

Earnings Conference Call

3Q16

Investor Relations
São Paulo, November 10, 2016

 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, 2016, 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.

Brazil:

- Demand for resins (PE, PP and PVC) was 1.3 million tons in 3Q16, growing 8% from 2Q16 and 6% from 3Q15.
- Braskem's crackers in Brazil set a new record for average capacity utilization rate of 96%, higher 2% from 2Q16 and 4% from the 3Q15.
- To meet the stronger demand in the Brazilian market, Braskem reduced its resin exports by 7% compared to 2Q16 and 3Q15. Exports of basic petrochemicals was 11% higher than in 2Q16.
- The units in Brazil, posted EBITDA of R\$2,206 million to account for 75% of the Company's consolidated EBITDA.

United States and Europe:

- The PP plants operated at an average capacity utilization rate of 101% in 3Q16, reflecting the good operating efficiency. Production amounted to 512 kton, growing 4% from 3Q15.
- Sales amounted 516 thousand tons representing a 3% expansion compared to 3Q15.
- The units in the United States and Europe posted EBITDA of US\$161 million (R\$524 million) in 3Q16, accounting for 18% of consolidated EBITDA.

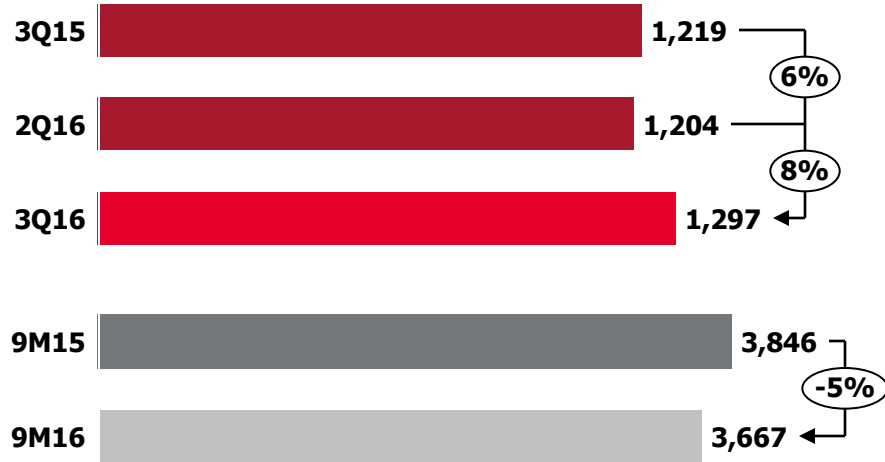
Mexico:

- Still in the ramp-up phase, the polyethylene plants operated at an average capacity utilization rate of 63% in 3Q16, increasing 31 p.p. from 2Q16.
- The segment posted EBITDA of US\$66 million (R\$214 million) to account for 7% of the Company's consolidated EBITDA.

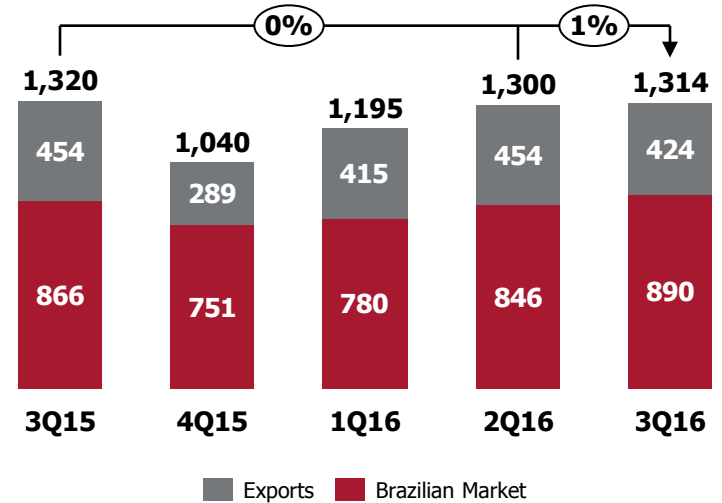
Braskem - Consolidated:

- Braskem's consolidated EBITDA was US\$924 million, increasing 8% compared to 2Q16 and 6% compared to 3Q15.
- Corporate leverage, as measured by the ratio of Net Debt to EBITDA in U.S. dollar, stood at 1.63 times, which is the lowest level in 12 years.
- In September 2016, the Board of Directors of the Company approved the distribution of interim dividends for fiscal year 2015, in the amount of R\$ 1 billion, which were paid in October 2016.

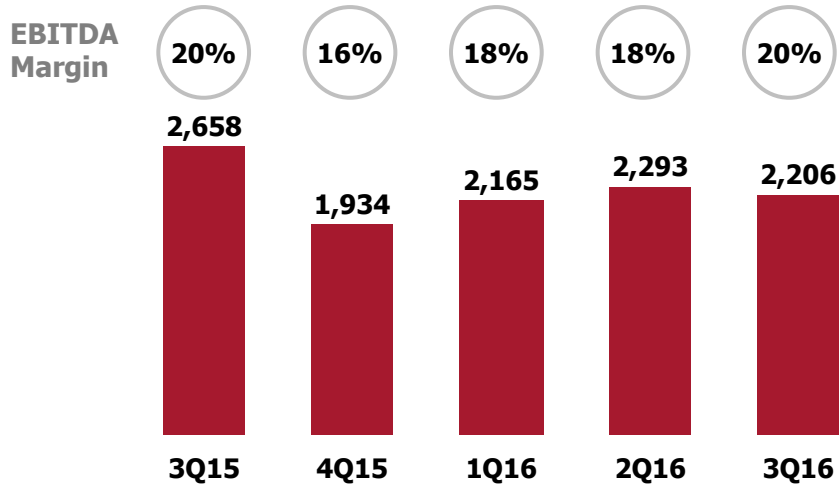
Brazilian Market of Resins (kton)



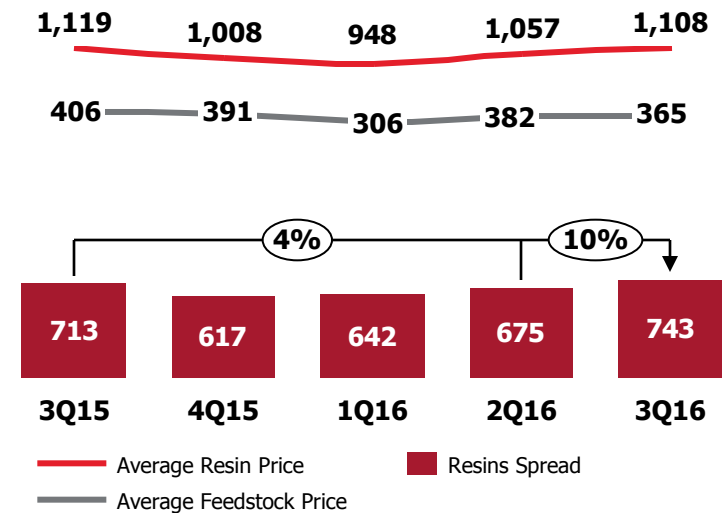
Total Sales – (kton)



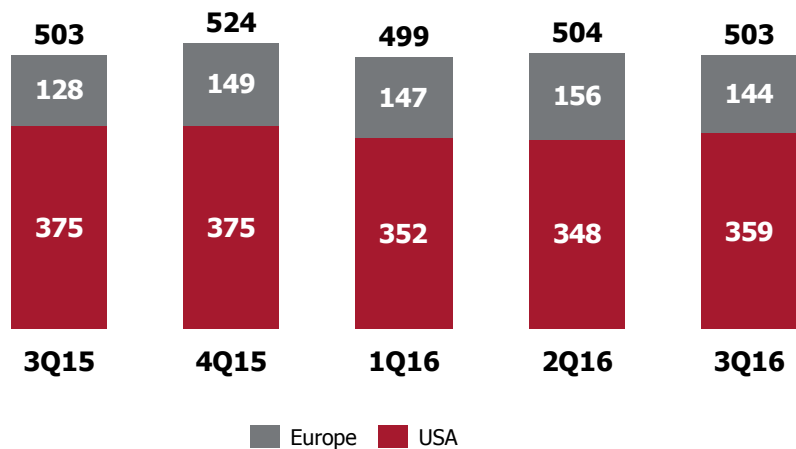
EBITDA (R\$ million)



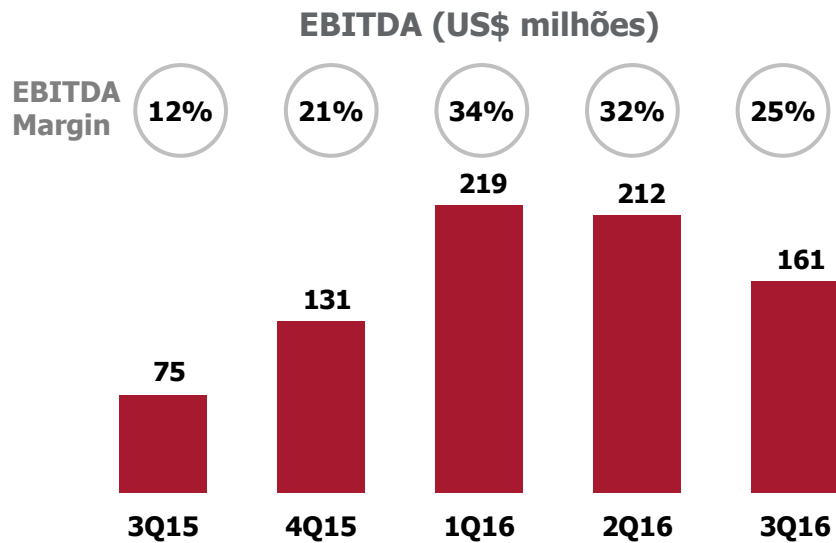
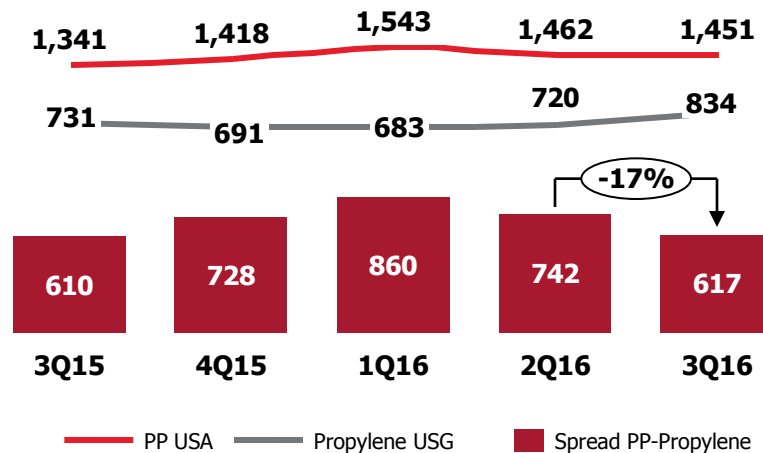
Resins Spread (US\$/t)*



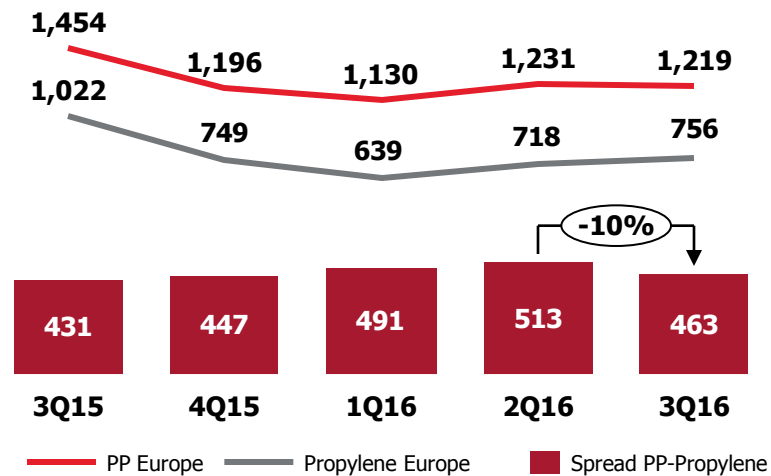
United States and Europe Sales (kton):



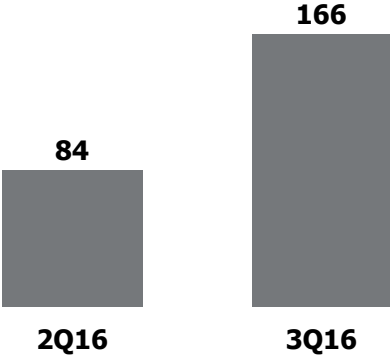
Spread PP USA (US\$/t)



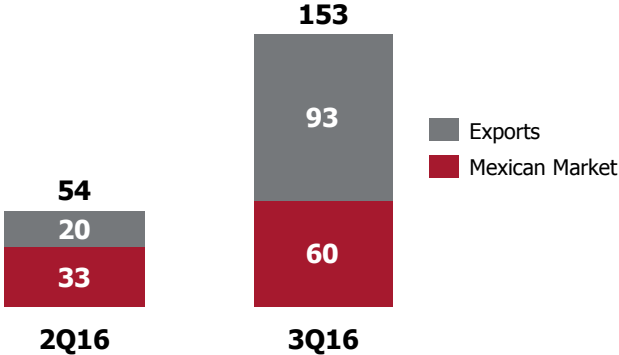
Spread PP Europe (US\$/t)



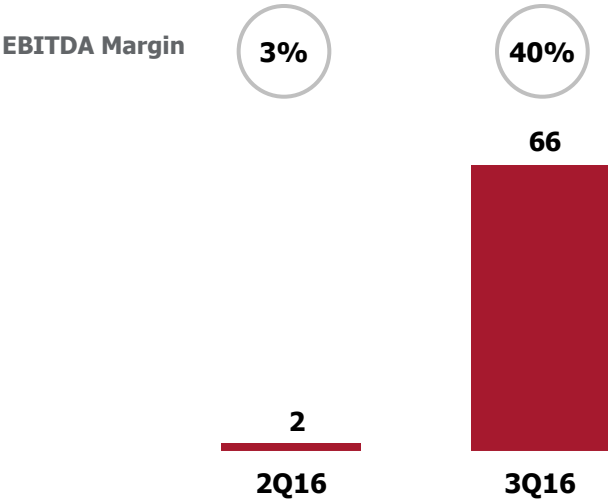
Mexico PE Production (kton)



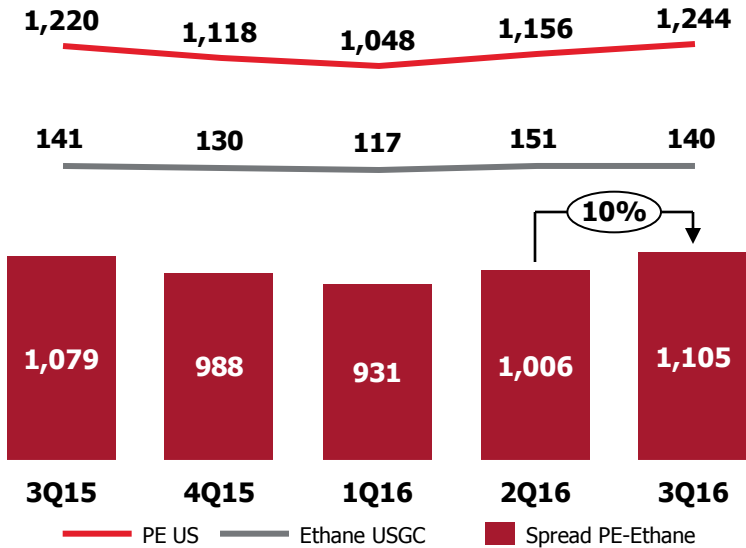
Mexico PE Sales (kton)



EBITDA (US\$ MM)



Mexico PE Spread (US\$/t)

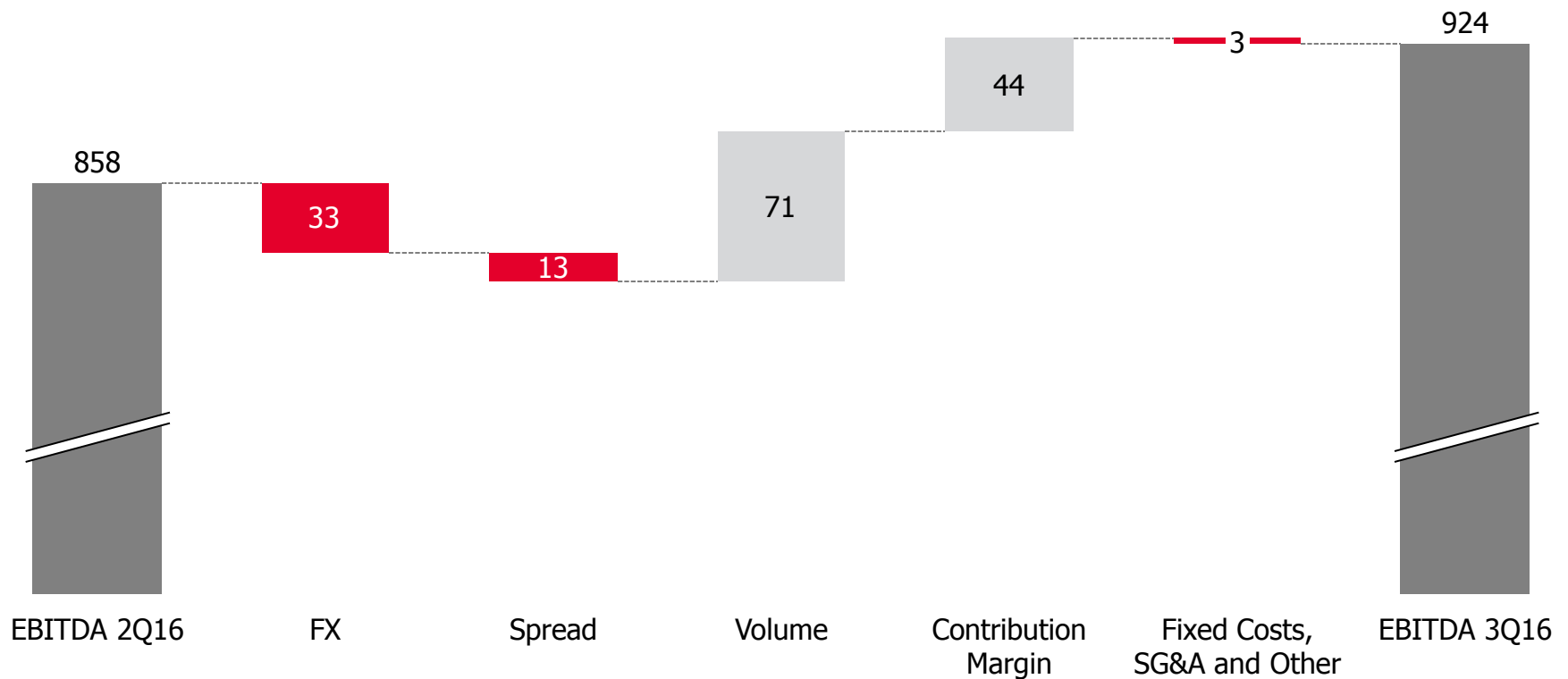


EBITDA 3Q16 vs. 2Q16

US\$ million

EBITDA of US\$ 924 million, 8% up to 2Q16:

- Higher sales volume of resins in the Brazilian market;
- Better resins spread in the international market;
- Result of the complex of Mexico.



Avg. FX 2Q16: 3.51 R\$/US\$

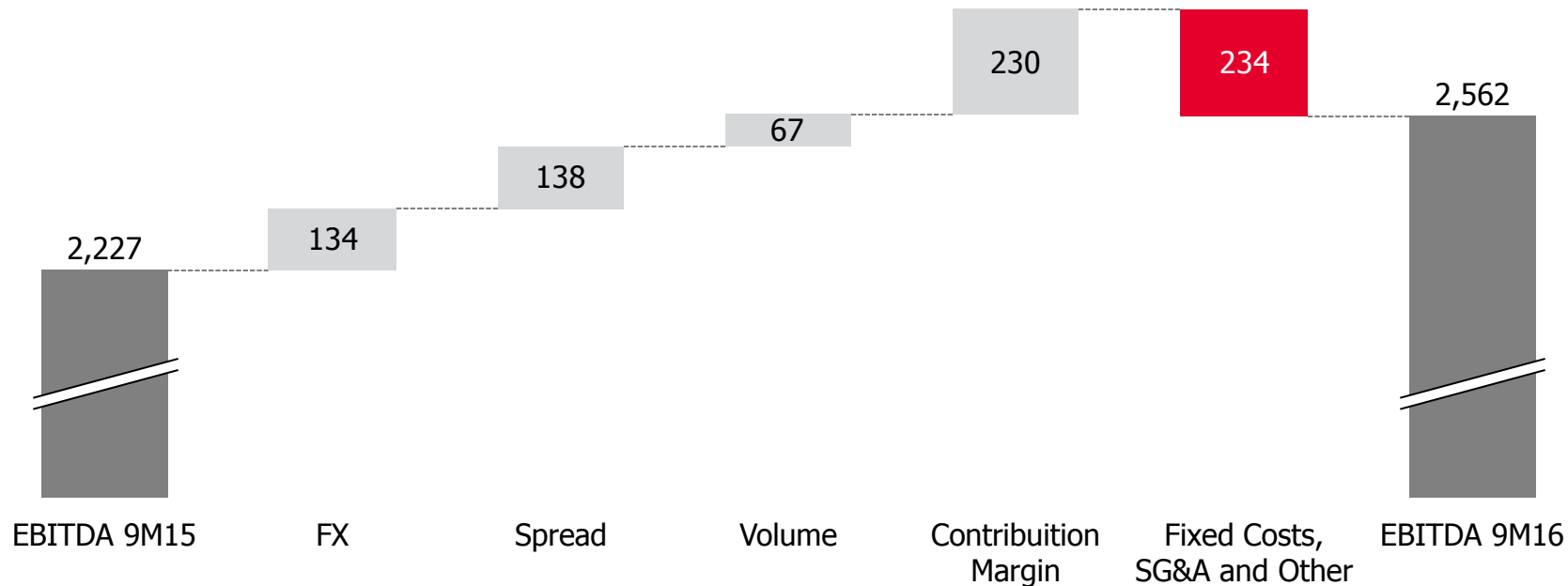
Avg. FX 3Q16: 3.25 R\$/US\$

EBITDA 9M16 vs. 9M15

US\$ million

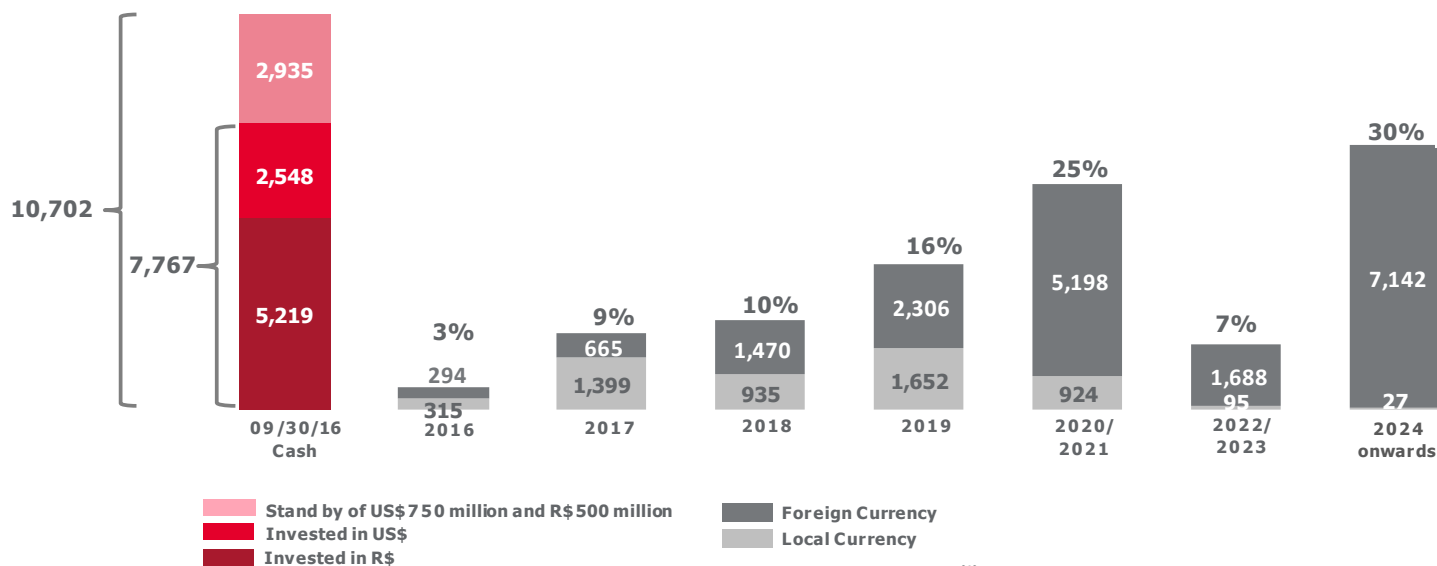
9M16 EBITDA amounted to US\$ 2,562 million, 15% up to 9M15:

- Better spread for PP in USA and Europe;
- Higher exports volume and sales volume in the International Units;
- The Mexico unit beginning to generate results;
- Offset by the higher fixed costs and SG&A expenses due to the increases in wages and benefits, logistics expenses, legal fees and advertising expenses.



AMORTIZATION SCHEDULE AND DEBT PROFILE

**Debt Profile⁽¹⁾
(R\$ million)
09/30/2016**



(09/30/16 - R\$ million)
Gross Debt: R\$ 24,183
Net Debt: R\$ 16,415
Avg. Debt Term: 15 years
Debt Coverage: 38 months
Avg. Cost of Debt: 6.14% (US\$) and 10.19% (R\$)

⁽¹⁾ Does not consider discounts from transaction costs

Net Debt/ EBITDA (US\$)

US\$ million	3T15	2T16	3T16
Net Debt ^(a)	5,706	5,553	5,057
EBITDA (LTM)	2,788	3,109	3,097
Net Debt/EBITDA	2.05x	1.79x	1.63x

Corporate Credit Rating

Agência	Rating	Perspectiva	Data
Escala Global			
Moody's	Ba1	Negative	02/25/2016
Fitch	BBB-	Stable	09/30/2016
S&P	BBB-	Negative	02/17/2016

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

- Braskem invested* R\$665 million in 3Q16.
- In the first nine months of 2016, investments came to R\$2,218 million, as follows:
 - Braskem contributions to the Mexico Project: R\$1,195 million (54%);
 - Investments to maintain the operating reliability of plants: R\$828 million (37%);
 - Other strategic projects: R\$194 million (9%).
- Of the R\$2,218 million invested in 9M16, R\$1,363 million (61%) is related to investments linked to US dollars: (i) operating and strategic investments of the international businesses and (ii) Braskem's equity contributions to the Braskem Idesa.

Investments								
Million	2Q16		3Q16		9M16		2016e	
Operational (R\$)	301	37%	338	51%	828	37%	1,797	49%
Brazil (R\$)	292		337		815		1,601	
United States and Europe (US\$)	6		8		15		48	
Mexico (R\$)	426	53%	253	38%	1,195	54%	1,327	36%
Mexico (US\$)	121		80		330		329	
Strategic Projects (R\$)	79	10%	73	11%	194	9%	537	15%
Brazil (R\$)	13		22		40		255	
United States and Europe (US\$)	17		14		40		69	
Total (R\$)	807	100%	665	100%	2,218	100%	3,661	100%
Brazil (R\$)	305		358		855		1,855	
Mexico, United States and Europe (US\$)	143		102		385		447	

(*) Considers operational investments, maintenance stoppages and spare parts of Braskem and its subsidiaries and contributions for the Mexico project.

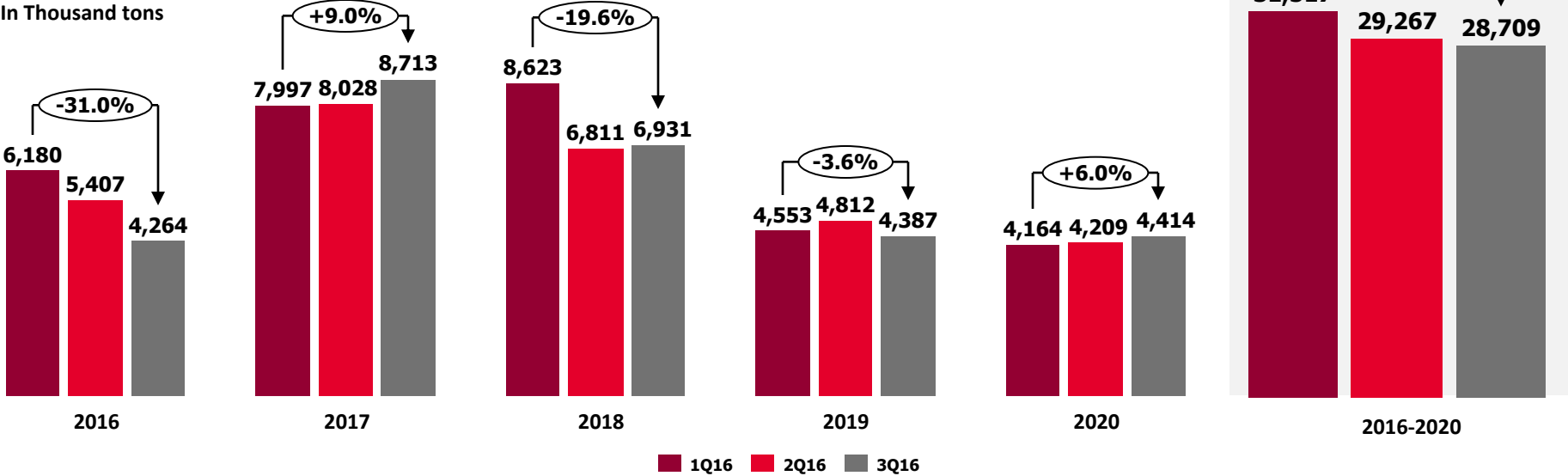
New Capacity: Quarterly Vision

Greenfield projects postponed

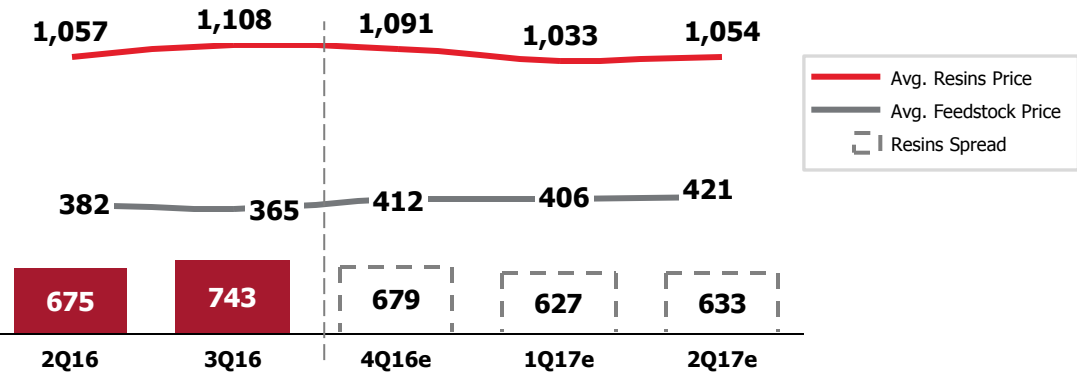
- U.S.: American players new capacity startup postponed
- China/Asia: (i) High cost of investment; (ii) Infrastructure issues; (iii) Attractiveness of coal-based projects relative to lower naphtha prices.

Latest IHS forecast shows reduction of 8.9% in the total capacity addition in the 2016-2020 period

In Thousand tons

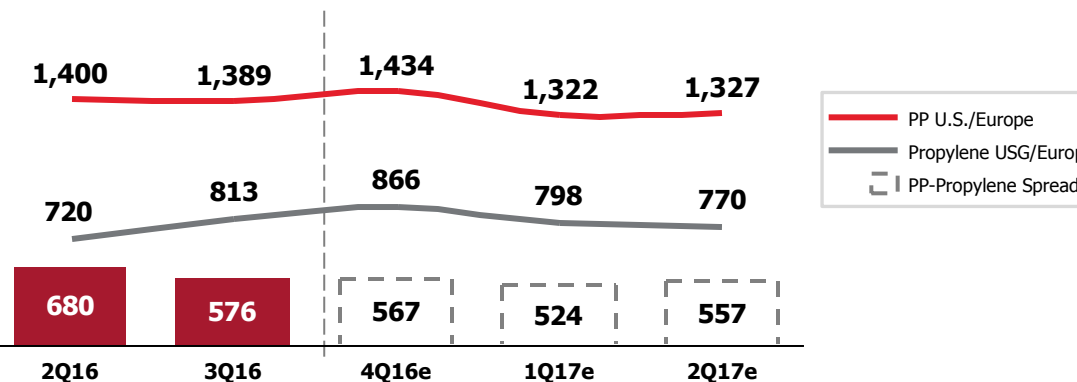


PETROCHEMICAL SCENARIO - RESINS



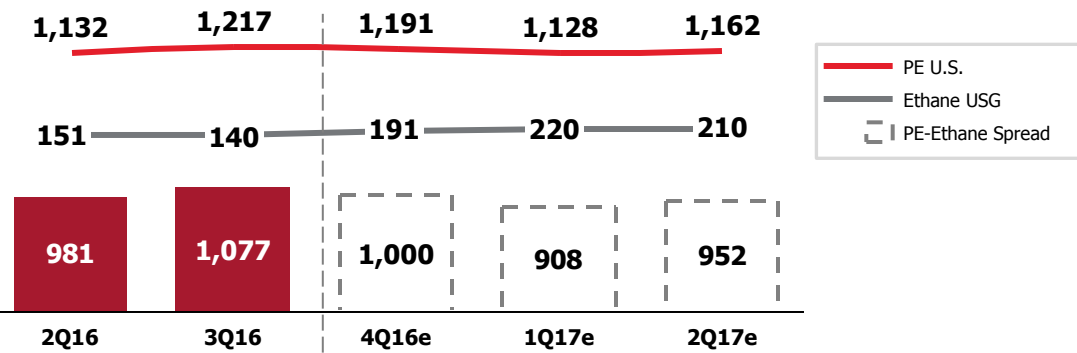
Brazilian Market Resins Spread (PP, PE and PVC):

- Lower spreads due to (i) oil recovery and naphtha price rise; and (ii) resins price fall due to new capacity being added from 2017 onwards.
- Despite this fall, spreads are expected to stay above historical levels.



PP-Propylene U.S./Europe Spread

- Still in healthy levels, spreads may show volatility due to:
 - (i) Higher PP imports;
 - (ii) DBN's in U.S. units and;
 - (iii) Lower propylene supply in Europe explained by more imported ethane being used in the crackers.



PE-Ethane Mexico Spread:

- Gas-based producers are still the most competitive although fall on spreads due to: (i) Lower PE prices after new capacities startup and (ii) Higher ethane price due to higher demand of the product.

- Brazil:
 - To ensure operating efficiency to supply Brazilian demand
 - To assure the export of the surplus volume not sold in the Brazilian market
 - To implement a maintenance shutdown in one of the cracker lines in Bahia
 - To implement the feedstock flexibility project in Bahia
- U.S./Europe:
 - To ensure operational and commercial efficiency
 - Seek PP growth opportunities from competitive propylene in the U.S.
 - Commissioning of UTEC's new Texas plant
- Mexico:
 - To ensure the operational stability of the complex
 - To sell PE in the domestic market, consolidating the relationship with clients in the Mexican market
 - To export from Mexico, benefiting from synergies with the operations of Braskem in US, Europe and South America
- Liquidity/Financial Health:
 - Focus on cash generation
 - Continue to implement the expense reduction program, generating potential recurring savings of R\$400 million per year, which should be fully achieved in 2017
- Internal investigation process:
 - Advancing the dialogue with authorities to find a solution.

Earnings Conference Call

3Q16

Investor Relations
São Paulo, November 10, 2016

Braskem

