

## Brazil's Braskem Triples Net Income

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Braskem S.A., Brazil's largest petrochemicals company and the leader in the thermoplastic resins segment in Latin America, announced today its financial results for 2004 and 4Q04.

In 2004, Braskem had record net income of 691 million reais (US\$ 1 = 2.58 reais), corresponding to a 221% increase compared to 2003. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) increased by 43%, from 1.8 billion reais in 2003 to 2.5 billion reais in 2004.

The Company also had constant growth in its operating, economic and financial performance indicators. EBITDA margin increased from 19% to 23%.

All of Braskem's business units operated at utilization rates in excess of 90% in 2004. In 2005, the Company's production capacity will be at its highest, due to investments made in 2004, which totaled 374 million reais, in addition to other investments that will be completed in 2005. Braskem also plans to operate its units at utilization rates higher than those recorded in 2004.

In 2005, the Company also believes that a positive and additional impact on its results will be generated by productivity and competitiveness improvements resulting from its "Braskem +" an operational and business excellence program aimed at positioning the Company among the most competitive petrochemical companies in the world and which should offer additional gains estimated at R\$420 million on an annualized and recurring basis.

In 2004, the year Braskem Plus was implemented, this program generated gains of 90 million reais, also on an annualized and recurring basis, 50% greater than the previously estimated goal for the year.

In 2004, domestic market sales of Braskem's thermoplastic resins - polyethylene, polypropylene and PVC - increased by 13% growth compared to the previous year, driven by the increased demand for these products in Brazil and due to the continuing expansion of the Brazilian economy in 2004.

Gross revenues exceeded 14 billion reais, and net revenues increased by 20% compared to 2003, totaling more than R\$11 billion.

The Company maintained its strategic presence in the international market in 2004. Exports provided net revenues of 710 million reais, 15% higher than the amount recorded in 2003. The increase of international resin prices fully offset the reduction in the volume of exports.

Braskem carried out the largest issuance made by a Brazilian company in the international market in 2004, in an aggregate amount of 1.2 billion reais. In addition, it was highly successful in the implementation of its net debt reduction strategy.

At year end, its net debt totaled 3.9 billion reais, a 38% decrease compared to the amount recorded at the end of 2003. Braskem's net debt/EBITDA ratio was reduced to 1.5 in December 2004, compared to 3.5 at the end of the previous year.

Braskem S.A  
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