



PROFILE AND HISTORY

History

Incorporated on August 16, 2002, Braskem was created already as the leading thermoplastics resin producer in Latin America. The process began with the acquisition of a controlling interest in Copene, the naphtha cracker located in the Camaçari Petrochemical Complex, by the Odebrecht and Mariani groups in July 2001. The two groups then merged into Copene their own petrochemical assets, namely OPP Química S.A., Nitrocarbono S.A., Trikem S.A. and Proppet S.A., which initiated the process of integrating first and second generation assets that until then was without precedent in Brazil.

By 2004, these companies had been merged into Braskem. The merger of Polialden, which had been acquired in 2005, was approved in May 2006, and the merger of Politeno, acquired in 2007, was approved in 2007.

In March 2007, another step forward was taken in restructuring Brazil's petrochemical industry. In partnership with Petrobras, Braskem began the process to consolidate the Triunfo Complex by acquiring the petrochemical assets of the Ipiranga Group, including the control of Copesul. Subsequently, in November 2007, Petrobras signed an agreement with Braskem and Odebrecht to transfer its interests in these assets as well as other assets to Braskem. Finally, on September 30, 2008, Ipiranga Petroquímica (IPQ), Petroquímica Paulínia (PPSA) and the spun-off interest in Ipiranga Química (IQ) were merged into Braskem.

The consolidation of Brazil's petrochemical industry by companies with the capacity to compete globally is indispensable for expanding and strengthening the country's petrochemical industry. Meanwhile, the merger by Braskem of Petroquímica Triunfo, which was approved in May 2009, represents the conclusion of the process to integrate the country's southern petrochemical complex.



*EV (Enterprise Value) = Market Value + Net Debt



Ethylene and Resins Production Capacity (PE/PP/PVC) - kton*



*Represents only ethylene and resins (PE/PP/PVC) production capacity. Braskem's total production capacity is of over 11 million ton/year of chemical and petrochemical products

Profile

Braskem is Latin America's leading thermoplastic resin producer, with a focus on polyethylene, polypropylene and PVC, and is the third-largest pure-play¹ petrochemical producer in the Americas. Braskem figures among leading global petrochemical producers and plans to become one of the largest petrochemical groups in the world. Braskem is currently one of Brazil's largest exporters, with a presence in some 60 countries and on all continents.

Braskem operates 18 industrial units located in the states of Alagoas, Bahia, Rio Grande do Sul and São Paulo, with a team numbering over 4,800. Each year, it produces more than 11 million tons of petrochemical products and intermediate chemicals, with sales revenue of R\$23 billion (US\$13 billion) in 2008. Braskem's strategy is based on promoting the competitiveness of Brazil's petrochemical chain and on technological independence, which are consistent with its commitment to promote sustainable development.

In line with its commitment to corporate governance best practices and excellence in investor relations, Braskem strives for the highest levels of efficiency and transparency in its disclosure processes. Braskem stock is listed on the São Paulo Stock Exchange – BM&FBovespa (BRKM5, BRKM6, BRKM3), on the New York Stock Exchange - NYSE (BAK) and on the Latibex segment of the Madrid Stock Exchange (XBRK), with all shares offering 100% tag-along rights.

Braskem's business model encompasses both first and second generation petrochemical processes, which assures greater operational efficiency in this portion of the chain. First generation operations involve the business cycles related to the production of basic raw materials, such as ethylene and propylene, which are fundamental for the second generation operations in which thermoplastic resins such as polyethylene, polypropylene and PVC are produced.

Technological independence is one of the strategic growth vectors and competitive advantages of Braskem, which invests regularly in research and development. Consistent with its commitment to innovation and increasing the competitiveness of the petrochemical and plastics chain in Brazil, Braskem makes available to its clients the Braskem Technology and Innovation Center, which provides technological support for the development of products, processes and applications.

Braskem's activities are organized into three business units:



Basic Petrochemicals Unit

With plants in the states of Bahia and Rio Grande do Sul, this unit produces a wide array of basic or first generation petrochemical products, including:

- olefins, such as ethylene, propylene (polymer and chemical grades), butadiene, isoprene and 1-butene;
- aromatics, such as benzene, toluene, paraxylene, orthoxylene and mixed xylene;
- fuels, such as gasoline and liquefied petroleum gas (LPG); and
- ETBE, solvent C9 and pyrolysis C9.

This unit's products are used to make thermoplastic resins (polyethylene, polypropylene and PVC) by the other business units of Braskem (second generation) and by its clients. Braskem also sells butadiene and a series of aromatics (benzene, paraxylene, orthoxylene and mixed xylene) to third-party petrochemicals producers, which use them to make various second-generation products, such as synthetic rubber, elastomers, polystyrene resins, purified terephthalic acid, dimethyl terephthalate (DMT), phthalic anhydride, plasticizers and paints.

Polymers Unit

With plants in the states of Bahia, Alagoas, São Paulo and Rio Grande do Sul, the Polymers Units is responsible for the production of a variety of products, such as:

- Polyethylene (low density, linear low density, high density and ultra high molecular weight): resin used as a raw material to make various plastic products, including flexible packaging, packaging for cleaning and personal hygiene products, sacks, shrink wrap for packaging, etc.
- Polypropylene: resin with many applications for the auto industry, cabinets for home appliances, sacks for fertilizers, cement and seeds, disposable plates and cups, etc.
- PVC: resin with strong demand from makers of pipes, window frames and other construction materials.
- Chlorine: used to make PVC, pesticides, pharmaceuticals, hospital cleaning products and for water treatment.
- Soda: used in the production of soaps, pulp and paper, aluminum and other products.

International Business Development Unit

This unit is responsible for Braskem's internationalization projects, particularly those currently being developed in Venezuela in partnership with Pequiven, the state-owned petrochemical company. The International Business Development Unit is also responsible for prospecting and evaluating new opportunities in Peru, Bolivia, Mexico and other countries in the Americas.