This report presents the financial indicators and main achievements that Odebrecht’s teams have produced in the businesses and countries where they worked, and the social, environmental and cultural programs in which they took part in 2006.

In it, we also underscore some distinctive traits of the Odebrecht Group’s subsidiaries:

• the systematic application of an entrepreneurial philosophy that is based on the spirit of service;
• strong global operations and a significant presence in countries around the world;
• a commitment to preserving the environment;
• corporate social responsibility (CSR).

Last but not least, CSR reflects one of our core beliefs: that the role of an entrepreneurial organization is not limited to its basic responsibility, which is providing high-quality products and services to its clients.

In addition to ensuring its clients’ satisfaction and producing wealth for shareholders – the two sources of life for any business – an organization must also share the wealth and knowledge it produces with its members, the State and the communities in which it operates.

That is how we contribute to sustainable development in our local communities, with which we maintain an interdependent relationship.

We do this for a very simple reason: no company can grow in isolation, and no society can progress unless business plays a leading role in society’s growth.
The Odebrecht Entrepreneurial Technology (TEO) provides the basic ethical, moral and conceptual touchstones for Odebrecht Group members’ work.

A philosophy of life centered on work and education, TEO values and appreciates the strengths of human beings, which include the desire to give service to others, the ability and drive to develop, and the will to surpass their previous results.

People’s work is decentralized. Through a process of planned delegation based on trust and partnership between leaders and team members, each individual is responsible for carrying out his or her Action Program and has the autonomy to do so. Partnership is put into practice through each Group member’s active participation in the conception and execution of their work, and therefore in the production and sharing of the results achieved.

These practices enable the Group to meet its clients’ needs, add value to shareholders’ assets, reinvest results, and grow on several fronts at once while maintaining a common strategic direction and unified, consistent thinking and action.

The Program for Developing Entrepreneurs (PDE) got started in 2002 at Construtora Norberto Odebrecht. The aim of the PDE is to boost the development of future leaders by immersing them in the Odebrecht Culture and providing up-to-date knowledge of their businesses.

In 2006, Braskem held its inaugural PDE, which involved 36 young members of that company. The five-month program focused on the principles and values of the Odebrecht Entrepreneurial Technology (TEO) by encouraging open dialogue between the participants and members of other generations: “Exchanging experiences was fundamental because we learned from the situations that leaders from the Group’s three generations have lived through,” says Márcia Silva, who took part in the PDE.

The young participants also reflected on the new horizons opening up for the petrochemical business, the company’s strategies, financing, and operational excellence. “We expanded our holistic outlook and our ability to make decisions with a focus on creating value for our shareholders, clients, partners and communities,” says Rodrigo Carnaúba, another PDE participant.
CORPORATE STRUCTURE

HOLDING COMPANY

ODEBRECHT S.A.

Focuses on maintaining philosophical unity and establishing strategic direction for the entire Group. Seeks to improve the entrepreneurship of its businesses while promoting people’s development and providing political and strategic support to all Odebrecht subsidiaries.

Fully controls Construtora Norberto Odebrecht S.A. and Odebrecht Investimentos em Infra-Estrutura Ltda. and owns controlling interest in Braskem S.A., the leading companies for the Odebrecht Group’s main businesses.

BUSINESSES

Engineering & Construction

CONSTRUTORA NORBERTO ODEBRECHT S.A.
Leading Company

Integrated engineering, procurement, building, assembly and management services for civil construction, industrial and specialized technology projects.

Environmental engineering service provider. Services for the oil & gas industry.

Development of real-estate ventures.

Chemicals & Petrochemicals

BRASKEM S.A.
Leading Company

Vertically integrated production of feedstocks (ethylene, propylene and chlorine) and downstream petrochemical products (including thermoplastic resins).

Infrastructure Investments

ODEBRECHT INVESTIMENTOS EM INFRA-ESTRUTURA LTDA.
Leading Company

Development and management of infrastructure projects, with a focus on concessions and public-private partnerships.

SUPPORT INSTITUTIONS

ODEBRECHT ADMINISTRADORA E CORRETORA DE SEGUROS LTDA.
Insurance Company

ODEPREV ODEBRECHT PREVIDÊNCIA
Pension Fund

SOCIAL ACTION

ODEBRECHT FOUNDATION
FINANCIAL INDICATORS - 2006

INDICATORS (Stated in Brazilian currency – Reais – in millions of BRL)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>24,031</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,526</td>
</tr>
<tr>
<td>Net Profit</td>
<td>157</td>
</tr>
<tr>
<td>Total Assets</td>
<td>23,094</td>
</tr>
<tr>
<td>Odebrecht S.A.</td>
<td>2,619</td>
</tr>
<tr>
<td>Shareholder’s Equity</td>
<td></td>
</tr>
</tbody>
</table>

VALUE-ADDED (in millions of BRL)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Operating Revenue</td>
<td>24,031</td>
</tr>
<tr>
<td>(-) Payment of Third Parties</td>
<td>16,995</td>
</tr>
<tr>
<td>(=-) Gross Value-Added</td>
<td>7,036</td>
</tr>
<tr>
<td>(=) Extraordinary Operating Income</td>
<td>617</td>
</tr>
<tr>
<td>(=) Value-Added for Distribution</td>
<td>7,653</td>
</tr>
<tr>
<td>Compensation for Work (Members)</td>
<td>1,973</td>
</tr>
<tr>
<td>Governments (Taxes)</td>
<td>3,978</td>
</tr>
<tr>
<td>Financial Sector (Interest on Loans)</td>
<td>1,456</td>
</tr>
<tr>
<td>Minority Shareholders (Dividends)</td>
<td>118</td>
</tr>
<tr>
<td>Controlling Shareholders (Dividends)</td>
<td>127</td>
</tr>
</tbody>
</table>

BREAKDOWN OF GROSS REVENUE IN 2006

PER BUSINESS* (in millions of BRL)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals &amp; Petrochemicals</td>
<td>16,545</td>
</tr>
<tr>
<td>Engineering &amp; Construction</td>
<td>7,425</td>
</tr>
<tr>
<td>Infrastructure Investments</td>
<td>45</td>
</tr>
<tr>
<td>Odebrecht S.A. and other</td>
<td>16</td>
</tr>
</tbody>
</table>

*Excluding Odebrecht Group inter-company revenue

PER GEOGRAPHIC AREA (in millions of BRL)

<table>
<thead>
<tr>
<th>Region</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>15,613</td>
</tr>
<tr>
<td>South/Central America &amp; Caribbean</td>
<td>3,773</td>
</tr>
<tr>
<td>USA</td>
<td>1,790</td>
</tr>
<tr>
<td>Europe</td>
<td>5,312</td>
</tr>
<tr>
<td>Africa</td>
<td>1,666</td>
</tr>
<tr>
<td>Asia/Middle East</td>
<td>307</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
</tr>
</tbody>
</table>

TOTAL ASSETS IN 2006 (in millions of BRL)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals &amp; Petrochemicals</td>
<td>16,231</td>
</tr>
<tr>
<td>Engineering &amp; Construction</td>
<td>5,508</td>
</tr>
<tr>
<td>Odebrecht S.A. and other</td>
<td>722</td>
</tr>
<tr>
<td>Infrastructure Investments</td>
<td>531</td>
</tr>
</tbody>
</table>
Now more than ever, relations between business, the state and society are the subject of reflection in most emerging countries, with the overarching aims of improving them and increasing their focus on the common good.

We at the Odebrecht Group take a very clear stance on this interaction. We view it as part of an organic social whole whose proper functioning depends not only on the performance of entrepreneurs – who are responsible for coordinating people and capably managing the material and financial resources required to produce wealth – but on the development of the individuals who manufacture and consume products directly, and the adaptation of the policies and laws that regulate relations among all of these agents.

In the course of this synergetic interaction, the reinvestment of business results is key to social development, because these results drive government initiatives, particularly in the field of infrastructure, and enable the state to concentrate its resources on improving essential services, such as public education, health and safety.

There is no shortage of historic examples of social development financed by business with the guidance of the state for the benefit of society as a whole. During the Imperial period in Brazil (1822-1889), the city of Salvador – the Group’s birthplace and home base – experienced a surge of development in the second half of the 19th century that made it one of Brazil’s foremost urban centers. This was down to investments in urban transportation, water supply, sanitation and lighting that resulted from a successful partnership between the public sector and local entrepreneurs, and went far beyond what the government could have accomplished on its own.

Today, the Brazilian Government is experiencing a similar situation. Limited resources are available for investment in priority projects that would eliminate the bottlenecks to economic growth, particularly in the energy, transportation and basic sanitation sectors. Brazil spent just 1% of its GDP on infrastructure works in the last decade, and needs to invest at least 3.2% to maintain current growth levels, and about 9% to increase them by four percentage points and keep pace with rapidly growing economies around the globe.

The challenge is great. To surmount it, we must break the vicious cycle of weak growth leading to low investment, which weakens growth even further. If the State does not have the wherewithal to break this cycle without falling back into the one Brazil escaped over a decade ago – the inflationary cycle – the time has come to guide private-sector resources into infrastructure investments. In this context, “guide” means “attract,” and considering businesses’ inherent commitment to preserving their assets and creating value for shareholders, this can be achieved by offering prospects of profits that are not only worthwhile but compatible with the risks incurred.

In principle, the presence of repressed demand means good business opportunities are in the offing. Nevertheless, long-term investments in infrastructure are also associated with higher risk, and the absolute need for clear regulatory frameworks. Therefore, stable legislation and scrupulous respect for contractual commitments are crucial for attracting investors to this sector.

In Brazil and several other emerging nations in Latin America, Africa and even Europe, Odebrecht has partnered with the State to develop infrastructure and industrial development projects (like the investments planned for Venezuela in the petrochemical industry). These partnerships are always based on the pursuit of growth and improved living conditions for the communities in which we work.

We want to produce wealth for the common good in an atmosphere that allows us fully to exercise our commitment to service – growing steadily, creating new work opportunities, setting greater challenges for our subsidiaries’ members and consequently enabling them to share in the results achieved.
We made decisive progress in 2006 towards surpassing the Vision we set for 2010. Outlined in 2000, the Group’s Vision for the coming decade was an expression of our dream, the level we wanted to reach ten years from then. However, in 2005, when the performance achieved thus far made that dream a possible reality, our Vision was transformed into Objectives.

Some milestones on the path towards our 2010 Objectives included the renewal of our leadership in late 2001 at the holding company and our businesses as part of the process of planned succession, and the implementation of a new corporate governance model in 2002, when we established the three stages of our “itinerary”:

• consolidating the foundations for growth – from 2002 to 2004;
• growing existing businesses and achieving these goals early (by the end of 2007);
• formulating new strategies and creating new businesses – from 2008 to 2010.

In the last five years, we have obtained over half the projected results for 2010, which include earning gross revenue of USD 15 billion by that year. In 2006, we posted gross revenue of BRL 24 billion (USD 11.2 billion), which represents average annual growth of 17% during that five-year period, as the following table shows:

In Engineering & Construction, this growth will be maintained as a result of a fresh cycle of opportunities for infrastructure services and businesses in the world market. The highlight here is the promising Brazilian scenario, due to the critical need for investment in the energy and transportation sectors. The willingness of governments and businesses to take part in this tremendous undertaking has already led to results in 2006 that will tend to grow in 2007 and the years to come.

In Chemicals & Petrochemicals, the consolidation of Braskem through the acquisition of companies and industrial plants, as well as strategic partnerships with Petrobras in Brazil and Pequiven in Venezuela to build new industrial projects have increased our access to raw materials and our output of products, while helping maintain our commanding share of the Latin American petrochemicals market. The agreement signed in March 2007 to acquire the Ipiranga Group’s petrochemical assets in partnership with Petrobras was an important step towards achieving an outstanding position in the world market.

In all three of Odebrecht’s business areas, several factors have resulted in well-exploited opportunities and a substantial increase in results derived from international operations. These include greater selectivity when choosing investments, the pursuit of more synergy among our businesses, and the effective application of the Odebrecht Entrepreneurial Technology, which sharpens our entrepreneurs’ focus on ensuring their clients’ utmost satisfaction.

The achievements realized thus far have impelled us to visualize new horizons beginning in 2008, based on the awareness that, with an increased feeling of wealth and a strong sense of environmental responsibility, we must concentrate our internal strengths on the needs of a global market. In this context, our main challenge will be developing the new skills required to meet constantly changing demands on the basis of a changeless foundation: the principles, concepts and values of our entrepreneurial philosophy, which generation after generation of our teams consistently put into action.

A new generation of entrepreneurs groomed in all the countries where Odebrecht is present will play a decisive role in shaping these new horizons, which is a natural step in the cycle of constant renewal that makes any business thrive. United by perennial values and common goals, bolstered by the experience and wisdom of the preceding generations, and structured as a real federation of innovative entrepreneurs who are fully qualified to take responsibility for their businesses, in relation to their clients, shareholders, team members, communities and environment, this new generation is prepared to make Odebrecht a prominent member of the group of major global organizations.

Pedro Novis
ENGINEERING & CONSTRUCTION

Founded in 1944, Construtora Norberto Odebrecht is the leading company for the Odebrecht Group’s Engineering & Construction business.

Construtora Norberto Odebrecht’s expertise in managing high-complexity projects, finding and structuring innovative financing alternatives and bonds, and relating with clients, governments and communities, has garnered invitations to participate in increasingly complex ventures in the 19 countries in which it is present, and to seek out new markets.

Wherever its teams are working, they make an outstanding contribution by transferring technology and supporting social development. They prioritize educating and hiring local workers and using services and products that can be supplied by businesses in the vicinity of their job sites.

Some examples of these practices include the company’s active involvement in infrastructure projects aimed at integrating South America, and a significant number of public works projects and investments in Angola, along with social outreach programs based on education, with a view to making a lasting contribution to that country’s socioeconomic development.

Among other accolades, in 2006 Construtora Norberto Odebrecht was considered the Best Brazilian Company in its sector by the US magazine Global Finance, and included in the Business News Americas Hall of Fame as the number one Latin American contractor in the last decade. In Brazil, it was voted the Most Admired Heavy Construction Company by Carta Capital magazine and the newspaper DCI; and the Biggest Construction Company in Brazil and the Biggest Brazilian Service Exporter by Exame magazine. It also received the best performance evaluation of all Petrobras’s suppliers of engineering products and services.

The most advanced performing arts center in the USA

Three Americans, Manny Juiz, Tommy Valentine and Jim Boldman, worked as supervisors on the Carnival Center for the Performing Arts construction project in Miami, completed in August 2006 by Odebrecht and its joint-venture partners, the Haskell Company of the USA, and Ellis-Don of Canada.

Juiz, Valentine and Boldman supervised teams of over 600 people of dozens of nationalities who worked on several fronts to build the two venues that make up the Carnival Center (Knight Concert Hall, with 2,200 seats, for concerts and shows, and the Ziff Ballet Opera House, with 2,400 seats, for theater, dance and Broadway musicals), which make up the most advanced facility of its kind in the USA.

Although they had to weather six hurricanes while the center was being built (from 2002 to 2006), these major forces of nature were not the biggest challenge they faced on this project. That was the artistic finishing touches required for the parts designed by architects and guest artists. The roof of the Ziff Ballet Opera House took a year to paint, due to the wealth of nuances and subtleties involved. “The quality of the details is what makes the difference at the Carnival Center,” says Tommy Valentine.
Bridging Brazilian and Venezuelan engineering

During construction, it was considered the biggest infrastructure project under- way in Latin America: a 3,156-m road/rail bridge with two navigation channels and 166 kilometers of associated roadways. Built across the Orinoco River in Ciudad Guayana, Venezuela, the Orinoquia Bridge is making a decisive contribution to Venezuela’s socioeconomic integration. It was the result of five years of work, during which Odebrecht teams designed and implemented a complex system of logistics, using state-of-the-art technology and dealing with the erratic currents and swells of one of the world’s mightiest rivers.

Odebrecht transferred technology to Venezuela through consultants, specialists and technicians who worked side by side with local professionals. By bequeathing a legacy of knowledge, the execution of the Orinoquia Bridge project has also made a valuable contribution to Venezuelan engineering. Omar Terán, Chairman of the Bolívar State Chamber of Construction, observes: “This is a project we can proudly show the world. And now we, too, know how to build it.” Nelson Rondón, Chairman of the Venezuela College of Engineers – Ciudad Guayana Section, is categorical: “Venezuelan engineering has improved after this project.”
Pará
- Expansion of Tucuruí Hydroelectric Plant
- Began building Mineração Onça Puma mine works
- Carajás Railway yard

Maranhão
- Retrofitting the Port of Itaqui *
- Expansion of Ponta de Madeira Terminal storage yards

Mato Grosso
- Zé Fernando Small Hydroelectric Plant *

Tocantins
- Completion of Poisie-Angical Hydroelectric Plant
- São Salvador Hydroelectric Plant *
- Lots 6 and 9 of North-South Railway *

Minnas Gerais
- Installation of 27,307-km of powerlines for Light for All Program
- Completion of Irapé and Capim Branco I Hydroelectric Plants
- Construction of Capim Branco II Hydroelectric Plant
- Conclusion of stage 1 of Vale dos Cristais housing development

São Paulo
- Completion of part 2 of Line 2, São Paulo Metro
- Propylene Unit and connections for Revap refinery
- Completion of São Sebastião oil pipeline restoration project
- Completion of Tietê riverbed expansion project
- Conclusion of stage 1 of Escape Condominium
- Launch of Residencial Riverside Brownstone real-estate venture
- Launch of Residencial Yacamim real-estate venture
- Lot 2 of southern section of Rodoanel beltway *
- Route SP-255, linking Araraquara and Boa Esperança *

Pernambuco
- Rehabilitation of route BR-101

Bahia
- Construction of PRA-I Oil Platform
- Serra da Prata Small Hydroelectric Plants *
- Launch of Mundo Plaza real-estate venture
- Completion of access road to Veracel Celulose pulp mill
- Construction of Bridgestone-Firestone Tire Plant

Espírito Santo
- New Petrobras headquarters building *

Rio de Janeiro
- Retrofitting and expanding Santos Dumont Airport
- Facilities for Pan-American Games (Olympic Stadium, refurbishing Maracanã Stadium and other projects)
- Completion of Universidade Estadual do Norte Fluminense Veterinary Hospital
- Completion of federal correctional facilities: Bangu VI, Japeri prison complex and penitentiary in Campos dos Goytacazes

* Contracts awarded in 2006
United States
- Completion of Carnival Center for the Performing Arts (Miami)
- Reconstruction of London Canal in New Orleans
- Began construction of North Terminal at Miami Airport

Mexico
- Expansion and retrofitting of General Lázaro Cárdenas del Río Refinery (in the city of Minatitlán, Veracruz)
- Michoacán Dam and Irrigation Project*

Dominican Republic
- Construction of Northwest Aqueduct
- Construction of Palomino Hydroelectric Plant
- Construction of Pinalito Hydroelectric Plant
- Samana Aqueduct*

Panama
- Ground broken for Remigio Rojas Irrigation Project (3,200 hectares)
- Panama City-Colón highway (55 km)*

Ecuador
- Construction of San Francisco Hydroelectric Plant
- Conclusion of stage 1 of Carrizal-Chone / Manabi Irrigation System
- Baba Dam and Multipurpose Project*

Peru
- Ground broken for Trasvase Olmos Project
- Construction and rehabilitation of 1,658 km of roadways
- Completion of Chimbote Treated Water System
- Port of Melchiorita *
- Expansion of Iquitos Water Supply System *

Bolivia
- Construction of El Carmen-Arroyo-Concepción roadway

Venezuela
- Completion of Line 4, Caracas Metro
- Completion of Orinoco Bridge
- Ground broken for Third Orinoco River Bridge project
- Tocoma Hydroelectric Plant*

Portugal
- Construction of Tagus Bridge project on the stretch of river between Carregado and Benavente
- Completion of Guimarães-Vizela-Felgueiras stretch of Anipé (Northern Expressway)

United Arab Emirates
- Construction of second runway for Abu Dhabi International Airport

Djibouti
- Doraleh Container Terminal *

Angola
- Construction of five roads
- Completion of Bellas Shopping Center (Luanda)
- Completion of Samba Road construction works (Luanda)
- Luanda Beltway (Viana-Cabolombo / Cabolombo-Futungo sections) *
- Luanda Sul sanitation project (stages four and five) *
- Benguela Water Supply System
- Luanda Water Supply System

* Contracts awarded in 2006
Created in 2002, Braskem is the leading company for the Odebrecht Group’s Chemicals & Petrochemicals business. The company’s 13 plants are located in the Brazilian states of Alagoas, Bahia, São Paulo and Rio Grande do Sul. They integrate production of upstream raw materials (ethylene, propylene and chlorine) with downstream petrochemical products. Braskem is Latin America’s number-one producer of thermoplastic resins and one of the five largest private-sector Brazilian industrial companies. The result of a series of investments in Chemicals & Petrochemicals that the Odebrecht Group has made since 1979, Braskem is a publicly traded company controlled by Odebrecht S.A. The main minority shareholders are Norquisa, Petroquisa, the Previ Foundation and the Petros Pension Fund. Fifty-three percent of its shares are traded on the São Paulo, New York and Madrid stock exchanges.

Braskem owns 29.5% of Copesul, the Triunfo Petrochemical Complex’s central naphtha cracker in Rio Grande do Sul, and is a member of the group that controls that company. It also owns 20.1% of Petroflex, Latin America’s leading producer of synthetic rubber. In March 2007, Braskem teamed up with Petrobras to acquire the Ipiranga Group’s petrochemical assets, in which the Odebrecht subsidiary will own a 60% stake.

Its investments in innovation and technology resulted in last year’s launch of the first Brazilian polypropylene resin based on nanotechnology, and major advances in research on “green polymers” made from renewable raw materials. Fourteen of the 151 patents the company currently owns in Brazil and abroad were obtained in 2006. Among other accolades, Braskem was included in Bovespa’s Corporate Sustainability Index in 2006 for the second consecutive year.

Nanotechnology is a field of engineering that works with materials on a minuscule scale – one nanometer (nm) is a billionth of a meter. Just to have an idea, a strand of hair is 50,000 nm in diameter.

The Brazilian petrochemical industry is already using this new technology. The nation’s first nanoresin was launched in November 2006 after three years of joint research by Braskem, the Federal University at Rio Grande do Sul and the Federal University at São Carlos in São Paulo. “We’ve patented this product in Brazil and the United States and have already begun to market it,” says Manoel Lisboa, who directs nanotechnology research at the Braskem Technology and Innovation Center at the Triunfo Petrochemical Complex in Rio Grande do Sul.

Manoel keeps the first item made from this new nanoresin on his desk: a vacuum flask whose plastic structure is four times more resistant to breakage and 20% more rigid than conventional polypropylene. Companies that make plastic utensils and components for the automotive industry are testing the nanoresin, which promises to win significant market share in the near future.

The first Brazilian nanoresin

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Architect José Carlos Pierucetti, from Braskem, is making a dream come true for millions of Brazilian households in low-income communities – having a private bathroom. He has developed a single-family lavatory module made primarily from PVC that includes a 1.70-sq.m bathroom with a 310-liter water tank, a toilet, washbasin, shower and external laundry tub. “I made full use of PVC’s best features. It is versatile, durable and easy to clean, so it’s ideal for civil construction projects,” he says.

The exposed plumbing makes it easy to train communities to install these modules. The bathroom base and walls fit together like pieces of a Lego set and are then filled in with concrete, which makes the modules a permanent fixture. The entire process takes just one day. Prototypes have already been installed in slums in the cities of Vitória, Espírito Santo, and Porto Alegre, Rio Grande do Sul. The module was developed according to the specifications of the National Health Foundation’s “Shower of Health Project,” which encourages the installation of toilet facilities in urban homes.
Braskem’s Global Presence

Braskem exports petrochemical products from Brazil to over 60 countries. In 2006, the company’s exports earned a record USD 1.4 billion (26% of its net earnings), and the volume exported rose 44% against 2005.

Exporting Petrochemical Products

Algeria, Angola, Argentina, Belgium, Benin, Bolivia, Cameroon, Canada, Chile, China, Colombia, Congo-Brazzaville, Democratic Republic of Congo, Ecuador, Egypt, Estonia, Ethiopia, France, Germany, Ghana, Guadeloupe, Guinea, Honduras, India, Indonesia, Israel, Italia, Ivory Coast, Japan, Kenya, Lithuania, Malaysia, Mali, Mauritania, Mexico, Netherlands, New Zealand, Nigeria, Pakistan, Paraguay, Peru, Philippines, Portugal, Russia, Saudi Arabia, Senegal, Slovenia, South Africa, Spain, Sudan, Sweden, Syria, Taiwan, Tanzania, Togo, Tunisia, Turkey, United Arab Emirates, United Kingdom, United States, Uruguay and Venezuela.

Brazilian Petrochemicals in Europe

Braskem Europe BV’s head office in the Dutch city of Rotterdam officially opened in September 2006. The company’s first base outside the Americas, it represents a major step towards expanding Braskem’s international presence.

The officer responsible for Braskem’s operations in Europe is Ulisses da Silva. His first contacts in Italy included Simone Giorlando, from Hipac SRL, who was interested in the petrochemical company’s line of thermoplastic products for manufacturing cast film for industrial packaging, including shrink wrap and stretch film. He placed an order for a monthly supply of 700 tonnes of polyethylene products for Hipac’s three European plants (in Italy, Spain and Romania).

Now, Hipac is Braskem Europe BV’s biggest client. “When Braskem began operations in Europe, we soon recognized its flexibility and technical expertise. We are pleased to see that the company is becoming one of Hipac’s most important partners,” says Simone Giorlando.
Odebrecht invests in infrastructure projects from their development to maturation, with a focus on public-private partnerships (PPPs).

Odebrecht Investimentos em Infra-estrutura Ltda. (OII), the leading company for the Group’s infrastructure investment business, concentrates its operations in three sectors: energy, transportation, and water and sanitation. In Brazil, it is responsible for running the water and sanitation system in the city of Limeira, São Paulo. It is also beginning the development of roadworks for the Praia do Paiva project in Pernambuco.

In Peru, OII is investing in a water storage and transportation system to irrigate the Olmos Valley, which will be operated by Concessionaria Trasvase Olmos S.A. The highlights in that country also include two key routes for South American integration: IIRSA North and IIRSA South. IIRSA North will be operated by an affiliate, Concesionaria Interoceania Norte S.A. Two subsidiaries, Concesionaria Interoceania Sur – Tramo 2 S.A. and Concesionaria Interoceania Sur – Tramo 3 S.A., will operate IIRSA South.

In Ecuador, OII is investing in the implementation of the Baba Hydroelectric Plant project.

In Portugal, working through Odebrecht subsidiary Bento Pedroso Construções S.A., it is a partner in the following road management companies: Axor – Auto-Estradas do Norte S.A., Lusocut Auto-Estradas das Beiras Litoral e Alta S.A., Lusocut Auto-Estradas da Costa de Prata S.A. and Lusocut Auto-Estradas do Grande Porto S.A.

Odebrecht is currently taking part in the implementation of infrastructure investments worth a total of USD 6.5 billion.

Odebrecht has established a global presence by winning over and gaining the loyalty of unique clients in the context of their local cultures and communities, while ensuring their full satisfaction. The Group began extending its operations to other countries in 1979, when Odebrecht won its first Engineering & Construction contracts in Peru and Chile, and its international operations are expanding year by year.

In 2006, Construtora Norberto Odebrecht’s gross revenue from operations outside Brazil reached USD 2.3 billion. As Brazil’s leading service exporter, the company has brought in USD 430 million in foreign exchange to Brazil while directly and indirectly creating 100,000 work opportunities. It has also provided business opportunities for the 1,100 Brazilian companies that supply goods and services for Odebrecht’s international projects.

Braskem has increased its annual volume of petrochemical product exports despite the high prices of raw materials and the devaluation of the US dollar. The company has opened branches in Argentina and the Netherlands to develop new markets and provide better service to international clients by offering dedicated teams and local distribution centers. In Venezuela, studies continued in 2006 for two projects that will provide differential access to raw materials under competitive conditions: a polypropylene unit with a 400,000 tonne/year production capacity, and a petrochemical complex that will produce up to 1.2 million tonnes/year of ethylene.

The sum total of Construtora Norberto Odebrecht’s and Braskem’s exports in 2006 ranks the Odebrecht Group among the top ten Brazilian exporters.
RISK MANAGEMENT

Odebrecht’s subsidiaries have the support of their own insurance company, Odebrecht Administradora e Corretora de Seguros Ltda., which protects shareholders’ assets by identifying, mitigating and managing risks.

In the Engineering & Construction business, Odebrecht Administradora e Corretora de Seguros Ltda. plays a key role in all Construtora Norberto Odebrecht projects by assessing inherent risks and obtaining contract bonds and insurance.

In the Chemicals & Petrochemicals business, it coordinates insurance coverage for all Braskem plants and interactively supports that company’s programs to prevent accidents and improve risk management at the plants, thereby reducing insurance costs.

The captive insurance company’s risk-structuring support for Odebrecht Investimentos em Infra-estrutura helps make that business viable and protect asset safety, using modern risk-financing practices and specialized insurance coverage.

BONDS

Odebrecht Administradora e Corretora de Seguros builds long-term relationships with the global insurance market, particularly in the area of surety bonds. It has operated an international line of bonds and insurance for 17 years. During that period, it placed over USD 11 billion in surety bonds without filing a single claim.

INSURANCE & BOND COVERAGE (at December 31, 2006 in USD)

<table>
<thead>
<tr>
<th></th>
<th>Risk insurance and other</th>
<th>Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENGINEERING &amp; CONSTRUCTION</td>
<td>7.7 billion</td>
<td>2.0 billion</td>
</tr>
<tr>
<td>CHEMICALS &amp; PETROCHEMICALS</td>
<td>10.6 billion</td>
<td>156 million</td>
</tr>
</tbody>
</table>

LIFE AND HEALTH

Protecting Odebrecht members goes beyond the management of the Group’s Life and Health policies to include programs that help improve people’s quality of life.

MEMBERS SERVICED BY LIFE AND HEALTH PROGRAMS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical/Hospital</td>
<td>38,174</td>
</tr>
<tr>
<td>Dental</td>
<td>17,091</td>
</tr>
<tr>
<td>Life</td>
<td>35,685</td>
</tr>
</tbody>
</table>
First job opportunity

Fully 92% of the 10,200 Odebrecht members working in Angola are Angolan nationals. And for 2,470 of them, this is the first job opportunity they have ever had. They are working on 16 public works projects and several social projects that Odebrecht is building in that African country.

Odebrecht has created several programs to find and recruit young Angolans in their homeland and abroad. For example, the “We Must Return” program offers people who left Angola to live in Brazil during the war a chance to go back (there are 8,000 young Angolans living in Rio de Janeiro alone). They get professional training from SENAI and return to Angola with a guaranteed job at an Odebrecht project.

Construtora Norberto Odebrecht carries out the “Young Partner” program in every country where it is present. It offers paid one-year internships that could lead to employment opportunities for Angolan engineering students at Agostinho Neto University, and young people taking technical courses at the Industrial Institutes of Luanda and Benguela.

During their internships with the Group, these young people have access to technical education programs and get the skills they need to make bigger contributions to their country’s development.

The growth of the Odebrecht Group’s subsidiaries is a direct result of the growth of the people who comprise them, who are imbued with the spirit of service and focused on winning over clients and keeping them satisfied.

Built up on the basis of the principles, concepts and standards of the Odebrecht Entrepreneurial Technology, the development of Odebrecht Group Members is oriented toward improving their capacity to identify new business opportunities, as well as teamwork and a focus on making a contribution.

Their leaders are entrusted with the noble task of educating team members and creating the conditions that will foster their growing expertise in an environment replete with challenges and achievements. Offering their time, presence, experience and example, leaders establish an open, frank and transparent channel of dialogue with their teams. They delegate responsibility for carrying out programs in a planned manner, educate people through work, help groom new entrepreneurs, and ensure the ongoing interaction of three generations – the senior, mature and young entrepreneurs who are always working side by side in this organization.

As a result, Odebrecht teams achieve unified thinking and action while working in several different countries. In doing so, they absorb positive influences from the many and varied cultures with which they interact, and build up knowledge that helps them improve entrepreneurial practices, identify trends, outline scenarios and achieve results that keep the Group abreast of present and future challenges.
In 2006, 104 trainees and 137 interns joined the Odebrecht Group after being selected from over 21,000 young candidates.

**Trainees**
- Construtora Norberto Odebrecht – 80 (53 in Brazil and 27 in other countries)
- Braskem – 24 (Brazil)

**Interns**
- Construtora Norberto Odebrecht – 53 (41 in Brazil and 12 in other countries)
- Braskem – 80 (Brazil)
- Odebrecht Foundation – 4 (Brazil)

---

### GROUP MEMBERS AND SUB-CONTRACTORS

<table>
<thead>
<tr>
<th>NUMBER OF MEMBERS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>In Brazil</td>
<td>18,823</td>
</tr>
<tr>
<td>In Other Countries</td>
<td>16,389</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUB-CONTRACTORS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At Braskem</td>
<td>7,223</td>
</tr>
<tr>
<td>At Construtora Norberto Odebrecht</td>
<td>7,620</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>30,055</td>
</tr>
</tbody>
</table>

### DEVELOPMENT PROGRAMS

At Odebrecht, the main vector of people’s self-development is focused on a challenge: giving better service to their clients. As a supplement to Education through Work, which underlies our process of grooming the next generations, the Group also develops Education for Work programs to improve people’s knowledge and skills. The highlights are:

**Program for Developing Entrepreneurs (PDE)**
Focused on strategic knowledge of the business and alignment with the Group’s entrepreneurial culture. In 2006, 71 people participated in the program, including Construtora Norberto Odebrecht and Braskem members.

**MBA in partnership with the Getúlio Vargas Foundation**
Provides a broad overview of markets and opportunities and focuses on specific competencies for the Engineering & Construction and Chemicals & Petrochemicals businesses. In 2006, new classes began for 70 Group members, 35 from Construtora Norberto Odebrecht and 35 from Braskem.

**Odebrecht Entrepreneurship and Global Relationship Network Program**
Broadens our members’ outlook on the business and leadership by providing a global, strategic perspective. This 6-month program was designed for Construtora Norberto Odebrecht members, 32 of whom took part in the first edition in 3 countries.

**Managerial Development Program**
Helps get Braskem leaders on the same page with the company’s strategic objectives, values, principles and policies. Since its inception, 17 groups with a total of 662 members have taken part in this program.

**Other programs**
In Engineering & Construction: Introduction to the Odebrecht Culture, Young Builders, Exercising Leadership, and Qualifying Project Management Team Leaders. In Chemicals & Petrochemicals: Introduction to the Odebrecht Culture, Developing Competencies, and Personal Development.
PRIVATE PENSION FUND

Odebrecht introduced a private pension policy in 1995 that sets guidelines for this area in all the countries where the Group is present.

That same year, the Group created Odeprev Odebrecht Previdência to help its members prepare for the post-career phase of their lives. This private pension fund provides an incentive for individuals to build their future and accumulate assets for themselves and their families.

Odeprev is a private entity that manages the Odeprev Monthly Income Plan for Group members active in Brazil and makes it available to Brazilians working outside their home country.

Odebrecht has pension plans in place in Brazil (Odeprev), Portugal and the United States.

INDICATORS IN 2006

<table>
<thead>
<tr>
<th>ASSETS *</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil (BRL)</td>
<td>305,968,324.55</td>
</tr>
<tr>
<td>Portugal (EUR)</td>
<td>492,618.48</td>
</tr>
<tr>
<td>United States (USD)</td>
<td>6,800,000.00</td>
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</table>

<table>
<thead>
<tr>
<th>PARTICIPANTS’ CONTRIBUTIONS</th>
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</thead>
<tbody>
<tr>
<td>Brazil (BRL)</td>
<td>33,991,832.10</td>
</tr>
<tr>
<td>Portugal (EUR)</td>
<td>132,461.21</td>
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<tr>
<td>United States (USD)</td>
<td>648,984.17</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>SUBSIDIARIES’ CONTRIBUTIONS</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Brazil (BRL)</td>
<td>17,216,565.98</td>
</tr>
<tr>
<td>Portugal (EUR)</td>
<td>16,930.08</td>
</tr>
<tr>
<td>United States (USD)</td>
<td>480,894.82</td>
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</table>

<table>
<thead>
<tr>
<th>NUMBER OF PARTICIPANTS *</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>5,131</td>
</tr>
<tr>
<td>Portugal</td>
<td>74</td>
</tr>
<tr>
<td>United States</td>
<td>99</td>
</tr>
</tbody>
</table>

* At December 31, 2006

UNIVERSITIES AND EDUCATION & RESEARCH CENTERS THAT MAINTAIN PARTNERSHIPS WITH ODEBRECHT GROUP SUBSIDIARIES

IN BRAZIL

- CEFET – Federal Technological Educational Center (RS)
- FGV – Getúlio Vargas Foundation (SP and RJ)
- FTE – School of Business Technology (BA)
- PUC – Pontifical Catholic University (RS and RJ)
- SENAI – National Service for Industry (BA and RS)
- UFBA – Federal University at Bahia
- UFMG – Federal University at Minas Gerais
- UFPE – Federal University at Pernambuco
- UFRGS – Federal University at Rio Grande do Sul
- UFPR – Federal University at Paraná
- UFMG – Federal University at Minas Gerais
- UFSC – Federal University at Santa Catarina
- UFSCAR – Federal University at São Carlos (SP)
- ULBRA – Lutheran University of Brazil (RS)
- UNICAP – Catholic University of Pernambuco
- UFRJ – Federal University of Rio de Janeiro
- USP – University of São Paulo

IN OTHER COUNTRIES

- Agostinho Neto University (Angola)
- American University of Sharjah (United Arab Emirates)
- Andrés Bello Catholic University (Venezuela)
- Autonomous University of Santo Domingo (Dominican Republic)
- Central University of Venezuela
- Coimbra University (Portugal)
- Eindhoven University (Netherlands)
- Federal University of Bahia (BA)
- Federal University at Minas Gerais (MG)
- Federal University at Pernambuco (PE)
- Federal University at Rio Grande do Sul (RS)
- National Amazonian University at Madre de Dios (Peru)
- National University of Engineering (Peru)
- National University, San Antonio Abad del Cusco (Peru)
- Peruvian University of Applied Science (Peru)
- Pontifical Catholic University of Peru (Peru)
- Quevedo Technical University (Ecuador)
- Ricardo Palma University (Peru)
- San Pedro Private University (Peru)
- Technical University of Lisbon (Portugal)
- Technological Institute of Santo Domingo (Dominican Republic)
- University of Lima (Peru)
- University of Piura (Peru)
- University of the Pacific (Peru)
CORPORATE SOCIAL RESPONSIBILITY

The Odebrecht Group fulfills its corporate social responsibility by ensuring its clients’ complete satisfaction through high quality and productivity in the products and services it offers, while, at the same time:

• participating in projects the community needs;
• producing resources for the State by paying taxes;
• offering opportunities for work and personal development;
• distributing part of its results to its members and shareholders;
• reinvesting a substantial portion of the results achieved;
• and respecting and preserving the environment.

These actions are part of the social responsibility of Odebrecht’s members, who make an essential and necessary contribution to the communities in which they work.

Furthermore, resources are voluntarily donated to social and cultural initiatives that focus on promoting public education and health and creating sources of jobs and income and prioritize low-income areas.

These social outreach programs are carried out by:

• the Odebrecht Foundation;
• the Engineering & Construction and Chemicals & Petrochemicals businesses, through projects in the fields of education, health and work and income creation focused on communities located near their job sites and plants;
• the Group’s holding company, Odebrecht S.A.

Odebrecht sponsored 120 social outreach projects in 2006. The amount invested totaled BRL 29.1 million.

Supporting family farming

The Cordillera Escalera is a 150,000-hectare mountain range in the Peruvian Amazon that has been declared an Environmental Conservation Area. Thirty-six kilometers of the 955-km IIRSA North route pass through that area. The road project is being built by Concin, a joint venture in which Odebrecht is a partner.

Concin is carrying out a socio-environmental management program in the Cordillera Escalera. Among other projects, it provides support for small farms (less than 5 ha) in the Urahuasha sector of the Shilcayo River highlands, where 24 families grow organic coffee.

These family farms needed more profitability, technical assistance and market access. Concin is working to meet these needs, and in 2006 helped them join the Oro Verde (Green Gold) Cooperative, which has an extensive distribution and marketing network in Peru and other countries. Now, the organic coffee they produce has its own brand (Cordillera Escalera) and its packaging carries the Fair Trade and Bird Friendly seals of approval. As a result, Urahuasha families that once sold their produce for 175 Soles per quintal (56 kilos) can now get 250 Soles per quintal.

Supporting family farming
Three women who share a dream

Maria Madalena, Luzimar and Luzinete. In addition to being related, these women have something else in common: the dream of developing their community. To make it come true, they joined the Piassava Production Chain, one of the projects being implemented through DIS Southern Lowlands Program.

Maria, 66, is an active member of her community. From the very beginning, she believed in the potential of the projects being introduced in Nilo Peçanha, the small Brazilian town in the Southern Bahia Lowlands where she was born and raised. Today, she is the president of the Agroforestry Family House, which benefits 60 youths, including her granddaughter Luzinete, 22.

Luzinete learned how to make piassava fiber handicrafts from her mother, Luzimar, 40. They make handbags, bio-jewelry, place mats and coasters. “We took a training course. Before that, our work was harder. Now we make handicrafts. It’s more fun and the money is better,” says Luzimar. The most significant difference is the autonomy and recognition these women have achieved from their families and community.

ODEBRECHT FOUNDATION

Created in 1965, the Odebrecht Foundation’s mission is helping prepare people for life by offering education through work and instilling core values with a view to grooming responsible, aware, productive, compassionate and involved citizens. Since 2003 it has concentrated its activities on the Program for the Integrated and Sustainable Regional Development of the Southern Bahia Lowlands (DIS Southern Lowlands). The aim is to eradicate poverty and reduce social inequalities in the 11 municipalities that make up that micro-region, which is one of the neediest parts of the State of Bahia and home to 260,000 people. This model program is now being replicated in Angola and Ecuador.

HIGHLIGHTS IN 2006

Human Capital

Last year, 165 young people had the opportunity to learn modern farming and aquafarming methods. This project, which focuses on small farm family units, is being carried out at the Rural, Sea and Agroforestry Family Houses. At the same time, 565 pupils from 421 families received a formal education at Youth House I (primary school) and Youth House II (secondary school).

Productive Capital

2,353 small producers have joined cooperatives organized to develop chains of production for manioc, hearts-of-palm, aquafarming and piassava. The highlights in this area were the beginning of piassava-straw handicraft production and the export of the first batch of hearts-of-palm to Europe under the Fair Trade system.

Social Capital

Through the Rights and Citizenship Institute, local residents can obtain their basic civil documents and take steps toward resolving legal and social issues. The institute has provided a total of 159,000 services.

Environmental Capital

Focused on preserving natural resources in the Atlantic Forest, the Plan for the Integrated and Sustainable Development of the Pratigi Environmental Protection Area was selected from among dozens of projects for IADB (Inter-American Development Bank) approval. It combines the creation of jobs and income sources with the planned and orderly occupation of the land in that part of the northeast-Brazilian state of Bahia.
Since 1959, the Odebrecht Group has sponsored initiatives aimed at retrieving artistic and cultural treasures and encouraging the preservation of historical heritage as part of its commitment to enriching the educational process in its local communities.

Odebrecht’s cultural contributions have built up a collection of over 200 cultural works, including books and documentary recordings, as well as exhibitions, videos, educational materials and websites.

HIGHLIGHTS IN 2006

The Clarival do Prado Valladares Award is bestowed annually on an original research project focused on topics related to Brazilian history, with an emphasis on the State of Bahia. A tribute to art critic and historian Clarival do Prado Valladares (1918-1983), this award provides incentives for the historiography of Brazil and covers all research and publishing costs.

• Archeologist Carlos Alberto Etchevarne, from the Federal University at Bahia (UFBA), won the 2006 Clarival do Prado Valladares Award for his research project “Man and Nature – Images of Rock Art in Bahia.”

• That same year, the 2005 winner, Luiz Alberto Freire, also from UFBA, saw his research published in the book Neoclassical Carvings in Bahia, which garnered the Sergio Millet Award from the Brazilian Art Critics Association.

Construtora Norberto Odebrecht sponsored the publication of the following books: Túneis do Brasil (Brazilian Tunnels) about the 120 tunnels built since 1822; BeauenturuCardoso, on the life and works of this Angolan author; and the 25-volume Literary Works of the Angolan Writers Union collection; as well as DEP (Diplomacy, Strategy and Politics), a journal on South American development strategies.

In Bahia, Braskem sponsored another edition of the annual Braskem Theater Award, the Braskem Arts and Culture Award (in the areas of Music, Literature, Film and the Fine Arts) and the National Academy of Letters of Bahia/Braskem Award, which foster the emergence of new talent. In the city of Porto Alegre, the company sponsored the Braskem on Stage Award, featuring the most important theater arts groups in South America.

Luiz Alberto Freire and Carlos Alberto Etchevarne are both Federal University at Bahia (UFBA) professors; both have PhDs, Freire in Art History and Etchevarne in Archeology. In addition to teaching at the same school, they share a passion for historical research and are winners of the Clarival do Prado Valladares Award – Freire in 2005, and Etchevarne in 2006.

Luiz Alberto Freire’s award-winning research project analyzed: the decorative reform carried out by woodcarvers and painters in a large number of the city of Salvador’s Catholic churches throughout most of the 19th century. Their work is described in detail in the book Neoclassical Carvings in Bahia, which was published in 2006 as a result of his work. “I was committed to shedding light on our artist-ancestors’ legacy so we can cherish and preserve that heritage,” says Freire.

Carlos Alberto Etchevarne won the award for his research project “Man and Nature – Images of Rock Art in Bahia,” which will gather information on the vast range of archeological sites containing paintings, engravings and graphic depictions of the peoples that inhabited what is now the State of Bahia before the Portuguese arrived in 1500. “We are going to classify these sites so we can classify them chronologically and determine their styles and territorial scope,” says Etchevarne. The results of his research will be published in book form by the end of 2007.
Odebrecht Members are strongly committed to environmental responsibility, and adopt clean, green technologies in all their business ventures.

Their basic approach is preventive. In addition to complying with environmental regulations, they strive to identify each project’s adverse environmental impacts from the outset, with a focus on environmental education. Then, they develop the programs required to eliminate or minimize those impacts and control the risks involved.

Attaining excellence in environmental matters is a constant challenge for Odebrecht teams, whose permanent goal is achieving minimum environmental impacts and getting the most out of non-renewable natural resources such as water and power.

The Chemicals & Petrochemicals business makes an intensive effort to cut down on solid and liquid waste. In 2006, Braskem carried out an inventory of greenhouse gas emissions at all its industrial units. This study resulted in about 25 projects that will significantly reduce that impact. In regard to ecoefficiency, Braskem lowered energy consumption by 3% and water use by 2% in comparison with 2005.

Because major engineering and construction projects often have extensive environmental implications, they develop environmental management plans to show the precautions that need to be taken to preserve the plant and animal life and resources in the vicinity, and, when necessary, remove or resettle nearby communities.

Simple steps can help ensure the future of our planet’s water supply. A good example of this can be seen in the Brazilian city of Alagoas, where two Braskem factories (a PVC plant and a chlor-alkali facility) have introduced a wastewater reuse program.

A system of pumps, valves and pipes filters liquid industrial waste and corrects the pH to make it suitable for industrial reuse before it is disposed of once and for all. The project will enable the plants to save up to a billion liters of water per year.

This program has garnered two General Electric awards for Braskem’s Alagoas units: Return on Environment and Ecoimagination. The second award is occasional and only bestowed on companies whose efforts to reduce environmental impacts exceed expectations.
**Workplace Health and Safety**

Odebrecht’s Environment policy is integrated with Workplace Health and Safety to maintain a healthy, motivating environment, which is essential to people’s professional and personal growth and fulfillment.

The underlying principle is that each individual is subject to his or her own actions. Therefore, ensuring their personal health and safety is the basic responsibility of each and every member of the Odebrecht Group.

However, their leaders are entrusted with these responsibilities in the businesses for which they are responsible, and take a proactive, educational and motivating stance. Each leader has a duty to create the conditions enabling team members and partners to develop their own health, as well as to maintain working conditions that prevent risks to personal safety.

At Construtora Norberto Odebrecht and Braskem, all workplace health, safety and environment programs are integrated and set clear goals and objectives for each project or unit.

**Engineering & Construction**

Construtora Norberto Odebrecht reduced its lost-time and non-lost-time accident frequency rate by 15% compared with the previous year, maintaining its historic upward trajectory of improvement.

**Change in Workplace Safety Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISA</td>
<td>0.78</td>
<td>0.40</td>
<td>0.30</td>
</tr>
<tr>
<td>IDORT</td>
<td>2.37</td>
<td>0.23</td>
<td>0.03</td>
</tr>
</tbody>
</table>

*Auditory Health Index  
*Work-Related Bone and Muscular Diseases

**Change in Workplace Health Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-lost-time accident rate</td>
<td>10.69</td>
<td>5.40</td>
<td>4.20</td>
</tr>
<tr>
<td>Lost-time accident rate</td>
<td>5.78</td>
<td>3.02</td>
<td>2.71</td>
</tr>
</tbody>
</table>

**Chemicals & Petrochemicals**

In 2006, Braskem consolidated its health, safety and environment practices (SSMA) under the “Constant Excellence in SSMA” program with a view to becoming a global benchmark in this field.

The company invested BRL 152 million in SSMA programs that year.
CORPORATE OFFICERS

ODEBRECHT S.A.

Honorary Chairman
Norberto Odebrecht

Board of Directors
Emílio Odebrecht, Chairman
Gilberto Sá
Luiz Almeida
Luiz Villar
Pedro Mariani
Pedro Novis
Renato Baiardi
Rubens Ricupero
Sergio Foguei
Victor Gradin

President and CEO
Pedro Novis

OFFICERS RESPONSIBLE FOR ENTREPRENEURSHIP SUPPORT

Finance
Alvaro Novis
• Ismael Abreu

Investments
Ruy Sampaio

Legal Affairs and Investment Administration
Newton de Souza

Organization and People
Guilherme Abreu

Institutional Relations
Marcos Wilson
• Márcio Polidorô

Officers Responsible for Opportunity Development Support and Representation
Aluizio Rebello de Araujo, Director
José de Freitas Mascarenhas, Director
Renato Martins, Director
Alexandre Alencar
Cláudio Melo Filho
João Baptista M. de Paiva Chaves
João Sá
 Rubens Fernal e Souza

Insurance and Bonds
Marcos Lima

ENGINEERING & CONSTRUCTION

Entrepreneurial Leader (CEO)
Marcelo Bahia Odebrecht

SenoR Officers Responsible for Delegated Markets
In Brazil
Benedicto Barbosa da Silva Junior, South & Southeast
Henrique S. do Prado Valladares, Energy
João A. Pacifico, North, Northeast & Mid-West
Márcio Faria, Industrial Plants
Miguel Gradin, Oil & Gas Services
Paul Altâ, Real Estate Ventures

Worldwide
Daniel Villar, Southern Cone of South America
Euzenando Azevedo, Venezuela
Filho Gandeloff, Ecuador
João Batista, Peru
Luiz A. Mameni, Angola
• Ernesto Baiardi, Engineering and Construction
Luiz Teixeira Rocha, Vice President for International Operations
• Alessandro Gomes, United Arab Emirates
• André Amarante da Silveira, Portugal
• Carlos Armando Guedes Pacheco, Mexico and Central America/Gibraltar
• Gilberto Neves, United States
• Miguel Peres, Global Client
Marco Cruz, Panama and Dominican Republic

Directors Responsible for Entrepreneurship Support
Paulo Lacerda de Melo, Vice President for Engineering and Business
Adriano Jucá, Legal Affairs
Bernardo Gradin, Investors
Carlos J. Huppert de Azevedo, Organization & People
Fernando L. Santos Ribeiro, Service Experts & Structured Projects
Hilberto Silva, Business Development
Marcelo Jardim, Business Development
Paulo Cesena, Finance
Roberto Dias, Institutional Relations
Sergio Leão, Health, Safety and Environment

CHEMICALS & PETROCHEMICALS

Odebrecht Representatives on Braskem S.A. Board of Directors
Pedro Novis, Chairman
Alvaro Cunha, Vice Chairman
Alvaro Novis
José de Freitas Mascarenhas
Newton de Souza

Entrepreneurial Leader (CEO)
José Carlos Greuschei

Senior Officers
Luiz Felli, Vinyls
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