

# Earnings Conference Call

## 3Q15

Investor Relations  
São Paulo, November 6, 2015

 Braskem



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.

---

This presentation was up-to-date as of September 30, 2015, and Braskem does not assume any obligation to update it in light of new information or future developments.

---

Braskem assumes no liability for transactions or investment decisions taken based on the information in this presentation.

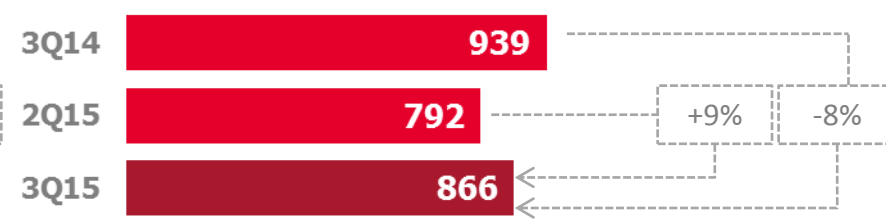
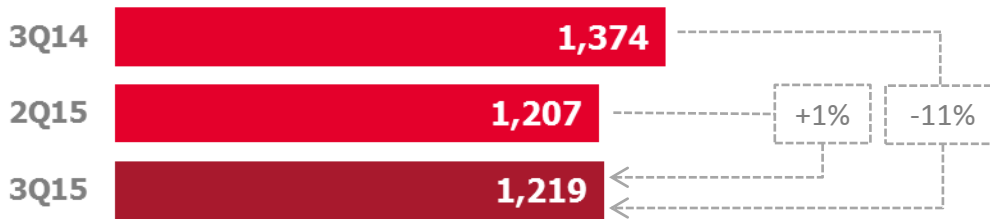
- ▶ The **dynamics of the international market** and the new **foreign exchange** level were favorable and once again supported stronger sales in the overseas market. Braskem's resin exports totaled **454 kton**, increasing **22%** and **43%** from 2Q15 and 3Q14, respectively. In the case of **main basic** petrochemicals, exports amounted to **482 kton**, up **35%** and **19%** from 2Q15 and 3Q14, respectively.
- ▶ **USA and Europe** posted record-high PP sales volume, of 502 kton, a **growth of 2% and 7%** from 2Q15 and 3Q14, respectively. The average **capacity utilization** rate of the PP plants was **97%**, influenced by the scheduled maintenance shutdown at the Schkopau Unit in Germany.
- ▶ Integrated Project in **Mexico**: The project reached **98%** completion and pre-commissioning activities continued to progress.
- ▶ The **Brazilian market for resins** (PE, PP, PVC) amounted to 1.2 million tons, virtually stable over 2Q15, increasing 1%. Compared to 3Q14, demand contracted by 11%. **Braskem's sales** amounted to **866 kton**.
- ▶ The **average cracker utilization rate** stood at **92%**, in line with the previous quarter and up 2 p.p. from 3Q14.
  - Excluding the Rio de Janeiro site from the analysis, whose production is limited by low feedstock supply, the crackers operated at an average utilization rate of **95%** in the quarter.
- ▶ Braskem posted **EBITDA** of **R\$3 billion** in the quarter. In **U.S. dollar**, EBITDA came to **US\$870 million**.
- ▶ **Net Income** was **R\$1,482 million**.
- ▶ Braskem's **leverage**, as measured by the ratio of Net Debt to EBITDA in U.S. dollar, stood at **2.05x**, which is the lowest level of the last nine years and represents declines of 10% from 2Q15 and 24% from 3Q14.
- ▶ Incentives for **Innovation** and **commitment to Sustainability**:
  - Braskem was included for the fourth straight year as a component of the **Dow Jones Sustainability Emerging Markets Index**, the sustainability index for emerging markets of the New York Stock Exchange – NYSE.

# Brazilian market of Resins and Braskem' Sales



## ▪ The Brazilian market of thermoplastic Resins (kton)

## ▪ Braskem' Sales of Thermoplastic Resins (kton)



- The deterioration in Brazil's economic scenario and the consequent contraction in the durable and non-durable goods sectors continue to negatively impact the demand for resins in Brazil.
- Braskem's sales came to 866 kton in the 3Q15, 8% lower than the same period of 2014.
- In 9M15, Brazilian demand for resins and Braskem' sales are respectively 5% and 4% lower than 9M14.

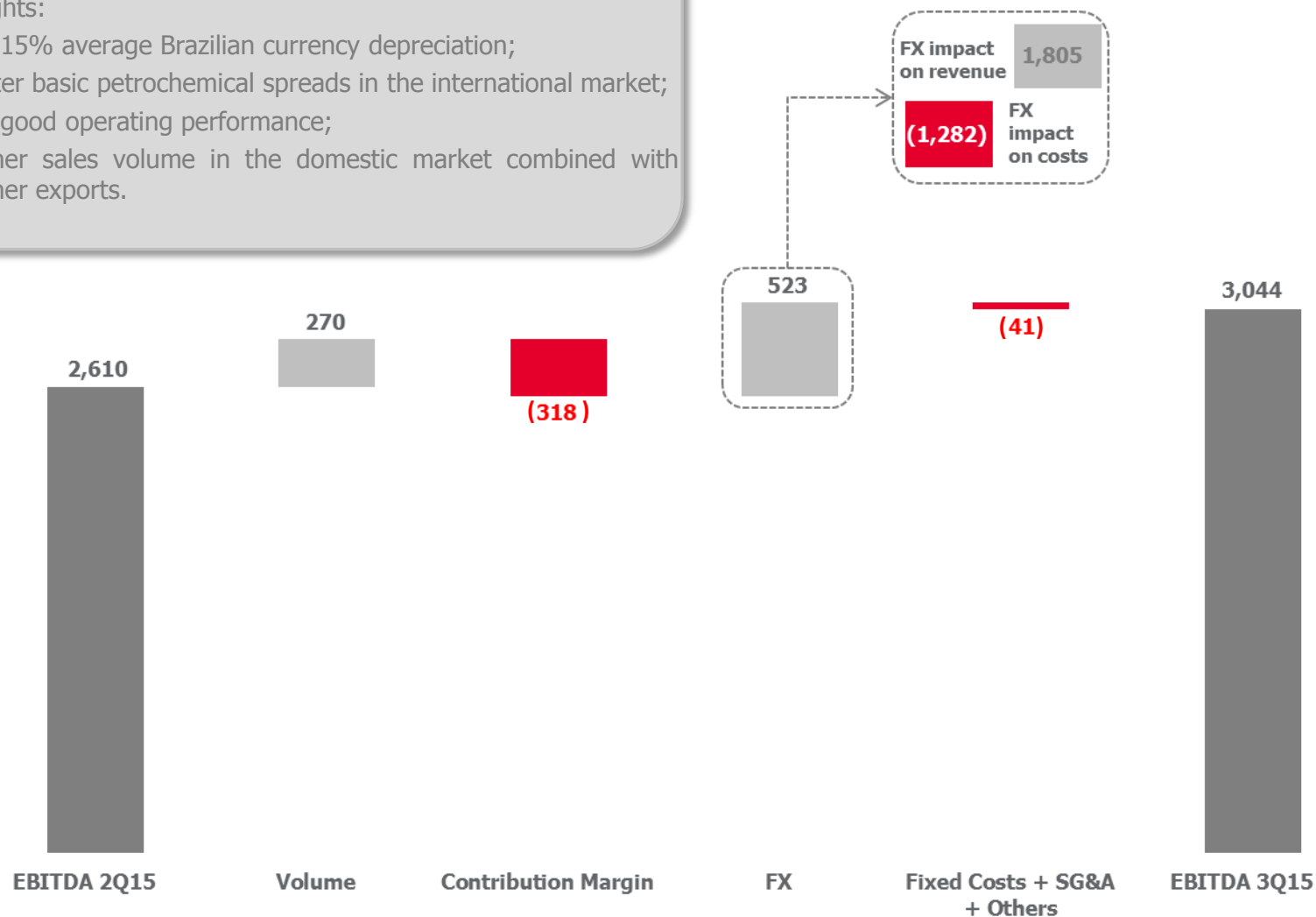
# EBITDA 3Q15 vs. 2Q15

Braskem recorded EBITDA of R\$3,044 million in the 3Q15.

Highlights:

- the 15% average Brazilian currency depreciation;
- better basic petrochemical spreads in the international market;
- the good operating performance;
- higher sales volume in the domestic market combined with higher exports.

R\$million



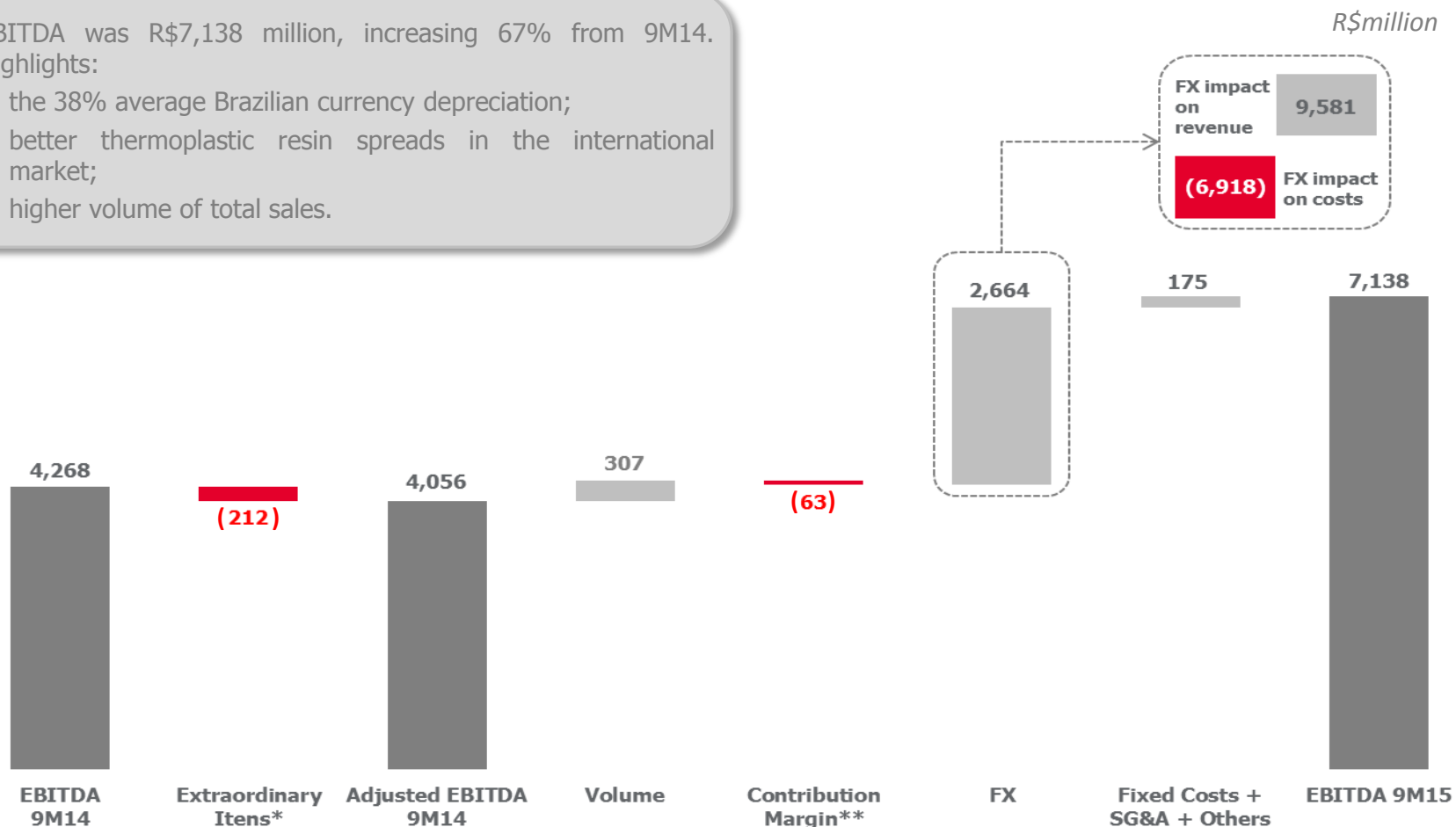
Avg. FX 2Q15: 3.07 R\$/USD

Avg. FX 3Q15: 3.55 R\$/USD

# EBITDA 9M15 vs. 9M14

EBITDA was R\$7,138 million, increasing 67% from 9M14. Highlights:

- the 38% average Brazilian currency depreciation;
- better thermoplastic resin spreads in the international market;
- higher volume of total sales.



Avg. FX 9M14: 2.29 R\$/USD  
 Avg. FX 9M15: 3.16 R\$/USD

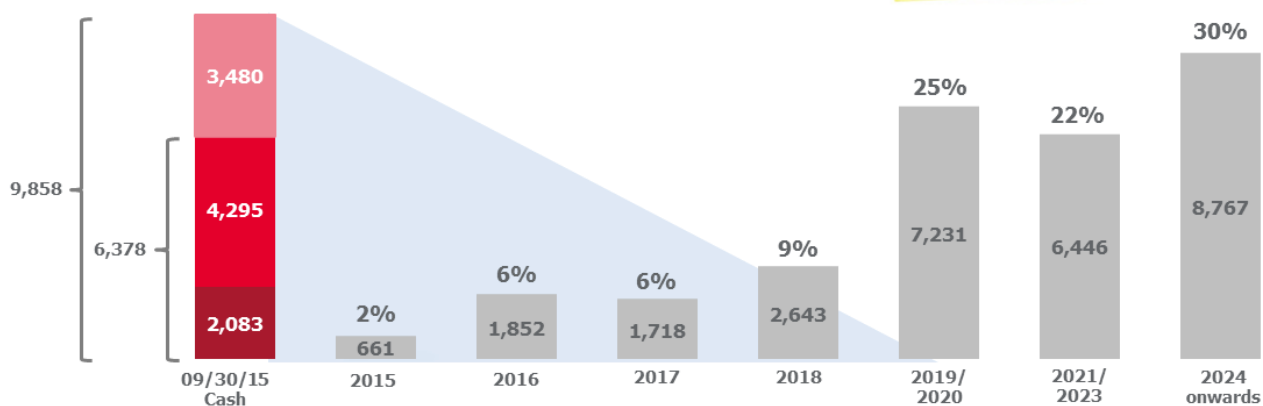
\* Gain recognized from the divestment of non-strategic asset.

\*\* It includes the recognition of the R\$202 million refund related to the retroactive adjustment of the amendment to the naphtha supply agreement.

# Amortization schedule and debt profile

## Debt Profile <sup>(1)</sup> (R\$ million) 09/30/2015

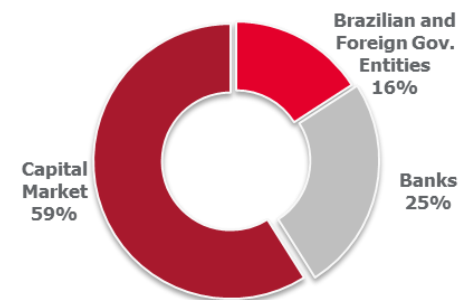
*(09/30/15 - R\$ million)*  
Gross Debt:  
R\$ 29,048  
Net Debt:  
R\$ 22,670  
Avg. Debt Term: 15.9 years



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

(1) Does not consider discounts from transaction costs

## Diversified Funding Sources



## Net Debt / EBITDA (US\$)

US\$ million	3Q14	2Q15	3Q15
Net Debt <sup>(a)</sup>	6,430	5,855	5,706
EBITDA (LTM)	2,375	2,553	2,763
<b>Net Debt/EBITDA</b>	<b>2.71x</b>	<b>2.27x</b>	<b>2.05x</b>

## Corporate Credit Rating

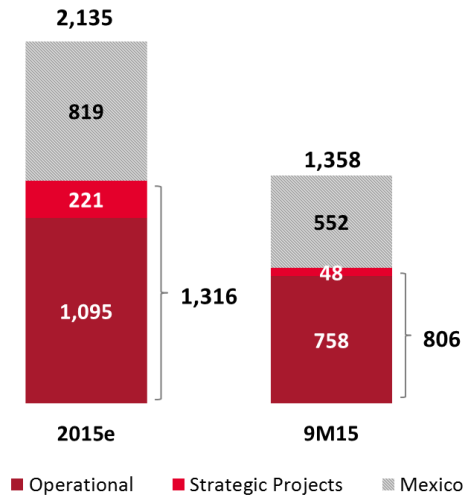
Agency	Rating	Outlook	Date
<b>Global Scale</b>			
Moody's	Baa3	Negative	08/20/2015
Fitch	BBB-	Stable	09/28/2015
S&P	BBB-	Negative	07/28/2015

<sup>(a)</sup> It does not include the financial structure of the Mexico project



## Capex

R\$ million

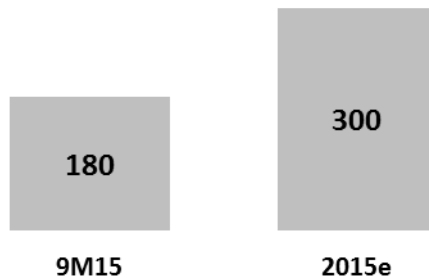


*Operational: Maintenance, replacement, productivity, others*

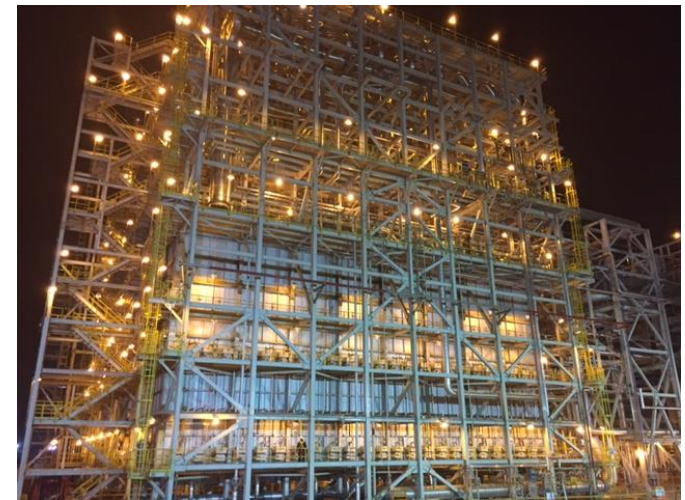
- In 9M15, Braskem invested R\$1,358 million.
- Excluding the Mexico project from the analysis, total investment came to R\$806 million:
  - ~90% of the total (R\$758 million) - was allocated to industrial operations, including the investments related to operating efficiency, HSE, productivity and maintenance.
  - The remainder was allocated to other projects, such as the investment in UTEC production in La Porte, United States.

## Mexico Project

US\$ million



- Braskem disbursed US\$180 million (R\$552 million) on the project in 9M15.
- The project estimated investment for 2015 is US\$300 milhões.





## Global Scenario

- The modest recovery in advanced economies and weaker growth in emerging economies were the factors that motivated the IMF to revise downward its forecast for world GDP growth in 2015 from 3.3% to 3.1%.
- In Brazil, GDP is expected to decrease 3,0% in 2015.
- With regard to the petrochemical industry, the near-term expectation is for spreads to remain at healthy levels.

## Priorities 2015

- Sign the naphtha supply contract.
- Resume production of the petrochemical complex in ABC.
- Mexico Project:
  - ❖ Conclusion of construction and start-up of the complex in the end of 2015;
  - ❖ Advance the business strategy and expand the clients base.
- 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 program to reduce fixed costs on 11 work fronts, for potential recurring annual savings of R\$400 million, to be fully captured by 2017.

# Earnings Conference Call

## 3Q15

Investor Relations  
São Paulo, November 6, 2015

 Braskem

