

Earnings Conference Call

1Q15

Investor Relations
São Paulo, May 8, 2015

 **Braskem**



Disclaimer on forward-looking statements

This presentation includes forward-looking statements. These forward-looking statements are not solely historical data, but rather reflect the targets and expectations of Braskem's management. The terms "anticipate," "believe," "expect," "foresee," "intend," "plan," "estimate," "project," "aim" and similar terms are used to indicate forward-looking statements. Although we believe these forward-looking statements are based on reasonable assumptions, they are subject to various risks and uncertainties and are prepared using the information currently available to Braskem.

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- ▶ In 1Q15, the average cracker capacity **utilization rate** was 89%, 3 p.p. higher than the last quarter of 2014.
- ▶ **The Brazilian market of resins** (PE, PP and PVC) was 1.4 million tons, increasing **6%** and **9%** from 1Q14 and 4Q14, respectively. **Braskem's** sales followed this market trend and amounted to **954 kton**, increasing **6%** and **12%**.
- ▶ Braskem's consolidated **EBITDA** was R\$1.5 billion, up **10%** from the **previous quarter**. Compared to **1Q14**, on a recurring basis, the increase in Brazilian real was **9%**. In **U.S. dollar**, EBITDA was **US\$508 million**.
- ▶ **Net income** was **R\$204 million**.
- ▶ Braskem's **leverage**, as measured by the ratio of net debt to EBITDA in U.S. dollar, stood at **2.55x**, down **1%** from the previous quarter.

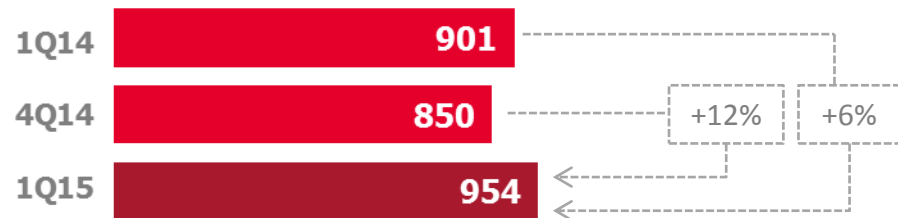
Capacity-expansion and feedstock-diversification project

- ▶ **Mexico Project:**
 - The project's physical completion reached 92% and all engineering and procurement activities were finalized.
 - On April 22, 2015, the subsidiary Braskem-Idesa withdrew the fifth installment of the project finance in the amount of US\$291 million.

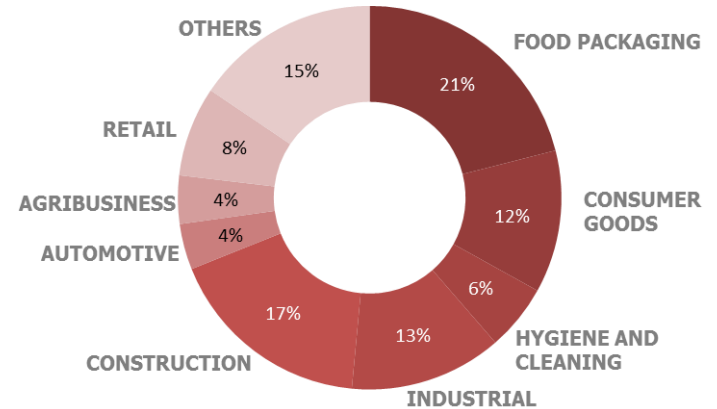
- The Brazilian market of thermoplastic Resins (kton)



- Braskem' Sales of Thermoplastic Resins (kton)



- Braskem' Sales Profile – 1Q15

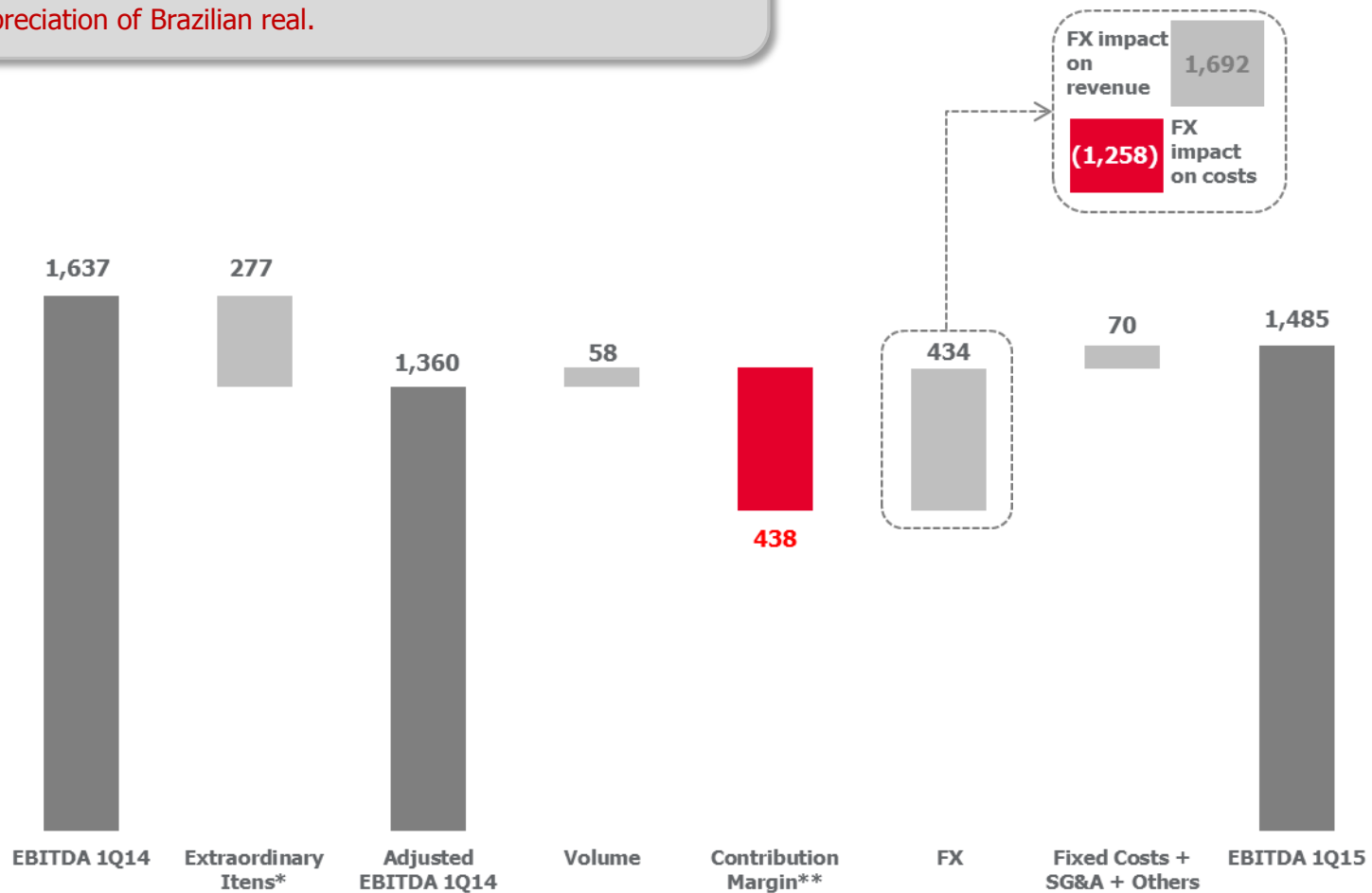


- The inventory rebuilding of the plastic converters' chain and the good performance of sectors related to consumer goods and agribusiness had a positive impact on the quarter demand.
- Braskem's sales followed this market trend and increased 12% and 6% compared to 4Q14 and 1Q14, respectively.
- Braskem' market share expanded 2 p.p. compared to 4Q14 and stood at 67%.

EBITDA 1Q15 vs. 1Q14

EBITDA, on a recurring basis, grew by 9% compared to 1Q14. It is worth mentioning:

- the higher resin sales volume;
- the depreciation of Brazilian real.



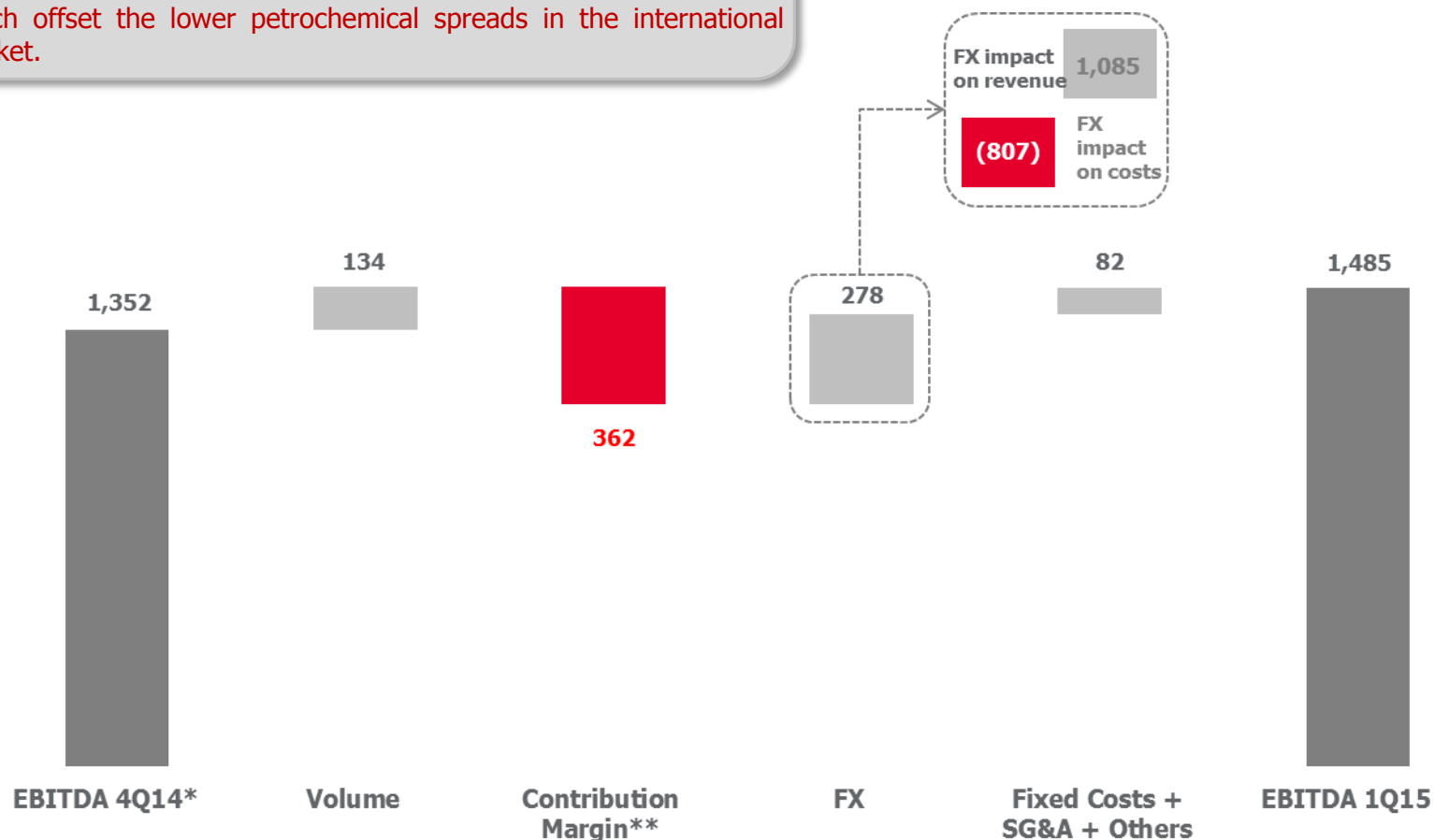
* Gain recognized from the divestment of non-strategic asset.

** It includes the recognition of the R\$220 million refund related to the retroactive adjustment of the amendment to the naphtha supply agreement.

EBITDA 1Q15 vs. 4Q14

Compared to 4Q14, EBITDA increased 10%. The main factors were:

- the higher resin sales volume;
- and the Brazilian real depreciation;
- which offset the lower petrochemical spreads in the international market.

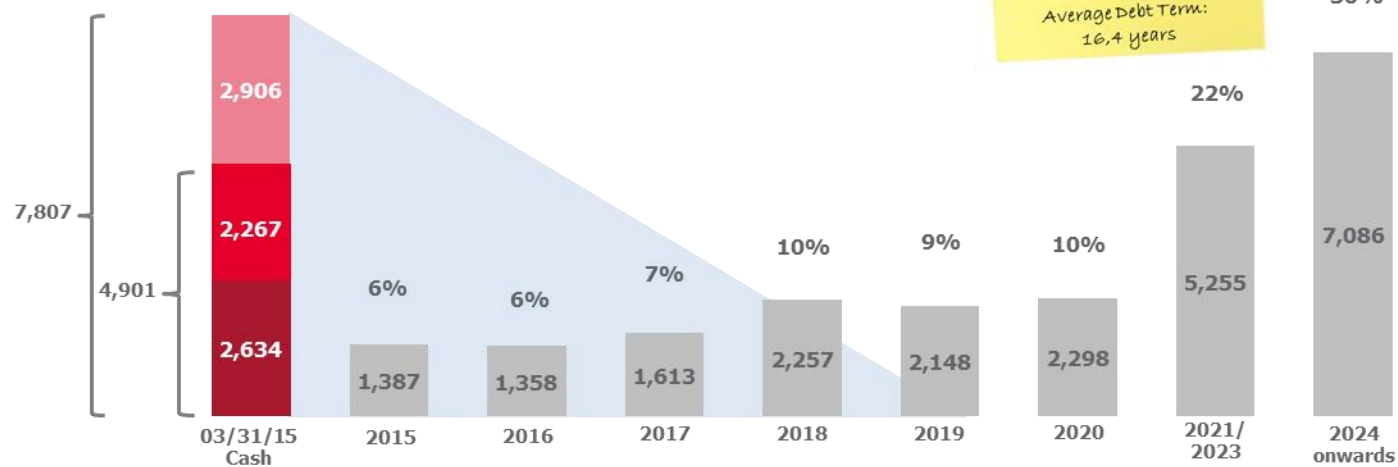


* It includes the extraordinary net effect of R\$40 million from the positive impact related to the reopening of the Tax Debit Renegotiation Program (Refis) and negative impacts from accounting adjusts of inventory in the U.S. and Europe.

** It includes the recognition of the R\$220 million refund related to the retroactive adjustment of the amendment to the naphtha supply agreement.

Amortization schedule and debt profile

Debt Profile ⁽¹⁾
(R\$ million)
03/31/2015



Braskem
(03/31/15 - R\$ million)

Gross Debt:
R\$ 23,127

Net Debt:
R\$ 18,226

Average Debt Term:
16,4 years

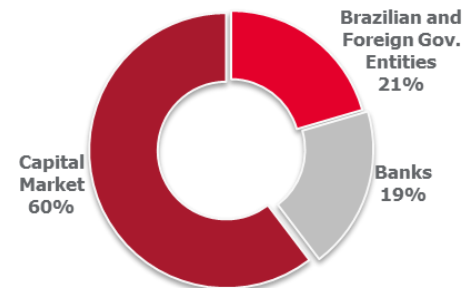
- Stand by of US\$750 million and R\$500 million
- Invested in US\$
- Invested in R\$

(1) Does not include transaction costs

Net Debt / EBITDA (US\$)

US\$ million	1Q14	4Q14	1Q15
Net Debt ^(a)	6,615	6,229	5,770
EBITDA (LTM)	2,431	2,392	2,210
Net Debt/EBITDA	2.71x	2.58x	2.55x

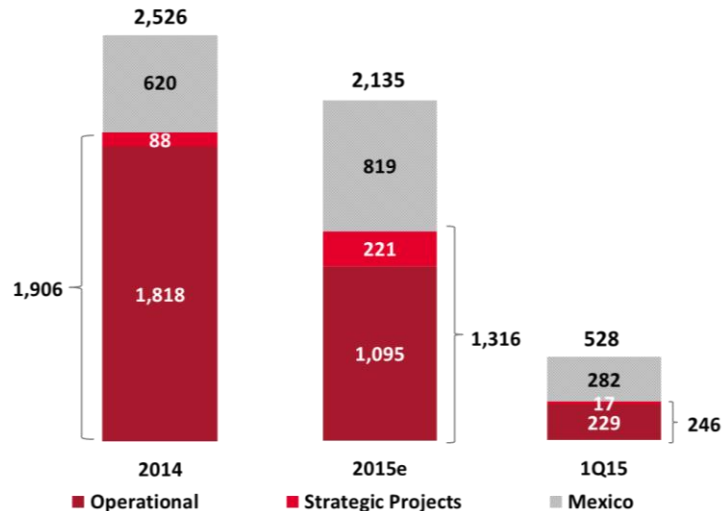
Diversified Funding Sources



^(a) It does not include the financial structure of the Mexico project

Capex

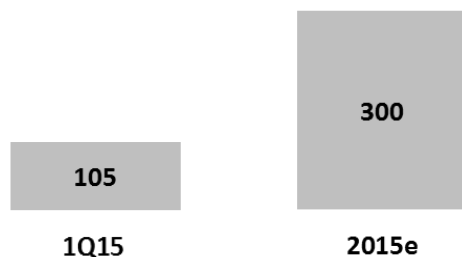
R\$ million



- For 2015, Braskem plans to invest approximately R\$2 billion.
- Excluding the Mexico project from the analysis, the disbursement expected in operational investments (maintenance, productivity, HSE, among others) and other projects (ex. UTEC production and new projects analysis) is R\$1.3 billion, 31% lower than in 2014.
- On the same basis, in the first quarter of the year, the Company invested R\$ 246 million.

Mexico Project

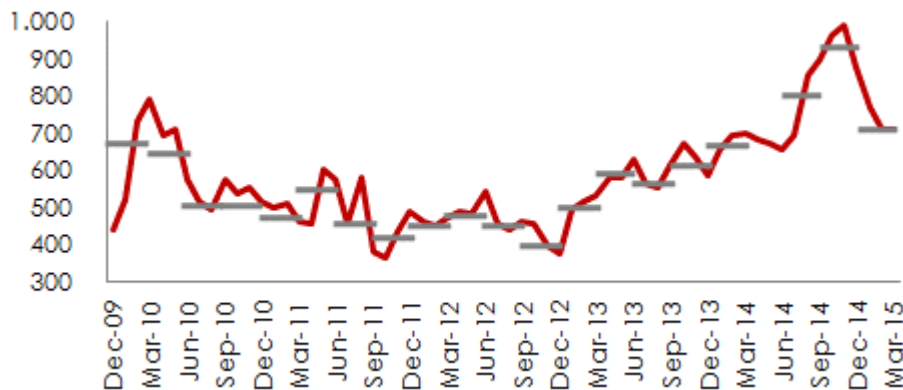
US\$ million



- The total investment of the Mexico project was updated to US\$5.2 billion.
 - The amount corresponding to Braskem's portion is close to US\$450 million.
- For 2015, the expected disbursement is US\$300 million. The remaining balance of US\$150 million shall be invested in 2016.
- In 1Q15, Braskem invested US\$105 million or R\$282 million in the project.

Short term

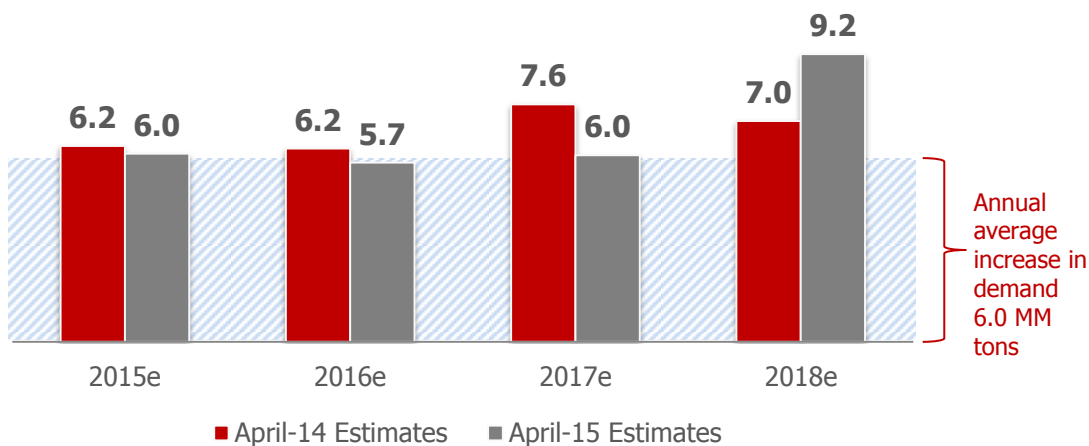
HDPE USA Spread (US\$/ton)



- Global petrochemical spreads outlook is of a slight recovery:
 - Balanced market (supply x demand)
- Points of attention:
 - Geopolitical risks in the Middle East and North Africa.
 - World GDP growth.

Medium/Long term

Additional capacity of Ethylene (MM tons)*



- New capacities addition: projects postponed or cancelled comparing to April 2014;
- USA: new gas-based projects to come online as of 2017/2018 (previous estimates were in 2016/2017)
- Ongoing operational problems in the Middle East;
- China:
 - High cost/investments to access feedstock;
 - Lower attractiveness of coal-based projects (fall in oil prices);
 - Infrastructure issues.

- Renewal of the naphtha supply contract.
- Mexico Project:
 - ❖ Conclusion of construction and start-up in 2015;
 - ❖ Expand the clients base.
- Find a solution that ensures the competitiveness of energy costs, enabling the energy-intense operations of Braskem in the Northeastern region of Brazil - renewal of the energy contract with Chesf.
- Support an industrial policy that, in parallel with the fiscal austerity policy, leads to the gradual recovery of the competitiveness factors of the Brazilian industry.
- Increase the competitiveness of Braskem's feedstock, by reducing its cost and by its diversification.
- Maintaining liquidity levels, cost discipline and financial health.
 - ❖ Focus on the cash generation;
 - ❖ Make progress in the implementation of a new program to reduce fixed costs, which has a target of capturing annual savings of R\$300 to R\$400 million on a recurring basis.

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