

BRASKEM SA
Form 6-K
February 16, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16
OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934**

For the month of February, 2005

(Commission File No. 1-14862)

BRASKEM S.A.

(Exact Name as Specified in its Charter)

N/A

(Translation of registrant's name into English)

Rua Eteno, 1561, Polo Petroquimico de Camacari

Camacari, Bahia - CEP 42810-000 Brazil

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1).

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7).

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to
the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____.

Earnings Release

Investor Meeting SP:
February 23, 2005, at 8:30 a.m.

Investor Meeting RJ:
February 25, 2005, at 8:30 a.m.

Brazilian Conference Call:
February 18, at 7:00 a.m. US EST

International Conference Call:
February 18, at 9:30 a.m. US EST

Further information is available at the Company's website at www.braskem.com.br or may be obtained with the Investor Relations Area:

José Marcos Treiger
Investor Relations Officer
Tel: (+55 11) 3443 9529
jm.treiger@braskem.com.br

Luiz Henrique Valverde
Investor Relations Manager
Tel: (+55 11) 3443 9744
luiz.valverde@braskem.com.br

Vasco Barcellos
Investor Relations Manager
Tel: (+55 11) 3443 9178
vasco.barcellos@braskem.com.br

Braskem Triples its Net Income and Registers a Record EBITDA in 2004

The Company's net income totaled R\$691 million and its EBITDA was in excess of R\$2.5 billion, Braskem's best annual performance since it was created

São Paulo, February 16, 2005 - BRASKEM S.A. (NYSE: BAK; BOVESPA: BRKM5; LATIBEX: XBRK), leader in the thermoplastic resins segment in Latin America and one of the largest Brazilian privately-owned industrial companies, announced today its financial results for 2004 and the fourth quarter of 2004.

Results are stated in *Reais* in accordance with the Brazilian Corporate Law, except that the results presented herein are not in accordance with CVM Instruction 247 as they exclude the effects of proportional consolidation. The financial information and analysis contained herein reflect the organizational structure of Braskem S.A. (Braskem or the Company) as of December 31, 2004. The comments in this release refer to the consolidated earnings with all comparisons being made with the same period in 2003, except where otherwise indicated. The consolidated balance sheet and income statement have been reviewed by independent auditors and also reflect the elimination of the effects of CVM Instruction 247 (i.e., only those investments under Braskem's direct management are consolidated, and Braskem's stakes in Politeño Indústria e Comércio S.A. and COPESUL Companhia Petroquímica do Sul are recognized via the equity accounting method). On December 31, 2004, the Brazilian Real/US Dollar exchange rate was R\$2.6544/U.S.\$1.00.

At the end of this release, Braskem includes a disclaimer concerning forward-looking statements.

1. Highlights

In 2004, Braskem had record net income of R\$691 million, corresponding to a **221% increase** compared to 2003. **EBITDA increased by 43%**, from R\$1.8 billion in 2003 to R\$2.5 billion in 2004. The Company also had constant growth in its operating, economic and financial performance indicators. **EBITDA margin increased from 19% to 23%**.

Braskem's excellent performance in 2004 reflects the competitive advantage of its business model and points to a new level of strategic competitiveness and flexibility, which were already differentiated from the rest of the market, declared José Carlos Grubisich, Braskem's CEO. The Company is prepared to accelerate its growth programs, in addition to being structured to capture the opportunities arising from the potential Brazilian petrochemical sector consolidation or that may allow it to expand internationally, he added.

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 R\$324 million, 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 **R\$90 million**, 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% 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 R\$14 billion, 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 US\$710 million, 15% higher than the amount recorded in 2003.** The increase in resin prices internationally 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 R\$1.2 billion. In addition, it was highly successful in the implementation of its **net debt reduction strategy**. At year end, its net debt totaled **R\$3.9 billion, 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 fulfilled all of its commitments vis-à-vis the market and reached a new position in terms of capital structure and financial liquidity, which will certainly become a solid platform for its development, declared **Paul Altit, Chief Financial Officer and Investor Relations Director**. *The Company is distributing part of these positive results to its shareholders R\$204 million, between interest attributable to shareholders' equity and dividends.*

2. Message from the Management

All of Braskem's performance indicators experienced an important and consistent evolution during 2004. In operational terms, the Company's performance presented significant improvements in production and sales volumes, net revenue, operating cash flow, profitability and net income. In 2004, Braskem consolidated its regional leadership in the thermoplastic resin market, its core business, especially in polyethylene (PE), polypropylene (PP) and PVC. This performance was accompanied by a series of financial and corporate initiatives that led to a substantial reduction in the Company's cost of capital and debt, the lengthening of its debt maturity profile and the improvement of its capital structure through a more balanced debt/equity ratio. As a result, Braskem improved its competitiveness and strategic flexibility, beginning 2005 better prepared and determined to accelerate the timetable of its expansion projects, while maintaining its continuous goal of creating value.

The results obtained by Braskem in 2004 are in line with the objectives set forth in its strategic planning and with the commitments assumed by its management since the Company was founded in August 2002. These results also confirm the competitive advantage of Braskem's business model, which is based on the integration of first and second generation petrochemical companies, with competitive access to its raw materials ethylene, propylene and chloride. The model adopted by Braskem is supported by its leadership in relevant markets, cost competitiveness, and autonomy in the areas of innovation and technology. This model is complemented by a financial discipline in the allocation of resources, which includes the evaluation of each investment based upon its own return and cash generation performance.

Braskem's financial performance in 2004 exceeded expectations, beginning with the continuing increase of its EBITDA (earnings before financial result, income tax, social contribution and depreciation). Accumulated EBITDA during the year totaled R\$2.55 billion, representing an increase of 43% compared to the amount recorded in 2003. The increase in the Company's EBITDA level again confirms its ability to generate operating cash flow, even under challenging conditions such as in 2004 and especially in light of the pressure on costs created by high naphtha prices, Braskem's principal raw material. The increase in the Company's net income was even more remarkable, reaching R\$691 million, compared to net income of R\$215 million in 2003.

All of Braskem's business units operated at high levels of capacity utilization rates, in excess of 90%, which is in line with the objective of maximizing the operating efficiency of the Company's industrial assets. Such good performance was important to meet the increase in consumption of thermoplastic resins as a result of growth in the domestic economy, as well as to serve strategic clients that are positioned in attractive international markets. Accordingly, exports in 2004 totaled US\$710 million, which corresponded to an increase in excess of 15% compared to 2003.

The 12% increase in domestic demand for thermoplastic resins in 2004 confirmed the high elasticity of the demand for these products in relation to Brazilian GDP growth. Believing that Brazil's economy will continue its sustained growth process over the next years, Braskem continued its strategy of debottlenecking of its industrial units with a view to increase its production capacity at a competitive cost-benefit. Capacity increases at plants located in Triunfo and Camaçari were concluded, increasing potential sales of polypropylene and paraxylene, respectively, and the Company commenced investments to increase the capacity of its PVC plant in Alagoas and its polyethylene plant in Camaçari.

Braskem believes that initiatives such as these will allow the Company to continue to meet increasing demand in the domestic market and to maintain, at the same time, a structural presence in the international market.

In 2004, Braskem's financial management continued its commitment to prioritizing the reduction of its debt and to lengthening its debt maturity profile, as well as to increasing the Company's cash and cash equivalents. The issuances in the domestic and international capital markets during 2004 amounted to over US\$1 billion, and resulted in the lengthening of the Company's debt maturity profile as well as an increase in its level of liquidity.

As regards the stock market, 2004 marked a high point in the Company's efforts to strengthen its capital markets and investor relations, along with the high levels of Corporate Governance adopted since its creation. In September 2004, Braskem successfully concluded the largest Global Offering by a Brazilian company that year. The Company raised R\$1.2 billion, all of the net proceeds of which were used to prepay its most expensive debt, especially its short-term debt, thereby restoring balance to its capital structure. Liquidity levels on both the BOVESPA (São Paulo Stock Exchange) and the NYSE increased significantly, and the new shareholder base of the Company now accounts for a Free Float of approximately 45% of the total outstanding share capital of the Company.

In 2004, Braskem successfully concluded the implementation of its program of synergies arising from its integration process, capturing gains that totaled R\$323 million, on an annualized and recurring basis, reaching the goal set by the Company upon its creation in August 2002. Braskem began to implement a new operational and business excellence program in 2004 named **Braskem +**, the goal of which is to position, in a period of 3 years, the Company among the most competitive petrochemical companies in the world and to generate additional gains estimated at R\$420 million, on an annualized and recurring basis. In 2004 and on the same basis, Braskem has already captured R\$90 million, surpassing the original estimate of R\$ 60 million by 50%. As a result of this program, Braskem believes that it will be better prepared to operate with value creation at every stage of the petrochemical cycle.

Operationally, it is also worth highlighting the conclusion of the ISO 14001 certification process for all of the Company's industrial units. Thus rewarding Braskem's efforts related to Health, Safety and Environmental (HSE) issues. Towards this end, Braskem became the first Brazilian

Edgar Filing: BRASKEM SA - Form 6-K

company to sign the UN Declaration on Cleaner Production in 2004. Important improvements related to the reduction of effluents and of water and energy consumption were also obtained during the year.

Braskem's total investments in 2004 amounted to R\$374 million, and were allocated among its excellence programs in operational, technological, health, safety and environmental areas, having benefited all of the Company's business units.

The focus on technology and innovation is one of the strategic axes that drive Braskem's growth and is an important part of its value creation program, resulting in the frequent launching of products, such as the launching in 2004 of Braskem Flexus[®]-a high-performance polyethylene based on the same metallocene technology used for special packagings, and Braskem Symbios[®], a bi-axially oriented polypropylene sealant.

Braskem is finalizing the details of its partnership with Petrobras for the construction of a polypropylene plant in Paulínia, in the State of São Paulo, with a capacity of 300,000-tons/year, which is expected to begin operations in 2007. In addition, the Company is conducting feasibility studies aiming at the construction of a new integrated petrochemical complex on the border of both countries to produce 600,000 tons/year of polyethylene from the Bolivian natural gas, with the potential to commence operations by the end of this decade.

Braskem's shareholding structure on December 31, 2004 and its simplified corporate structure are as follows:

3. Operating Performance

Braskem reported an excellent operating performance in all of its Business Units. The Company maintained its policy of operating its industrial units at high capacity utilization rates and confirmed its strategy of maximizing its profitability through the optimization of the production mix and the sale of its products in more profitable markets and segments.

The sound evolution of the capacity utilization rates for Braskem's principal products is presented below:

3.1. Industrial Performance

| Production Volume tons | 2004 (A) | 2003 (B) | Chg. % (A)/(B) |
|----------------------------------|-------------|-------------|-------------------|
| Polyolefins Unit | | | |
| . PE s Polyethylene | 741,698 | 676,682 | 10 |
| . PP Polypropylene | 463,077 | 438,747 | 6 |
| Vinyls Unit | | | |
| . PVC Polyvinyl Chloride | 421,619 | 396,827 | 6 |
| . Caustic Soda | 461,402 | 432,728 | 7 |
| Basic Petrochemicals Unit | | | |
| . Ethylene | 1,105,610 | 1,040,858 | 6 |
| . Propylene | 542,359 | 486,959 | 11 |
| Business Development Unit | | | |
| . PET | 72,194 | 56,561 | 28 |
| . Caprolactam | 50,483 | 49,572 | 2 |

Edgar Filing: BRASKEM SA - Form 6-K

The production of the **Polyolefins Business Unit** increased by 8% compared to 2003, mainly due to the strong performance of its industrial units. In this context, the capacity utilization rates were very high, reaching 96% for PP and 91% for PE in 2004.

During 2004, Braskem completed the expansion of its polypropylene capacity by 100,000 tons/year in the industrial units located in Triunfo, which allowed it to increase its production of this resin by 20% based on a highly competitive investment of R\$ 21 million. In 2004, Braskem also commenced the debottlenecking of one of its polyethylene plants located in Camaçari that produces Braskem Flexus[®], due to the demand for this type of polyethylene. The expansion is expected to be completed by mid-2005 and will increase the Company's polyethylene capacity by 30,000-tons/year.

In the **Vinyls Business Unit**, the capacity utilization rate of its PVC (its main product) plants was approximately 90% in 2004. PVC production increased by 6% compared to 2003 mainly due to higher domestic demand, which was a key contributing factor in the Marechal Deodoro plant, in the State of Alagoas, reaching its highest monthly production in the last seven years.

To keep pace with the growth in the PVC market, which was boosted by the recovery of the construction sector, in 2004 Braskem initiated the expansion of its PVC plant located in the State of Alagoas by 50,000-tons/year, which will be available by the second half of 2005, reflecting an investment of R\$90 million. Two additional 50,000-tons/year expansions are also planned, one in Camaçari and the other in Alagoas, depending on market conditions.

In 2004, the **Basic Petrochemicals Unit** recorded an 8% increase in the production of its principal products ethylene and propylene compared to the previous year. The average capacity utilization rate was 92%, excluding the months of January and February, when the Unit carried out a scheduled inspection and maintenance stoppage of its Raw Material Unit II. The Company believes that the investments made in this process which totaled R\$89 million will ensure its improved operational reliability. The next scheduled maintenance stoppages are expected to occur in 2007 (Olefins Unit I) and 2010 (Olefins Unit II), which are well timed as Braskem will count on its full production capacity during the petrochemical industry fly-up cycle, thus providing a positive impact on the Company's profitability and operating cash generation.

Braskem maintained its strategy of increasing the flexibility of its raw material mix (naphtha and condensate) and progressively reducing the average cost of raw materials consumed. The Company maintains a long-term strategic relationship with Petrobras, its main raw material supplier. In 2004, the volume of raw materials processed by the petrochemical, naphtha and condensate unit, totaled to 4.4 million tons, of which Petrobras supplied 62%. Remaining demand was supplied by imports, largely by means of a long-term contract with an international supplier.

During the second quarter, the Aromatics I unit also carried out its programmed inspection and maintenance stoppage, which lasted 40 days and required investments totaling R\$21 million. Improvements introduced in the plants resulted in the launching of new solvents and substantial growth in the production of aromatics, which increased by 32%, during a period in which the prices for these products increased significantly in the international market. During this stoppage, Braskem also carried out process enhancements in the paraxylene plant, which increased its production by 50,000 tons/year, corresponding to a 30% increase in production capacity and allowing the Company to enter into a new contract with a client with international operations.

It is also worth highlighting the important environmental progress obtained in 2004 by the Basic Petrochemicals Business Unit, such as the reduction in the emission of liquid effluents and the best performance achieved by the Thermoelectric Central since its creation. The EcoBraskem Project was launched to optimize the energy matrix and the consumption of water resources by the Unit. This project was developed in partnership with the Federal University of Bahia, the government of that state and Cetrel, the environmental company of the Camaçari Petrochemical Complex.

A highlight of the **Business Development Unit** was PET production, which increased by 28% compared to 2003. Operational improvements carried out in this Unit increased its production capacity to 78,000 tons/year.

3.2. Commercial Performance

Braskem maintained its strategy of giving priority to the sale of its products in more profitable markets and segments. In this context, the Company's priority in 2004 was the domestic market, where the sales of thermoplastic resins increased by 13% compared to 2003, satisfying the high demand that resulted from the significant growth of the Brazilian economy in 2004.

The total volume of thermoplastic resins in the domestic and international markets sold by Braskem in 2004 totaled 1,668,000 tons, which represented a 7% increase compared to the 1,563,000 tons sold during the previous year.

| Sales Volume | tons | 2004 (A) | 2003 (B) | Chg.% (A)/(B) |
|--------------|------|-------------|-------------|------------------|
|--------------|------|-------------|-------------|------------------|

Polyolefins Unit

| | | | |
|---------------------|---------|---------|---|
| . PE s Polyethylene | 704,667 | 667,977 | 5 |
| . PP Polypropylene | 460,974 | 441,066 | 5 |

Vinyls Unit

| | | | |
|--------------------------|---------|---------|---|
| . PVC Polyvinyl Chloride | 427,740 | 397,856 | 8 |
| . Caustic Soda | 444,013 | 426,608 | 4 |

Basic Petrochemicals Unit

| | | | |
|-------------|-----------|-----------|---|
| . Ethylene | 1,098,882 | 1,047,325 | 5 |
| . Propylene | 532,242 | 488,637 | 9 |

Business Development Unit

| | | | |
|---------------|--------|--------|-----|
| . PET | 74,258 | 56,309 | 32 |
| . Caprolactam | 49,123 | 50,329 | (2) |

* Includes sales/transfers to Braskem's Business Units.

In the **Polyolefins Business Unit**, total sales volume of polyethylene and polypropylene increased by 5%, primarily due to increased sales in the domestic market, which grew by 12% compared to 2003. This result was mainly driven by the performance of the segments of flexible and corrugated cardboard packaging for food especially for frozen meat with export potential snacks and cookies, as well as long shelf-life beverages. The success achieved by Braskem Flexus[®] a high-performance polyethylene launched in 2004 made the Company accelerate its decision to double the production capacity of this resin to 60,000 tons/year, which will be available by mid-2005.

Polypropylene sales volumes increased 12% in the domestic market, due to the performance of the automotive and the electrical/electronic industries and agriculture. In 2004, a major highlight was the launch of Braskem Symbios[®], a high-performance flexible packaging sealant. The advances in the use of polypropylene containers for *cream* cheese the market share of which was already in excess of 50% at the end of 2004 and the launching of a polypropylene fiber used in tiles and fiber-cement water cisterns in partnership with an important international client also deserve to be highlighted. Another important novelty was the launching of a technological solution for disposable polypropylene cups, which includes a new resin and patent-protected equipment that is licensed for use (*commodatum*) to the client, with a significant competitive advantage over the same product made from polystyrene.

In the **Vinyls Business Unit**, total PVC sales increased by 8% compared to the previous year, due to domestic market growth, which was in excess of 15%. The recovery in PVC domestic demand was driven by increased sales by the footwear, laminate and wire and cable industries, as well as by the beginning of the recovery of the construction sector. It is important to highlight that in 2004 Braskem maintained its leadership of the PVC market in Brazil.

In 2004 it is important to mention the technological development and launching of Plastwood a product made of PVC and wood for finishing ceilings and special decks in partnership with an important client in the Brazil. Another development occurred with respect to business opportunities arising from new PVC applications for the construction sector, such as prefabricated house and window frame solutions. In addition, the creation of the Opera Prima Prize and the launching of the special category Designing with PVC both designed for architects, aiming to identify new opportunities for using PVC in construction projects.

In the **Basic Petrochemicals Unit**, ethylene sales volumes increased by 5%. The improvement of the production process, together with the increase in client demand for ethylene due to the significant growth of the thermoplastic resin market led to new monthly (in July) and quarterly (July-September) production records, which was combined with a successful focus on increased profitability.

The Unit played an active role in Braskem's exports during 2004, which was highly favorable to the aromatics market, especially benzene, the price of which hit record levels. As proof of its strategic agility and flexibility, several operational initiatives in its aromatics plants allowed the Company to maximize production of this petrochemical product, which enabled Braskem to increase its export volumes.

In the **Business Development Unit**, the positive highlights were the recovery in PET resin sales volumes in the domestic market, as well as prices. Total PET resin sales volumes increased by over 30% compared to 2003, driven by the expansion of the bottling industry, especially in

Edgar Filing: BRASKEM SA - Form 6-K

the mineral water, juice, vegetable oil, and, to a lesser degree, soft drink segments. Caprolactam sales volumes totaled approximately 50,000 tons, 88% of which were sold in the domestic market and were in line with sales volumes during the previous year.

3.3. Exports

Braskem maintained its long-term commitment to strategic clients in attractive markets, which is linked to its objective of strengthening its activities in international markets. Its net export revenue for 2004 amounted to US\$710 million, 15% higher than the US\$617 million obtained in 2003, thus confirming its position as one of Brazil's largest exporters.

It is also worth mentioning the important recovery of the Argentine market, in which Braskem increased its resin sales volumes by 28% in 2004.

3.4. Business Competitiveness

In 2004, Braskem commenced the implementation of **Braskem +**, an operational excellence program, whose main objective is to position the Company among the most competitive petrochemical companies in the world. This program represents a considerable additional potential gain to the Company, estimated at R\$ 420 million on an annual and recurring basis by the end of its implementation. The program will be leveraged by the expertise accumulated during the capture of synergies resulting from the Company's integration process. Braskem + aims to increase the Company's capacity of creating value in all stages of the petrochemical cycle. Its estimated gains are detailed on the following graph:

The launching of "**Braskem +**" in 2004 was extremely successful, with the commitment of the teams allocated full time and the selection of planned operational and technological solutions, permitting the Company to surpass by 50% the goals established for the first year of its implementation. The results achieved in 2004 will provide gains of R\$ 90 million, on an annual and recurring basis, in comparison to the R\$ 60 million originally estimated, and increase Braskem's confidence in the successful implementation of this program.

4. Financial and Economic Performance

4.1 - Net Revenue

Braskem recorded net revenue of R\$11,044 million in 2004, 20% higher than the R\$9,191 million obtained in 2003.

The key drivers of this performance were the increase in the Company's sales volumes, especially in the domestic market, and the improved prices for Braskem's principal products, both in Brazil and abroad.

The table below presents net revenue growth by Business Unit, showing the steady commercial performance of all of Braskem's Business Units:

| Business Unit (R\$ million) | 2004 (C) | 2003 (D) | Chg. (C)/(D) |
|--------------------------------|--------------|--------------|-----------------|
| Domestic Market | 8,935 | 6,867 | 30 |
| Basic Petrochemicals | 3,902 | 3,132 | 25 |
| Polyolefins | 2,826 | 2,153 | 31 |
| Vinyls | 1,631 | 1,165 | 40 |
| Business Development | 576 | 417 | 38 |
| Exports | 2,109 | 2,324 | (9) |
| Basic Petrochemicals | 1,030 | 868 | 19 |
| Polyolefins | 794 | 1,234 | (36) |
| Vinyls | 240 | 186 | 29 |
| Business Development | 45 | 36 | 25 |

| | | | |
|--------------------------|---------------|--------------|-----------|
| Total Net Revenue | 11,044 | 9,191 | 20 |
|--------------------------|---------------|--------------|-----------|

4.2 - Cost of Goods Sold (COGS)

During 2004, Braskem's cost of goods sold (COGS) totaled R\$8,315 million, which represented an increase of 13% compared to the COGS of 2003, when it stood at R\$7,342 million.

This variation was primarily a result of the price increase of petrochemical naphtha registered during 2004. The average price of petrochemical naphtha in the ARA (Amsterdam-Rotterdam-Antwerp) region was US\$378/ton in 2004, which represented a 38% increase compared to US\$274/ton recorded in 2003.

During 2004, Braskem acquired 4,388 thousand tons of naphtha and condensate, out of which 2,734 thousand tons (62%) were purchased from Petrobras, its principal raw materials supplier. The remaining 1,654 thousand tons (38%) was imported directly by the Company primarily from Northern African countries.

Depreciation and amortization expenses during 2004 totaled R\$361 million, a 30% increase compared to the R\$277 million recorded in 2003. This variation was mainly due to the booking of a portion of the goodwill associated with a premium over fixed assets, related to Braskem's incorporation of Trikem in January 2004.

Braskem and its subsidiaries have a comprehensive risk management program that provides coverage and protection for all its fixed assets, as well as for eventual losses arising from production stoppages through an all-risk policy. Assets covered by this policy totaled R\$11.8 billion as of December 31, 2004 (R\$ 12 billion in 2003) and the premium paid in 2004 amounted to R\$ 51 million, which represented a R\$ 9 million reduction (15%) compared to the R\$ 60 million paid in 2003.

4.3 - Selling, General and Administrative Expenses (SG&A)

Braskem maintained its strategy of increasing the profitability of its operating margins, maintaining its prices aligned to international prices and establishing a disciplined management program. SG&A, net of depreciation and amortization expenses, when expressed as a percentage of gross income decreased from 22% in 2003 to 21% in 2004. When expressed as a percentage of net revenues, SG&A were 4.4% in 2003, compared to 5.2% in 2004.

SG&A were R\$ 575 million in 2004, compared to R\$402 million in 2003. This variation results from: (i) higher variable expenses associated with the increase of sales volume reported in 2004, with an impact of R\$ 30 million; (ii) constitution of a larger provision for doubtful accounts (PDA) in 2004 due to the application of Braskem's Credit Policy in respect of a higher gross revenue; (iii) non-recurring gains of R\$ 40 million registered in 2003 due to the positive effect caused by the reversion of a PDA constituted in 2002 to meet potential credit risks in Argentina; (iv) non-recurring expenses related to the development of a new IT platform, preparation for complying with the Sarbanes-Oxley Act and specific consulting services for stock offerings placed in the capital markets, totaling R\$ 33 million; and (v) inflationary effects on 2003 recurring expenses, amounting to approximately R\$ 46 million.

4.3.1 - Depreciation and Amortization Expenses

Depreciation and amortization expenses totaled R\$353 million in 2004, an 88% increase compared to the R\$188 million recorded in 2003. This variation resulted primarily from the following factors: (i) booking of a portion of the goodwill associated with a premium over fixed assets, arising from Braskem's incorporation of Trikem in January 2004; (ii) non-recurring effect resulting from the full amortization of deferred expenses relating to the 10th and 11th debenture issues by Braskem, which were redeemed in 2004; and (iii) amortization of scheduled maintenance stoppages that occurred in 2003 and 2004.

4.4 EBITDA

Braskem's EBITDA was the highest ever obtained by the Company since its creation on August 16, 2002, and reached R\$2.5 billion in 2004, a 43% increase compared to the R\$1.8 billion EBITDA recorded in 2003.

The key drivers of this performance were: (i) the capture of synergies resulting from Braskem's integration process; (ii) the increase in the Company's sales volumes, especially in the domestic market; (iii) improved prices for Braskem's main products, both in Brazil and abroad; (iv) the first productivity gains provided by **Braskem +**; (v) the strong performance reported by industrial units, confirmed by the high capacity utilization rates; and, finally, (vi) the improved quality of the mix of products sold due to the development of new products and applications.

Edgar Filing: BRASKEM SA - Form 6-K

It is worth noting that this record EBITDA was obtained in a scenario of historically high naphtha prices. This result reflects an improvement in Braskem's operating quality, confirmed by the increase of 4 (four) percentage points in EBITDA margin, from 19% in 2003 to 23% in 2004.

The graphs below show the consistency and sustainability of the results obtained by Braskem, confirmed by growth of EBITDA on a quarterly basis, both in Reais and in US Dollars.

4.5 - Investments in Subsidiaries and Associated Companies

Excluding the effects of the amortization of goodwill arising primarily from the investments made in Copesul, Politeno and Petroflex, Braskem recorded net income of R\$229 million from its investments in subsidiaries and associated companies in 2004, surpassing by 67% the R\$ 137 million recorded in 2003.

| (R\$ thousand) | | |
|--|------------------|------------------|
| Investments in Subsidiaries and Associated Companies | 2004 | 2003 |
| Subsidiaries - Equity Method | 4,475 | 2,597 |
| Associated Companies - Equity Method | 223,584 | 90,528 |
| . Copesul | 162,446 | 46,244 |
| . Politeno | 44,116 | 31,781 |
| . Petroflex | 17,335 | 12,836 |
| . Others | (313) | (333) |
| Exchange Variation | (9,645) | 22,414 |
| Others | 10,348 | 21,038 |
| Subtotal (before amortization) | 228,762 | 136,577 |
| Goodwill Amortizations | (152,730) | (255,984) |
| TOTAL | 76,032 | (119,408) |

This positive result reflects the consistent performance of Braskem's principal subsidiaries Copesul and Politeno, in proportion to its interest in the capital stock of both companies (29.5% and 33.9%, respectively) on December 31, 2004. The table below indicates some of the main P&L lines of both Copesul and Politeno:

| Main Subsidiaries R\$ million (except where otherwise indicated) | Copesul | Politeno |
|---|--------------|--------------|
| Net Revenue | 5,440 | 1,119 |
| EBITDA | 1,082 | 170 |
| <i>EBITDA Margin (%)</i> | <i>19.9%</i> | <i>15.2%</i> |
| Net Income | 547 | 96 |

The reduction of amortization expenses associated with goodwill in 2004 was due to the transfer to the COGS and SG&A accounts, respectively, of the goodwill related to a premium over fixed assets and future operating profitability arising from Braskem's incorporation of Trikem in January 2004.

4.6 - Net Financial Result

During 2004, Braskem prioritized the allocation of its operating cash flow and of the proceeds from its Global Offering to prepay its most expensive debt facilities, where possible.

As a result, the Company's financial expenses net of interest (calculated taking into consideration the difference between interest/vendor financing expenses and revenues) decreased by 22%, from R\$635 million in 2003 to R\$498 million in 2004.

| | (R\$ Million) | (R\$ Million) |
|--------------------------------------|----------------|---------------|
| | 2004 | 2003 |
| Financial Expenses | (995) | (523) |
| Interest / Vendor | (631) | (680) |
| Monetary Restatement | (423) | (348) |
| F/X on Liabilities | 415 | 969 |
| CPMF/IOF/Income Tax/Banking Expenses | (141) | (151) |
| Other | (216) | (312) |
| Financial Revenue | (185) | (133) |
| Interest | 133 | 45 |
| Monetary Restatement | 14 | 33 |
| F/X on Assets | (333) | (211) |
| Net Financial Results | (1,181) | (656) |

Excluding the effects of monetary and exchange rate variations, Braskem's net financial result on December 31, 2004 was an expense of R\$854 million, compared to an expense of R\$1,098 million recorded in 2003, which represents a substantial recovery of R\$244 million or 22%. This important result reported in 2004, as show below, indicates a new level for Braskem's cost of capital.

| | (R\$ Million) | (R\$ Million) |
|--|----------------|----------------|
| | 2004 | 2003 |
| Net Financial Results | (1,181) | (656) |
| Foreign Exchange Gain Variation (F/X) | 82 | 758 |
| Monetary Restatement (MR) | (408) | (315) |
| Financial Result less F/X and MR | (854) | (1,098) |

4.7 - Net Income

Braskem recorded net income of R\$691 million in 2004, substantially higher than the result obtained in 2003, which was R\$215 million. The key drivers of this performance were the Company's good operating performance, confirmed by the record EBITDA of R\$2.5 billion, and the improvement in equity income.

4.8 - Debt Management in 2004

In 2004, Braskem confirmed its commitment to primarily use the funds from its operating cash flow primarily to reduce its debt and financial leverage, as well as to lengthen and improve its debt profile.

During 2004, Braskem's priority was the reduction of its net debt as well as the costs of its financial obligations, in order to achieve enhanced efficiency in the allocation of funds for its operating working capital. In addition, over this period, the Company sought to maintain higher levels of cash and cash equivalents, in order to provide greater financial and strategic flexibility.

Braskem's cash and cash equivalents amounted to R\$1.78 billion on December 31, 2004, an increase of R\$697 million compared to the R\$1.09 billion balance recorded on December 31, 2003.

Edgar Filing: BRASKEM SA - Form 6-K

Braskem's net debt at the end of 2004 was R\$3,868 million, which represented a 38% decrease when compared to its net debt at the end of 2003 (R\$6,258 million). When expressed in US dollars, Braskem's net debt recorded a 32% reduction, from US\$2.2 billion to less than US\$1.5 billion.

Braskem's financial leverage, measured by the net debt/ EBITDA ratio, decreased significantly by 57% in 2004, from 3.52 on December 31, 2003, to 1.52 on December 31, 2004.

The Company continued to focus on reducing its net debt, extending its debt profile and prioritizing the amortization of its most expensive debt, aiming at reducing its cost of capital. The graph below shows Braskem's debt amortization schedule as of December 31, 2004.

5. Capital Expenditures

Braskem's capital expenditures totaled R\$374 million in 2004 and benefited all of its business units. These investments in excellence programs were allocated to the operating, technology, health, safety and environmental areas.

In line with its leading position in the South American thermoplastic resins market, Braskem implemented a series of projects during 2004, investing in the expansion of its plants' production capacity, as well as in programs to increase the operational reliability of its industrial units, to take maximum advantage of the current favorable environment for the global petrochemical sector.

Among the investments carried out this year include the addition of 100,000 tons/year of polypropylene production capacity in the Triunfo Complex, in the State of Rio Grande do Sul, which increased from 550,000 tons/year to 650,000 tons/year, and the increase of 50,000 tons/year in paraxylene production capacity in the Basic Petrochemicals Unit, in Camaçari, which increased from 153,000 tons/year to 203,000 tons/year.

In addition, in line with the objective of keeping its plants operating with high levels of reliability, Braskem invested R\$210 million in programmed maintenance stoppages. Such stoppages are booked under deferred expenses.

6. Capital Markets and Investor Relations

Braskem's class A preferred shares (BRKM5) traded on the BOVESPA ended the year quoted at R\$134 per 1,000 shares, which represented a 100% increase in value in 2004, surpassing the performance of the IBOVESPA (BOVESPA index), which increased by 18% in value in 2004. Similarly, Braskem's ADRs (BAK) traded on the New York Stock Exchange (NYSE) increased by 118% in value in 2004, ending the year at US\$51, ranking the Company among the five best performances recorded by foreign companies listed on the NYSE. On Latibex, the Madrid Stock Exchange section that trades Latin American securities, Braskem's shares (XBRK) increased by 98% in 2004.

In the largest offering carried out in the Brazilian equity market this year, Braskem raised R\$ 1.2 billion through a primary public offering (Global Offering), simultaneously carried out in Brazil and abroad. 13,455,000,000 class A preferred shares were issued at R\$90.00 per round lot of 1,000 class A preferred shares in Brazil and US\$31.38 per ADS abroad, comprised of: (i) 4,485,000,000 shares in Brazil; and (ii) 8,970,000,000 shares, in the form of ADS's, abroad (each ADS represents 1,000 class A preferred shares). With the conclusion of this offering, the number of shares outstanding in the market currently represents approximately 45% of Braskem's total share capital (free-float), which contributed significantly to increasing the liquidity of Braskem's shares both on the BOVESPA and the NYSE.

The value of the average daily trading volume on the BOVESPA increased from R\$10.4 million before the Global Offering to R\$23 million, afterwards. Similarly, the value of the average daily trading volume of the ADSs increased from US\$615,000 to US\$4.1 million.

It is also important to note that the percentage that the BRKM5 share represents of the Ibovespa and IBrX-50 indices more than doubled in 2004, from 0.58% to 1.33% of the Ibovespa and from 0.38% to 0.80% of the IBrX-50.

6.1 - Dividends and Interest Attributable to Shareholders' Equity

Braskem's Management, in line with its dividend distribution policy and taking into account the good economic and financial performance of the Company in 2004, is proposing the payment of R\$204 million to its shareholders, of which (i) R\$ 170 million will be paid in the form of interest attributable to shareholders' equity, as already authorized by the Board of Directors and deliberated by the Board of Executive Officers, and (ii) R\$ 34 million paid in the form of dividends, in accordance with a proposal to be deliberated upon at the General Shareholders Meeting. Of the total amount, R\$136 million will be paid to class A and B preferred shareholders and holders of American Depositary Receipts (ADR's), and R\$68 million will be paid to common shareholders.

Thus, Braskem is ensuring the payment of priority and mandatory dividends to all types and classes of shares.

7. Outlook

The outlook for the Brazilian economy in 2005 indicates a promising scenario for economic development, with significant impacts on the demand for thermoplastic resins.

The thermoplastic resins industry in Brazil has been reporting a growth rate higher than the GDP with a historic elasticity of approximately 3 times. Such strong dynamism was taken into consideration when Braskem decided to implement the debottleneckings at competitive costs in 2003 and 2004 and to proceed with new debottleneckings to increase PVC and PE production capacities by 2007. Additionally, Braskem, in an association with Petrobras, is finalizing a technical and economical feasibility study for the construction of a new PP plant with a capacity of 300,000 tons/year in Paulínia, State of São Paulo. Investments of approximately US\$ 180 to US\$ 200 million are estimated to be made over the next 2 years. Similarly, Braskem initiated a feasibility study in respect of the construction of a new integrated petrochemical complex powered by Bolivian natural gas. Operations are expected to begin by the end of the current decade.

In 2004, the demand for thermoplastic resins in the global market increased by over 6%. The growth in demand has been surpassing the increase in the supply of these products due to the low level of investments made in the last few years in new production capacity. According to important international petrochemical industry consultants, this scenario should remain unchanged in the coming years, resulting in increasing margins in the 2005-2007 period, which indicates important opportunities for Braskem to increase its sales volumes and margins.

Braskem is ready to capture and maximize all the opportunities provided by this scenario. The Company has already concluded the scheduled maintenance stoppages, especially those of longer duration, during the last two years and will only be required to do so again in 2007. Additionally, the **Braskem +** program will provide significant gains of efficiency, productivity and competitiveness, resulting in better operational profitability and cash generation.

Braskem's strategic planning aims to be a benchmark in value creation for all its shareholders through market leadership, enlargement of production scale with cost competitiveness and autonomy in Innovation and Technology as a distinguishing advantage in serving clients and conquering their loyalty. Braskem will invest in the expansion of its production capacity, while remaining focused on discipline cash allocation and the quality of its capital structure.

Braskem renews its public commitment of fully complying with its social and environmental responsibilities as a way to contribute to the economic and social development of the country, consolidating its position as a World Class Brazilian Petrochemical Company.

Braskem, a world-class Brazilian petrochemical company, is the leader in the thermoplastic resins segment in Latin American, and is among the three largest Brazilian-owned private industrial companies. The company operates 13 manufacturing plants located throughout Brazil, and it has an annual production capacity of 5.0 million tons of petrochemical products.

FORWARD-LOOKING STATEMENT DISCLAIMER

This press release contains statements that are forward-looking within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are only predictions and are not guarantees of future performance. Investors are cautioned that any such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the operations and business environments of Braskem and its subsidiaries that may cause the actual results of the companies to be materially different from any future results expressed or implied in such forward-looking statements.

Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the risks and uncertainties set forth from time to time in Braskem's reports filed with the United States Securities and Exchange Commission. Although Braskem believes that the expectations and assumptions reflected in the forward-looking statements are reasonable based on information currently available to Braskem's management, Braskem cannot guarantee future results or events. Braskem expressly disclaims a duty to update any of the forward-looking statements.

EXHIBIT I**Braskem S.A. (Consolidated)**
*Income Statement ⁽¹⁾***(R\$ million)**

| Income Statement | 4Q04 (A) | 4Q03 (B) | Change (%) (A)(B) | 2004 (C) | 2003 (D) | Change (%) (C)(D) |
|--|---------------------|---------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| Gross revenue | 3,747 | 3,059 | 22 | 14,342 | 11,284 | 27 |
| Net Revenue | 2,798 | 2,542 | 10 | 11,044 | 9,191 | 20 |
| Cost of goods sold | (2,018) | (2,056) | (2) | (8,315) | (7,342) | 13 |
| Gross profit | 780 | 485 | 61 | 2,729 | 1,849 | 48 |
| Selling expenses | (89) | (28) | 216 | (236) | (110) | 115 |
| General and administrative expenses | (121) | (93) | 31 | (339) | (292) | 16 |
| Depreciation and amortization | (113) | (52) | 116 | (353) | (188) | 88 |
| Other operating income (expenses) | 3 | 24 | (87) | 35 | 51 | (32) |
| Investment in associated companies | 15 | (84) | - | 76 | (119) | - |
| Equity in the results | 54 | (26) | - | 229 | 137 | 68 |
| Amortization of goodwill/negative goodwill | (38) | (58) | (34) | (153) | (256) | (40) |
| Operating profit before financial result | 474 | 252 | 88 | 1,911 | 1,191 | 60 |
| Net operating result | (60) | (440) | (86) | (1,181) | (656) | 80 |
| Operating profit (loss) | 414 | (188) | - | 730 | 536 | 36 |
| Other non-operating revenue (expenses) | (25) | 19 | - | (29) | (5) | 480 |
| Profit (loss) before income tax and social contribution | 389 | (169) | - | 702 | 531 | 32 |
| Income tax / social contribution * | 103 | (7) | - | 12 | (92) | - |
| Profit (loss) before minority interest | 492 | (176) | - | 714 | 440 | 62 |
| Minority interest | (6) | (19) | (69) | (23) | (224) | (90) |
| Net profit (loss) | 487 | (196) | - | 691 | 215 | 221 |
| <hr/> | | | | | | |
| EBITDA | 661 | 461 | 43 | 2,549 | 1,777 | 43 |
| EBITDA margin | 23.6% | 18.1% | 5.5 p.p. | 23.1% | 19.3% | 3.8 p.p. |
| -Depreciation and amortization | 202 | 125 | 61 | 714 | 466 | 53 |
| . Cost | 89 | 73 | 22 | 361 | 277 | 30 |
| . Expense | 113 | 52 | 116 | 353 | 188 | 88 |

1- Excludes the effects of proportional consolidation (CVM-247)

* Due to future taxable results, Braskem's management decided to complement its active deferred income tax by booking R\$ 136 million, based on its total fiscal losses and other taxable credits.

EXHIBIT IIBraskem S.A. (Consolidated)
Balance Sheet ⁽¹⁾

(R\$ million)

| ASSETS | 12/31/2004 (A) | 12/31/2003 (B) | Chg.(% (A)/(B) |
|--|-------------------|-------------------|-------------------|
| Current assets | 5,054 | 3,669 | 38 |
| Cash and cash equivalents | 1,697 | 539 | 215 |
| Marketable securities | 0 | 512 | - |
| Account receivable | 1,293 | 1,089 | 19 |
| Inventories | 1,384 | 972 | 42 |
| Taxes credits | 466 | 345 | 35 |
| Dividends and interest attributable to shareholders equity | 54 | 19 | 180 |
| Prepaid expenses | 52 | 80 | (34) |
| Other | 108 | 113 | (5) |
| Long term assets | 858 | 1,155 | (26) |
| Related parties | 37 | 32 | 7 |
| Compulsory deposits | 187 | 182 | 2 |
| Deferred income taxes and social contribution | 302 | 166 | 82 |
| Taxes to be recoverable | 177 | 595 | (70) |
| Marketable securities | 86 | 34 | 154 |
| Other | 70 | 146 | (52) |
| Fixed assets | 8,635 | 8,591 | 1 |
| Investments | 1,244 | 1,287 | (3) |
| Plant, property and equipment | 4,899 | 4,830 | 1 |
| Deferred | 2,493 | 2,474 | 1 |
| Total assets | 14,548 | 13,415 | 8 |
| <hr/> | | | |
| LIABILITIES AND SHAREHOLDERS EQUITY | 12/31/2004 (A) | 12/31/2003 (B) | Chg.(% (A)/(B) |
| Current | 4,329 | 4,238 | 2 |
| Suppliers | 2,179 | 1,132 | 93 |
| Short-term loans | 1,222 | 2,255 | (46) |

Edgar Filing: BRASKEM SA - Form 6-K

| | | | |
|--|---------------|---------------|-------------|
| Advances on export facilities | 300 | 274 | 10 |
| Salaries and social charges | 75 | 68 | 11 |
| Proposed dividends and interest attributable to shareholders | 191 | 7 | - |
| Income taxes payable | 63 | 13 | 386 |
| Taxes payable | 138 | 107 | 29 |
| Advances from clients | 23 | 256 | (91) |
| Other | 137 | 126 | 9 |
| Long term liabilities | 5,780 | 6,483 | (11) |
| Related parties | 148 | 233 | (37) |
| Long-term loans | 4,129 | 4,815 | (14) |
| Taxes payable | 1,326 | 1,147 | 16 |
| Other | 177 | 289 | (39) |
| Deferred income | 84 | 59 | 42 |
| Minority interest | 168 | 522 | (68) |
| Shareholders equity | 4,188 | 2,113 | 98 |
| Capital | 3,403 | 1,887 | 80 |
| Capital reserves | 345 | 744 | (54) |
| Treasury shares | (15) | (23) | (35) |
| Profit reserve | 455 | 0 | - |
| Retained earnings (losses) | 0 | (496) | - |
| Total liabilities and shareholders equity | 14,548 | 13,415 | 8 |

1- Excludes the effects of proportional consolidation (CVM-247)

(*) In Current Assets, the amount of R\$ 322 million classified as Marketable Securities in 2003 was reclassified to the item Cash and Cash Equivalents on December 31, 2003.

(**) Also on December 31, 2003, in Fixed Assets, the amount of R\$ 1,222 million classified as Investments moved to Plant, Property and Equipment (R\$ 321 million), Deferred (R\$ 960 million) and Future Results (R\$ 59 million), in order to comply with the Brazilian Securities and Exchange Commission (CVM) s regulation.

EXHIBIT III

PRODUCTION AND SALES VOLUMES

| Production Volume - Tons | 4Q04 (A) | 4Q03 (B) | Change% (A)/(B) | 2004 (C) | 2003 (D) | Change% (C)/(D) |
|----------------------------------|-------------|-------------|--------------------|-------------|-------------|--------------------|
| Polyolefins | | | | | | |
| . PE's - Polyethylene | 199,506 | 170,766 | 17 | 741,698 | 676,682 | 10 |
| . PP - Polypropylene | 120,824 | 114,439 | 6 | 463,077 | 438,747 | 6 |
| Vinyls Unit | | | | | | |
| . PVC | 105,537 | 101,626 | 4 | 421,619 | 396,827 | 6 |
| . Caustic Soda | 122,062 | 106,667 | 14 | 461,402 | 432,728 | 7 |
| Basic Petrochemicals Unit | | | | | | |
| . Ethylene | 294,453 | 272,566 | 8 | 1,105,610 | 1,040,858 | 6 |
| . Propylene | 144,301 | 126,321 | 14 | 542,359 | 486,959 | 11 |
| Business Development Unit | | | | | | |
| . PET | 18,558 | 16,359 | 13 | 72,194 | 56,561 | 28 |
| . Caprolactam | 11,883 | 12,938 | (8) | 50,483 | 49,572 | 2 |

| Sale Volume - Tons | 4Q04 (A) | 4Q03 (B) | Change% (A)/(B) | 2004 (C) | 2003 (D) | Change% (C)/(D) |
|----------------------------------|-------------|-------------|--------------------|-------------|-------------|--------------------|
| Polyolefins | | | | | | |
| . PE's - Polyethylene | 165,506 | 176,409 | (6) | 704,667 | 667,977 | 5 |
| . PP - Polypropylene | 106,502 | 118,367 | (10) | 460,974 | 441,066 | 5 |
| Vinyls Unit | | | | | | |
| . PVC | 95,593 | 91,449 | 5 | 427,740 | 397,856 | 8 |
| . Caustic Soda | 112,976 | 106,972 | 6 | 444,013 | 426,608 | 4 |
| Basic Petrochemicals Unit | | | | | | |
| . Ethylene* | 294,882 | 280,484 | 5 | 1,098,882 | 1,047,325 | 5 |
| . Propylene* | 134,207 | 131,601 | 2 | 532,242 | 488,637 | 9 |
| Business Development Unit | | | | | | |
| . PET | 18,781 | 17,060 | 10 | 74,258 | 56,309 | 32 |

Edgar Filing: BRASKEM SA - Form 6-K

| | | | | | | |
|---------------|--------|--------|------|--------|--------|-----|
| . Caprolactam | 10,513 | 12,941 | (19) | 49,123 | 50,329 | (2) |
|---------------|--------|--------|------|--------|--------|-----|

* Includes sales/allocation to other Braskem s Business Units

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 16, 2005

BRASKEM S.A.

By: /s/ Paul Elie Altit

Name: Paul Elie Altit
Title: Chief Financial Officer
