

**FOR IMMEDIATE RELEASE**



## **Braskem incorporates Trikem and moves forward with its corporate integration**

**São Paulo, January 16, 2004 --- BRASKEM S.A.** (BOVESPA: BRKM5; NYSE: BAK; LATIBEX: XBRK), the leading manufacturer of thermoplastic resins in Latin America, positioned among the five largest private-sector industries in Brazil, announced that, at an Extraordinary Shareholders' Meeting held yesterday, the shareholders of Braskem S.A. ("Braskem") and Trikem S.A. ("Trikem") approved the incorporation of Trikem by Braskem.

This merge concludes successfully one of the most important steps of Braskem's integration process, as well as of the restructuring of the Brazilian petrochemical sector. By means of the conclusion of this incorporation, Braskem's free float will increase up to 33% from the current 25% level. Such outcome is in line with the company's goal to obtain higher liquidity levels for its shares and to increase its trading potential in the international capital markets.

"The incorporation of Trikem further strengthens Braskem's position as the regional market leader, with a fully integrated business model, focused on value creation for all its shareholders", says José Carlos Grubisich, Braskem CEO. One of the main benefits provided by this operation is to speed-up the capture of synergies originated from Braskem's integration process, further increasing the company's competitiveness.

The exchange ratio offered by Braskem to Trikem preferred shareholders was of 3.47 Trikem shares per one preferred class "A" Braskem share, which was the same exchange ratio used in previous societary steps involving the migration of holders of Trikem common stock into Braskem. "Aligned with Braskem's own Public Commitment since its inception, Trikem's merger follows modern principals of corporate governance, aiming at aligning interests of both companies' shareholders", says Paul Altit, Braskem Finance and Investor Relations Vice-President.

One of the resulting benefits of the incorporation of Trikem is to simplify Braskem's corporate structure, facilitating the understanding of the Company's performance indices by the financial community. Furthermore, shareholders choosing to migrate their equity interests to Braskem will enjoy 100% tag-along rights offered by the company to all shareholders, in the event of a change in Braskem's control, preserving their interests in equal conditions to the controlling shareholders.

In March 2003, Braskem completed the incorporation of OPP, Nitrocarbano and ESAE. Last July, the company acquired the shareholding stake that the Japanese group Mitsubishi held in the voting stock of Trikem and Polialden, while at the same time entering into an agreement with Nissho Iwai to migrate its equity interest to Braskem. On December 4, Braskem successfully concluded a public offering of the remaining Trikem common stock in the market, which was followed now by the current merger.

In 2003, Braskem level II ADRs listed at the NYSE presented the best performance world-wide, whilst, in the same period, its shares traded at BOVESPA (São Paulo Stock Exchange) registered one of the best performances overall in the Brazilian stock market. Recently, Braskem shares daily trading volumes have been consistently increasing in both international and local stock markets. With the incorporation of Trikem, Braskem attains a market capitalization of approximately US\$ 2.0 billion.

Braskem, a world-class petrochemical company, is the leader in thermoplastic resins in Latin America and is positioned among the five largest private-sector industries in Brazil. With 13 industrial plants located in the country, the company has an annual production capacity of 5 million tons of chemical and petrochemical products.

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