

# Meeting with Investors 1Q10 Results

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**Braskem**  
The world, the people and Braskem



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, 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.



- ▶ 1Q10 Results

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- ▶ Growth with Value Creation

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## ▶ 1Q10 Results

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## ▶ Growth with Value Creation

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- **Consolidation of Braskem strategic direction to become a global petrochemical leader**
- **Raw material contract signed with Pemex: Ethylene XXI Project**
- **2010 expected consolidated investments amounting to R\$1.6 billion**
- **Operational Performance**



- Resins and basic petrochemical prices maintained the upward trend in 1Q10
  - ✓ Higher raw material prices
  - ✓ Strong demand from Asia
  - ✓ Unscheduled shutdowns
  - ✓ Lower demand for gasoline limited operations at U.S. refineries
- Scheduled maintenance shutdowns, operational problems and continuous use of light feedstock (crackers) help to balance the market, which should benefit petrochemical companies in 2Q10
- Key factors for second-half 2010
  - ✓ New capacity in Asia and Middle East could pressure industry profitability after midyear
  - ✓ World economy excessively dependent on government stimulus
  - ✓ Feedstock prices impacted by volatility in capital markets
  - ✓ Labor market still recovering
- In Brazil, demand should post double-digit growth, accompanying GDP, while prices should follow the trend in the international market
  - ✓ Thermoplastic resin market in line with 4Q09, at 1,165<sup>(a)</sup> kton, with growth expected in 2Q10

(a) Company estimates, since Abiquim did not disclose apparent consumption figures of the Brazilian market



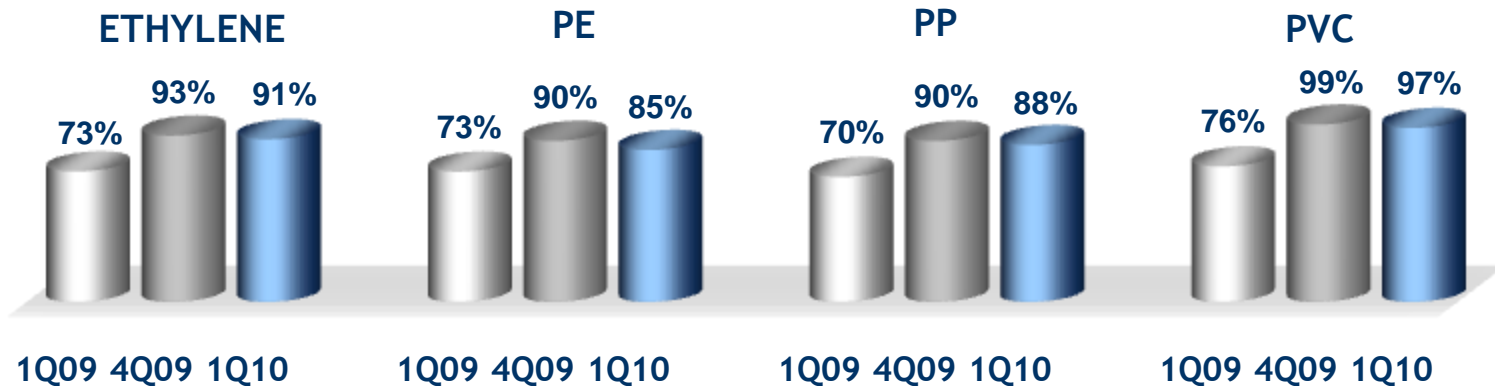
- EBITDA 1Q10 of R\$ 729 million, up 19% from 4Q09 and margin of 16.3%.  
EBITDA LTM reached R\$ 2.7 billion
- Approved by U.S. anti-trust agencies the acquisition of the PP assets of Sunoco Chemicals
- Capital increase of R\$ 3.74 billion, R\$ 3.5 billion from Odebrecht and Petrobras
- Acquisitions concludes: 60% of Quattor Participações + Polibutenos + Unipar Comercial for R\$ 700 million
- Funding of some US\$ 1 billion, of which US\$ 400 million through 10-year bonds at 7% and the pre-payment of US\$ 530 million due in 5 years
- Approval of PVC Project by the Board of Directors, with NPV of US\$ 450 million
- Change in scope of the Venezuela Project
  - ✓ Investment reduction in Propilsur from US\$ 1.2 billion to US\$ 500 million, using the propylene available from the Paraguaná complex

# Braskem still operates at high rates



**Braskem**

## Capacity Utilization %

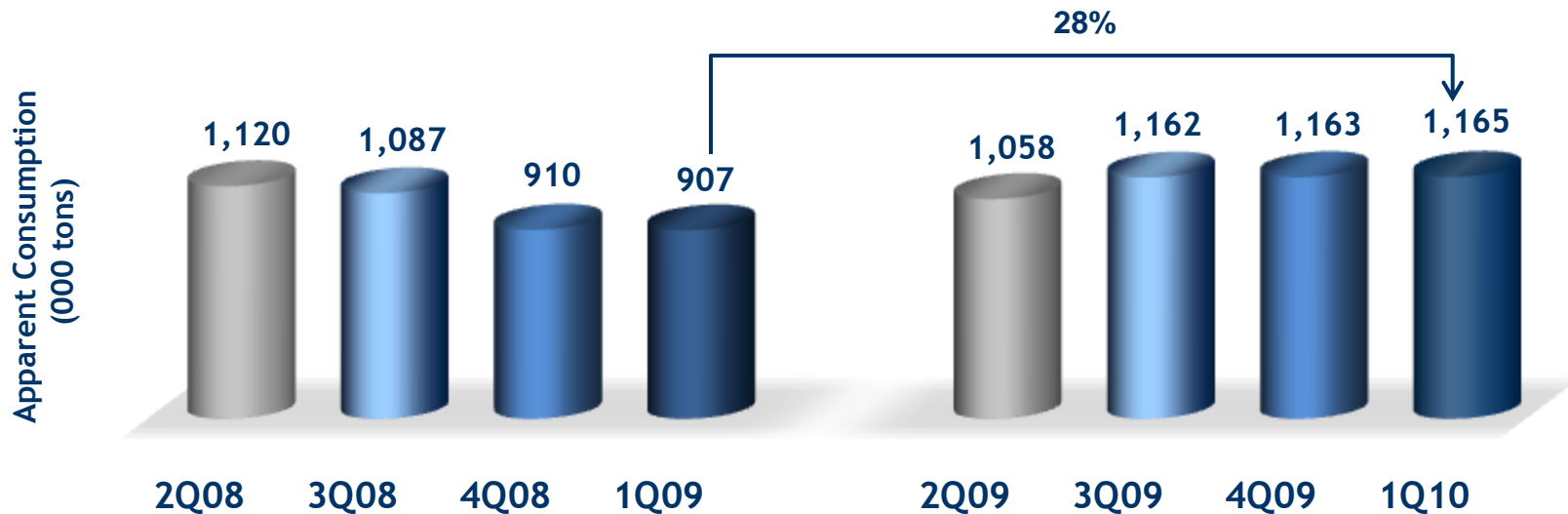


- Crackers and 2<sup>nd</sup> generation units still present good operating performance in 1Q10

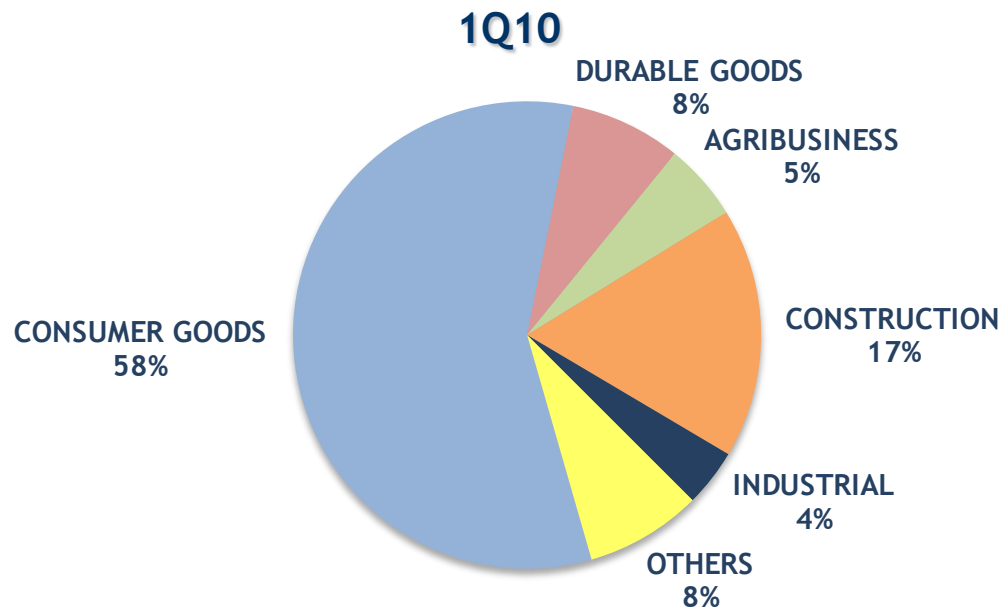
# Demand stability in 1Q10 reflects good performance of the sectors



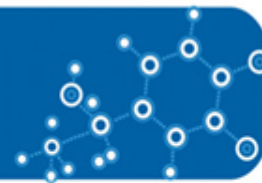
Braskem



Increase in consumer goods production (3% vs 4Q09) has positively impacted the demand for thermoplastic resins

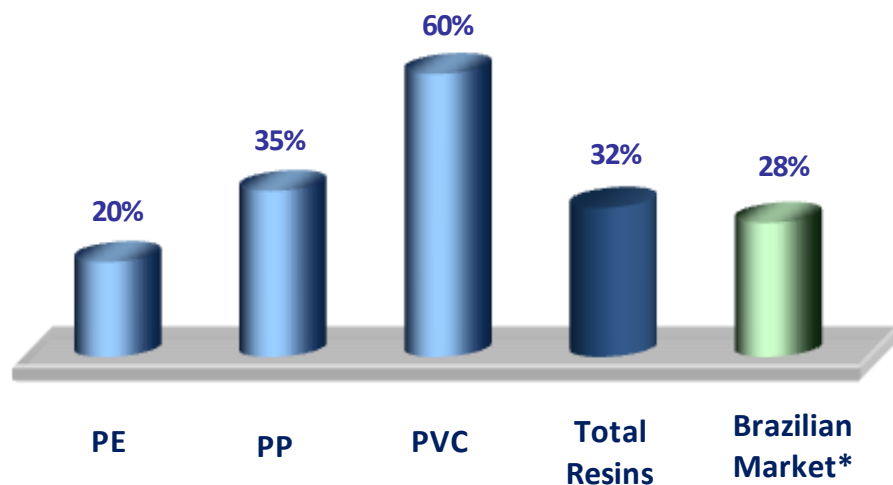


# Domestic market performance



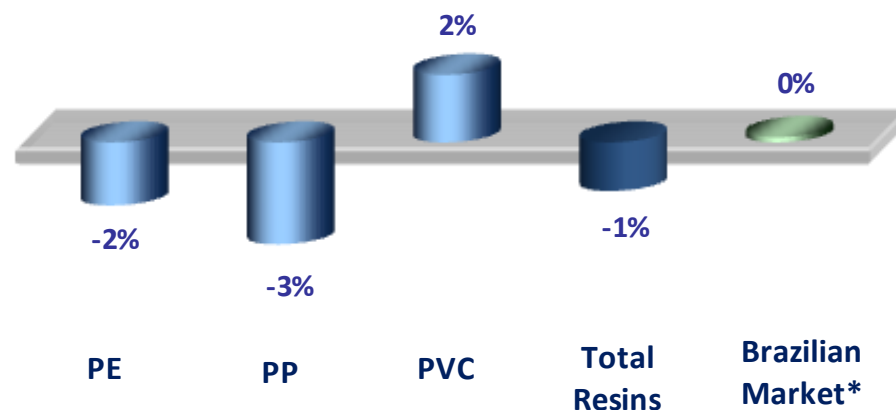
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Domestic Sales 1Q10 vs. 1Q09 %



Stronger sales reflect recovery from global crisis as of 2Q09

Domestic Sales 1Q10 vs. 4Q09 %



1Q10 Sales practically unchanged from 4Q09

\* Braskem estimates: Domestic sales + Imports

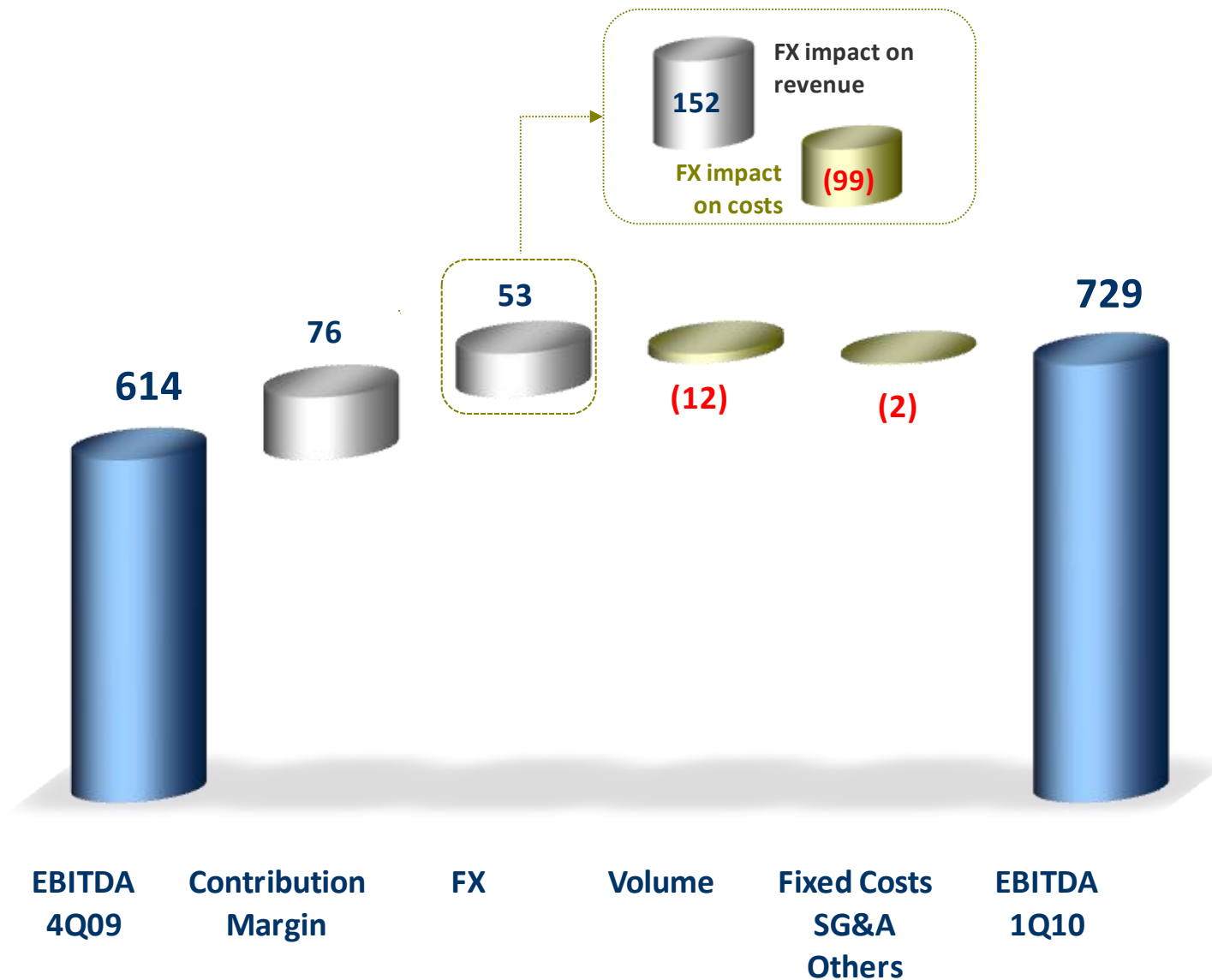
# EBITDA

Better contribution margin and FX gains more than offset lower sales volume



Braskem

R\$ million



# Main Economic Indicators



R\$ million

Key Indicators	1Q10 (A)	4Q09 (B)	1Q09 (C)	Change (A)/(B)	Change (A)/(C)
Net Revenue	4,466	4,253	3,260	5%	37%
EBITDA	729	614	457	19%	59%
EBITDA Margin	16.3%	14.4%	14.0%	1.89 p.p.	2.29 p.p.

Financial Result	1Q10 (A)	4Q09 (B)	1Q09 (C)	Change (A)/(B)	Change (A)/(C)
Net Financial Result	(645)	(655)	(208)	-2%	210%
Foreign Exchange Variation (FX) and Monetary Variation (MV)	(205)	103	34	-299%	-706%
Financial Result excluding FX and MV	(440)	(758)	(242)	-42%	82%
Interest Expenses	(105)	(118)	(124)	-11%	-15%
Tax Liability	(262)	(577)	(18)	-55%	-
Others	(74)	(63)	(100)	16%	-26%



R\$ million

## Key Financial Numbers - 1Q10

Key Numbers	Braskem	Quattor	Braskem America	Consolidated
Net Revenue	4,466	1,233	547	6,245
EBITDA	729	109	65*	903
EBITDA Margin	16.3%	8.8%	11.9%	14.5%
Financial Result	(645)	(233)	-	(878)
Net Profit / Loss	(123)	(767)	38	(852)

**EBITDA LTM:**  
**R\$3,496MM**  
**(US\$1,871MM)**  
 - Braskem:  
**R\$2,746MM**  
 - Quattor: R\$607MM  
 - Sunoco: R\$143MM

# Comfortable cash position covers 2 years of debt amortization



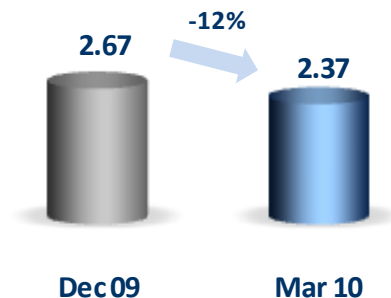
**Braskem**

In R\$ million (3/31/10)

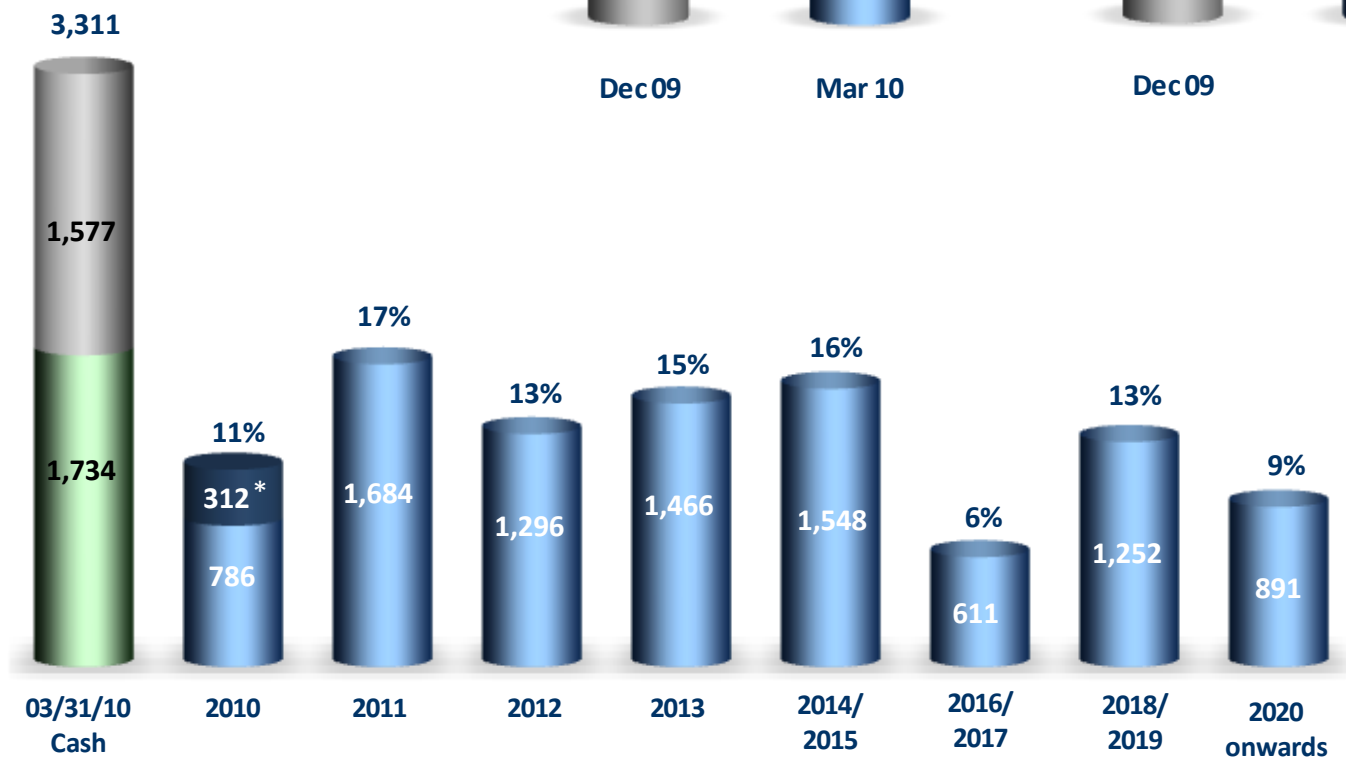
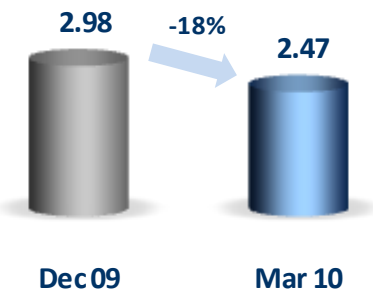
Gross Debt: 9,810  
Net Debt: 6,500  
Avg. Term: 9.7 years

65% of debt pegged to USD

Net Debt / EBITDA (x) R\$



Net Debt/ EBITDA (x) US\$

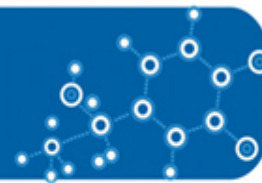


Invested in R\$  
Invested in US\$

(1) Does not include transaction costs

\* Debentures of 13th issue due June, 2010

# Comfortable level of leverage



Braskem

- Better operational performance reduces leverage ratio to 3.12x in 1Q10
- Liquidity still high, with cash around R\$ 6 billion

	R\$3.74bi Capital Increase + Quattor + Sunoco EBITDA in 2009	R\$3.74bi Capital increase + Quattor + Sunoco EBITDA in LTM at 1Q10
Gross Debt	17,131	17,176
Cash & Cash Equiv.	6,231	6,267
Net Debt	10,900	10,909
EBITDA	3,150	3,495
Net Debt / EBITDA	3.46x	- 10% .....> 3.12x

# Braskem consolidated debt profile (initial)



**Braskem**

R\$ million (03/31/10)

Gross Debt: 9,810  
Net Debt: 6,500  
Avg. Term: 9.7 years  
Net Debt/EBITDA: 2,37x

Quattor + Sunoco

Acquisition



Capital Increase

R\$ million (03/31/10)

Gross Debt: 17,176  
Net Debt: 10,909  
Avg. Terms: 6.6 years  
Net Debt/EBITDA: 3,12x

64% of debt pegged to USD

44% of debt pegged to USD

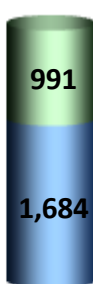
6,267



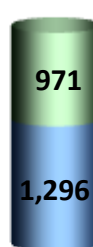
3,322



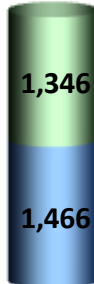
2,675



2,267



2,812



1,832



1,080



436



607



1,142



157



900



Braskem Cash: + 3,311  
Quattor Cash: + 544  
Capital Increase: + 3,742  
(-) UNIPAR Payment - (700)  
(-) SUNOCO Payment - (630)  
Cash = 6,267

Cash

2010

2011

2012

2013

2014

2015

2016

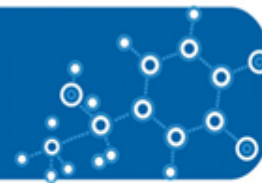
2017

2018

2019

>= 2020

# Braskem consolidated debt profile after debt restructure



**Braskem**

R\$ million (03/31/10)

Gross Debt: 9,810  
Net Debt: 6,500  
Avg. Term: 9.7 years  
Net Debt/EBITDA: 2,37x

64% of debt pegged to USD

Quattor + Sunoco

Acquisition



Capital  
Increase

R\$ million (03/31/10)

Gross Debt: 17,176  
Net Debt: 10,909  
Avg. Terms: 6.6 years  
Net Debt/EBITDA: 3,12x

44% of debt pegged to USD

Financial  
funding in  
April and May  
and  
scheduled  
payments

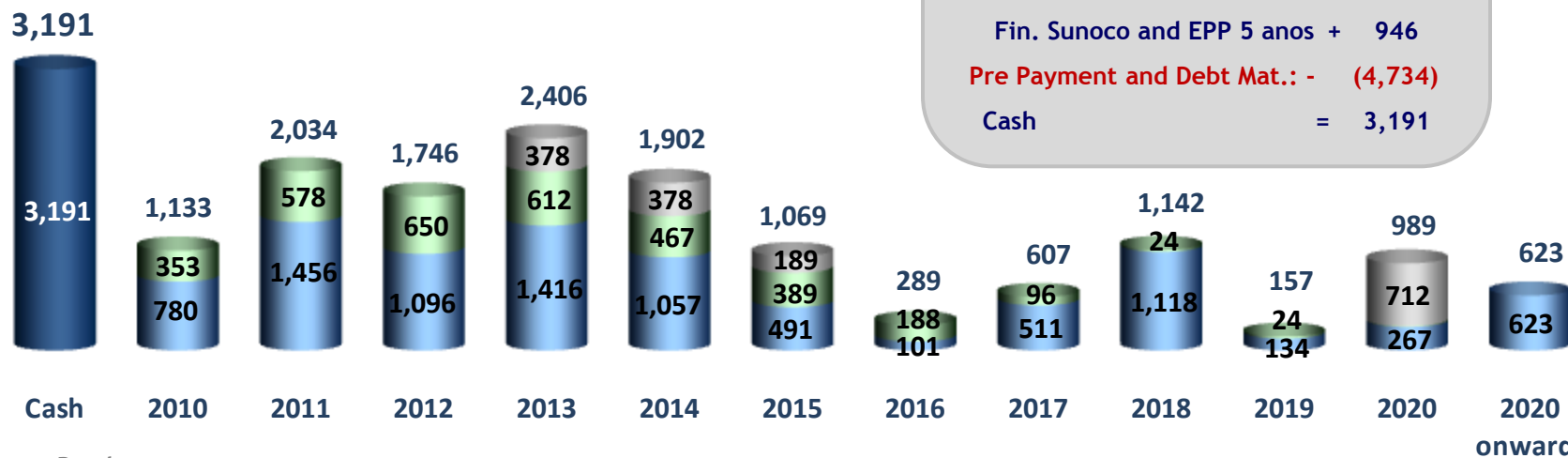


R\$ million (03/31/10)

Gross Debt: 14,098  
Net Debt: 10,909  
Avg. Term: 8.1 years  
Net Debt/EBITDA: 3,12x

59% of debt pegged to USD

Braskem Cash:	+	3,311
Quattor Cash:	+	544
Capital Increase:	+	3,742
(-) UNIPAR Payment	-	(700)
(-) SUNOCO Payment	-	(630)
Bond Issue (US\$400MM)	+	712
Fin. Sunoco and EPP 5 anos	+	946
Pre Payment and Debt Mat.:	-	(4,734)
Cash	=	3,191





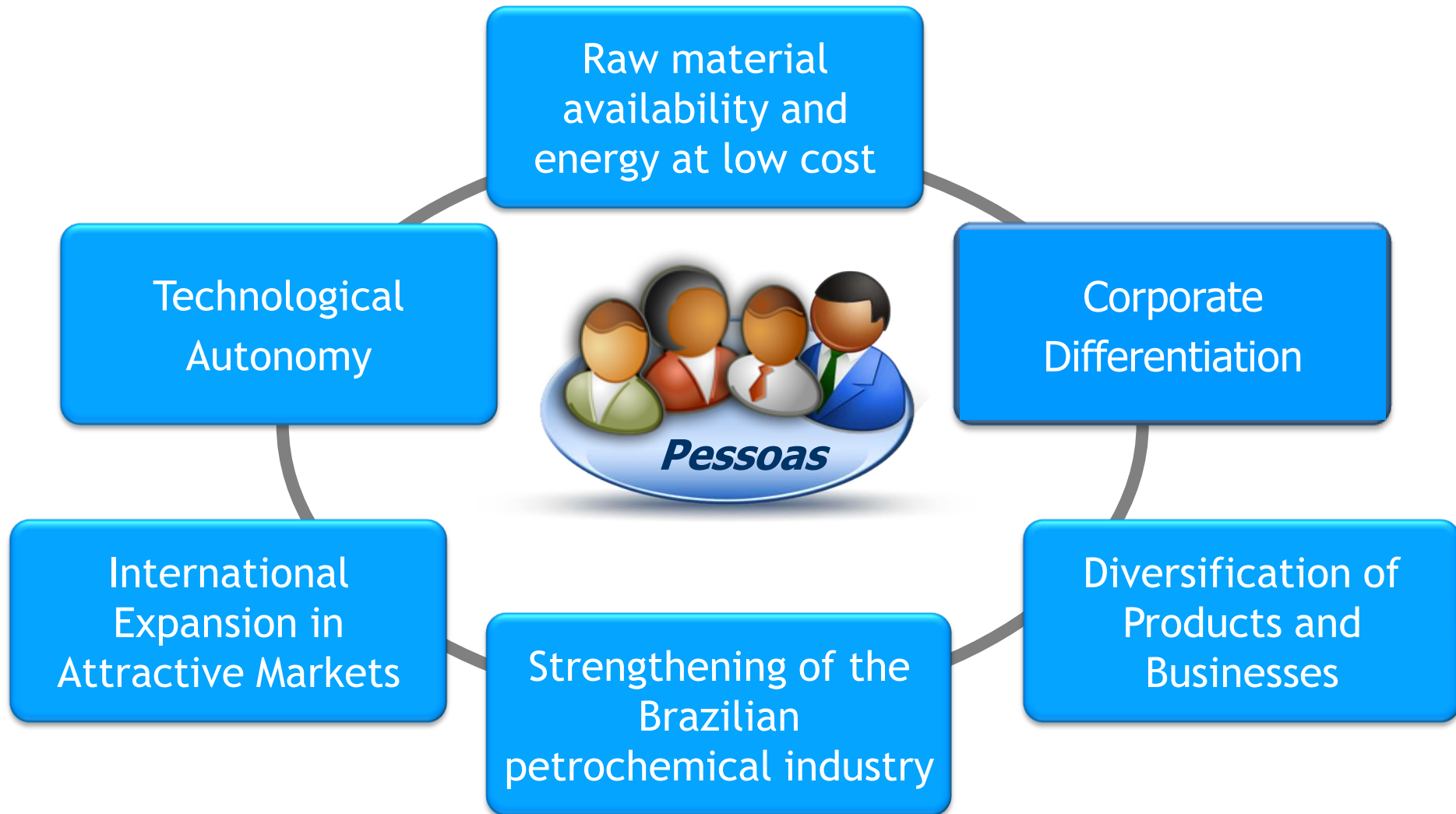
- ▶ 1Q10 Results

- ▶ **Growth with Value Creation**



Leader in the Americas, **one of the world's five-largest petrochemicals companies** by EV\*

Braskem

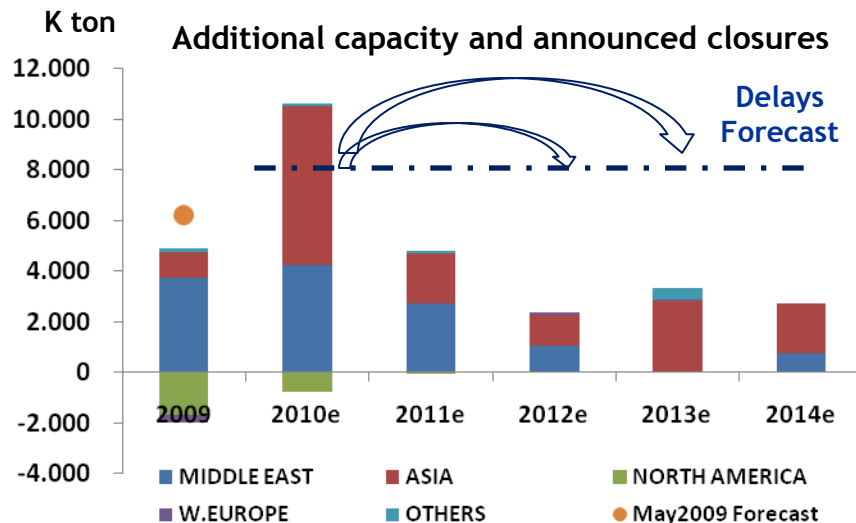
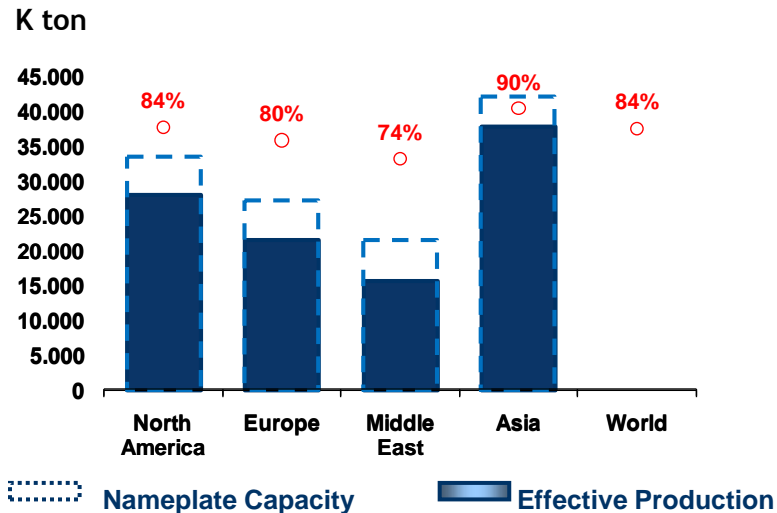


# Global supply of ethylene



**Braskem**

## 2009 estimated Operating Rate



## Market balance 2009 better than expected

- Delays in the capacity startups (Asia and Middle East)
- Stronger than expected demand in China helped to balance the market
- High cost plants shutdown during the crisis
- Effective capacity 50% lower than forecast

## Global Outlook

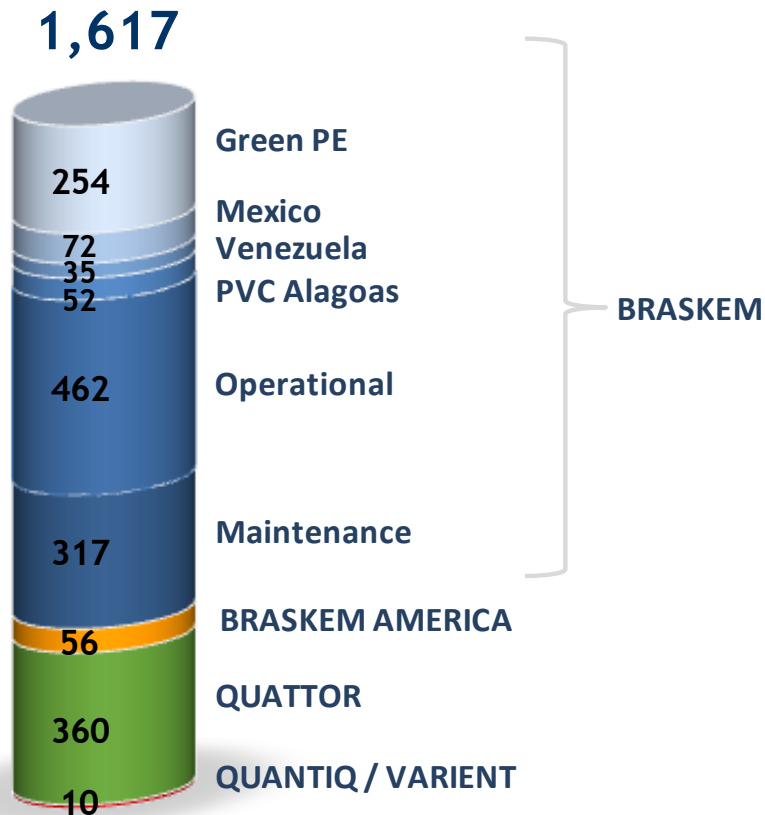
- ~3 MM ton estimated for 2010 shall be delayed for 2012-2013 (Iran and Saudi projects)
- Learning curve from the commissioned plants
- Non competitive assets are expected to be permanently shutdown
- Demand growth over 6 MM ton per year shall outpace additional supply as of 2011
- Domestic consumption growth in emerging markets as Brazil and China
- Industry consolidation increasing players competitiveness

# Investments in 2010 amount to R\$1.6 bi

Braskem

## 2010 Estimated Investments

In millions of R\$





### BRAZIL

#### Green PE

Startup: September/2010

- Final construction stage (75%);
- Financial status as planned;
- Estimated 30 to 50% premium over petrochemical resin;
- NPV expected ~ US\$ 180 million

#### PVC Expansion

Startup: 1<sup>st</sup> semester 2012

- Capacity expansion to 210 kton /y of PVC in Alagoas
- Investments of nearly US\$500 million
- NPV expected ~ US\$450 million
- Support for infrastructure projects in the country





### LATIN AMERICA

#### Mexico: Ethylene XXI Project

Startup in 2015

- Partnership with Mexican group IDESA (65% Braskem, 35% IDESA) for acquisition of ethane from PEMEX
- Integrated petrochemical project: 1 Mton/y of ethylene and 1 Mton/y of PE
- Investments estimated to reach up to US\$2.5 billion in 5 years

#### Venezuela: JV's with Pequiven through Project Finance

Propilsur

Startup in 2013

- 300 kton/y of PP in Paranaguá Complex
- Investments estimated in US\$500 million

Polimerica (delayed)

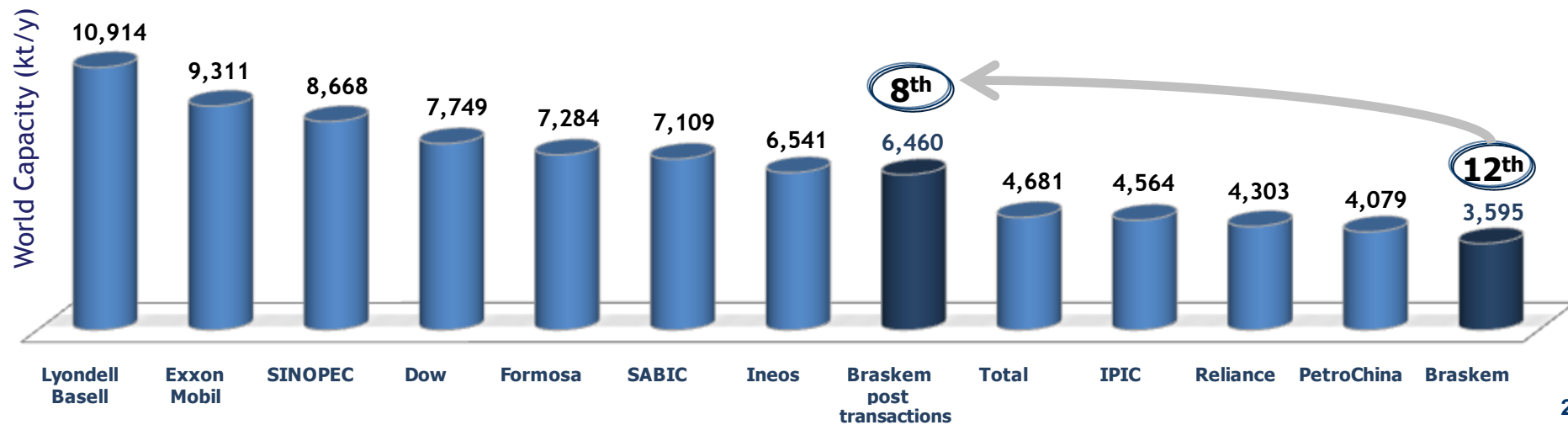
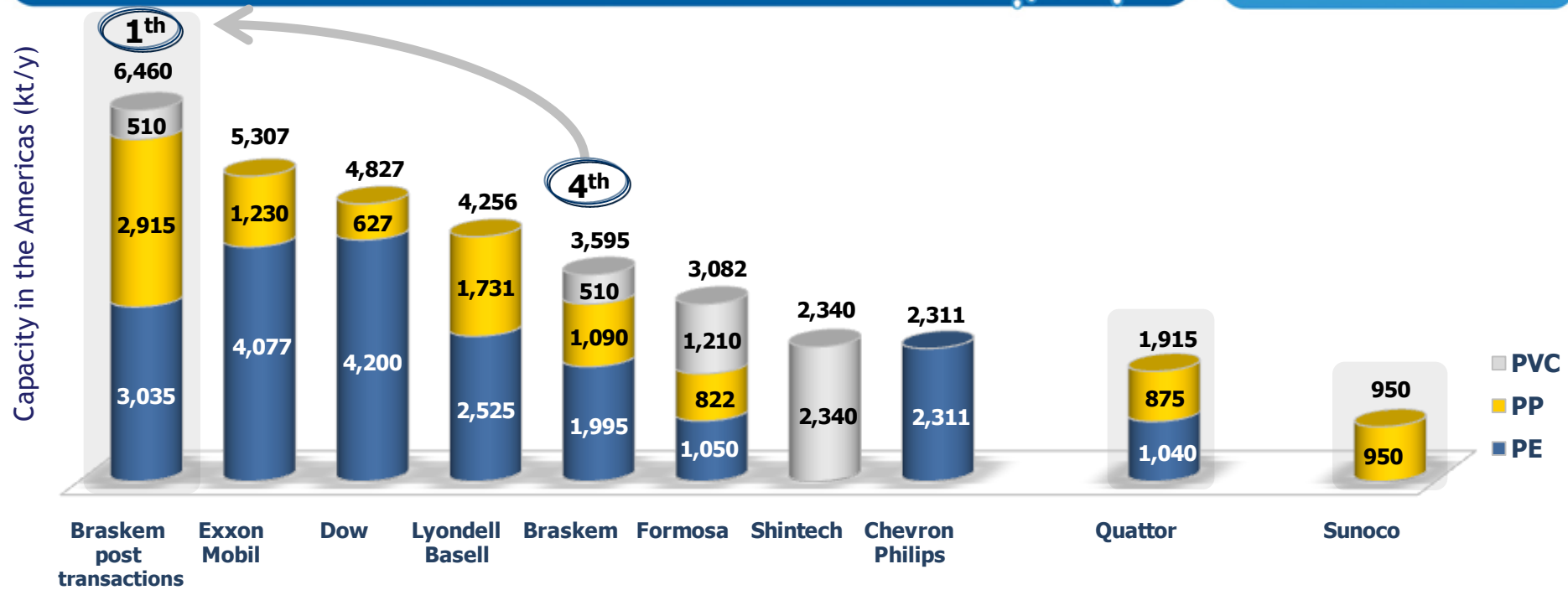
- Evaluation of alternatives more competitive for the project
- Integrated petrochemical project: 1.3 Mty of ethylene and 1.1 Mty of PE



# Ranking in the Americas + Global



**Braskem**



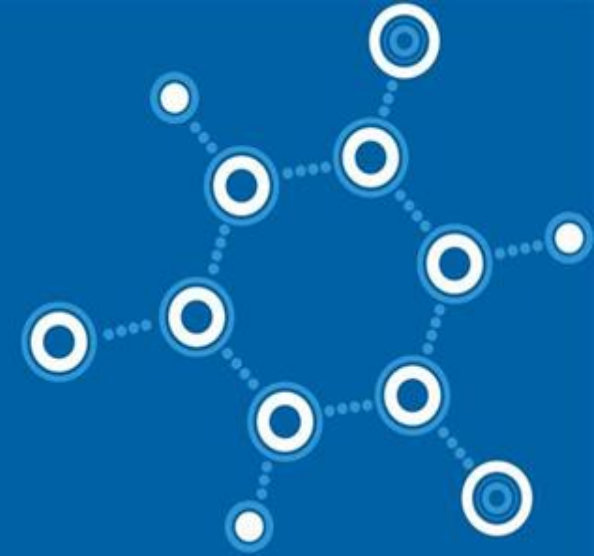


- Continued strengthening of long-term relationship with Customers
- Support to the Brazilian petrochemical chain sustainability
- Implementation of the acquisition stages of Quattor and Sunoco Chemicals
- Analysis of Braskem's interest in the Suape (textile center) and Comperj (1<sup>st</sup> e 2<sup>nd</sup> generation) projects
- Construction of Green PE plant: on schedule and within planned Capex
- Projects in Latin America: competitive feedstock
- Prioritizing financial health and liquidity

**Sustainable Growth**



- Why petrochemical?
- Why Braskem?
- Why USA?



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