



# Conference Call 3Q12

**Braskem**  
New ways to look at the world

Investor Relations

São Paulo, November 9, 2012

## 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 Braskem and are subject to a number of risks and uncertainties.

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The forward-looking statements in this presentation are up-to-date as of September 30, 2012 and Braskem 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 decisions taken based on the information in this presentation.

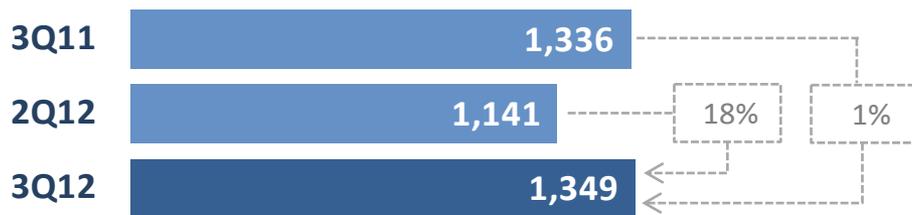


## 3Q12 Highlights

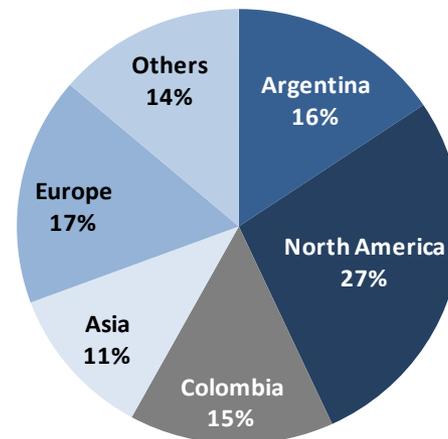
- ▶ The crackers operated at an average capacity utilization rate of 92% in 3Q12, 4 p.p. higher than the average rate of 2Q12.
- ▶ Brazilian resins market increased 18% over 2Q12, reaching 1.3 million tons.
- ▶ Braskem's sales followed the positive trend and grew by 19% and 11% over 2Q12 and 3Q11, respectively.
- ▶ 3Q12 EBITDA was R\$930 million, 10% higher than 2Q12. Compared to recurring EBITDA, the increase was 26%.
- ▶ The butadiene plant expansion, which was commissioned in June, has reached its production level as planned. The new PVC plant continues to ramp up its production as scheduled, and is already operating at around 80% capacity.
- ▶ Ethylene XXI Project (Mexico): advance on civil construction, beginning of pre-marketing and EPC agreement with the consortium formed by Odebrecht, Technip and Ica Fluor.
- ▶ Prepayment of part of the debts with BNDES in the amount of R\$400 million.
- ▶ Settlement of the only operation that imposed financial covenants on the Company, which effectively standardized the contractual conditions of its financing facilities.

# Braskem's sales in 3Q12 driven by the seasonality in Brazilian demand

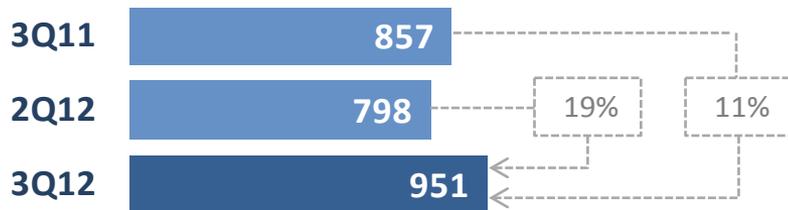
## ▶ Brazilian Market for Thermoplastic Resins (kton)



## ▶ Origin of Imports (PE+PP+PVC) 3Q12



## ▶ Braskem's Sales – Domestic Market (kton)

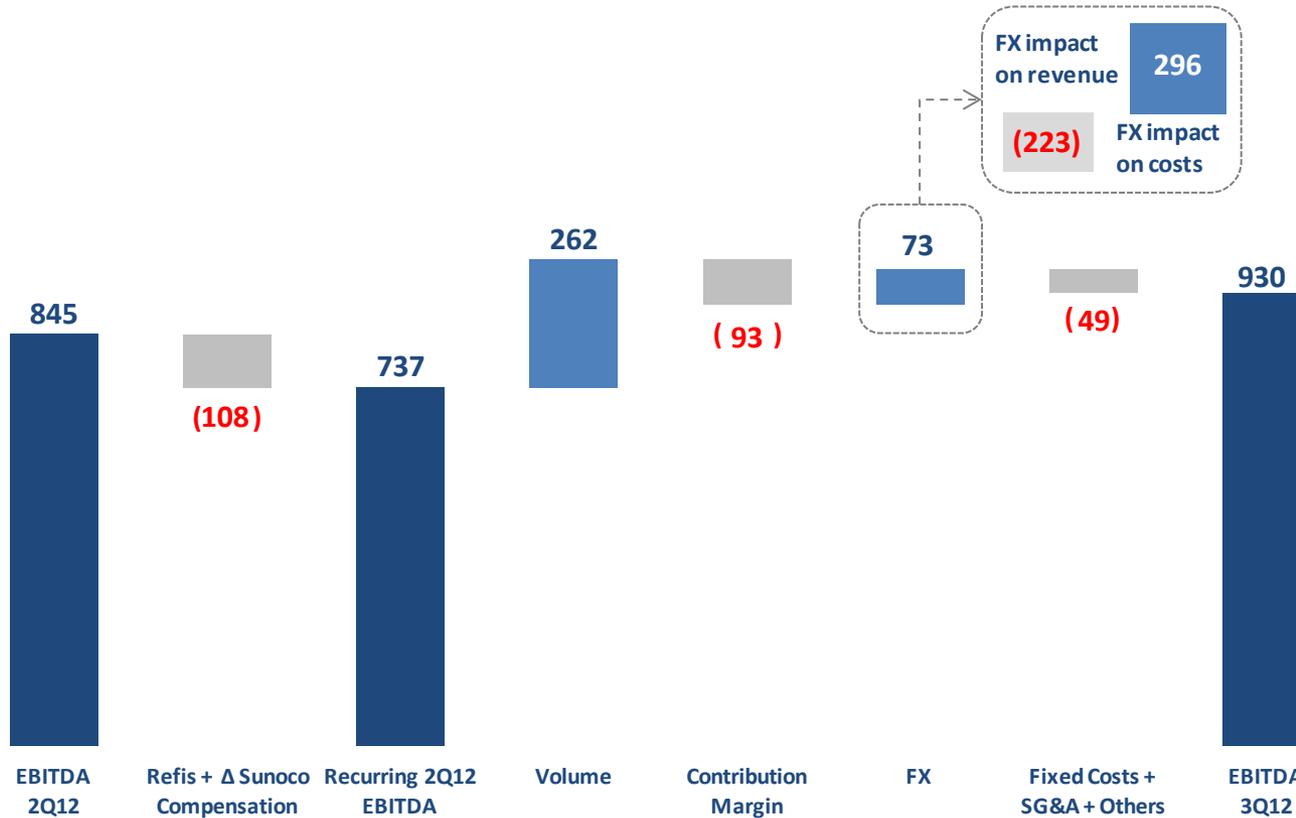


✓ Thermoplastic resin imports followed the domestic consumption growth, maintaining their market share stable at 23%.

# EBITDA Performance – 3Q12 vs. 2Q12

✓ EBITDA increased 10% in the quarter mainly due to the higher sales volume of resins and basic petrochemicals (domestic and export market) and the continued USD appreciation

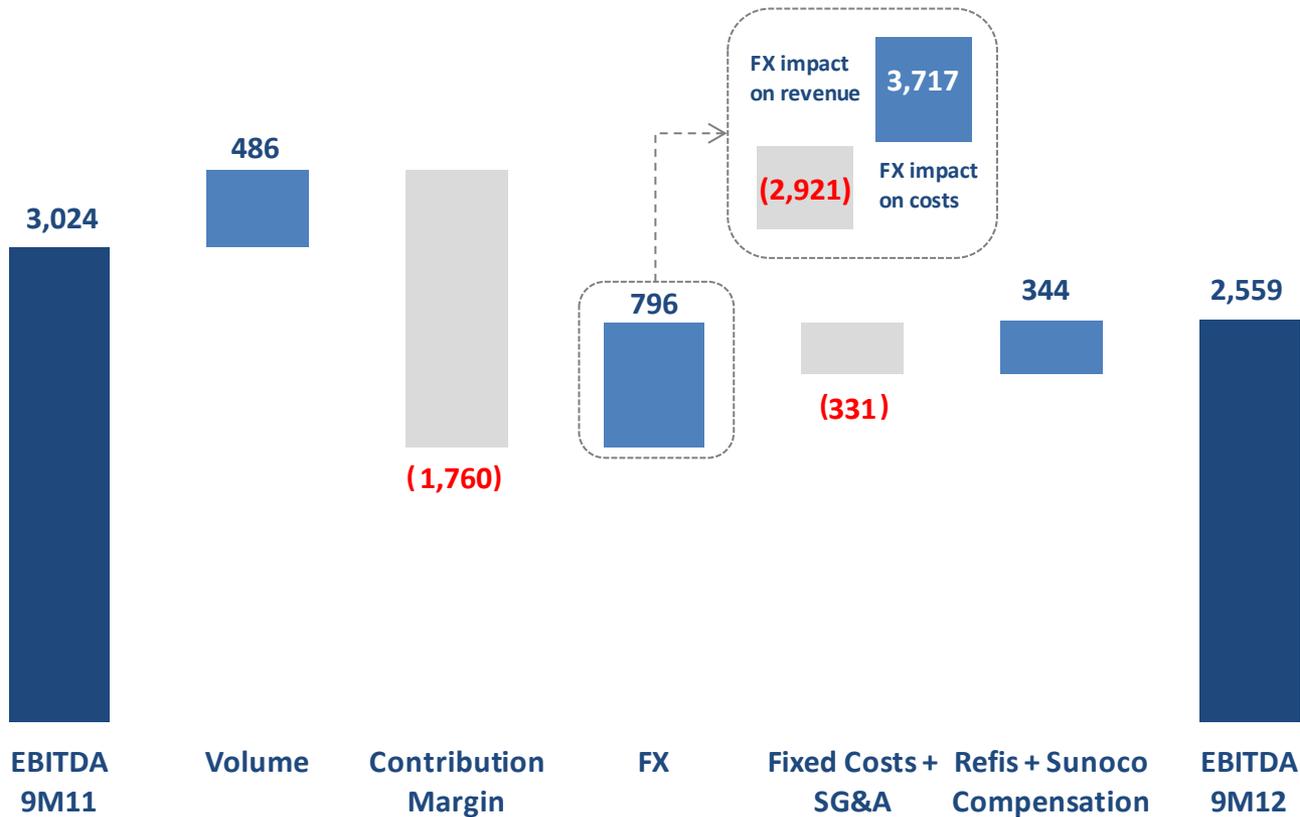
R\$ million



# EBITDA Performance – 9M12 vs. 9M11

✓ Higher sales volume and the USD appreciation partially offset the contribution margin contraction explained by the lower spreads in the international market.

R\$ million



# Maintenance of average debt term and high liquidity level

Braskem's high liquidity ensures that its cash and cash equivalents cover the payment of obligations maturing over next 35 months.

## Amortization Schedule<sup>(1)</sup> (R\$ million) 09/30/2012

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(09/30/12 - R\$ million)

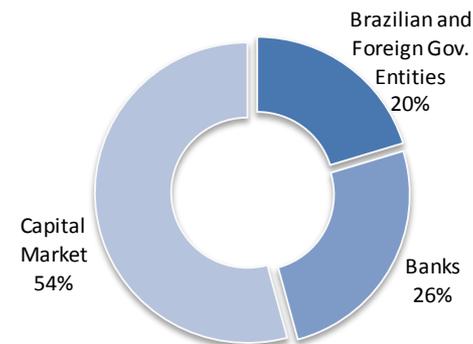
Gross Debt:  
R\$ 17,023

Net Debt:  
R\$ 13,184

Average Debt Term:  
15 years



## Diversified Funding of Sources



## Net Debt / EBITDA (US\$)

US\$ million	2Q12	3Q12	△
Net Debt	6,508	6,492	-0.2%
EBITDA (LTM)	1,837	1,727	-6%
<b>Net Debt/EBITDA</b>	<b>3.55x</b>	<b>3.77x<sup>a</sup></b>	<b>+6%</b>

<sup>a</sup> Ex-bridge loan of Mexico Project = 3.67x in 3Q12

## Credit Risk – Global Scale

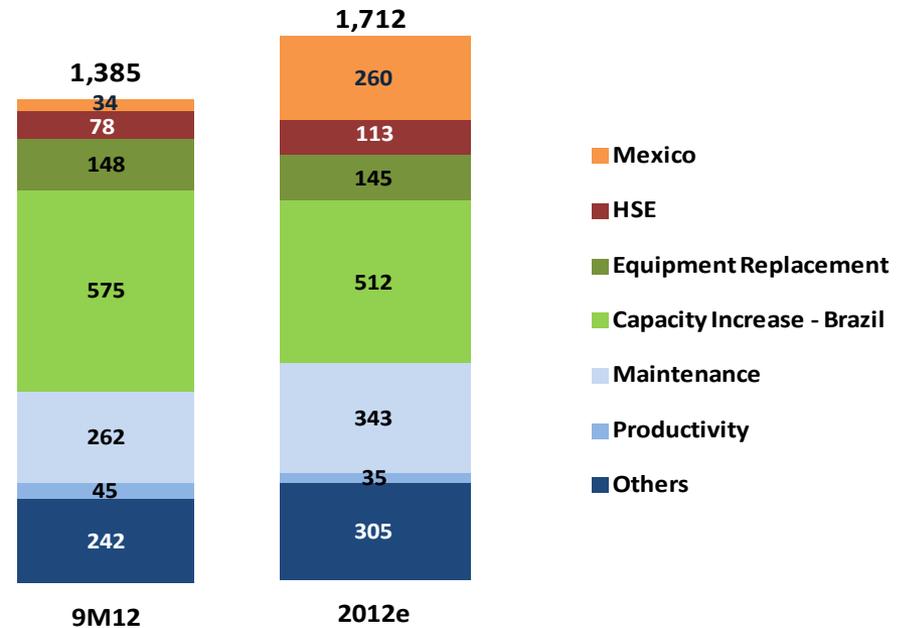
Agency	Rating	Outlook	Date*
Fitch	BBB-	Negative	10/26/2012
S&P	BBB-	Stable	03/19/2012
Moody's	Baa3	Stable	04/19/2012

\*Date of issue of the last analytical report on the company

# Capex

- ✓ Maintaining its commitment to capital discipline, Braskem invested R\$1,385 million in 9M12;
  - ~42% of total or R\$575 million allocated to capacity expansion projects;
- ✓ For 2012, total investment is estimated at R\$1,712 million;
  - ~40% allocated to various expansion projects in Brazil and to the Ethylene XXI greenfield project in Mexico.

## Investments (R\$ million)





# 2012/2013 Outlook

## Points of Concern

- Macroeconomic environment remains volatile
  - Management of Europe's sovereign debt crisis
  - U.S. recovery could be affected by Hurricane Sandy
- In general, demand is seasonally weaker in the fourth quarter
- Feedstock prices impacted by geopolitical issues
- Startup of new crackers may continue to pressure industry margins through mid-2013

## Potential Positive Factors

- Brazilian Government committed to strengthening industry and stimulating growth
  - Expectation that new measures will be announced to improve the competitiveness of domestic players
- Growth resumption in emerging markets, driven by fiscal and monetary policy of local governments
- Recovery of developed economies



## Braskem's priorities

- ▶ Strengthening its relationship with Clients and expanding its market share
- ▶ Increase Braskem's competitiveness by capturing the identified synergies, reducing fixed costs, diversifying feedstock and increasing utilization rates
- ▶ Capturing additional cash generated by the new PVC plant and Butadiene expansion in order to add value to the existing streams
- ▶ Building a Brazilian industrial policy that boosts the competitiveness of the petrochemical and plastics chain
- ▶ Prioritization of the growth projects
  - Conclusion of the project finance for the Mexico project, whose startup is scheduled for 2015
- ▶ Liquidity and financial solidity maintenance in the current scenario marked by global crisis and lower demand for petrochemicals



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