Sustainable Development is the theme of this Odebrecht Group's 2007 Annual Report.

Governments, businesses, social organizations, and private citizens worldwide have established sustainable development as a cooperative commitment to a core agenda that harmonizes economic growth with the preservation of the planet, the creation of dignified work, and income opportunity for all.

The challenge and responsibility of slowing the spread of world poverty and reducing the risk of climate change demands commitment to a set of simple and decisive ideas that include:

- Acknowledging the needs of future generations and their right to have a life of opportunity;
- Balancing short-term results with long-term benefits;
- Respecting and valuing the cultural diversity of communities;
- Seeking a fair and equitable distribution of wealth, which is the path to social solidarity;
- Cooperating with governments, businesses, communities, and individuals to seek sustainable solutions that benefit all.

The Odebrecht Group will be proactive in its commitment to shape the future.

The Odebrecht Group will be a catalyst to produce wealth for its clients, shareholders, communities, and members.

The Odebrecht Group will be a steward of our diverse cultural and environmental heritage.

Odebrecht will make a difference.

Odebrecht will shape the future.
STUDENTS FROM THE IGRAPIUNA RURAL FAMILY HOUSE, A SOCIAL PROGRAM IN WHICH THE ODEBRECHT FOUNDATION IS A PARTNER, VISIT A SOUTHERN BAHIA LOWLANDS ECOSYSTEM
Contents

8 THE ODEBRECHT GROUP
10 MESSAGE FROM THE CHAIRMAN
14 MESSAGE FROM THE PRESIDENT AND CEO
16 FINANCIAL INDICATORS
20 ACHIEVEMENTS IN 2007
26 BUSINESSES AND SUSTAINABLE DEVELOPMENT
36 PEOPLE
42 SUPPORTING INSTITUTIONS
44 AWARDS & RECOGNITION
48 CORPORATE EXECUTIVES
Acknowledging the needs of future generations and their right to have a life of opportunity.
That’s sustainability. Innovative solutions and a commitment to preserving life enable us to be productive today while ensuring the future availability of natural resources.
THE ODEBRECHT GROUP

Founded in 1944, the Odebrecht Group is active in a distinct set of businesses. Its 59,000 members are present on 5 different continents around the globe, and their work is supported by an organizational framework that delivers assistance in the areas of insurance, bonds, and private pension plans. Odebrecht members incorporate social and cultural programs into each and every project in the communities where they work.

The culture and ethos of the organization is contained in a set of principles known as the Odebrecht Entrepreneurial Technology (TEO), which is the standard and a benchmark of values for each and every individual who works for Odebrecht.

HOLDING COMPANY: ODEBRECHT S.A.

Nurtures and preserves the core cultural principles that unify the philosophy and strategic direction of the entire Odebrecht group. Advances and develops the spirit of entrepreneurship within Odebrecht’s businesses with special attention to the promotion of People. Provides political and strategic support to all of the Group’s subsidiaries.


BUSINESSES
- Engineering & Construction
- Chemicals & Petrochemicals
- Sugar, Ethanol & Bioenergy

SUPPORTING INSTITUTIONS

SOCIAL ACTION
Lead Company: **CONSTRUTORA NORBERTO ODEBRECHT S.A.**
Integrated engineering, procurement, construction, installation and management services for civil construction, industrial and specialized technology projects.

Lead Company: **ODEBRECHT INVESTIMENTOS EM INFRA-ESTRUTURA LTDA.**
Development and management of infrastructure projects with a focus on concessions and public-private partnerships.

Lead Company: **ODEBRECHT EMPREENDIMENTOS IMOBILIÁRIOS LTDA.**
Development of residential, corporate, commercial and tourism ventures.

Lead Company: **ODEBRECHT ENGENHARIA AMBIENTAL LTDA.**
Providing water supply and waste treatment services.

Lead Company: **ODEBRECHT ÓLEO E GÁS LTDA.**
Providing integrated services for the oil and gas industry, operating offshore platforms and investing in exploration and production.
CHEMICALS & PETROCHEMICALS

Lead Company: BRASKEM S.A.
Consolidated production of feedstocks (ethylene, propylene and chlorine) and downstream petrochemical products (including thermoplastic resins).

SUGAR, ETHANOL & BIOENERGY

Lead Company: ETH BIOENERGY INC.
Production of sugar and ethanol and electricity produced from sugar cane.

SUPPORTING INSTITUTIONS

ODEBRECHT ADMINISTRADORA E CORRETORA DE SEGUROS LTDA.
Protecting the Group’s assets by identifying, mitigating and managing risks.

PENSION PLAN

ODEPREV ODEBRECHT PREVIDÊNCIA
Offers pension plans as benefits to Odebrecht Group members.

SOCIAL RESPONSIBILITY

ODEBRECHT FOUNDATION
Supports and fosters youth development programs that concentrate on instilling values and guidance in the career development options of young people.
Odebrecht’s commitment to sustainable development has always been a standard for its members in all of their businesses and relationships. This responsibility is directly manifested by the Group’s core principles of Survival, Growth and Perpetuity.

Since Odebrecht’s inception in 1944, its teams have created wealth via high-quality work and productivity to satisfy their clients and communities while sharing the results with those who helped produce results. Initially, this was an intuitive way of doing business, which over years of experience has improved and become the basis and foundation of the Odebrecht Entrepreneurial Technology (TEO).

TEO is a philosophy that provides ethical, moral, and conceptual paradigms for all members of the Odebrecht Group. It values the potential of each human being, including their willingness and dedication to serving others, their inherent capacity and desire to develop, and their drive to excel and surpass previous results.

TEO’s core principles and concepts – trusting people, decentralized operations, and profit reinvestment cycle – enable the Odebrecht Group to grow on several different fronts, while maintaining its common strategic direction, unified thinking and consistent action. This is how our entrepreneurial culture has been strengthened over the course of 64 years, resulting in organic and harmonious growth, of which sustainability is the natural outcome.
MESSAGE FROM THE CHAIRMAN

The Survival, Growth and Perpetuity of any company cannot be achieved in isolation. Context is key. Under normal free-market conditions, businesses can only subsist as long as their products and services meet the expectations of the societies that use them. No company can grow without contributing to the growth of society. This observation is as old as commerce itself.

Nearly three decades ago, the rapid globalization of the world economy introduced a new dimension: clients could be serviced wherever they were located, but in order to satisfy them, best practices of global standards are fundamental. It is also clear that social well-being and political stability are crucial for both local and global growth.

Today, we are facing a new phenomenon. Ever since the alarm about global warming was sounded loud and clear, the environmental consequences of productive activities and the use of goods and services have become intrinsic and decisive elements of the work process.

In order to stay on the path of perpetuity, businesses must internalize economic, social, and environmental sustainability as a core value that is inseparable from their own survival; as a self-requirement that comes before the legal requirements of governments and the requests of their clients. This stance is not about anticipating the market and staying a step ahead; it is all about understanding that neither markets nor companies can exist without it.

No entrepreneur with the slightest sense of responsibility would fail to act on behalf of causes that affect
their industry's survival. So now, we have a cause that is equally important to all sectors and industries: the future of humanity. A commitment to this cause presupposes taking two measures: 1. qualifying the development that our companies induce by incorporating sustainability as an irrevocable corporate undertaking; 2. responsibly exercising our entrepreneurial mission while joining forces and networking with all players in the public and private sectors to find ways to respond simultaneously to economic, social and environmental issues - including regions like the Amazon, where the lack of alternative sources of income for the people who live and reside there and their lack of knowledge and expertise about the creative use of natural resources is clearly the strongest stimulus for the muddled exploitation of the rain forest.

RESPONSIBLE LEADERSHIP

Putting words into action takes discipline and persistence. Transforming ideas into an entrepreneurial culture that is effectively internalized and applied requires determination and tireless effort. However, for those who have chosen to shape the future, giving up immediate results that present social-environmental risks and investing their own resources in community development becomes as natural and logical as investing in technological research and development.

Survival, Growth and Perpetuity is the path that the Odebrecht Group chose to follow some 64 years ago. Over time, sustainability has become a fundamental touchstone for our businesses and relationships. As this report demonstrates, it was no different in 2007. This is made clear by:

- Our financial indicators;
- Our social programs, which our teams carry out in partnership with governments, social organizations and private citizens, and are focused on improving the educational and health conditions of the regions in which we are present;
- Our environmental practices, with the most significant example being the engineering developed for the Santo Antonio hydroelectric plant on the Madeira River, which is considered a model of social-environmental corporate responsibility.

Striving for sustainability and perpetuity, we have attained the leadership positions that our companies currently enjoy in each of their sectors. We will stick to this path, living up to the responsibilities that such leadership entails, while learning the lessons that are indispensable to the ongoing practice of sustainable development through the day-to-day fulfillment of our commitment to the future.

EMÍLIO ODEBRECHT
MESSAGE FROM THE PRESIDENT

“We work in an environment that is rich with opportunities, but also filled with ambiguity and flux caused by global forces. This demands quick and adaptive responses to fresh challenges.”

For the Odebrecht Group, the year 2010 arrived in 2007, when we met the goals previously set for the end of the decade. We are already ranked among the three largest private-sector industrial groups in Brazil. We have surpassed our original target of attaining USD 15 billion in annual earnings by 2010, while enjoying robust financial health and a solid equity structure. Our two main subsidiaries — Construtora Norberto Odebrecht and Braskem — have become market leaders in their industries in Latin America. Through the creation of ETH Bioenergy, we have begun operating in the Sugar, Ethanol & Bioenergy business, an area with tremendous growth potential. Now, we are looking beyond 2010 and focusing on 2020. This was made possible by the excellent performance of the teams working in each of our businesses.

In Engineering & Construction, we reached the end of 2007 with a backlog worth USD 17 billion, the equivalent of three years’ production. In addition to expanding its international presence through new operations in Africa and the Middle East, Construtora Norberto Odebrecht is taking part in important projects aimed at improving Latin America’s transportation, energy, sanitation and supply infrastructure facilities, particularly by working through public-private partnerships and Brazil’s Growth Acceleration Program. The company’s significant expansion has made it necessary to divide its current markets among four new Odebrecht subsidiaries: Odebrecht Investimentos em Infra-estrutura (concessions), Odebrecht Engenharia Ambiental (environmental engineering), Odebrecht Empreendimentos Imobiliários (real estate) and Odebrecht Óleo e Gás (oil and gas), thereby allowing Construtora Norberto Odebrecht to focus on its core business of construction and engineering services.
In Chemicals & Petrochemicals, the acquisition of the Ipiranga Group's petrochemical assets has redrawn the map of that industry in Brazil and put Braskem on a new level of success by adding approximately USD 3 billion to its gross revenue and giving the company potential synergy capture valued at USD 1.2 billion. Furthermore, a new strategic alignment with Petrobras has taken shape by increasing the state-owned oil giant's stake in Braskem to 25%.

In 2007, Braskem, having established its leadership in the Brazilian market, took decisive steps towards achieving the international expansion that is essential to the continued growth of our Chemicals & Petrochemicals operations. While joint-venture agreements signed with Venezuela's Pequiven will help increase Braskem's presence in the international market, the launch of the first green polyethylene, obtained from sugar ethanol, has put the company at the forefront of an eco-friendly technology with massive consumer potential.

Through the creation of ETH Bioenergy in 2007, we also reached the goal of starting a new business that is in line with Brazil's national interests, synergetic with our existing businesses and has tremendous potential for growth and market leadership. In the next few years, Odebrecht will invest 3 billion dollars in this subsidiary, which was born with the vision of ranking among the world's top three companies in its industry by 2015. It already operates two plants, in the states of São Paulo and Mato Grosso do Sul, and is presently building three more, which will be located in those two states, as well as in the state of Goiás.

ONWARD TOWARD 2020

An overview of the Odebrecht Group today shows a confederation of three generations of entrepreneurs working in 18 countries. Our 59,000 members are united by the values and beliefs that form the basis and foundation of our Odebrecht Entrepreneurial Technology (TEO). We work in an environment that is rich with opportunities, but also filled with ambiguity and flux caused by global forces. This demands quick and adaptive responses to fresh challenges. In this context, the size and complexity of our businesses requires constant evaluation and innovation to guarantee a focused vision of the future.

The process of planned succession is underway at Odebrecht's strategic leadership levels, to ensure the development of a new generation of entrepreneurs ready to assume the management of our companies. At the same time, we have begun building our Vision for 2020. All these processes are interlinked and are being carried out with the utmost entrepreneurial confidence and precaution, as we reposition ourselves for new growth opportunities and live up to our leadership role in Brazil and worldwide. We are doing this in a context of increased complexity and dynamic change within society, without losing sight of our core principles and values, including those we value most: humility and simplicity.

PEDRO NOVIS
**FINANCIAL INDICATORS**

**INDICATORS 2007 (In millions of USD)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>$17,730</td>
</tr>
<tr>
<td>EBITDA (*)</td>
<td>$2,059</td>
</tr>
<tr>
<td>Net Profit</td>
<td>$255</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$16,776</td>
</tr>
<tr>
<td>Shareholder’s Equity Odebrecht S.A.</td>
<td>$1,550</td>
</tr>
</tbody>
</table>

(*) EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization

**GROSS REVENUE 2003-2007 (In millions of USD)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>$6,000</td>
<td>$8,299</td>
<td>$10,013</td>
<td>$11,240</td>
<td>$17,730</td>
</tr>
</tbody>
</table>

**STATEMENT OF VALUE ADDED – 2007 (In millions of USD)**

<table>
<thead>
<tr>
<th>Line Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Operating Revenue</td>
<td>$17,730</td>
</tr>
<tr>
<td>(-) Payment of Third Parties (Inputs and Services purchased)</td>
<td>$12,305</td>
</tr>
<tr>
<td>(+) Gross Value Added</td>
<td>$5,425</td>
</tr>
<tr>
<td>(+) Non-Operating Results</td>
<td>$201</td>
</tr>
<tr>
<td>(-) Value Added for Distribution</td>
<td>$5,626</td>
</tr>
<tr>
<td>Compensation for Work (Members)</td>
<td>$1,374</td>
</tr>
<tr>
<td>Governments (Taxes)</td>
<td>$3,213</td>
</tr>
<tr>
<td>Financial Sector (Interest on Loans)</td>
<td>$455</td>
</tr>
<tr>
<td>Minority Shareholders (Dividends)</td>
<td>$330</td>
</tr>
<tr>
<td>Controlling Shareholders (Dividends)</td>
<td>$254</td>
</tr>
</tbody>
</table>
BREAKDOWN OF GROSS REVENUE – 2007

Per business (in millions of USD)

- Engineering & Construction: $5,006
- Chemicals & Petrochemicals: $12,682
- Sugar, Ethanol & Bioenergy: $15
- Odebrecht S.A. & Other: $27

Per geographic area (in millions of USD)

- Brazil: $11,716
- Europe: $862
- USA: $920
- Africa: $959
- South/Central America & Caribbean: $3,073
- Asia/Middle East: $200

TOTAL ASSETS – 2007 (in millions of USD)

- Engineering & Construction: $5,084
- Chemicals & Petrochemicals: $11,203
- Sugar, Ethanol & Bioenergy: $308
- Odebrecht S.A. & Other: $181

TOTAL: $16,788
CASA DE MÁQUINAS DE LA USINA HIDROELÉCTRICA SAN FRANCISCO, EN ECUADOR
ACHIEVEMENTS IN 2007

Engineering & Construction

- Commanding market share in Latin America
- Direct operations in 18 countries worldwide
- Over 160 simultaneous projects
- Present in 16 Brazilian states
- Technology transfer and support for social development
- Managing highly complex projects
- Innovative solutions for loans and bonds
- Educating and hiring local workers
- Using local products and services

Chemicals & Petrochemicals

- Production of 8 million metric tons of chemicals and petrochemicals
- 18 production plants in the states of Alagoas, Bahia, Rio Grande do Sul and São Paulo (8 in Bahia, 2 in Alagoas, 1 in São Paulo, 7 in Rio Grande do Sul)
- Over 180 patents (24 in 2007)
- New polypropylene unit in Paulinia, São Paulo
- Ground broken for two new polypropylene units in Venezuela

Sugar, Ethanol & Bioenergy

- Planned capital investment of USD 2.82 billion in Goiás, Mato Grosso do Sul and São Paulo
- Acquisition of Alcidaia Distillery in São Paulo State
- Acquisition of Eldorado Factory (MS), concluded in April 2008
- Construction of 9 more factories by 2010
- ETH's 11 factories will produce:
  - 50 million metric tons of sugar cane per harvest
  - 3 billion liters of ethanol
  - 1.8 million metric tons of sugar annually
Odebrecht's international operations began in 1979, and are expanding with every passing year by winning clients over and ensuring their satisfaction. Today, the Group is present around the globe, working directly in 18 countries and exporting products to another 60.

**Engineering & Construction**

In 2007, Construtora Norberto Odebrecht was Brazil's leading service exporter and created more than 190,000 direct and indirect job opportunities, which contributed to the growth of 2,300 Brazilian companies that supplied goods and services to Odebrecht's projects in other countries.

USD 817 million in foreign exchange for Brazil
- USD 406 million in exports of services
- USD 411 million in exports of goods via service exports

**Chemicals & Petrochemicals**

- Business offices in Argentina, the United States and the Netherlands
- Petrochemical products exported to over 60 countries
  - 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, Italy, 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.

USD 2.3 billion exported

**Sugar, Ethanol & Bioenergy**

- Business offices in Europe and the United States
FROM TOP: WORKS AT ABU DHABI AIRPORT IN THE UNITED ARAB EMIRATES, CARACAS METRO, VENEZUELA, TRIPOLI THIRD RING ROAD CONSTRUCTION WORKS IN LIBYA.
Odebrecht Group subsidiaries seek to create a balance between the need to satisfy their clients, shareholders and members, and the need to protect the environment and ensure productive social inclusion.

Each Group subsidiary is committed to sustainability, by keeping on the path of Survival, Growth and Perpetuity. To do so, they focus on:

- providing services and manufacturing products that are reliable for their clients and of use to their communities;
- ensuring the conditions and means for protecting the health and safety of their workers and the communities in the vicinity of their operations;
- working responsibly to rationally use non-renewable resources, green technologies, and recycled materials;
- obtaining results that adequately compensate the investments of their shareholders and the work of their teams;
- fostering a culture of sustainability among their members and sub-contractors.

In addition to this commitment to sustainability, Odebrecht Group subsidiaries partner with governments, social organizations, and private citizens to promote:

- the preservation of the environmental heritage, biodiversity, and ecosystems of the regions in which they work;
- the development of the communities in each region through educational, cultural and health programs;
- contacts and participation in networks of knowledge and commerce.
ANGOLAN MIDWIVES TAKING PART IN THE SAFE CHILDBIRTH PROGRAM, WHICH AIMS TO ELIMINATE VERTICAL TRANSMISSION OF HIV/AIDS FROM MOTHER TO CHILD.

CHILDREN AND ADULTS WAITING FOR CIVIC DOCUMENTS: SOCIAL ACTION IN SOUTHERN PERU.
ENVIRONMENT

Respecting the environment and adopting clean technologies are ironclad commitments for Odebrecht Members in all their entrepreneurial activities. In the petrochemical industry, the focus is on reducing the production of liquid and solid waste and ensuring the sustainable use of non-renewable resources, such as water and power. The implementation of an Environmental Management Plan is an integral part of all projects carried out by Odebrecht. These plans indicate the precautions necessary to eliminate or mitigate negative impacts, protect biodiversity and guide the handling of social issues in their local communities. Environmental Management Plans include:

- A Solid Waste Management and Wastewater Treatment Program.
- A Program to Restore Degraded Areas and Control Erosion.
- A Program to Protect Wildlife and Plant Habitat.
- Social Outreach Programs based on Social-Environmental Guidelines on Resettlement, Indigenous Populations and Cultural Heritage.
- An Environmental Monitoring Program.

ODEBRECHT FOUNDATION

Created in 1965, the Odebrecht Foundation’s mission is to help prepare people for life by means of education through work on the basis of core values, working mainly with adolescents and young adults.

Its operations are currently focused on the Program for the Integrated and Sustainable Regional Development of the Southern Bahia Lowlands (DIS Southern Lowlands), which aims to transform the lives of rural communities by boosting the simultaneous and interlinked development of their Environmental, Productive, Human and Social Capital.

The program’s main challenge is to build a model of Sustainable Management for Environmental Protection Areas that is based on a governance system which can be replicated. As a result, the Odebrecht Foundation and its partners will help preserve the environment while contributing to the development of a new rural middle class that is well educated, healthy, and equipped to live productively.

SOCIAL ACTION

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; participating in projects the community requires; generating resources for the State by paying taxes; providing opportunities for work and personal development; reinvesting a substantial portion of the results achieved, and distributing part of those results to its members and shareholders. Furthermore, in a voluntary fashion, the Group invests its own resources in social and cultural initiatives that boost education, health and the production of work and income opportunities.
SOCIAL-ENVIRONMENTAL PROJECTS

- 206 projects sponsored in 2007
- USD 18 million invested

Engineering & Construction
- Social outreach programs in vicinity of ventures
- Environmental Management Plans for all projects

Chemicals & Petrochemicals
- Producing less wastewater - a reduction of 798,000 m³
- Producing less solid waste - a reduction of 0.36 kg/t
- Signing the UN Global Compact
- For the third year in a row, Braskem was listed on the São Paulo Stock Exchange (Bovespa) Corporate Sustainability Index.

Sugar, Ethanol & Bioenergy
- Integrated operations throughout the production cycle
- Technology, research and sustainable planting, harvesting and production methods

Odebrecht Foundation

Education and Citizenship
- Institute for the Sustainable Development of the Southern Bahia Lowlands (IDES)
  :: Presidente Tancredo Neves Rural Family House
  :: Igapó Rural Family House
  :: Sea Family House
  :: Agro-Forestry Family House
  :: Youth House
  :: Rights and Citizenship Institute

Producing Work and Income
- Pratigi Environmental Protection Area Stewardship Association (AGIR)
  :: Manioc Production Chain
  :: Hearts-of-Palm Production Chain
  :: Aquaculture Production Chain
  :: Piassava Production Chain

Environmental Preservation
- Land Conservation Organization (OCT)

Tribute to the Future
- 282 Odebrecht Group Members deducted 6% of their income tax due (A total of USD 269,345) and assigned it to Funds for Children and Adolescents (FIA) partnering in Odebrecht Foundation projects.
SOCIAL-ENVIRONMENTAL PROJECTS

MATO GROSSO
- Vaccination campaigns
- Adult Literacy School

TOCANTINS
- Hope School Project
- São Salvador Sewing Center

PERNAMBUCO
- Cabo de Santo Agostinho
  Children's Hospital
- Social-environmental sustainability in Reserva do Paiva

ALAGOAS
- Living Lagoon
- Eco-Sailing race (Ecovela)
- Green Belt

BAHIA
- Social-environmental projects in Caruaru
  - Teach to Build Program
  - Reading for All Program
  - Rescuing wildlife and plant habitat
  - Preservation of archeological sites and heritage education

BAHIA
- Conversion of production units from MTBE to ETBE
  - Hope I Day Care Center
  - Faz Universitario college scholarship program

MINAS GERAIS
- Conservation Unit – Vale dos Cristais Private Natural Heritage Reserve
- Limnological monitoring of Water Quality, Mammals and Amphibians in the Vale dos Cristais Private Natural Heritage Reserve

RIO DE JANEIRO
- Schools in Action for a Culture of Peace
- Computer Science Project
- Our Lady of Hope Farm Social Outreach Project
- Offshore Education Program
- Marilia de Dircou Municipal School
- Our Lady of Grace Sanctuary
- Literacy and Supplementary Education – 1st and 2nd Grades

RIO GRANDE DO SUL
- Environmental education – Port of Rio Grande

MINAS GERAIS
- Mammograms and Pap tests
- Young Firefighters Project – Rescuing Civic Spirit
- Participatory Management and Social Responsibility
- 2007 Music Festival
- Environmental Education in Limeira
- Water Monitoring and Selective-Trash Collection for Recycling

SÃO PAULO
- Citizenship Village
- Water treatment system for reuse

SÃO PAULO
- 24th International Porto Alegre Marathon / Braskem Relay Marathon
- International Quality Management Conference
- Growth Project – Youth and Adult Education
- Vila Pinto Environmental Education Center

RIO GRANDE DO SUL
STUDENTS FROM THE LA MERCE SCHOOL IN THE TOWN OF BAÑOS DE AGUA SANTA, TUNGURAHUA PROVINCE, ECUADOR, REFURBISHED BY ODEBRECHT DURING CONSTRUCTION OF THE SAN FRANCISCO HYDROELECTRIC PLANT, AND THE CORESUL ENVIRONMENTAL PROTECTION PARK, AT THE SOUTHERN PETROCHEMICAL COMPLEX IN RIO GRANDE DO SUL, BRAZIL.
Since 1959, the Odebrecht Group has sponsored initiatives to nourish artistic values and preserve our historic heritage.

Odebrecht's cultural contributions have resulted in the publication of over 200 cultural works, including books and documentary recordings, as well as exhibitions, videos, educational materials and websites.

HIGHLIGHTS IN 2007

Clarival do Prado Valladares Award
- Bestowed annually on an original research project about Brazilian history. In 2007, the winner was Maria Leda Oliveira Alves da Silva, from the New University of Lisbon, whose project involves restoring Friar Vicente do Salvador's História do Brasil, the first history of Brazil, written between 1623 and 1630.
- Publication of the book Written on Stone – Color, Form and Movement in the Rock Graphics of Bahia, by Carlos Alberto Etchevarne, from the Federal University at Bahia, the winner in 2006.

Publications
- Calazans Neto
- Dicionário de Biografias Científicas (Dictionary of Science Biography)
- El Puente sobre el Río Orinoco: la construcción de un hito de ingeniería Sudamericana (The Second Orinoco Bridge: Building a Milestone for South American Engineering)
- Simon Bolívar – O Libertador (The Liberator)
- DEPJournal (Diplomacy, Strategy, Politics)
- O Primeiro Livro do Jovem Escritor (The Young Writer's First Book) – Support for Angolan Writers' Union

Other initiatives
Braskem on Stage Award | Braskem Theater Award | Braskem Arts and Culture Award | Octávio Brandão Eco-Journalism Award | National Award of the Alagoas Academy of Letters | Braskem/Bahia Academy of Letters Award | Braskem-Abeq Award (Brazilian Chemical Engineering Association) | Latin American Memorial Professorship | Baron of Mauá Award for Culture, Rio de Janeiro Commercial Association | Frontiers of Thinking | Popular Art Mill Project
47 cultural programs
Over USD 5 million invested
The growth of the Odebrecht Group’s subsidiaries is a direct result of the development of all team members, who are driven by the spirit of service and dedicated to their clients.

All leaders are entrusted with educating their team members through work, delegating responsibility for action programs in a planned manner, and ensuring the interaction of three generations – experienced veterans, senior management, and young entrepreneurs – working side by side.

The process of Education through Work is the basis for grooming new generations, supplemented by Education for Work programs designed to improve people’s knowledge and skills.
MEMBERS AND SUB-CONTRACTORS
(December 2006 and 2007)

INTERNS AND TRAINEES
PEOPLE DEVELOPMENT PROGRAMS
Highlights in 2007

Introduction to the Odebrecht Culture
'Young partners’ immersion in the Odebrecht Entrepreneurial Technology (TEO)
476 participants

Program for Developing Entrepreneurs
Strategic knowledge of the business and alignment with Odebrecht’s entrepreneurial culture
84 participants

MBA in partnership with the Getulio Vargas Foundation
Overview of markets and opportunities
69 participants

Odebrecht Entrepreneurship and Global Relationships Program
Global prospects and strategies
18 participants

Young Builder Program
Grooming young partners working in several stages of the Engineering & Construction business
204 participants

Controllership and Finance Program
Graduate course
26 participants
UNIVERSITIES AND EDUCATION & RESEARCH CENTERS
THAT MAINTAIN PARTNERSHIPS WITH ODEBRECHT GROUP SUBSIDIARIES

IN BRAZIL

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

IN OTHER COUNTRIES

- Catholic University of Peru
- University of Lima (Peru)
- University of the Pacific (Peru)
- University of Piura (Peru)
- National University of Engineering (Peru)
- National University at Madre de Dios (Peru)
- National University at San Antonio Abad del Cusco (Peru)
- Peruvian University of Applied Science (Peru)
- San Pedro Private University (Peru)
- Ricardo Palma University (Peru)
- Agostinho Neto University (Angola)®
- Autonomous University of Santo Domingo (Dominican Republic)
- Coimbra University (Portugal)
- Porto (Oporto) University (Portugal)
- Quevedo Technical University (Ecuador)
- Technical University of Lisbon (Portugal)
- Technological Institute of Santo Domingo (Dominican Republic)

® Universities that are partners of the Odebrecht Engineering Award, which single out and honor the best Civil Engineering students from these institutions.

FOLLOWING THE GROUP’S ACQUISITION OF IPIRANGA’S PETROCHEMICAL ASSETS, IPIRANGA’S AND COPEC’S TEAMS ARE NOW BRASKEM MEMBERS.
WORKPLACE HEALTH AND SAFETY

Odebrecht’s Environment policy is integrated with Workplace Health and Safety to maintain a safe, healthy, motivating environment, which is essential to professional, personal and financial growth. The underlying principle is that each individual is responsible for his or her own actions. Therefore, health and safety are the basic responsibilities of each and every member of the Odebrecht Group. Leaders have a duty to help their team members develop a personal responsibility for their own health, as well as to cultivate team responsibility for best practices in “on-the-job” working conditions and risk mitigation.

ENGINEERING & CONSTRUCTION

- 41 million man-hours worked without lost time accidents
- 10 million man-hours worked in Angola without lost time accidents
- 2,000 people working in Workplace Health and Safety programs
- Training and preparing people in the area of health and safety, totaling 2% to 6% of all man-hours worked
- Social-environmental performance indicators with assessment of sustainability programs for all projects.
CHEMICALS & PETROCHEMICALS

- Responsible Care Program

- Sempre Program – Excellence in Workplace Health and Safety and Environmental Management

- Integrated HSE Management System with 26 directives and 273 requirements

- Quality of Life in the Workplace Process (PQVT)

- USD 73 million invested in HSE

- 41% reduction in lost time and non-lost time accident rates

- Zero cases of occupational illness

- 41% reduction in personal accident rate

- Lost time accident rate: 0.18 per million man-hours worked – down 64% against 2006.
SUPPORTING INSTITUTIONS

ODEBRECHT ADMINISTRADORA E CORRETORA DE SEGUROS LTDA.

Odebrecht’s subsidiaries have the support of the Group’s captive brokerage, Odebrecht Administradora e Corretora de Seguros Ltda., which protects their tangible and intangible assets by identifying, mitigating and managing risks, and creating integrated solutions for projects and businesses.

In the Engineering & Construction business, it plays a key role in all ongoing projects by assessing inherent risks and obtaining contract bonds and insurance coverage, as well as special insurance and bonds required to set up new businesses.

In Chemicals & Petrochemicals and Sugar & Ethanol, it coordinates insurance coverage for all Braskem and ETH Bioenergy plants and supports these companies’ programs to prevent accidents and improve risk management for each individual plant, helping improve risk management while optimizing premiums.

The support of Odebrecht Investimentos em Infra-estrutura helps make the Group’s infrastructure investments feasible and maximizes the value of future assets.

BONDS

- Long-term relationships with the global insurance market, particularly in the area of surety bonds.
- Has operated an international line of bonds and insurance for 18 years.
- Has placed USD 12 billion in surety bonds without filing a single claim.
- In 2007, an agreement signed with AIG, the leading insurer of Odebrecht’s line of surety bonds, and the Inter-American Development Bank (IDB) secured a line of credit worth USD 400 million in surety bonds for Construtora Norberto Odebrecht’s projects in Latin America and the Caribbean.

CURRENT INSURANCE & BOND COVERAGE
(at December 31, 2007)

ENGINEERING & CONSTRUCTION
- USD 11.5 billion in risk insurance and other.
- USD 3.0 billion in surety bonds.

CHEMICALS & PETROCHEMICALS
- USD 10.9 billion in asset insurance and other.
- USD 169.4 million in surety bonds.

LIFE AND HEALTH

Managing all of the Group’s Life and Health policies, as well as ongoing programs and projects that help improve people’s quality of life.

MEMBERS SERVICED BY LIFE AND HEALTH PROGRAMS
- Medical/Hospital :: 43,153
- Dental :: 17,749
- Life :: 46,857
ODEPREV ODEBRECHT PREVIDÊNCIA

In 1995, Odebrecht introduced a policy of supplementary pensions that provides its members with guidelines on the subject in all the countries where the Group is present. Odeprev – Odebrecht Previdência, the Group’s private pension fund, was created that same year to help Odebrecht members prepare for their post-career lives. It provides an added stimulus that encourages each of them to build and accumulate assets for themselves and their families.

Odeprev is a private entity that operates the Odeprev Monthly Income Plan in Brazil for Group members working in Brazil, and is available to expatriate Brazilian members. Odebrecht has plans in place in Brazil (Odeprev), Portugal and the United States.

<table>
<thead>
<tr>
<th>Odeprev</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets at Dec 31 (in thousands of USD)</td>
<td>$172,863</td>
<td>$232,638</td>
</tr>
<tr>
<td>Participants’ Contributions (in thousands of USD)</td>
<td>$19,163</td>
<td>$29,902</td>
</tr>
<tr>
<td>Subsidiaries’ Contributions (in thousands of USD)</td>
<td>$9,726</td>
<td>$8,628</td>
</tr>
<tr>
<td>Number of Participants</td>
<td>5,131</td>
<td>6,321</td>
</tr>
</tbody>
</table>

Odeprev’s assets grew by USD 60 million in 2007

Net profitability rate: 13.5%
In 2007, Construtora Norberto Odebrecht won

- The Petrobras Award for Excellence in Health and Safety

And was voted:

- The world leader in the construction of hydroelectric plants and water supply systems – *Engineering News-Record (ENR)* magazine.
- Leader in the Brazilian construction industry – *O Empreiteiro* magazine.
- The Most Admired Company in the Brazilian heavy construction industry – *Carta Capital* magazine.
- The Best Construction Company in Brazil – *Exame* magazine.
- One of the five best companies in Corporate Governance, and Social and Environmental Management in Brazil – *IstoÉ Dinheiro* magazine.
- The Best Contractor in Portugal – *Exame Portugal* magazine
  (through its subsidiary Bento Pedrosio Construções).

**Braskem** received the following awards:

- Best Innovation in Bioplastics – *European Bioplastics News* magazine, for the development of the first green polyethylene
- *Bien Gobierno Corporativo* – Good Corporate Governance, by Affinitas (Iberian-American Alliance of Attorneys)
- Return on Environment 2008 – General Electric (GE)
- Transparency Trophy – Anefac (National Association of Finance, Administration and Accounting Executives)
- Sustainable Brazilian Company – *Meio Ambiente Industrial* magazine.

And was voted:

- The Most Shareholder-Friendly Company in the Chemicals & Oil and Gas industry – *Institutional Investor Magazine*
- Benchmark in Health, Safety and Environmental Management – *Independent Project Analysis (IPA)*
- Model of Sustainability – *Exame* magazine
- The Most Admired Company in the Brazilian Chemicals & Petrochemicals Industry – *DCI* newspaper
- One of the best Brazilian companies to work for and one of the best companies for executives – *Exame* and *Você S.A.* magazines
Working in the present to ensure a sustainable future.

This is the challenge facing each and every one of us. By balancing short-term results with long-term benefits, we preserve humankind’s most precious asset: the continuity of life.
CORPORATE EXECUTIVES

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

SENIOR 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 Polidoro

Senior Officers Responsible for Opportunity Development Support and Representation
Aluizio Rebello de Araújo, DIRECTOR
José de Freitas Mascarenhas, DIRECTOR
Renato Martins, DIRECTOR

Alexandrino Alencar
Cláudio Melo Filho
João Baptista M. de Paiva Chaves
João Sá
Rubio Fernand Souza

Insurance and Bonds
Marcos Lima
ENGINEERING & CONSTRUCTION

Entrepreneurial Leader (CEO)
Marcelo Bahia Odebrecht

Vice Presidents
Benedicto Barbosa da Silva Junior, INFRASTRUCTURE, BRAZIL
Senior Officers Responsible for Delegated Markets
- João Pacífico, NORTH, NORTHEAST & MID-WEST OF BRAZIL
- Sergio Neves, MINAS GERAIS
- Valter Lanza, SOUTHERN BRAZIL

Euzenando Azevedo, VENEZUELA

Henrique Valladares, ENERGY, BRAZIL

Luiz Marro, LATIN AMERICA AND ANGOLA
Senior Officers Responsible for Delegated Markets
- Andre Rabello, PANAMA
- Carlos Armando Paschoal, MEXICO
- Ernesto Baiardi, ANGOLA
- Fábio Gandolfo, ECUADOR
- Jorge Barata, PERU
- Marco Cruz, CENTRAL AMERICA & CARIBBEAN

Luiz Teixeira Rocha, INTERNATIONAL
Senior Officers Responsible for Delegated Markets
- Alessandro Gomes, UNITED ARAB EMIRATES
- Andre Amaro, PORTUGAL
- Daniel Villar, LIBYA
- Gilberto Neves, UNITED STATES
- Miguel Peres, LIBERIA & MOZAMBIQUE

Mário Faria, INDUSTRIAL PLANTS
Senior Officers Responsible for Delegated Markets
- Flávio Faria, ARGENTINA
- Francisco Penteado, INDUSTRIAL PLANTS, VENEZUELA

Investment Leaders
Bernardo Gradin, INFRASTRUCTURE
- Irineu Meireles, MADEIRA ENERGIA S.A
Fernando Reis, ENVIRONMENTAL ENGINEERING
Miguel Gradin, OIL & GAS
Paul Alit, REAL ESTATE VENTURES

Senior Officers Responsible
For Entrepreneurship Support
Paulo Lacerda de Melo, VICE PRESIDENT FOR OPERATIONS
Adriano Jucá, LEGAL AFFAIRS
Carlos J. Hupfel de Azevedo, ORGANIZATION & PEOPLE
Hilberto Silva, BUSINESS DEVELOPMENT
Jorge Azevedo, BUSINESS DEVELOPMENT
Marcelo Jardim, BUSINESS DEVELOPMENT
Paulo Cesena, FINANCE
Roberto Dias, INSTITUTIONAL RELATIONS
Romildo Santos, BUSINESS DEVELOPMENT
Sergio Leão, HEALTH, SAFETY & ENVIRONMENT
CHEMICALS & PETROCHEMICALS

Odebrecht Representatives
on Braskem S.A. Board of Directors
Pedro Novis, CHAIRMAN
Alvaro Cupha, VICE CHAIRMAN
Alvaro Novis
José de Freitas Mascarenhas
Newton de Souza

Entrepreneurial Leader (CEO)
José Carlos Grubisch

Senior Officers
Manoel Carnaúba, BASIC FEEDSTOCKS
Luiz Felli, VINYL
Luiz Mendonça, POLYOLEFIN
Roberto Ramos, INTERNATIONAL BUSINESSES

Carlos Fages, FINANCE AND INVESTOR RELATIONS
José Augusto Mendes, PLANNING, ORGANIZATION & PEOPLE
Marcelo Lyra Amaral, INSTITUTIONAL RELATIONS
Mauricio Ferro, LEGAL AFFAIRS
Roberto Simões, CORPORATE ADVANCEMENT

SUGAR, ETHANOL & BIOENERGY

Odebrecht Representatives
on ETH Bioenergy Board of Directors
Pedro Novis, CHAIRMAN
Marcelo Odebrecht
Alvaro Novis
Ruy Sampaio
Newton de Souza
Guilherme Abreu
Eduardo Carvalho

Investment Leader (CEO)
Clayton Miranda

Senior Officers
Ailton Reis, PRODUCTION
Roger Haybittle, SALES & MARKETING
Nuno Neves, LOGISTICS

Senior Officers Responsible for Entrepreneurship Support
Eduardo Carvalho, INSTITUTIONAL RELATIONS
Luciano Dequech, LEGAL AFFAIRS
Luciano Guidolin, PLANNING, FINANCE, ORGANIZATION & PEOPLE
Zenilton Mello, INVESTMENTS
ODEBRECHT ADMINISTRADORA E CORRETORA DE SEGUROS LTDA.

General Director
Marcos Lima

OFFICERS RESPONSIBLE
FOR INSURANCE ENTREPRENEURSHIP
Engineering & Construction,
Odebrecht Investimentos em Infra-estrutura,
Odebrecht Engenharia Ambiental and
Odebrecht Empreendimentos Imobiliários
Kaisa Luz
- Eduardo Castro, AMERICAS, EXCEPT BRAZIL & SOUTHERN CONE
- Armando Clausse, EUROPE, AFRICA & MIDDLE EAST
- Eduardo Damiano, BRAZIL AND SOUTHERN CONE

Madeira Project
Laudelino Soares

Structured Programs & Project Finance
Vinicius Fonseca

Bonds & Export Credit
Luis Claudio Galvao Barretto

Chemicals & Petrochemicals,
Sugar, Ethanol & Bioenergy, and Odebrecht Oleo e Gás
Marcelo Neves

Life & Health
Bettina Skelton

ODEPREV ODEBRECHT PREVIDÊNCIA

Board of Trustees
Pedro Novis, CHAIRMAN
Alvaro Novis, VICE CHAIRMAN
Bettina Skelton
Carlos Jorge Hupser de Azevedo
Fausto Antonio de Aquino
Jose Augusto Mendes
Valmir Antonio Baracy

Directors
Guilherme Abreu
Ismael Abreu
Paulo Tolentino Vieira

ODEBRECHT FOUNDATION

Board of Trustees
Norberto Odebrecht, CHAIRMAN
Emilio Odebrecht
Geraldo Dannemann
Gilberto Sá
Luiz Almeida
Luiz Villar
Pedro Marianii
Pedro Novis
Renato Baardi
Rubens Ricupero
Sergio Foguel
Victor Gradin

Executive President
Mauricio Medeiros
ODEBRECHT 2008
Published by Odebrecht S.A.

RESPONSIBLE FOR CORPORATE COMMUNICATION AT ODEBRECHT S.A.
Márcio Polidoro

RESPONSIBLE FOR EDITORIAL PROGRAMS
Karelina Gutierrez

DESIGNED AND COordinated BY
Versal Editoriales Ltda.

WRITTEN BY
José Enrique Barreiro | Maria Isabel Bonja

ENGLISH TRANSLATION BY
H. Sabrina Gladhill

GRAPHIC DESIGN
Luciana Cobo

MAPS
Luciana Cobo | Sérgio Carvalho

PHOTOS
- Almir Bindilatti – pp. 12/13, 18/19, 21 (Aguas de Leme and Eldorado Factory), 23 (Abu Dhabi Airport works), 28, 31, 37, 38 and 39
- América Vermelho – pp. 25 (Caracas Metro), 27 (Peru), 29 and 12/33
- Edu Simões – pp. 45/49
- Eduardo Barcellos – pp. 22/23 and 25 (works in Tripoli)
- Eduardo Moody – pp. 4, 21, 35, 41 and 43
- Eneida Serrano – p. 45
- Hollandi Cavalcanti – pp. 6/7
- Luciano Andrade – p. 27 (Angola)
- Roberto Rosa – p. 33 (Books)

LAYOUT AND ELECTRONIC PUBLISHING
Maria Celia Olivier | Juliana Oliveri

GRAPHIC PRODUCTION
Malu Tavares

CTP AND PRINTING BY
Pancom Indústria Gráfica

Odebrecht Group Members photographed specifically for this report:

On page 37, Wendy Robles, Enrique Aguilera and Roberto Miranda (foreground); Mauricio Ulloa and Daniela Soliz (second row); Gerardo Krutzfeldt, Lorenzo Ayala and Diego Jordan (third row); Anthony Pozo, Julio Aguilar and Maiky Aguilara (back row); on page 38, from left, Claudem Souza Longato, Andrea Levin de Jesus and Viviane Leticia; on page 39, from left, Glaura Largura Silveira, Olímpio Ribeiro Biskup and Vítor Costa de Oliveira

We would like to thank all of the Odebrecht Group members who helped make this publication possible.