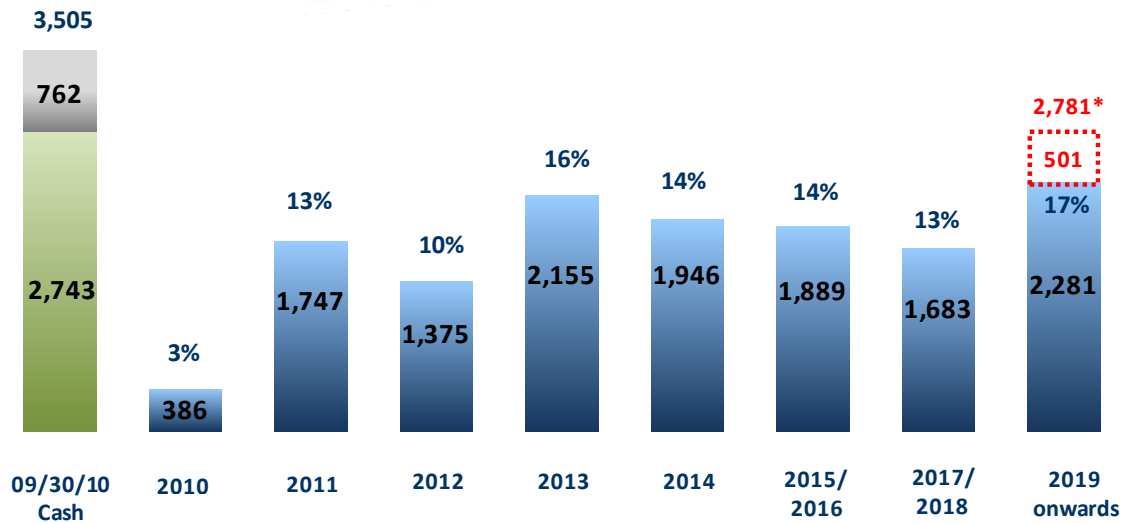
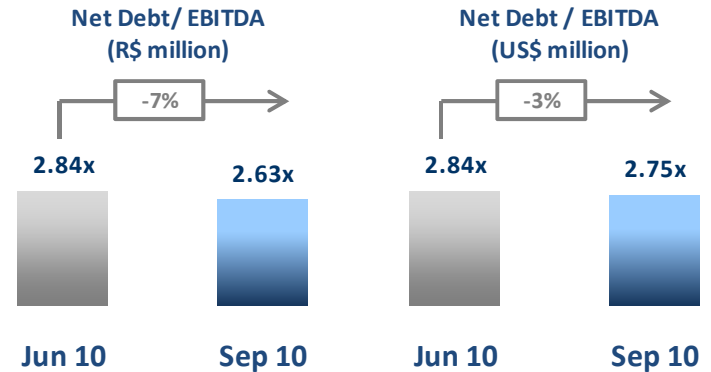
R\$ million

Higher sales volume was impacted by lower margins, due to the narrower spreads in the international market (a trend that reversed only in August) and to the Real appreciation



# Lower leverage and longer average debt term

**Braskem**  
 (On Sept. 30 - R\$ million)  
 Gross Debt:  
 R\$ 13,416  
 Net Debt:  
 R\$ 9,912  
 Average Term: 8.7 years

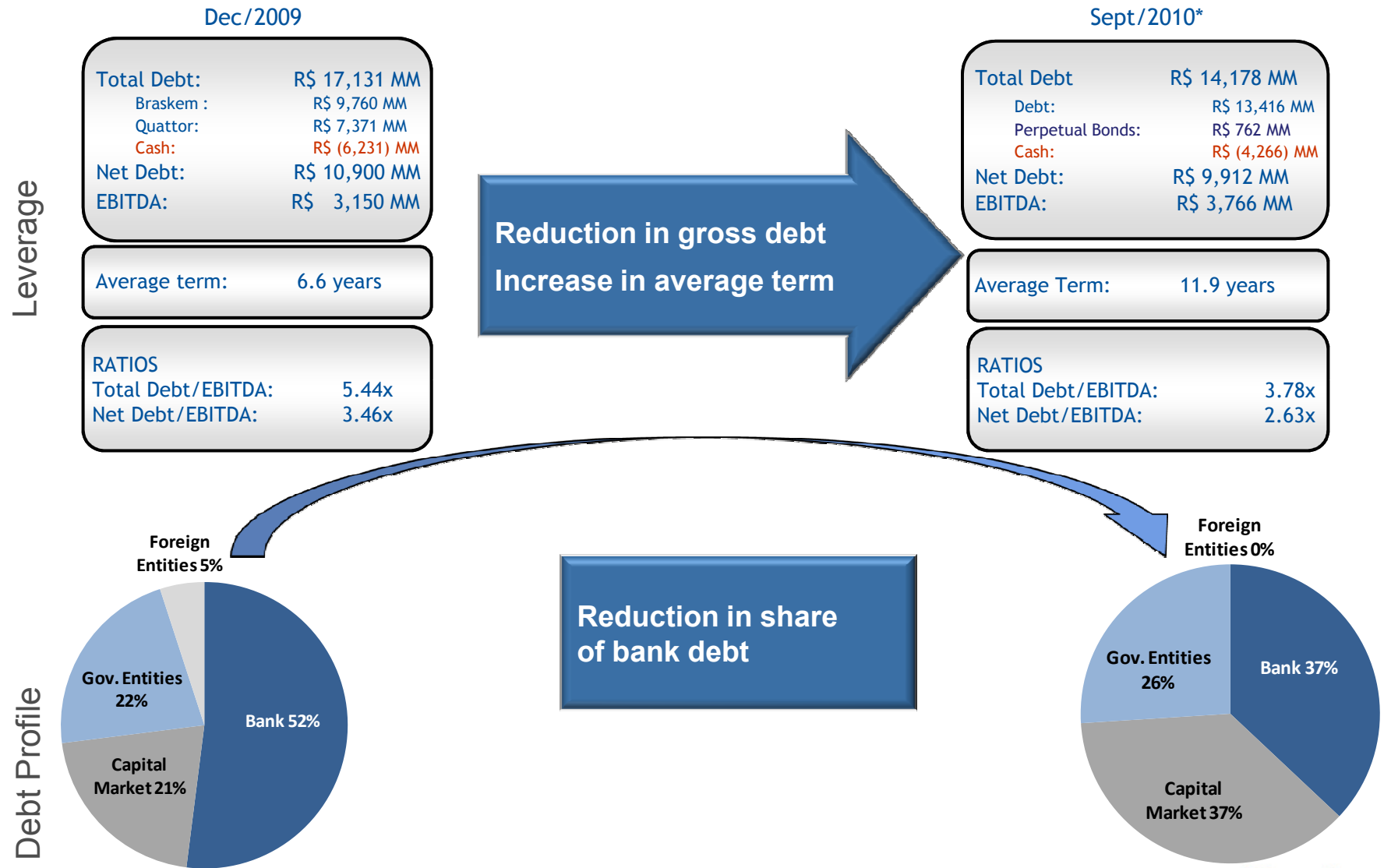


\* Includes the perpetual bond issue in October and the call in December 2010 of US\$ 150 million in perpetual bonds. Average term increases to 11.9 years

Does not include transaction costs

Invested in R\$  
 Invested in US\$

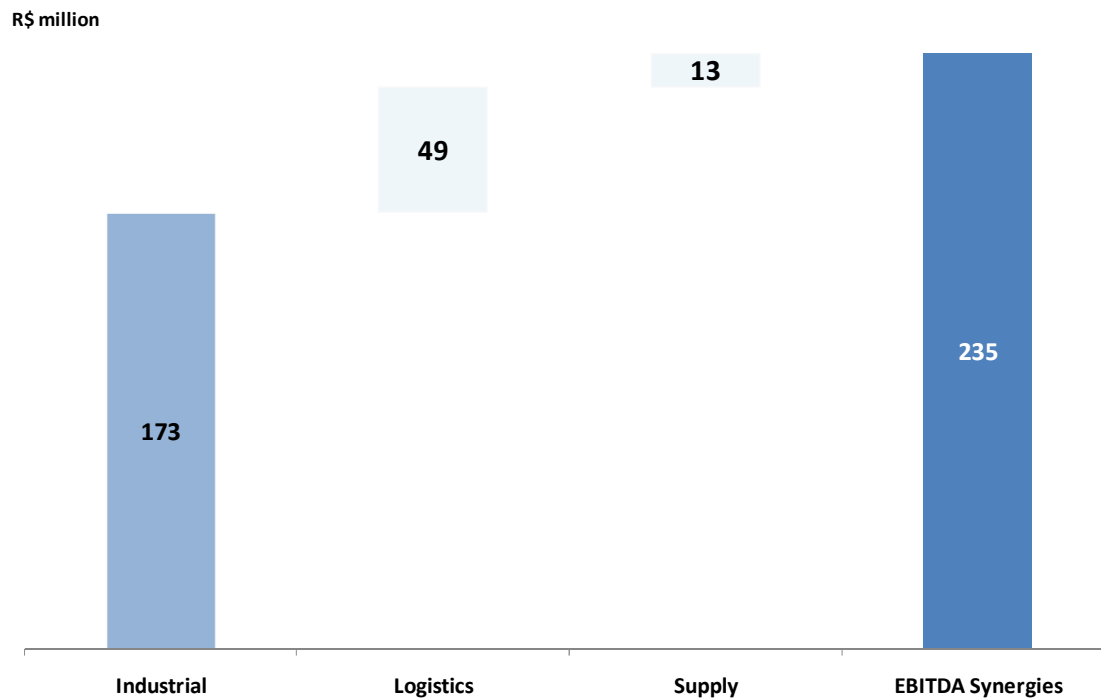
# New funding lengthens debt term to 11.9 years



(\*) Figures for September 2010 include the issue of US\$450 MM in perpetual bonds and exercise of the US\$150 MM call in perpetual bonds

# Synergies from Quattor acquisition of R\$ 235 million in EBITDA for 2011

2012 EBITDA\*: R\$ 400 million



***Efficient and rapid implementation of actions to capture synergies***

- ✓ Integrated planning for industrial units
- ✓ Optimization of the use of additives and catalyzers
- ✓ Optimization of freight and gains in distribution and storage
- ✓ Joint purchase of materials for industrial operations

# Growth strategy

On the path to leadership in sustainable chemicals



## Green PE 2010

Braskem becomes a global leader in biopolymers

- ▶ Successful track record for implementing projects: term and costs
- ▶ Capture of 2.5ton CO<sub>2</sub>/ton PE
- ▶ Partnership with Clients



## Green PP 2013

- ▶ Innovation in bioplastic market
- ▶ Production integrated with green propylene
- ▶ Capture of 2.3ton CO<sub>2</sub>/ton PP



## Innovation Pipeline

- ▶ Meet global demand for sustainable products
- ▶ Guarantee CO<sub>2</sub> sequestration
- ▶ Partnerships for the development of competitive technologies



- ▶ Cooperation agreement with Cempes
- ▶ Development of other crackers streams

I'm green

Braskem  
New ways to look at the world



# Outlook and Priorities

## Petrochemical Market

- ▶ Global industry still in the downcycle. Mitigating factors:
  - Operational instability and delays in the startup of new plants
  - Global demand higher than expected, led by developing countries like China, India and Brazil

## Existing Assets

- ▶ Maintaining growth in domestic sales in relation to 2009, aligned with the better performance of the Brazilian market (GDP and demand growth should exceed 7% and 12%, respectively)
- ▶ Ensure capture of the identified synergies
- ▶ Adding value through the acquired assets
  - Quattor: continue improvement in its operational efficiency
  - Braskem America: return above capital employed

## Financial

- ▶ Leverage reduction to achieve investment grade credit rating
- ▶ Maintaining liquidity and financial discipline

## Growth

- ▶ Expand the use of renewable feedstock
- ▶ Implementing Projects in Latin America, which are based on competitive raw materials
- ▶ Comperj
- ▶ Green Chemicals