

BRASKEM ANNOUNCES GLOBAL PARTNERSHIP WITH SAP TO ENHANCE ITS COMPETITIVENESS

New integrated management system mentioned in the Formula Braskem program will incorporate the best practices of the international petrochemical industries and the most updated technological developments found in the market.

Braskem is launching a new entrepreneurial competitiveness program, the Formula Braskem Program, which will define the methodologies and tools to support the company's growth in the next years. For this innovative program, Braskem closed a global partnership agreement with SAP to implement a new integrated management system that will structure the intern processes of the company.

R\$ 130 million will be invested in the project which is worth R\$ 260 million (present net value).

The new system will be implemented with the support of Accenture – global consulting company on management, technology services and outsourcing – and it might start operating in October 2006.



The Braskem Formula matches the operational excellence program that has been implemented successfully since 2004 and aims at positioning Braskem among the most competitive petrochemical companies in the world by 2007.

These programs will offer the proper support for the expansion and future internationalization of the company.

The decision for SAP technology, announced last Monday in the presence of the global operations president of the company, Léo Apotheker, considered the status of "key global partner" that Braskem will occupy working with this supplier, which is the leader of the sector in the world. Therefore, Braskem will have access to the best management systems practices of the international petrochemical industry. "The partnership with SAP will provide Braskem with the differentiated conditions of a global player, meeting our objective of being one of the best companies in the international petrochemical sector", says José Carlos Grubisich, president of Braskem.

According to Léo Apotheker, the project will incorporate the most updated technological developments found in the international market, regarding management system.

“Braskem will be able to count on the best product of the market and on the global experience of SAP to integrate and control all its processes from only one data and information basis, allowing a better observation of the business evolution and more agility in the decision making situations”, explains Sap’s rep.

The development of a new integrated management system is aligned with the value creation strategy of Braskem, once it is going to enhance efficiency and productivity. Furthermore, it is going to facilitate the observation of the compliance rules according to Sarbanes-Oxley, what is consistent with the commitment made by Braskem to management transparency and to corporative governance.

“The modernization of processes is specially focused on elements such as; the satisfaction of clients and the improvement of the petrochemical chain and plastics competitiveness”, explains Roberto Ramos, vice-president of Entrepreneurial Competitiveness. “In the global petrochemical sector, we are the only company that is currently investing on such a differentiated system what will represent a qualitative step in the results of the company aligned with its strategic plan”, he states.

The details of the project involved the active participation of all Braskem areas in the last six months, what means an important movement towards the success of its implementation.

In the first phase of this process, to be concluded in October 2006, around 110 participants of the company will be integrally dedicated to the project. From this moment on, the new tools will be offered to the entire team.

“A platform of competitiveness is being created to support the following phases of the growth process, aiming at consolidating Braskem as a world-class company”, says Grubisich. The company announced the constitution of Paulinia Petrochemical, a joint venture with Petroquisa, to build and operate from the end of 2007 on, a new industrial polypropylene industrial unit in Paulinia, in the country side of São Paulo. Besides, Braskem evaluates the opportunities for internationalization, like a project of an integrated pole in the border with Bolivia for polyethylene production from natural gas and a polypropylene industrial unit in Venezuela in partnership with Pequiven.

Braskem, a world-class Brazilian petrochemical, is the leader in thermoplastic resins in Latin America and it figures among the three biggest private industrial companies of Brazilian capital. With 13 industrial sites located in Brazil, the company produces 5,8 million tons/year of thermoplastic resins and other petrochemical products.

09/26/2005

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