

BRASKEM SA  
Form 6-K  
November 14, 2012

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM 6-K**

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

**For the month of November, 2012**  
**(Commission File No. 1-14862 )**

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**BRASKEM S.A.**  
*(Exact Name as Specified in its Charter)*

**N/A**  
*(Translation of registrant's name into English)*

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**Rua Eteno, 1561, Polo Petroquimico de Camacari**  
**Camacari, Bahia - CEP 42810-000 Brazil**  
*(Address of principal executive offices)*

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

Form 20-F  Form 40-F

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

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

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

Yes  No

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

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**Braskem S.A.**

**Quarterly Information (ITR) at**

**September 30, 2012**

**and Report on the Review**

**of the Quarterly Information**

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## **Report on Review of Quarterly Information**

To the Board of Directors and Shareholders

Braskem S.A.

### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of Braskem S.A., included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2012, comprising the balance sheet as at that date and the statements of operations and comprehensive income for the quarter and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less

in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion on the parent**

**company interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

**Conclusion on the consolidated**

**interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

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**Other matters**

**Statements of value added**

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2012. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Salvador, November 7, 2012.

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" BA

Fábio Cajazeira Mendes

Contador CRC 1SP196825/O-0 "S" BA

**Braskem S.A.****Balance sheet**

at September 30, 2012

All amounts in thousands of reais

Assets	Note	Parent Company		Consolidated	
		Sep/2012	Dec/2011	Sep/2012	Dec/2011
<b>Current assets</b>					
Cash and cash equivalents	5	2,830,396	2,224,335	3,568,870	2,986,819
Financial investments	6	240,457	168,979	241,733	170,297
Trade accounts receivable	7	1,690,742	1,097,482	2,534,964	1,843,756
Inventories	8	2,180,381	1,968,509	3,907,673	3,623,522
Taxes recoverable	10	917,709	606,258	1,452,693	1,036,253
Dividends and interest on capital		22,002	30,268		
Prepaid expenses		24,434	60,109	57,375	104,496
Related parties	9	90,767	25,660	24,753	86,591
Other receivables	13	190,502	136,513	432,973	328,583
		<b>8,187,390</b>	<b>6,318,113</b>	<b>12,221,034</b>	<b>10,180,317</b>
<b>Non-current assets</b>					
Financial investments	6	28,485	34,720	28,481	34,752
Trade accounts receivable	7	48,817	49,858	51,984	51,056
Taxes recoverable	10	1,092,964	1,062,974	1,605,966	1,506,247
Deferred income tax and social contribution	20(b)	1,149,006	415,002	2,041,628	1,237,144
Judicial deposits	11	161,454	151,592	183,797	174,220
Related parties	9	683,630	1,624,513	150,861	58,169
Insurance claims	12	136,279	246,357	137,467	252,670
Other receivables	13	144,930	138,265	228,793	182,533
Investments in subsidiaries and jointly-controlled subsidiaries	14	9,832,294	8,091,220	87,187	
Investment in associates	14	33,092	29,870	33,092	29,870
Other investments		6,454	6,575	10,154	10,844
Property, plant and equipment	15	11,847,268	11,665,942	21,142,882	20,662,721
Intangible assets	16	2,246,258	2,248,675	2,973,317	3,016,692
		<b>27,410,931</b>	<b>25,765,563</b>	<b>28,675,609</b>	<b>27,216,918</b>
<b>Total assets</b>		<b>35,598,321</b>	<b>32,083,676</b>	<b>40,896,643</b>	<b>37,397,235</b>

The Management notes are an integral part of the financial statements

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**Braskem S.A.****Balance sheet****at September 30, 2012****All amounts in thousands of reais**

<b>Liabilities and equity</b>	<b>Note</b>	<b>Parent Company</b>		<b>Consolidated</b>	
		<b>Sep/2012</b>	<b>Dec/2011</b>	<b>Sep/2012</b>	<b>Dec/2011</b>
<b>Current liabilities</b>					
Trade payables		6,942,871	5,052,757	9,016,995	6,847,340
Borrowings	17	1,053,121	961,519	1,287,755	1,391,779
Hedge operations	18.2	253,509	82,912	253,509	83,392
Payroll and related charges		217,884	155,248	314,950	242,102
Taxes payable	19	247,650	215,924	472,937	329,987
Dividends and interest on capital	26(d)	484,192	1,617	487,401	4,838
Advances from customers	23	426,678	13,935	109,944	19,119
Sundry provisions	21	1,452	18,759	12,439	23,629
Accounts payable to related parties	9	228,264	79,790		
Other Payables	24	179,103	47,514	524,037	119,402
		<b>10,034,724</b>	<b>6,629,975</b>	<b>12,479,967</b>	<b>9,061,588</b>
<b>Non-current liabilities</b>					
Borrowings	17	10,886,216	11,276,196	15,734,911	13,753,033
Debentures					19,102
Hedge operations	18.2		10,278		10,278
Taxes payable	19	1,077,317	1,500,584	1,189,614	1,613,179
Accounts payable to related parties	9	3,680,680	1,297,567		44,833
Long-term incentives		10,044	15,213	10,044	15,213
Deferred income tax and social contribution	20(b)	999,219	900,716	2,087,785	1,953,353
Pension plans	22		134,506	16,546	149,575
Provision for losses on subsidiaries and jointly-controlled subsidiaries		116,311	90,990	9,931	
Advances from customers	23	79,955	77,846	213,213	218,531
Sundry provisions	21	113,445	94,913	326,541	298,094
Other payables	24	256,794	241,412	271,921	280,546



		<b>17,219,981</b>	<b>15,640,221</b>	<b>19,860,506</b>	<b>18,355,737</b>
<b>Equity</b>	26				
Capital	(a)	8,043,222	8,043,222	8,043,222	8,043,222
Capital reserve		845,998	845,998	845,998	845,998
Revenue reserves		108,714	591,307	108,714	591,307
Other comprehensive income		355,336	315,586	355,336	315,586
Treasury shares	(b)	(48,019)	(11,325)	(96,911)	(60,217)
Profit (losses) accumulated		(961,635)	28,692	(961,635)	28,692
Total attributable to the Company's shareholders		8,343,616	9,813,480	8,294,724	9,764,588
Non-controlling interest	2.4			261,446	215,322
		<b>8,343,616</b>	<b>9,813,480</b>	<b>8,556,170</b>	<b>9,979,910</b>
<b>Total liabilities and equity</b>		<b>35,598,321</b>	<b>32,083,676</b>	<b>40,896,643</b>	<b>37,397,235</b>

The Management notes are an integral part of the financial statements

## Braskem S.A.

## Statement of operations for the period

at September 30, 2012

All amounts in thousands of reais, except earnings (loss) per share

		Parent Company			
	Note	3Q12	YTD12	3Q11	YTD11
<b>Net sales revenue</b>	28	<b>5,521,331</b>	<b>15,217,855</b>	<b>5,038,885</b>	<b>13,757,516</b>
Cost of products sold		(4,836,705)	(13,582,928)	(4,276,831)	(11,576,192)
<b>Gross profit</b>		<b>684,626</b>	<b>1,634,927</b>	<b>762,054</b>	<b>2,181,324</b>
<b>Income (expenses)</b>					
Selling		(52,820)	(144,034)	(46,704)	(123,396)
Distribution		(91,307)	(274,833)	(84,753)	(234,747)
General and administrative		(170,457)	(511,731)	(167,626)	(517,084)
Research and development		(22,945)	(62,562)	(16,090)	(41,945)
Results from equity investments	14(c)	(55,848)	196,242	(35,020)	(51,185)
Other operating income (expenses), net		(11,423)	30,075	(9,126)	(13,581)
<b>Operating profit</b>		<b>279,826</b>	<b>868,084</b>	<b>402,735</b>	<b>1,199,386</b>
<b>Financial results</b>	31				
Financial expenses		(541,698)	(2,778,412)	(2,250,432)	(2,237,267)
Financial income		56,868	257,850	243,040	439,537
		<b>(484,830)</b>	<b>(2,520,562)</b>	<b>(2,007,392)</b>	<b>(1,797,730)</b>
<b>Loss before income tax and social contribution</b>		<b>(205,004)</b>	<b>(1,652,478)</b>	<b>(1,604,657)</b>	<b>(598,344)</b>
Current income tax and social contribution	20(a)	(6)	(6)	(50,633)	(154,402)
Deferred income tax and social contribution	20(a)	70,405	641,020	604,479	424,605
		<b>70,399</b>	<b>641,014</b>	<b>553,846</b>	<b>270,203</b>
<b>Loss for the period</b>		<b>(134,605)</b>	<b>(1,011,464)</b>	<b>(1,050,811)</b>	<b>(328,141)</b>

The Management notes are an integral part of the financial statements

**Braskem S.A.****Statement of operations for the period****at September 30, 2012****All amounts in thousands of reais, except earnings (loss) per share**

		<b>Consolidated</b>			
	<b>Note</b>	<b>3Q12</b>	<b>YTD12</b>	<b>3Q11</b>	<b>YTD11</b>
<b>Net sales revenue</b>	28	<b>9,454,393</b>	<b>26,817,002</b>	<b>8,685,938</b>	<b>24,465,845</b>
Cost of products sold		(8,497,552)	(24,371,426)	(7,764,969)	(21,302,177)
<b>Gross profit</b>		<b>956,841</b>	<b>2,445,576</b>	<b>920,969</b>	<b>3,163,668</b>
<b>Income (expenses)</b>					
Selling		(112,035)	(306,788)	(88,920)	(253,477)
Distribution		(137,887)	(404,525)	(127,052)	(355,589)
General and administrative		(262,941)	(811,018)	(254,331)	(778,865)
Research and development		(28,335)	(79,692)	(24,797)	(68,546)
Results from equity investments	14(c)	(34,827)	(32,747)	(1,303)	(2,051)
Other operating income (expenses), net	30	6,547	291,410	(8,134)	(40,915)
<b>Operating profit</b>		<b>387,363</b>	<b>1,102,216</b>	<b>416,432</b>	<b>1,664,225</b>
<b>Financial results</b>	31				
Financial expenses		(558,885)	(3,142,131)	(2,531,068)	(2,801,395)
Financial income		(9,434)	364,564	467,275	603,638
		<b>(568,319)</b>	<b>(2,777,567)</b>	<b>(2,063,793)</b>	<b>(2,197,757)</b>
<b>Loss before income tax and social contribution</b>		<b>(180,956)</b>	<b>(1,675,351)</b>	<b>(1,647,361)</b>	<b>(533,532)</b>
Current income tax and social contribution	20(a)	(17,069)	(24,963)	(34,232)	(206,613)
Deferred income tax and social contribution	20(a)	73,777	695,086	635,668	424,190
		<b>56,708</b>	<b>670,123</b>	<b>601,436</b>	<b>217,577</b>
<b>Loss for the period</b>		<b>(124,248)</b>	<b>(1,005,228)</b>	<b>(1,045,925)</b>	<b>(315,955)</b>
<b>Attributable to:</b>					

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Company's shareholders		(134,605)	(1,011,464)	(1,050,811)	(328,141)
Non-controlling interests in subsidiaries	2.4	10,357	6,236	4,886	12,186
		<b>(124,248)</b>	<b>(1,005,228)</b>	<b>(1,045,925)</b>	<b>(315,955)</b>

**Loss per share attributable to the shareholders of the Company at the end of the period (R\$)**

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Basic loss per share - common		(1.2699)	(0.4553)
Basic loss per share - preferred		(1.2699)	(0.4553)
Diluted loss per share - common		(1.2694)	(0.4551)
Diluted loss per share - preferred		(1.2694)	(0.4551)

The Management notes are an integral part of the financial statements

**Braskem S.A.****Statement of comprehensive income****at September 30, 2012****All amounts in thousands of reais**

		<b>Parent Company</b>					
	<b>Note</b>	<b>3Q12</b>	<b>YTD12</b>	<b>3Q11</b>	<b>YTD11</b>	<b>3Q12</b>	<b>YTD12</b>
<b>Loss for the period</b>		<b>(134,605)</b>	<b>(1,011,464)</b>	<b>(1,050,811)</b>	<b>(328,141)</b>	<b>(124,248)</b>	<b>(1,005,228)</b>
<b>Other comprehensive income or loss:</b>							
Cash flow hedge	18.2.2	625	16,238	2,008	3,233	625	16,238
Cash flow hedge - subsidiaries				(3,317)	32,614		
Foreign currency translation adjustment	14(b)	11,566	48,189	80,677	66,265	17,177	66,446
Income tax and social contribution related to components of comprehensive income	18.2.2	(213)	(5,522)	(1,990)	(1,099)	(213)	(5,522)
<b>Total other comprehensive income</b>		<b>11,978</b>	<b>58,905</b>	<b>77,378</b>	<b>101,013</b>	<b>17,589</b>	<b>77,162</b>
<b>Total comprehensive loss for the period</b>		<b>(122,627)</b>	<b>(952,559)</b>	<b>(973,433)</b>	<b>(227,128)</b>	<b>(106,659)</b>	<b>(928,066)</b>
<b>Attributable to:</b>							
Company's shareholders						(122,627)	(952,559)
Non-controlling interest						15,968	24,493
						<b>(106,659)</b>	<b>(928,066)</b>

The Management notes are an integral part of the financial statements

**Braskem S.A.****Statement of changes in equity****All amounts in thousands of reais**

	Note	Social capital	Capital reserve	Legal reserve	Tax incentives
<b>At December 31, 2010</b>		<b>8,043,222</b>	<b>845,998</b>	<b>87,710</b>	<b>5,347</b>
Comprehensive income for the period:					
Loss for the period					
Fair value of cash flow hedge, net of taxes					
Foreign currency translation adjustment					
Equity valuation adjustments					
Deemed cost of jointly-controlled subsidiary					
Realization of additional property, plant and equipment price-level					
Contributions and distributions to shareholders:					
Additional dividends approved at Shareholders' Meeting					
Expired dividends					
Repurchase of treasury shares					
Gain on interest in subsidiary					
<b>At September 30, 2011</b>		<b>8,043,222</b>	<b>845,998</b>	<b>87,710</b>	<b>5,347</b>
<b>At December 31, 2011</b>		<b>8,043,222</b>	<b>845,998</b>	<b>87,710</b>	<b>4,547</b>
Comprehensive income for the period:					
Loss for the period					
Fair value of cash flow hedge, net of taxes	18.2.2				
Foreign currency translation adjustment	14(b)				
Equity valuation adjustments					

Realization of deemed cost of jointly-controlled subsidiary, net of taxes  
Realization of additional property, plant and equipment price-level

Contributions and distributions to shareholders:

Additional dividends approved at Shareholders' Meeting	26(d)
Gain on interest in subsidiary	14(b)
Repurchase of treasury shares	26(b)

<b>At September 30, 2012</b>	<b>8,043,222</b>	<b>845,998</b>	<b>87,710</b>	<b>4,547</b>
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The Management notes are an integral part of the financial statements



**Braskem S.A.****Statement of changes in equity****All amounts in thousands of reais**

	Note	Social Capital	Capital reserves	Legal reserve	Tax incentives	Unr r
<b>At December 31, 2010</b>		<b>8,043,222</b>	<b>845,998</b>	<b>87,710</b>	<b>5,347</b>	<b>9</b>
Comprehensive income for the period:						
Profit (loss) for the period						
Fair value of cash flow hedge, net of taxes						
Foreign currency translation adjustment						
Equity valuation adjustments						
Deemed cost of jointly-controlled subsidiary						
Realization of additional property, plant and equipment price-level restatement, net of taxes						
Contributions and distributions to shareholders:						
Additional dividends approved at Shareholders' Meeting						
Non-controlling interest						
Expired dividends						
Repurchase of treasury shares						
Gain on interest in subsidiary						
<b>At September 30, 2011</b>		<b>8,043,222</b>	<b>845,998</b>	<b>87,710</b>	<b>5,347</b>	<b>9</b>
<b>At December 31, 2011</b>		<b>8,043,222</b>	<b>845,998</b>	<b>87,710</b>	<b>4,547</b>	
Comprehensive income for the period:						
Profit (loss) for the period						
Fair value of cash flow hedge, net of taxes	18.2.2					
Foreign currency translation adjustment	14(b)					

Equity valuation adjustments

Realization of deemed cost of jointly-controlled subsidiary, net of taxes

Realization of additional property, plant and equipment price-level  
restatement, net of taxes

Contributions and distributions to shareholders:

Additional dividends approved at Shareholders' Meeting 26(d)

Capital increase from non-controlling interest

Gain (loss) on interest in subsidiary 14(b)

Repurchase of treasury shares 26(b)

**At September 30, 2012**

**8,043,222 845,998 87,710 4,547**

The Management notes are an integral part of the financial statements

## Braskem S.A.

## Statement of cash flows

at September 30, 2012

All amounts in thousands of reais

	Parent Company		Consolidated	
	Sep/2012	Sep/2011	Sep/2012	Sep/2011
Loss before income tax and social contribution	(1,652,478)	(598,344)	(1,675,351)	(533,532)
Adjustments for reconciliation of loss				
Depreciation, amortization and depletion	884,551	790,223	1,436,596	1,280,371
Results from equity investments	(196,242)	51,185	32,747	2,051
Interest and monetary and exchange variations, net	1,656,561	1,493,995	2,014,083	1,847,811
Provisions for losses and write-off of long-lived assets	66,707	(486)	(13,271)	12,846
	<b>759,099</b>	<b>1,736,573</b>	<b>1,794,804</b>	<b>2,609,547</b>
Changes in operating working capital				
Held-for-trading financial investments	(64,122)	64,736	(46,819)	72,465
Trade accounts receivable	(630,257)	(478,770)	(700,603)	(628,090)
Inventories	(198,835)	(160,704)	(291,830)	(431,669)
Taxes recoverable	(309,235)	(143,915)	(495,471)	(218,797)
Prepaid expenses	35,675	27,348	46,935	31,223
Related parties		(322,208)		
Other receivables	(67,889)	13,389	(71,765)	(184,460)
Trade payables	1,890,048	762,702	2,177,544	1,850,849
Taxes payable	(301,217)	74,497	(278,425)	39,252
Long-term incentives	(5,168)	1,204	(5,169)	1,204
Advances from customers	414,852	20,317	85,507	159,930
Sundry provisions	19,534	(63,710)	17,257	(24,327)
Other payables	230,727	(326,674)	341,467	(151,851)
<b>Cash from operations</b>	<b>1,773,212</b>	<b>1,204,785</b>	<b>2,573,432</b>	<b>3,125,276</b>
Interest paid	(451,337)	(402,577)	(525,356)	(565,963)
Income tax and social contribution paid	(29,809)	(40,885)	(29,429)	(71,552)
<b>Net cash generated by operating activities</b>	<b>1,292,066</b>	<b>761,323</b>	<b>2,018,647</b>	<b>2,487,761</b>

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Proceeds from the sale of fixed assets and investments		423	6,026	2,638
Proceeds from the capital decrease in associates		6,600		6,600
Cash effect from incorporated subsidiary	394			
Acquisitions of investments in subsidiaries and associates	(110,536)	(415,168)		
Acquisitions to property, plant and equipment	(1,121,218)	(1,003,771)	(1,850,714)	(1,474,537)
Acquisitions of intangible assets	(7,655)	(1,986)	(8,130)	(7,118)
Held-to-maturity financial investments	13,045	(2,760)	(6,626)	(11,802)
<b>Net cash used in investing activities</b>	<b>(1,225,970)</b>	<b>(1,416,662)</b>	<b>(1,859,444)</b>	<b>(1,484,219)</b>
Short-term and long-term debts				
Obtained borrowings	3,127,193	2,993,438	5,596,279	5,137,845
Payment of borrowings	(4,175,358)	(3,071,827)	(5,085,521)	(4,813,476)
Related parties				
Obtained loans	1,794,853	2,186,512		
Payment of loans	(293,928)	(1,613,622)		
Current accounts, net	123,918			
Dividends paid	(19)	(664,851)	(19)	(664,851)
Non-controlling interests in subsidiaries			17,426	(3,869)
Repurchase of shares	(36,694)	(946)	(36,694)	(946)
Capital increase				2,361
<b>Net cash provided by (used in) financing activities</b>	<b>539,965</b>	<b>(171,296)</b>	<b>491,471</b>	<b>(342,936)</b>
Exchange variation on cash of foreign subsidiaries			(34,076)	(104,722)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>606,061</b>	<b>(826,635)</b>	<b>616,598</b>	<b>555,884</b>
Represented by				
Cash and cash equivalents at the beginning of the year	2,224,335	2,339,060	2,952,272	2,698,075
Cash and cash equivalents at the end of the year	2,830,396	1,512,425	3,568,870	3,253,959
<b>Increase (decrease) in cash and cash equivalents</b>	<b>606,061</b>	<b>(826,635)</b>	<b>616,598</b>	<b>555,884</b>

The Management notes are an integral part of the financial statements

**Braskem S.A.****Statement of value added****At September 30, 2012****All amounts in thousands of reais**

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Sep/2012</b>	<b>Sep/2011</b>	<b>Sep/2012</b>	<b>Sep/2011</b>
<b>Revenue</b>	<b>18,366,760</b>	<b>16,895,231</b>	<b>31,918,080</b>	<b>29,307,051</b>
Sale of goods, products and services	18,340,952	16,892,265	31,633,956	29,328,874
Other income (expenses), net	46,934	4,056	319,978	(16,318)
Allowance for doubtful accounts	(21,126)	(1,090)	(35,854)	(5,505)
<b>Inputs acquired from third parties</b>	<b>(15,002,976)</b>	<b>(13,474,203)</b>	<b>(26,615,578)</b>	<b>(24,517,510)</b>
Cost of products, goods and services sold	(14,406,977)	(12,920,283)	(25,641,686)	(23,666,638)
Material, energy, outsourced services and others	(595,920)	(543,851)	(968,887)	(849,541)
Impairment / recovery of assets	(79)	(10,069)	(5,005)	(1,331)
<b>Gross value added</b>	<b>3,363,784</b>	<b>3,421,028</b>	<b>5,302,502</b>	<b>4,789,541</b>
<b>Depreciation, amortization and depletion</b>	<b>(884,551)</b>	<b>(790,223)</b>	<b>(1,436,596)</b>	<b>(1,280,371)</b>
<b>Net value added produced by the entity</b>	<b>2,479,233</b>	<b>2,630,805</b>	<b>3,865,906</b>	<b>3,509,170</b>
<b>Value added received in transfer</b>	<b>454,239</b>	<b>388,536</b>	<b>332,018</b>	<b>601,779</b>
Results from equity investments	196,242	(51,185)	(32,747)	(2,051)
Financial income	257,850	439,537	364,564	603,638
Other	147	184	201	192
<b>Total value added to distribute</b>	<b>2,933,472</b>	<b>3,019,341</b>	<b>4,197,924</b>	<b>4,110,949</b>
<b>Personnel</b>	<b>367,267</b>	<b>369,492</b>	<b>622,747</b>	<b>603,112</b>
Direct compensation	266,693	283,533	467,252	466,404
Benefits	74,287	63,527	119,606	103,965
FGTS (Government Severance Pay Fund)	26,287	22,432	35,889	32,743
<b>Taxes, fees and contributions</b>	<b>705,611</b>	<b>636,891</b>	<b>1,312,116</b>	<b>887,205</b>
Federal	(305,607)	198,900	(101,677)	327,298
State	1,006,139	433,852	1,390,302	543,833
Municipal	5,079	4,139	23,491	16,074

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<b>Remuneration on third parties' capital</b>	<b>2,872,058</b>	<b>2,341,099</b>	<b>3,268,289</b>	<b>2,936,587</b>
Financial expenses (including exchange variation)	2,768,283	2,231,492	3,129,692	2,792,591
Rentals	103,775	109,607	138,597	143,996
<b>Remuneration on own capital</b>	<b>(1,011,464)</b>	<b>(328,141)</b>	<b>(1,005,228)</b>	<b>(315,955)</b>
Loss for the period	(1,011,464)	(328,141)	(1,011,464)	(328,141)
Non-controlling interests in loss for the period			6,236	12,186
<b>Value added distributed</b>	<b>2,933,472</b>	<b>3,019,341</b>	<b>4,197,924</b>	<b>4,110,949</b>

The Management notes are an integral part of the financial statements

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**1. Operations**

Braskem S.A. (hereinafter “Parent Company”) is a public corporation headquartered in Camaçari, Bahia, which jointly with its subsidiaries (hereinafter “Braskem” or “Company”), operates 36 industrial units, 29 in Brazil and 7 abroad (5 in the United States and 2 in Germany).

The Company is controlled by Odebrecht S.A. (“Odebrecht”), which indirectly holds interests of 50.11% and 38.11% in its voting and total capital, respectively.

**(a) Material operating events**

**(a.1)** In December 2011, Sunoco Chemicals, Inc. (“Sunoco”) announced the definitive shutdown of operations at its refinery that was responsible for supplying propylene, the main feedstock to one of the five polypropylene (“PP”) plants of the subsidiary Braskem America Inc (“Braskem America”) in the United States.

In 2012, Sunoco formally informed the Management of Braskem America of its alternative plan to supply feedstock, as required under the supply agreement entered into in 2010. The definitive termination of the supply agreement occurred on June 8, 2012, upon payment of the respective compensation set forth in the contract, in the amount of R\$235,962 (Note 30).

Despite the termination of the supply agreement, the Management of Braskem America pursued alternative supply and logistics solutions in order to continue operations at the unit and has already identified other sources to supply the feedstock required.

Another important and fundamental step in maintaining the operations at the plant was the acquisition of a propylene splitter unit from Sunoco on June 29, 2012. This unit transforms refinery-grade propylene into polymer-grade propylene. This acquisition does not represent a business combination, since it does not meet the definitions required by IFRS 3 and its corresponding CPC 15 (R1).

With the acquisition, Braskem America expanded its supply sources, since the supply of refinery-grade propylene is more abundant in the U.S. market.

**(a.2)** On August 17, 2012, the Company inaugurated, in Marechal Deodoro, Alagoas, a new plant with annual production capacity of 200 kton of polyvinyl chloride (“PVC”). With the plant’s inauguration, Braskem’s annual PVC production capacity increased to 710 kton. Total investment in the plant was approximately R\$1 billion.

**(a.3)** On September 13, 2012, the Company inaugurated, in the Triunfo Petrochemical Complex in the state of Rio Grande do Sul, a new plant with annual production capacity of 103 kton of butadiene. The new plant is already operating at full production capacity. Total investment was approximately R\$300 million.



**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**(b) Corporate events**

**(b.1)** On January 27, 2012, the controlling shareholder of Braskem, BRK Investimentos Petroquímicos S.A. (“BRK”) was proportionally spun-off. In the spin-off, a part of the shares issued by Braskem that were held by BRK was delivered to Petróleo Brasileiro S.A. – Petrobras (“Petrobras”). With the spin-off, BRK became a wholly-owned subsidiary of Odebrecht Serviços e Participações (“OSP”) and maintained ownership of shares corresponding to 50.11% and 28.23% of the voting and total capital of Braskem, respectively. On the same date, the merger of Petrobras Química S.A. – Petroquisa (“Petroquisa”) into Petrobras was approved and Petrobras became the holder of 47.03% and 35.95% of the voting and total capital of Braskem, respectively.

**(b.2)** On February 27, 2012, the company Braskem International GmbH (“Braskem Áustria”) was incorporated with the purpose of holding equity interests in other companies, in addition to performing financial and commercial operations. The capital stock was fully paid up by the Parent Company, a sole partner, in the amount of R\$81 (EUR 35 thousand) (Note 14(b)).

**(b.3)** On February 28, 2012, the Extraordinary Shareholders’ Meeting of the Parent Company approved the merger of the subsidiary Ideom Tecnologia Ltda., based on its net book value as of December 31, 2011, in the amount of R\$20,762, pursuant to the terms and conditions set forth in the protocol and justification dated February 6, 2012.

**(b.4)** On April 30, 2012, the capital stock of the subsidiaries Braskem Petroquímica S.A. (“Braskem Petroquímica”) and Rio Polímeros S.A. (“Riopol”) was increased in the amounts of R\$649,639 and R\$738,799, respectively (Note 14(b)), without the issue of new shares, as approved at the respective shareholders’ meetings. The increases occurred through utilization of the balances recorded under advance for future capital increase.

**(b.5)** On June 27, 2012, Braskem Áustria incorporated Braskem Petroquímica Ibérica, S.L. (“Braskem Espanha”), which has capital of EUR 3 thousand. The purpose of this subsidiary is to hold equity interests in other companies.

**(b.6)** On June 30, 2012, BRK was merged into its parent company OSP, which now holds 50.11% and 38.11% of the voting and total capital of the Parent Company, respectively.

**(b.7)** On August 27, 2012, Braskem Áustria incorporated Braskem Áustria Finance GmbH (“Braskem Áustria Finance”), which has capital of EUR 35 thousand. The subsidiary’s purpose is to raise funds in international financial markets.

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**(c) Net working capital**

On September 30, 2012, net working capital at the Parent Company and Consolidated were negative R\$1,847,334 and R\$258,933, respectively. The consolidated figures are used in the management of working capital, since the Company uses mechanisms to transfer funds between the companies efficiently without jeopardizing the fulfillment of the commitments of each of the entities forming the consolidated statements. For this reasons, any analysis of the Parent Company's working capital will not reflect the actual liquidity position of the consolidated group. Although the consolidated net working capital is negative, the Company does not have any issue regarding liquidity, since this condition is only temporary. Braskem is lending funds to its subsidiary Braskem Idesa, in connection with the investments in property, plant and equipment made by this subsidiary in the Ethylene XXI Project (Note 15), which will be reimbursed upon the inflow of funds from the Project Finance, which is in final phase of structuring. As of September 30, 2012, the amount sent by the Parent Company was R\$400,273 (US\$197 million) and was related to its 65% interest in the project. The Idesa Group, the non-controlling shareholder of Braskem Idesa, has also provided funds for the project corresponding to the 35% interest it holds in the subsidiary, with the amount of R\$215,066 (US\$105 million) recorded in "other accounts payable" under current liabilities in the consolidated financial statements (Note 24(a)).

The Company also has two revolving credit lines that may be used at any time and which allow for a reduction in the cash balance maintained by Braskem (Note 3.3).

**(d) Effect of foreign exchange variation**

The Company has balances and transactions in U.S. dollar, as well as financial investments, trade accounts receivable, trade payables, borrowings and sales. The balances of assets and liabilities are translated based on the exchange rate at the end of each period, while transactions are based on the effective exchange rate on the date each operation occurs. These rates are informed by the Central Bank of Brazil.

The following table shows the U.S. dollar average and end-of-period exchange rates for the periods in this report:

**U.S. dollar, end of period**

September 2012	R\$ 2.0306
December 2011	R\$ 1.8758
Appreciation of the U.S. dollar in relation to the Brazilian real	8.25%

**Average U.S. dollar rate**

Nine-month period ended September 30, 2012	R\$ 1.9213
Nine-month period ended September 30, 2011	R\$ 1.6331
Appreciation of the U.S. dollar in relation to the Brazilian real	17.65%

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**2. Summary of significant accounting policies**

**2.1. Basis of preparation**

This quarterly information should be read together with the financial statements of Braskem S.A. as of December 31, 2011 and for the year then ended, which were prepared and presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of the quarterly information requires the use of certain critical accounting estimates. It also requires the Management of the Company to exercise its judgment in the process of applying its accounting policies. There were no changes in the assumptions and judgments made by the Company's management in the use of estimates for the preparation of the quarterly information in relation to those used in the December 31, 2011 financial statements.

**(a) Consolidated quarterly information**

The consolidated quarterly information was prepared and is being presented in accordance with the pronouncements CPC 21 and IAS 34 - Interim Financial Reporting, which establish the minimum content for interim financial statements.

**(b) Parent company quarterly information**

The parent company quarterly information was prepared and is being presented in accordance with pronouncement CPC 21.

## **2.2. Significant accounting policies**

There were no changes in the accounting practices used in the preparation of the quarterly information in relation to those presented in the December 31, 2011 financial statements, except for the method of recognition of jointly controlled investments (Note 2.3). The accounting practice adopted complies with the alternative provided for by IAS 31 and its corresponding CPC 19 (R1), which determine that such investments may initially be valued at their acquisition cost and subsequently using the equity method.

Due to the accounting of jointly controlled companies using the equity method as of 2012, the balance of cash and cash equivalents in the consolidated statement of cash flow at the start of the period (January 1, 2012) was reduced by R\$34,547, which corresponds to the balances at Refinaria de Petróleo Riograndense (“RPR”), Polipropileno Del Sul S.A. (“Propilsur”) and Polietilenos de America S.A. (“Polimerica”) on that date.

## **2.3. Consolidated quarterly information**

On September 30, 2012, investments in jointly controlled companies of the Company are calculated using the equity method and no longer based on proportionate consolidation (Note 2.2). The consolidated information for prior periods will not be restated given the immateriality of the balances of these jointly controlled companies to the Company's financial statements.

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated**

The consolidated quarterly information includes the quarterly information of the Company (Note 2.2) in which it, directly or indirectly, maintains a controlling equity interest or controls the activities, as presented below:

	<b>Headquarters (Country)</b>	<b>Total interest - %</b>		
		<b>Sep/2012</b>	<b>Dec/2011</b>	<b>Sep/2011</b>
<b>Direct and indirect subsidiaries</b>				
Braskem America, Inc. ("Braskem America")	USA	100.00	100.00	100.00
Braskem America Finance Company ("Braskem America Finance")	USA	100.00	100.00	100.00
Braskem Argentina S.A. ("Braskem Argentina")	Argentina	100.00	100.00	100.00
Braskem Austria Finance GmbH ("Braskem Austria Finance") (i)	Austria	100.00		
Braskem Chile Ltda. ("Braskem Chile")	Chile	100.00	100.00	100.00
Braskem Distribuidora Ltda. ("Braskem Distribuidora")	Brazil	100.00	100.00	100.00
Braskem Europe GmbH ("Braskem Alemanha")	Germany	100.00	100.00	100.00
Braskem Finance Limited ("Braskem Finance")	Cayman Island	100.00	100.00	100.00
Braskem Idesa S.A.P.I ("Braskem Idesa")	Mexico	65.00	65.00	65.00
Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Servicios")	Mexico	65.00	65.00	65.00
Braskem Importação e Exportação Ltda. ("Braskem Importação")	Brazil	100.00	100.00	100.00
Braskem Incorporated Limited ("Braskem Inc")	Cayman Island	100.00	100.00	100.00
Braskem International GmbH ("Braskem Austria") (ii)	Austria	100.00		
Braskem Netherlands B.V ("Braskem Holanda")	Netherlands	100.00	100.00	100.00
Braskem Mexico, S de RL de CV ("Braskem Mexico")	Mexico	100.00	100.00	100.00
Braskem Participações S.A. ("Braskem Participações")	Brazil	100.00	100.00	100.00
Braskem Petroquímica S.A. ("Braskem Petroquímica")	Brazil	100.00	100.00	100.00
Braskem Petroquímica Chile Ltda. ("Petroquímica Chile")	Chile	100.00	100.00	100.00
Braskem Petroquímica Ibérica, S.L. ("Braskem Espanha") (iii)	Spain	100.00		
Braskem Qpar S.A. ("Braskem Qpar")	Brazil	100.00	100.00	100.00

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Cetrel S.A. ("Cetrel")		Brazil	53.92	54.09	54.23
Common Industries Ltd. ("Common")		British Virgin Islands	100.00	100.00	100.00
Ideom Tecnologia Ltda. ("Ideom")	(iv)	Brazil		100.00	100.00
IQ Soluções & Química S.A. ("Quantiq")		Brazil	100.00	100.00	100.00
IQAG Armazéns Gerais Ltda. ("IQAG")		Brazil	100.00	100.00	100.00
Lantana Trading Co. Inc. ("Lantana")		Bahamas	100.00	100.00	100.00
Norfolk Trading S.A. ("Norfolk")		Uruguai	100.00	100.00	100.00
Politeno Empreendimentos Ltda. ("Politeno Empreendimentos")		Brazil	100.00	100.00	100.00
Rio Polímeros S.A. ("Riopol")		Brazil	100.00	100.00	100.00

**Specific Purpose Entity ("SPE")**

Fundo de Investimento Multimercado Crédito Privado Sol ("FIM Sol")		Brazil	100.00	100.00	100.00
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**Jointly-controlled subsidiaries**

Refinaria de Petróleo Riograndense S.A. ("RPR")		Brazil		33.20	33.20
Polietilenos de America S.A. ("Polimerica")		Venezuela		49.00	49.00
Polipropileno Del Sur S.A. ("Propilsur")		Venezuela		49.00	49.00

- (i) Company incorporated in August 2012 (Note 1 (b.7)).
- (ii) Company incorporated in February 2012 (Note 1 (b.2)).
- (iii) Company incorporated in June 2012 (Note 1 (b.5)).
- (iv) Merged into Braskem in February 2012 (Note 1 (b.3)).



**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**2.4. Non-controlling interest in the equity and results of operations**

**of the Company's subsidiaries**

	Equity, adjusted		Profit (loss) for the period, adjusted	
	Sep/2012	Dec/2011	Sep/2012	Sep/2011
Braskem Idesa	128,564	93,578	(1,885)	(2,640)
Cetrel	132,882	121,744	8,121	14,826
<b>Total</b>	<b>261,446</b>	<b>215,322</b>	<b>6,236</b>	<b>12,186</b>

**2.5. Reconciliation of equity and profit (loss) for the period**

**between parent company and consolidated**

	Equity		Profit (loss) for the period	
	Sep/2012	Dec/2011	Sep/2012	Sep/2011
<b>Parent Company</b>	<b>8,343,616</b>	<b>9,813,480</b>	<b>(1,011,464)</b>	<b>(328,141)</b>
Braskem shares owned by subsidiary Braskem Petroquímica	(48,892)	(48,892)		
Non-controlling interest	261,446	215,322	6,236	12,186
<b>Consolidated</b>	<b>8,556,170</b>	<b>9,979,910</b>	<b>(1,005,228)</b>	<b>(315,955)</b>

### **3. Risk management**

Braskem is exposed to (i) market risks arising from variations in commodity prices, foreign exchange rates and interest rates; (ii) the credit risks of its counterparties in cash equivalents, financial investments and trade accounts receivable; and (iii) liquidity risks to meet its obligations related to financial liabilities.

Braskem adopts procedures for managing market, credit and liquidity risks that are in conformity with the financial policy approved by the Board of Directors on August 9, 2010. The purpose of risk management is to protect the cash flows of Braskem and reduce the threats to the financing of its operating working capital and investment programs.

#### **3.1. Market risk**

Braskem prepares a sensitivity analysis for the main types of market risk to which it is exposed, which is presented in Note 18.4.

##### **(a) Exposure to commodity risks**

Braskem is exposed to the variation in the prices of certain commodities and, in general, seeks to transfer the variations caused by fluctuations in market prices. On the other hand, during the period ended September 30, 2012, the Company entered into derivative operations to hedge against the exposure to risks arising from isolated transactions involving the commodities naphtha and ethanol (Note 18.2.1). Additionally, an immaterial part of sales is performed based on fixed-price contracts or contracts with a maximum and/or minimum fluctuation range. These contracts can be commercial agreements or derivative contracts associated with future sales.

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**(b) Exposure to foreign exchange risk**

Braskem has commercial operations denominated in or pegged to foreign currencies. Braskem's inputs and products have prices denominated in or strongly influenced by international prices of commodities, which are usually denominated in U.S. dollar. Additionally, Braskem has long-term loans in foreign currencies that expose it to variations in the foreign exchange rate between the Brazilian real and the foreign currency, in particular the U.S. dollar. Braskem manages its exposure to foreign exchange risk through the combination of debt, financial investments and accounts receivable denominated in foreign currencies and through derivative operations. Braskem's financial policy for managing foreign exchange risks provides for the maximum and minimum coverage limits that must be observed and which are continuously monitored by its Management.

On September 30, 2012, Braskem prepared a sensitivity analysis for its exposure to U.S. dollar risk, as informed in Note 18.4(c).

**(c) Exposure to interest rate risk**

Braskem is exposed to the risk that a variation in floating interest rates causes an increase in its financial expense due to payments of future interest. Debt denominated in foreign currency subject to floating rates is mainly subject to fluctuations in Libor. Debt denominated in local currency is mainly subject to the variation in the Long-Term Interest Rate ("TJLP"), to fixed rates in Brazilian real and to the variation in the Interbank Certificate of Deposit ("daily CDI") rate.

In the period ended September 30, 2012, Braskem held swap contracts designated as hedge accounting that: (i) exposure of principal in pre-contractual rate and hedge in CDI overnight rate; and (ii) exposure of principal in LIBOR and hedge in fixed rate (Note 18.2).

On September 30, 2012, Braskem prepared a sensitivity analysis for the exposure to the floating interest rates Libor, CDI and TJLP, as informed in Notes 18.4(d), 18.4(e), 18.4(f), respectively.

### **3.2. Exposure to credit risk**

The transactions that subject Braskem to the concentration of credit risks are mainly in current accounts with banks, financial investments and trade accounts receivable in which Braskem is exposed to the risk of the financial institution or customer involved. In order to manage this risk, Braskem maintains bank current accounts and financial investments with major financial institutions, weighting concentrations in accordance with the credit rating and the daily prices observed in the Credit Default Swap market for the institutions, as well as netting contracts that minimize the total credit risk arising from the many financial transactions entered into by the parties.

On September 30, 2012, Braskem held netting contracts with Banco Citibank S.A. HSBC Bank Brasil S.A. – Banco Múltiplo, Banco Itaú BBA S.A. Banco Safra S.A. Banco Santander (Brasil) S.A. Banco Votorantim S.A. Banco West LB do Brasil S.A. Banco Caixa Geral – Brasil S.A. and Banco Bradesco S.A., which seek to mitigate credit and liquidity risks in the event of the insolvency of the parties involved. Approximately 33% of the amounts held in cash and cash equivalents (Note 5) and financial investments (Note 6) are contemplated by these agreements, whose related liabilities are accounted for under “borrowings” (Note 17).

With respect to the credit risk of customers, Braskem protects itself by performing a rigorous analysis before granting credit and obtaining secured and unsecured guarantees when considered necessary.

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

The maximum exposure to credit risk of non-derivative financial instruments on the reporting date is the sum of their carrying amounts less any provisions for impairment losses. On September 30, 2012, the balance of trade accounts receivable was net of allowance for doubtful accounts of R\$289,440 (R\$253,607 on December 31, 2011).

**3.3. Liquidity risk and capital management**

Braskem has a calculation methodology to determine operating cash and minimum cash for the purpose of, respectively: (i) ensuring the liquidity needed to comply with short-term obligations, calculated based on the operating disbursements projected for the following month; and (ii) ensuring that the Company maintains liquidity during potential crises, calculated based on the projected operating cash generation, less short-term debts, working capital needs and other items.

In the period ended September 30, 2012, some of Braskem's borrowing agreements had financial covenants that linked net debt and the payment of interest to its consolidated EBITDA (earnings before interest, tax, depreciation and amortization) (Note 17 (h)). The Company's Management monitored these indicators on a quarterly basis in U.S. dollar, as established in the borrowing agreements. These agreements were settled in the third quarter of 2012 and the Company no longer holds commitments of this nature.

Additionally, Braskem has two revolving credit lines amounting to: (i) US\$350 million, which may be used without restriction for a period of three years as from September 2010; and (ii) US\$250 million, which may be used without restriction for a period of five years as from August 2011. On September 30, 2012, Braskem had not drawn any credit from these lines.



**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**4. Business combination**

**PP assets abroad – Dow Chemical**

On September 30, 2011, Braskem, through its subsidiaries Braskem America and Braskem Alemanha, acquired the PP business of Dow Chemical for R\$607.6 million (US\$323 million). On the same date, the amount of R\$312,263 (US\$166 million) was paid, which corresponds to the portion of accounts payables that were assumed in the transaction.

The agreement also provided for adjustments to the amount paid based on the variation in trade accounts receivable and inventory, for which the final amount was a receivable of R\$23.7 million (US\$12.3 million) by the acquirers.

The negotiation included four industrial units, of which two are in the United States and two in Germany, with combined annual production capacity of 1,050 thousand tons of PP.

In the United States and Germany, the acquisition included mainly industrial plants, trade accounts receivable, inventory and assumed liabilities related to the business operation. In the United States, the acquired plants are located in the state of Texas and have annual production capacity of 505 thousand tons of PP. In Germany, the plants have annual production capacity of 545 thousand tons of PP.

The amount paid included trade accounts receivable and inventory located in Mexico through the subsidiary Braskem México, in the amount of R\$13.2 million (US\$7.6 million), net of the accounts payable assumed. Since it represented an isolated asset acquisition closed in the short term with the sale of inventory and the financial settlement of accounts

receivable and payable, this part of the operation was not considered a business combination.

The effective settlement of the operation by the parties occurred on September 30, with financial settlement on October 3, 2011. Until the effective payment to Dow Chemical, the acquirers did not make any relevant decisions regarding the operations of the plants, which began to occur only after October 3. The rights and obligations generated as of October 1, 2011 are the responsibility of the acquirers, such as the inventory produced and the new obligations assumed.

The reasons mentioned above lead to the conclusion that the acquisition of control occurred on October 3, 2011, the date of the registration of the business combination and as of when the acquired assets and liabilities were consolidated into Braskem's financial statements.

This acquisition was approved by Brazil's antitrust authority CADE (*Conselho Administrativo de Defesa Econômica*) on February 8, 2012, by the corresponding U.S. regulatory body on September 9, 2011, and by the European antitrust authorities on September 28, 2011.

The allocation of the amounts of the assets acquired and liabilities assumed in the financial statements for the year ended December 31, 2011 was made on a preliminary basis by the acquirers. The Company contracted independent experts to measure the fair value of this acquisition, which was concluded in the second quarter of 2012. As a result of this assessment, and as required by IFRS 3 and its corresponding CPC 15 (R1), the Company recognized, retrospectively, among other, the following main amounts in the 2011 financial statements:



**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

- (i) addition of property, plant and equipment, in the amount of R\$36,526;
- (ii) effect on deferred income tax loss, in the amount of R\$15,021.

The Company also recognized a credit, in the amount of R\$8,540, related to an adjustment in the amount paid, as provided for by the initial agreement.

Therefore, the Company recognized a gain (bargain purchase) of R\$30,045 (US\$16.3 million) in the 2011 financial statements under “retained earnings”. The Company also recognized depreciation on the fair value adjustment in the amount of R\$1,992, and its deferred income tax effect in the amount of R\$639.

The following table summarizes the consideration paid to Dow Chemical and the fair values of the assets acquired and liabilities assumed, which were recognized retrospectively in the financial statements of December 31, 2011:

	<b>United States</b>	<b>Germany</b>	<b>Total business combination</b>	<b>Mexico</b>	<b>Total</b>
<b>Transferred consideration</b>					
Cash	285,135	285,551	570,686	13,214	583,900
<b>Total transferred consideration (A)</b>	<b>285,135</b>	<b>285,551</b>	<b>570,686</b>	<b>13,214</b>	<b>583,900</b>
<b>Recognized values of identifiable assets acquired and</b>					

**liabilities assumed**Current assets

Trade receivable accounts	143,932	133,438	277,370	18,948	296,318
Inventories	161,617	126,385	288,002	12,661	300,663

Non-current assets

Property, plant and equipment	137,186	222,483	359,669		359,669
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Current liabilities

Trade payables	(140,558)	(153,310)	(293,868)	(18,395)	(312,263)
Other payable accounts	(845)	(141)	(985)		(985)

Non-current liabilities

Deferred income tax	(6,374)	(8,647)	(15,021)		(15,021)
Pension plans		(14,436)	(14,436)		(14,436)

**Total comprehensive identified assets and assumed liabilities in a fair value (B)**

	<b>294,959</b>	<b>305,773</b>	<b>600,731</b>	<b>13,214</b>	<b>613,945</b>
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**Result of business combination (A) - (B)**

	<b>9,824</b>	<b>20,222</b>	<b>30,045</b>		<b>30,045</b>
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A specialized independent company estimated the fair value of assets acquired and liabilities assumed, based on the following assumptions:

- (i) the fair value of trade accounts receivable was calculated based on the collectability of the receivables acquired;
- (ii) the fair value of inventory was calculated considering the net realizable value of inventories;

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

(iii) the method used to calculate the value of property, plant and equipment was the “replacement cost approach”, reduced by economic and functional obsolescence. The Management, together with its external valuation experts, believed that because it uses the unit value of each asset comprising the plant, the “market approach” would not reflect the actual economic value, since it would not consider the costs with the technologies installed, installation-support and the active connection with the production and distribution system. During the valuation process, the following information was considered: (a) the installation cost of similar plants; (b) the most recent quotes for the expansion and replacement of similar assets; (c) the cash price for replacing the asset, considering the use conditions on the inspection date; and (d) the projected cash flows of the business.

(iv) the fair value of trade payables was determined based on the amount paid to settle the obligations by Dow during the negotiation; and

(v) the fair value of private pension plans was determined based on the net present value of actuarial liabilities.

The information related to the other business combinations carried out by the Company was presented in Note 5 to the annual financial statements for 2011.

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****5. Cash and cash equivalents**

	<b>Sep/2012</b>	<b>Parent Company Dec/2011</b>	<b>Sep/2012</b>	<b>Consolidated Dec/2011</b>
Cash and banks	17,406	69,306	352,424	349,916
Cash equivalents:				
Domestic market	2,722,737	1,748,027	2,910,313	1,899,825
Foreign market	90,253	407,002	306,133	737,078
<b>Total</b>	<b>2,830,396</b>	<b>2,224,335</b>	<b>3,568,870</b>	<b>2,986,819</b>

This table was presented in the 2011 annual financial statements of the Company, in Note 6.

**6. Financial investments**

	<b>Sep/2012</b>	<b>Parent Company Dec/2011</b>	<b>Sep/2012</b>	<b>Consolidated Dec/2011</b>
<b>Held-for-trading</b>				
Investments in FIM Sol	50,741	36,410	50,741	36,410
Investments in foreign currency	5,476	10,716	5,476	10,716
Shares	3,023	3,023	3,023	3,023
<b>Loans and receivables</b>				
Investments in FIM Sol	157,571	116,007	157,571	116,007
Investments in national currency	504		504	

**Held-to-maturity**

	Quotas of investment funds in credit rights	45,219	34,720	45,219	34,720
	Restricted deposits	6,408	2,823	7,680	4,173
	Investments in foreign currency			306,595	
	Compensation of investments in foreign currency (i)			(306,595)	
<b>Total</b>		<b>268,942</b>	<b>203,699</b>	<b>270,214</b>	<b>205,049</b>
	In current assets	240,457	168,979	241,733	170,297
	In non-current assets	28,485	34,720	28,481	34,752
<b>Total</b>		<b>268,942</b>	<b>203,699</b>	<b>270,214</b>	<b>205,049</b>

This table was presented in the 2011 annual financial statements of the Company, in Note 7.

(i) On September 30, 2012, Braskem Holanda had a financial investments held-to-maturity that was irrevocably offset by an export prepayment agreement of the Parent Company, in the amount of US\$150 million, as provided for in the credit assignment agreement entered into between these two companies and Banco Bradesco (Note 17(b)). This accounting offset was carried out in accordance with CPC 39 and IAS 32, which provides for the possibility of offsetting financial instruments when there is intent and rightfully executable right to realize an asset and settle a liability simultaneously.

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****7. Trade accounts receivable**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>Sep/2012</b>	<b>Dec/2011</b>	<b>Sep/2012</b>	<b>Dec/2011</b>
Consumers:				
Domestic market	954,662	660,289	1,289,336	866,168
Foreign market	995,094	676,122	1,587,052	1,282,251
Allowance for doubtful accounts	(210,197)	(189,071)	(289,440)	(253,607)
<b>Total</b>	<b>1,739,559</b>	<b>1,147,340</b>	<b>2,586,948</b>	<b>1,894,812</b>
In current assets	1,690,742	1,097,482	2,534,964	1,843,756
In non-current assets	48,817	49,858	51,984	51,056
<b>Total</b>	<b>1,739,559</b>	<b>1,147,340</b>	<b>2,586,948</b>	<b>1,894,812</b>

This table was presented in the 2011 annual financial statements of the Company, in Note 8.

**8. Inventories**

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>Sep/2012</b>	<b>Dec/2011</b>	<b>Sep/2012</b>	<b>Dec/2011</b>
Finished goods	1,492,993	1,192,940	2,809,472	2,444,547
Raw materials, production inputs and packaging	559,845	620,877	804,652	866,206
Maintenance materials	101,116	95,980	194,985	183,779

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Advances to suppliers	10,334	16,522	57,131	58,200
Imports in transit and other	16,093	42,190	41,433	70,790
<b>Total</b>	<b>2,180,381</b>	<b>1,968,509</b>	<b>3,907,673</b>	<b>3,623,522</b>

This table was presented in the 2011 annual financial statements of the Company, in Note 9.

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****9. Related parties**

The information concerning related parties was presented in the 2011 annual financial statements of the Company, in Note 10.

**(a) Parent company**

				<b>Balances at September 30, 2012</b>				
	<b>Trade accounts receivable</b>	<b>Related Parties Receivable notes</b>	<b>Other receivable</b>	<b>Other</b>	<b>Current Total</b>	<b>Current accounts</b>	<b>Related Pa Loan agreements</b>	<b>C receiv</b>
<b>Subsidiaries</b>								
Braskem America	18,088	3,587			21,675			
Braskem Argentina	65,439				65,439			
Braskem Chile	522				522			
Braskem Holanda	11,930	168			12,098			
Braskem Idesa		2,434			2,434			
Braskem Inc	142,856				142,856		7,447	
Braskem Participações		96			96	1,405		
Braskem Petroquímica	25,765		16,283	14,273 (i)	56,321			
Braskem Qpar	580		37,363		37,943	574,079		
Cetrel	29				29			



Lantana								59
Quantiq	1,737			7,729 (i)	9,466			
Riopol	6,308		15,441		21,749			
	<b>273,254</b>	<b>6,285</b>	<b>69,087</b>	<b>22,002</b>	<b>370,628</b>	<b>575,484</b>		<b>7,506</b>
<b>Jointly-controlled subsidiaries</b>								
Propilsur		2,400			2,400			
		<b>2,400</b>			<b>2,400</b>			
<b>Associated companies</b>								
Borealis	7,449	187			7,636			
Sansuy	15,409				15,409			
	<b>22,858</b>	<b>187</b>			<b>23,045</b>			
<b>Related companies</b>								
Petrobras	14,677		12,808		27,485		61,657	38
	<b>14,677</b>		<b>12,808</b>		<b>27,485</b>		<b>61,657</b>	<b>38</b>
<b>EPE</b>								
FIM Sol				2,728,017 (ii)	2,728,017			
				<b>2,728,017</b>	<b>2,728,017</b>			
<b>Total</b>	<b>310,789</b>	<b>8,872</b>	<b>81,895</b>	<b>2,750,019</b>	<b>3,151,575</b>	<b>575,484</b>	<b>69,163</b>	<b>38</b>

(i) Amounts in "dividends and interest on capital receivable"

(ii) Amounts in "cash and cash equivalents" : R\$ 2,519,705 and in "financial investments": R\$ 208,312

## Braskem S.A.

## Notes to the financial statements

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

	Balances at September 30, 2012									
	Trade payables	Advances from customers	Borrowings	Accounts payable to related parties	Current Total Borrowings	Accounts payable to related parties	Advance to export	Current accounts	Payable to related parties	
<b>Subsidiaries</b>										
Braskem America	1			168,917	168,918	406,120				
Braskem Distribuidora								6,937		
Braskem Holanda		365,700		56,555	422,255	2,505,407				
Braskem Importação								113		
Braskem Inc	2,495,664		109,316	795	2,605,775	3,225,074				85
Braskem Petroquímica	4,627			12	4,639			15,728		
Braskem Qpar	1,916			7	1,923					
Cetrel	2,097				2,097					
IQAG								607		
ISATEC	9				9					
Politeno Empreendimentos									15	
Quantiq	172			1,954	2,126			70,143		
Riopol	2,094			24	2,118			589,974		
	<b>2,506,580</b>	<b>365,700</b>	<b>109,316</b>	<b>225,472</b>	<b>2,792</b>	<b>3,209,860</b>	<b>3,225,074</b>	<b>2,911,527</b>	<b>683,517</b>	<b>85</b>

**Related  
companies**

Construtora

Norberto

Odebrecht

("CNO")

1,984

1,984

Petrobras

1,284,156

1,284,156

**1,286,140**

**1,286,140**

**Total**

**3,792,720**

**365,700**

**109,316**

**225,472**

**2,792**

**4,496,000**

**3,225,074**

**2,911,527**

**683,517**

**85**

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated**

	<b>Income statement transactions from January to September 30, 2012</b>			
	<b>Sales of products</b>	<b>Purchases of raw materials, services and utilities</b>	<b>Financial income (expenses)</b>	<b>Cost of production/general and administrative expenses</b>
<b>Subsidiaries</b>				
Braskem America	11,065		(493)	
Braskem Argentina	111,641		1,887	
Braskem Chile	22,876		116	
Braskem Finance			1	
Braskem Holanda	359,468		(353,055)	
Braskem Idesa			11	
Braskem Inc	143,929	1,680,358	(536,229)	
Braskem Petroquímica	274,427	153,604		
Braskem Qpar	26,907	66,128	(22,822)	
Ideom	2	5,500		
Lantana			4	
Quantiq	138,505	8,772		
Riopol	114,818	71,253		
	<b>1,203,638</b>	<b>1,985,615</b>	<b>(910,580)</b>	
<b>Jointly-controlled subsidiaries</b>				
Polimerica			28	
Propilsur			43	
RPR	11,085	1,482	743	
	<b>11,085</b>	<b>1,482</b>	<b>814</b>	
<b>Associated companies</b>				
Borealis	76,200			
Sansuy	20,961	11,050		
	<b>97,161</b>	<b>11,050</b>		

**Related companies**

CNO		170,300	
Odebrecht Serviços e Participações ("OSP")		87,538	
Petrobras	495,671	7,618,850	3,488
Refinaria Alberto Pasqualini ("Refap")	3,150	231,385	
	<b>498,821</b>	<b>8,108,073</b>	<b>3,488</b>

**Post-employment benefit plan**

Odebrecht Previdência Privada ("Odeprev")				15,697
				<b>15,697</b>

<b>Total</b>	<b>1,810,705</b>	<b>10,106,220</b>	<b>(906,278)</b>	<b>15,697</b>
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**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated**

	Trade accounts receivable	Related parties	Other	Current		Balances at December 31, 2011	
				Total	Current accounts	Assets Non-current	Total
		Other receivable			Loan agreements	Related parties Advance for future capital increase	
<b>Subsidiaries</b>							
Braskem America	8,164			8,164			
Braskem Argentina	37,149			37,149			
Braskem Chile	496	10		506			
Braskem Holanda	171,590			171,590			
Braskem Inc	30,641			30,641		6,633	6,633
Braskem México		581		581			
Braskem Petroquímica	77,055		14,273 (i)	91,328		649,639	649,639
Braskem Participações		96		96	1,497		1,497
Braskem Qpar	3,137			3,137	155,712		155,712
Ideom	189			189	8,987		8,987
Lantana					54		54
Politeno							
Empreendimentos					1		1
Quantiq	7,788		15,995 (i)	23,783	5,022		5,022
Riopol	12,977			12,977		738,799	738,799
	<b>349,186</b>	<b>687</b>	<b>30,268</b>	<b>380,141</b>	<b>171,273</b>	<b>6,633</b>	<b>1,388,438</b>
<b>Jointly-controlled subsidiaries</b>							<b>1,566,344</b>

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Propilur		5,196		5,196		
Polimerica		3,497		3,497		
		<b>8,693</b>		<b>8,693</b>		
<b>Associated companies</b>						
Borealis	2,936	187		3,123		
	<b>2,936</b>	<b>187</b>		<b>3,123</b>		
<b>Related companies</b>						
Petrobras	5,329	15,990		21,319	58,169	58,169
Other	19,953	103		20,056		
	<b>25,282</b>	<b>16,093</b>		<b>41,375</b>	<b>58,169</b>	<b>58,169</b>
<b>EPE</b>						
FIM Sol		1,665,817	(ii)	1,665,817		
		<b>1,665,817</b>		<b>1,665,817</b>		
<b>Total</b>	<b>377,404</b>	<b>25,660</b>	<b>1,696,085</b>	<b>2,099,149</b>	<b>171,273</b>	<b>64,802 1,388,438 1,624,513</b>

(i) Amounts in "dividends and interest on capital receivable"

(ii) Amounts in "cash and cash equivalents" : R\$ 1,513,400 and in "financial investments": R\$ 152,417





**Related  
companies**

CNO	4,128	4,128
Petrobras	1,360,267	1,360,267
Other	9,930	9,930
	<b>1,374,325</b>	<b>1,374,325</b>

<b>Total</b>	<b>3,737,831</b>	<b>56,309</b>	<b>7,157</b>	<b>72,633</b>	<b>3,873,930</b>	<b>3,448,165</b>	<b>1,155,493</b>	<b>134,871</b>	<b>7,203</b>	<b>4,745,732</b>
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**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated**

	<b>Income statement transactions from January to September 30, 2011</b>		
	<b>Sales of products</b>	<b>Purchases of raw materials, services and utilities</b>	<b>Financial income (expenses)</b>
			<b>Cost of production/general and administrative expenses</b>
<b>Subsidiaries</b>			
Braskem America	3,603		420
Braskem Argentina	27,202		6,001
Braskem Chile	3,777		6,292
Braskem Distribuidora			(47)
Braskem Holanda	171,939		20,510
Braskem Idesa			(1,822)
Braskem Importação			(2)
Braskem Inc	26,584	1,706,891	(642,046)
Braskem Participações			1
Braskem Qpar	36,518	1,754	15,005
Cetrel		1,376	
Ideom	156		166
IQAG			(4)
ISATEC			55
Politeno Empreendimentos			1
Quantiq	11,910	433	399
Riopol	6,304	3,382	1,220
	<b>287,993</b>	<b>1,713,836</b>	<b>(593,851)</b>
<b>Associated companies</b>			
Borealis	140,626		
	<b>140,626</b>		
<b>Related companies</b>			

(11)

BRK Investimentos Petroquímicos				
S.A. ("BRK")				
CNO		148,114		
Odebrecht			13	
Petrobras	659,443	5,663,132	3,278	
Refinaria Alberto Pasqualini ("Refap")	11,699	706,453		
	<b>671,142</b>	<b>6,517,699</b>	<b>3,280</b>	
<b>Post-employment benefit plan</b>				
Odeprev				7,688
				<b>7,688</b>
<b>Total</b>	<b>1,099,761</b>	<b>8,231,535</b>	<b>(590,571)</b>	<b>7,688</b>

## Braskem S.A.

## Notes to the financial statements

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

## (b) Consolidated

	Balances at September 30, 2012						
				Assets		Liabilities	
	Trade accounts receivable	Related parties Receivable notes	Other receivable	Current Total	Non-current Total	Current Total	Trade payables
<b>Jointly-controlled subsidiaries</b>							
Propilur		2,400		2,400			
RPR							3,681
		<b>2,400</b>		<b>2,400</b>			<b>3,681</b>
<b>Associated companies</b>							
Borealis	8,114	187		8,301			
Sansuy	15,409			15,409			
	<b>23,523</b>	<b>187</b>		<b>23,710</b>			
<b>Related companies</b>							
CNO							1,984
Petrobras	34,568		22,166	56,734	61,657	89,204	150,861
	<b>34,568</b>		<b>22,166</b>	<b>56,734</b>	<b>61,657</b>	<b>89,204</b>	<b>150,861</b>
<b>Total</b>	<b>58,091</b>	<b>2,587</b>	<b>22,166</b>	<b>82,844</b>	<b>61,657</b>	<b>89,204</b>	<b>150,861</b>
							<b>1,789,031</b>

## Income statement transactions from January to September 30, 2012

	Sales of products	Purchases of raw materials, services and utilities	Financial income (expenses)	Cost of production/general and administrative expenses
<b>Jointly-controlled subsidiary</b>				
Polimerica			28	
Propilsur			43	
RPR	11,500	30,725	743	
	<b>11,500</b>	<b>30,725</b>	<b>814</b>	
<b>Associated companies</b>				
Borealis	88,245			
Sansuy	20,961	11,050		
	<b>109,206</b>	<b>11,050</b>		
<b>Related parties</b>				
CNO		171,687		
OSP		87,538		
Petrobras	815,327	12,438,717	3,488	
Refap	3,150	232,010		
	<b>818,477</b>	<b>12,929,952</b>	<b>3,488</b>	
<b>Post-employment benefit plan</b>				
Odeprev				18,565
				<b>18,565</b>
<b>Total</b>	<b>939,183</b>	<b>12,971,727</b>	<b>4,302</b>	<b>18,565</b>

Braskem S.A.

Notes to the financial statements

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

							<b>Balances at December 31, 2011</b>
		<b>Current</b>	<b>Assets Non-current</b>		<b>Current</b>	<b>Liabilities Non-current</b>	
<b>Trade accounts receivable</b>	<b>Related parties</b>	<b>Total</b>	<b>Related parties</b>	<b>Trade payables</b>	<b>Trade payables</b>	<b>Payable accounts to related parties</b>	<b>Advance for future capital increase</b>
				<b>Loan agreements</b>			
		<b>Other receivable</b>					
<b>Jointly-controlled subsidiaries</b>							
Propilur	2,598	2,598				24,855	
Polimerica	1,748	1,748				19,978	
	<b>4,346</b>	<b>4,346</b>				<b>44,833</b>	
<b>Associated companies</b>							
Borealis	2,936	187	3,123				
	<b>2,936</b>	<b>187</b>	<b>3,123</b>				
<b>Related parties</b>							
CNO					4,128		
Petrobras	6,887	81,955	88,842	58,169	1,777,503		
Other	19,954	103	20,057		10,003		
	<b>26,841</b>	<b>82,058</b>	<b>108,899</b>	<b>58,169</b>	<b>1,791,634</b>		
<b>Total</b>	<b>29,777</b>	<b>86,591</b>	<b>116,368</b>	<b>58,169</b>	<b>1,791,634</b>	<b>44,833</b>	

## Income statement transactions from January to September 30, 2011

	Sales of products	Purchases of raw materials, services and utilities	Financial income (expenses)	Cost of production/general and administrative expenses
<b>Jointly-controlled subsidiary</b>				
RPR	20,617		(56)	
	<b>20,617</b>		<b>(56)</b>	
<b>Associated companies</b>				
Borealis	140,626			
	<b>140,626</b>			
<b>Related companies</b>				
BRK			(11)	
CNO		148,114		
Odebrecht			13	
Petrobras	1,076,071	10,087,406	3,278	
Refap	11,699	709,394		
	<b>1,087,770</b>	<b>10,944,914</b>	<b>3,280</b>	
<b>Post-employment benefit plan</b>				
Odeprev				10,321
				<b>10,321</b>
<b>Total</b>	<b>1,249,013</b>	<b>10,944,914</b>	<b>3,224</b>	<b>10,321</b>

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(c) Key management personnel**

<b>Non-current liabilities</b>	<b>Sep/2012</b>	<b>Dec/2011</b>
Long-term incentives	2,267	4,121
<b>Total</b>	<b>2,267</b>	<b>4,121</b>

<b>Income statement transactions</b>	<b>Sep/2012</b>	<b>Parent Company Sep/2011</b>	<b>Sep/2012</b>	<b>Consolidated Sep/2011</b>
<b>Remuneration</b>				
Short-term benefits to employees and managers	29,771	25,555	29,771	28,030
Post-employment benefit	156	146	156	169
Long-term incentives	308	1,111	308	1,111
<b>Total</b>	<b>30,235</b>	<b>26,812</b>	<b>30,235</b>	<b>29,310</b>



## Braskem S.A.

## Notes to the financial statements

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

## 10. Taxes recoverable

	Note	Parent Company Sep/2012	Parent Company Dec/2011	Sep/2012	Consolidated Dec/2011
<b>Parent Company and subsidiaries in Brazil</b>					
Excise tax (IPI)		34,237	30,625	37,616	31,575
Value-added tax on sales and services (ICMS)		590,085	649,546	1,024,160	1,057,964
Social integration program (PIS) and social contribution on revenue (COFINS)		567,258	280,480	752,389	470,962
PIS and COFINS - Law 9,718/98		154,528	151,457	160,804	157,733
PIS - Decree-Law 2,445 and 2,449/88		74,473	180,234	107,151	199,972
Income tax and social contribution (IR and CSL)		302,119	242,615	445,099	372,489
Tax on net income (ILL)		15,286	14,912	15,286	14,912
REINTEGRA program	(a)	147,812	13,804	177,961	17,924
Additional state income tax (AIRE)		56,001	56,001	56,001	56,001
Other		68,874	49,558	94,445	81,345
<b>Foreign subsidiaries</b>					
Value-added tax				169,643	64,291
Income tax				17,794	17,332
Other				310	
<b>Total</b>		<b>2,010,673</b>	<b>1,669,232</b>	<b>3,058,659</b>	<b>2,542,500</b>
In current assets		917,709	606,258	1,452,693	1,036,253
In non-current assets		1,092,964	1,062,974	1,605,966	1,506,247
<b>Total</b>		<b>2,010,673</b>	<b>1,669,232</b>	<b>3,058,659</b>	<b>2,542,500</b>

The information related to taxes recoverable was presented in the 2011 annual financial statements of the Company, in Note 11.

**(a) REINTEGRA Program**

On December 14, 2011, Federal Law 12,546 was approved, which created the program called “REINTEGRA”. The program aims to refund to exporters the federal taxes levied on the production chain for goods sold abroad. Such credits may be made in two ways: (i) by offsetting own debits overdue or undue related to taxes levied by the Federal Revenue Service; or (ii) by a cash reimbursement. In the period ended September 30, 2012, the Company recognized credits in the amount of R\$167,324 (Note 29) and offset the amount of R\$7,287.

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****11. Judicial deposits**

	<b>Parent Company</b>			<b>Consolidated</b>
	<b>Sep/2012</b>	<b>Dec/2011</b>	<b>Sep/2012</b>	<b>Dec/2011</b>
Judicial deposits				
Tax contingencies	95,816	96,081	104,986	105,611
Labor and social security contingencies	60,722	50,595	73,077	60,187
Other	4,916	4,916	5,734	8,422
<b>Total</b>	<b>161,454</b>	<b>151,592</b>	<b>183,797</b>	<b>174,220</b>

This table was presented in the 2011 annual financial statements of the Company, in Note 12.

**12. Insurance claims – non-current assets**

On September 30, 2012, the main amounts under this item were as follows:

(i) damages receivable for losses that occurred in December 2010 and February 2011 in the furnaces and electric system at the Olefins plants of the Basic Petrochemicals unit of the Northeast Complex in the amounts of R\$80,642 and R\$29,210, respectively; and

(ii) damages receivable for losses at the Chlor-Alkali plant in the state of Alagoas in the amount of R\$8,332.

Regarding the damages mentioned in item (i) above, the amount of R\$29,227 is presented in the line “other accounts receivable” under current assets (Note 13). In the period, the Company received R\$79,600 associated with these damages.

The information related to insurance claims was presented in the 2011 annual financial statements, in Note 13.

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**13. Other accounts receivable - consolidated**

The information related to other accounts receivable was presented in the 2011 annual financial statements, in Note 14.

**(a) Current assets**

On September 30, 2012, the main balances forming this line under this line are:

- (i) R\$120,933 in advances to service suppliers (R\$96,213 on December 31, 2011);
- (ii) R\$57,477 in insurance claims (Note 12); and
- (iii) R\$113,565 in advances to suppliers related to the Ethylene XXI project of Braskem Idesa (Note 15).

**(b) Non-current**

On September 30, 2012, the main balance under this item refers to the mandatory Eletrobras loan in the periods from 1977 to 1986 and 1987 to 1994, in the amount of R\$80,488.



**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****14. Investments**

The information related to investments was presented in the Company's 2011 annual financial statements, in Note 15.

**(a) Information on investments**

<b>(a.1) Investments of the parent company</b>	<b>Interest in total capital (%)</b>	<b>Adjusted net profit (loss) for the period</b>		<b>Parent company Adjusted equity</b>	
		<b>Sep/2012</b>	<b>Sep/2012</b>	<b>Sep/2011</b>	<b>Sep/2012</b>
<b>Subsidiaries</b>					
Braskem Alemanha	5.66	(89,569)		149,463	208,192
Braskem America	100.00	241,194	(6,071)	734,792	480,405
Braskem Argentina	96.77	819	41	5,284	4,465
Braskem Austria	(i) 100.00			81	
Braskem Chile	99.02	244	(52)	1,787	1,543
Braskem Distribuidora	100.00	(85,594)	7,952	83,919	94,490
Braskem Holanda	100.00	(97,171)	12,267	420,305	489,925
Braskem Finance	100.00	(25,321)	(122,308)	(116,311)	(90,990)
Braskem Idesa	65.00	(5,386)	(8,311)	367,324	267,367
Braskem Importação	0.04	(2)	4	203	205
Braskem Inc.	100.00	119,364	(27,955)	307,354	187,990
Braskem Participações	100.00	(1,388)	1,965	(121)	781
Braskem Petroquímica	100.00	52,899	33,473	1,615,776	913,193
Braskem Qpar	96.96	(92,531)	60,966	2,629,525	2,722,056
Cetrel	52.68	16,804	31,892	312,562	290,192

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Ideom	(ii)			(13,976)		20,762
IQAG		0.12	984	128	3,177	1,690
Petroquímica Chile		97.96	85	1,083	6,793	6,708
Politeno Empreendimentos		99.98	(4)	18	27	31
Quantiq		99.90	21,346	22,759	250,245	228,899
Riopol		100.00	112,672	47,209	2,619,045	1,767,574
<b>Jointly-controlled subsidiary</b>						
RPR		33.20	12,858	11,721	125,274	120,655

(i) Company incorporated in February 2012 (Note 1(b.2)).

(ii) Company merged into the Parent Company in February 2012 (Note 1(b.3)).



**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated**

				<b>Parent company</b>	
	<b>Interest in</b>	<b>Adjusted net profit</b>		<b>Adjusted</b>	
	<b>total capital (%)</b>	<b>(loss)</b>		<b>equity</b>	
	<b>Sep/2012</b>	<b>Sep/2012</b>	<b>Sep/2011</b>	<b>Sep/2012</b>	<b>Dec/2011</b>
		<b>for the period</b>			
<b>(a.2) Investments of subsidiaries</b>					
<b>Braskem America</b>					
Braskem America Finance	100.00	2,223	74	(3,111)	(3,506)
<b>Braskem Chile</b>					
Braskem Argentina	3.17	819	41	5,284	4,465
Petroquímica Chile	2.03	85	1,083	6,793	6,708
<b>Braskem Distribuidora</b>					
Braskem Argentina	(iv)		41		4,465
Braskem Importação	(iii)		4		
Lantana	96.34	(88,813)	8,856	(540)	88,272
<b>Braskem Holanda</b>					
Braskem Alemanha	94.34	(89,569)	(39)	149,463	208,192
Propilsur	49.00	(859)	(658)	96,475	103,419
Polimerica	49.00	(53,805)	(130)	(19,861)	71,377
<b>Braskem Idesa</b>					
Braskem Idesa Serviços	100.00	611	253	2,929	1,982
<b>Braskem Importação</b>					
Braskem México	0.03	(1,418)	1,703	1,305	2,237
<b>Braskem Inc.</b>					
Braskem Chile	0.98	244	(52)	1,787	1,543
Lantana	3.66	(88,813)	8,856	(540)	88,272
Petroquímica Chile	0.01	85	1,083	6,793	6,708
<b>Braskem Participações</b>					
Braskem Argentina	(iv)	0.06	819	5,284	
Braskem Importação	(iii)	99.96	(2)	203	205
Braskem México		99.97	(1,418)	1,305	2,237

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Politeno Empreendimentos	0.02	(4)	18	27	31
Quantiq	0.10	21,346	22,759	250,245	228,899
<b>Braskem Petroquímica</b>					
Braskem Qpar	3.04	(92,531)	60,966	2,629,525	2,722,056
Cetrel	1.24	16,804	31,892	312,562	290,192
<b>Braskem Qpar</b>					
Common	100.00	610	1,096	7,516	6,906
<b>Common</b>					
Norfolk	100.00	7,028	7,716	69,024	61,995
<b>Quantiq</b>					
IQAG	99.88	984	128	3,177	1,690

(iii) Company acquired by Braskem Participações in December 2011.

(iv) Company acquired by Braskem Participações in August 2012.

	Interest in total capital (%) Sep/2012	Parent company and consolidated Adjusted net profit (loss) for the period			Adjusted equity Dec/2011
		Sep/2012	Sep/2011	Sep/2012	
<b>Associates</b>					
Borealis	20.00	16,102	7,533	165,459	149,349
Companhia de Desenvolvimento Rio Verde ("Codeverde")	35.97	(596)	1,561	46,342	66,606
Sansuy	20.00	(232)	(12)	1,722	1,954

## Braskem S.A.

## Notes to the financial statements

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

## (b) Changes in investments – parent company

		Balance at Dec/2011	Merger at	Shares acquisition	Capital increase	Dividends and interest on capital	Equity in results of investees Adjustment Effect of profit in inventories of results	Goodwill amortization	Other
<b>Subsidiaries</b>									
<b>Domestic subsidiaries</b>									
Braskem Distribuidora	(i)	94,490			75,023		(85,594)		
Braskem Participações		781					(1,388)		121
Braskem Petroquímica	(ii)	773,644			649,639		52,899	941	(2,577)
Braskem Qpar		3,632,228					(89,717)	2,310	(65,826)
Cetrel		147,638		564			9,294		(1,434)
Ideom	(iii)	20,762	(23,387)				2,625		
Politeno Empreendimentos		31					(4)		
Quantiq		234,169					21,346	286	(1,676)
Riopol	(ii)	1,765,777			738,799		112,672	177	
RPR		40,063				(1,689)	3,222		
		<b>6,709,583</b>	<b>(23,387)</b>	<b>564</b>	<b>1,463,461</b>	<b>(1,689)</b>	<b>25,355</b>	<b>3,714</b>	<b>(69,837)</b>
									<b>(1,555)</b>
<b>Foreign subsidiaries</b>									

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Braskem								
Alemanha	12,853			(5,070)				
Braskem America	488,191			241,194		2,025		
Braskem								
Argentina	3,127			819		1,338		
Braskem Austria		81						
Braskem Chile	1,543			244				
Braskem Holanda	507,737			(97,171)				
Braskem Idesa	173,488	34,869		(3,501)				
Braskem Inc.	187,990			119,364				
Petroquímica								
Chile	6,708			85				
	<b>1,381,637</b>	<b>34,950</b>		<b>255,964</b>		<b>3,363</b>		
<b>Total subsidiaries and jointly-controlled</b>	<b>8,091,220</b>	<b>(23,387)</b>	<b>564</b>	<b>1,498,411</b>	<b>(1,689)</b>	<b>281,319</b>	<b>7,077</b>	<b>(69,837) (1,555)</b>
<b>Associate</b>								
Borealis	29,870			3,222				
<b>Total associate</b>	<b>29,870</b>			<b>3,222</b>				

- (i) Capital increase carried out in September 2012, which included the transfer of assets.
- (ii) Capital increase carried out in April 2012 with an Advance for Future Capital Increase (AFAC). (Note 1(b.4)).
- (iii) Company merged into the Parent Company in February 2012 (Note 1(b.3)).

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(c) Breakdown of equity accounting results**

	<b>Parent company</b>			<b>Consolidated</b>
	<b>Sep/2012</b>	<b>Sep/2011</b>	<b>Sep/2012</b>	<b>Sep/2011</b>
Equity in results of subsidiaries, associate and jointly-controlled	291,618	113,814	(24,549)	1,609
Amortization of fair value adjustment	(69,837)	(i) (73,155)		
Provision for losses on investments	(25,321)	(92,320)	(9,931)(ii)	(18)
Dividends from other investments / other	(218)	476	1,733	(3,642)
	<b>196,242</b>	<b>(51,185)</b>	<b>(32,747)</b>	<b>(2,051)</b>

(i) Amortization of fair value adjustments comprises the following:

- R\$65,826 related to the amortization of fair value adjustments on the assets and liabilities from the acquisition of Quattor. This amount is distributed in the following items of the consolidated statement of operations: “net sales revenue” of R\$14,147; “cost of sales” of R\$73,382; “general and administrative expenses” of R\$68, and “financial results” of R\$12,138. The effect of deferred income tax and social contribution was R\$33,909.

- R\$4,011 related to the amortization of fair value adjustments on property, plant and equipment of the subsidiaries Braskem Petroquímica and Cetrel.

(ii) Provision for losses in the jointly controlled subsidiary Polimerica



**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****15. Property, plant and equipment**

	<b>Sep/2012</b>			<b>Parent company Dec/2011</b>		
	<b>Cost</b>	<b>Accumulated depreciation/ depletion</b>	<b>Net</b>	<b>Cost</b>	<b>Accumulated depreciation/ depletion</b>	<b>Net</b>
Land	84,112		84,112	84,112		84,112
Buildings and improvements	1,421,232	(662,297)	758,935	1,429,520	(632,144)	797,376
Machinery, equipment and installations	15,548,762	(7,355,283)	8,193,479	14,900,873	(6,767,658)	8,133,215
Projects in progress	2,787,950		2,787,950	2,618,316		2,618,316
Other	510,018	(327,855)	182,163	499,450	(306,491)	192,959
Impairment	(159,371)		(159,371)	(160,036)		(160,036)
<b>Total</b>	<b>20,192,703</b>	<b>(8,345,435)</b>	<b>11,847,268</b>	<b>19,372,235</b>	<b>(7,706,293)</b>	<b>11,665,942</b>

	<b>Sep/2012</b>			<b>Consolidated Dec/2011</b>		
	<b>Cost</b>	<b>Accumulated depreciation/ depletion</b>	<b>Net</b>	<b>Cost</b>	<b>Accumulated depreciation/ depletion</b>	<b>Net</b>
Land	427,862		427,862	418,426		418,426
Buildings and improvements	1,872,922	(720,219)	1,152,703	1,859,991	(678,524)	1,181,467
Machinery, equipment and installations	23,649,167	(8,979,222)	14,669,945	22,782,338	(7,923,353)	14,858,985
Projects in progress	4,528,711		4,528,711	3,771,381		3,771,381
Other	944,933	(421,901)	523,032	941,649	(349,151)	592,498
Impairment	(159,371)		(159,371)	(160,036)		(160,036)
<b>Total</b>	<b>31,264,224</b>	<b>(10,121,342)</b>	<b>21,142,882</b>	<b>29,613,749</b>	<b>(8,951,028)</b>	<b>20,662,721</b>

This table was presented in the Company's 2011 annual financial statements, in Note 16.

The projects in progress mainly relate to operating improvements to increase the economic useful life of machinery and equipment and to the expansion projects. On September 30, 2012, the main project in progress was located in Mexico (Ethylene XXI) and involved the construction of an ethylene and polyethylene plant through the subsidiary Braskem Idesa.

### **Impairment test for property, plant and equipment**

In the first quarter of 2012, with the announcement of the shutdown of the refinery of Sunoco (Note 1 (a.1)), the Company's Management decided to conduct impairment testing of the Cash Generating Unit ("CGU") composed of the PP plants in the United States and that is part of the International Business operating segment, in accordance with the guidelines in CPC 1 (IAS 36). The test did not indicate the need to provision for the impairment loss of this CGU.

The following premises were adopted to determine the discounted cash flow: cash flow for 5 years based on the Business Plan, discount rate based on the Weighted Average Cost of Capital (WACC) of 8.1% p.a. and growth rate to determine the perpetuity based on the annual inflation as measured by the U.S. Consumer Price Index (CPI) of 2.3% p.a.



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Given the potential impact on cash flows of the “discount rate” and the “growth rate in perpetuity”, a sensitivity analysis was conducted based on changes in these variables, which confirmed that there was no need for recording a provision. The sensitivity analysis included two scenarios: (i) +0.5% in the discount rate; and

(ii) - 0.5% in the growth rate in perpetuity.

There were no significant events or circumstances in the period ended September 30, 2012 that indicated the need for impairment testing on the property, plant and equipment of the other CGUs and/or operating segments of the Company.

**16. Intangible Assets**

			Sep/2012		Consolidated company Dec/2011		Parent Sep/2012
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net	Net
Goodwill based on future profitability	3,194,545	(1,130,794)	2,063,751	3,194,545	(1,130,794)	2,063,751	2,058,874
Trademarks and patents	208,883	(68,957)	139,926	189,745	(62,217)	127,528	50,465
Software and use rights	415,745	(180,598)	235,147	410,231	(162,444)	247,787	136,919
Contracts with customers and suppliers	671,190	(136,697)	534,493	671,190	(93,564)	577,626	
<b>Total</b>	<b>4,490,363</b>	<b>(1,517,046)</b>	<b>2,973,317</b>	<b>4,465,711</b>	<b>(1,449,019)</b>	<b>3,016,692</b>	<b>2,246,258</b>

This table was presented in the 2011 annual financial statements of the Company, in Note 17.

**Impairment testing of intangible assets with indefinite useful life**

In December 2011, the Company tested intangible assets for impairment and did not identify any losses. The projection of cash flows used was 5 years as from December 2011. The following assumptions were adopted to determine value through the discounted cash flow method: projections of cash flows based on estimates of the business for future cash flows, discount rates based on the Weighted Average Cost of Capital (WACC) and growth rates to determine perpetuity based on annual inflation measured by the IPCA consumer price index (*Índice Nacional de Preços ao Consumidor Amplo*).

There were no significant events or circumstances in the period ended September 30, 2012 that indicated the need for impairment testing of the intangible assets with indefinite useful life.

## Braskem S.A.

## Notes to the financial statements

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

## 17. Borrowings

	Annual financial charges		Consolidated	
	Monetary restatement	Average interest (unless otherwise stated)	Sep/2012	Dec/2011
<b>Foreign currency</b>				
Bonds and Medium term notes (MTN)	Note 17 (a)	Note 17 (a)	9,286,312	6,147,427
Advances on exchange contracts	(i) US dollar exchange variation	2.03%		131,668
Export prepayments	Note 17 (b)	Note 17 (b)	513,678	1,781,346
BNDES	Note 17 (c)	Note 17 (c)	454,932	413,722
Export credit notes	Note 17 (d)	Note 17 (d)	784,451	723,153
Project financing (NEXI)	(ii) Yen exchange variation	0.95% above Tibor		26,318
Other	US dollar exchange variation	1.69% above Libor	823,029	476,086
Other	Exchange variation (UMBNDDES)	6.09%	1,263	
Transactions costs, net			(61,734)	(84,525)
<b>Local currency</b>				
Export credit notes	Note 17 (d)	Note 17 (d)	2,215,925	2,281,814
BNDES	Note 17 (c)	Note 17 (c)	2,289,451	2,556,521
BNB/ FINAME/ FINEP/ FUNDES		6.86%	667,544	504,476
BNB/ FINAME/ FINEP/ FUNDES	TJLP	0.37%	28,906	40,372
Other	Post-fixed monetary correction	106% of CDI	7,336	148,158
Other	TJLP	2.87%	11,930	
Transactions costs, net			(357)	(1,724)
<b>Total</b>			<b>17,022,666</b>	<b>15,144,812</b>
Current liabilities			1,287,755	1,391,779
Non-current liabilities			15,734,911	13,753,033
<b>Total</b>			<b>17,022,666</b>	<b>15,144,812</b>

In February 2012, the Company prepaid this borrowing.

(ii) In June 2012, the Company paid at maturity the borrowing denominated in yen contracted from NEXI.

	<b>Parent company</b>	
	<b>Sep/2012</b>	<b>Dec/2011</b>
<b><u>Foreign currency</u></b>		
Current liabilities	526,129	409,580
Non-current liabilities	6,775,884	7,586,674
	<b>7,302,013</b>	<b>7,996,254</b>
<b><u>Local currency</u></b>		
Current liabilities	526,992	551,939
Non-current liabilities	4,110,332	3,689,522
	<b>4,637,324</b>	<b>4,241,461</b>
Current liabilities	1,053,121	961,519
Non-current liabilities	10,886,216	11,276,196
<b>Total</b>	<b>11,939,337</b>	<b>12,237,715</b>

The information related to borrowings was presented in the 2011 annual financial statements of the Company, in Note 19.

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(a) Bonds and MTN**

<b>Issue date</b>	<b>Issue amount (US\$ in thousands)</b>	<b>Maturity</b>	<b>Interest (% per year)</b>	<b>Sep/2012</b>	<b>Consolidated Dec/2011</b>
July 1997	250,000	June 2015	9.38	136,666	123,379
January 2004	250,000	January 2014	11.75	175,086	166,392
September 2006	275,000	January 2017	8.00	269,172	253,563
June 2008	500,000	June 2018	7.25	1,038,814	942,622
May 2010	400,000	May 2020	7.00	829,568	752,951
May 2010	350,000	May 2020	7.00	730,472	663,296
October 2010	450,000	no maturity date	7.38	929,869	858,981
April 2011	750,000	April 2021	5.75	1,557,861	1,419,013
July 2011	500,000	July 2041	7.13	1,028,964	967,230
February 2012 (i)	250,000	April 2021	5.75	521,029	
February 2012 (ii)	250,000	no maturity date	7.38	516,594	
May 2012 (iii)	500,000	May 2022	5.38	1,037,735	
July 2012 (iv)	250,000	July 2041	7.13	514,482	
<b>Total</b>	<b>4,975,000</b>			<b>9,286,312</b>	<b>6,147,427</b>

(i) Additional issue to the operation that Braskem Finance carried out in April 2011, in the amount of US\$750 million.

(ii) Additional issue to the perpetual bond issue carried out by Braskem Finance in October 2010 in the amount of US\$450 million.

(iii) Operation conducted by Braskem Finance with an interest coupon of 5.375% per annum and semiannual interest payments on May 2 and November 2 of each year.

(iv) Operation conducted by Braskem America Finance with an interest coupon of 7.125% per annum.

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(b) Export prepayments (“EPP”)**

<b>Issue date</b>	<b>Initial amount of the transaction (US\$ thousand)</b>	<b>Maturity Charges (% per year)</b>	<b>C Sep/2012</b>
December 2005 (i)	55,000	December 2012 US dollar exchange variation + semiannual Libor + 1.60	
July 2006 (i)	95,000	June 2013 US dollar exchange variation + 3.17	
July 2006 (i)	75,000	July 2014 US dollar exchange variation + 2.73	
March 2007 (i)	35,000	March 2014 US dollar exchange variation + 4.10	
April 2007 (ii)	150,000	April 2014 US dollar exchange variation + 3.40	
March 2010 (i)	100,000	March 2015 US dollar exchange variation + 4.67	
May 2010	150,000	May 2015 US dollar exchange variation + semiannual Libor + 2.40	307,870
June 2010 (i)	150,000	June 2016 US dollar exchange variation + semiannual Libor + 2.60	
December 2010	100,000	December 2017 US dollar exchange variation + semiannual Libor + 2.47	205,808
March 2011 (iii)	200,000	February 2021 US dollar exchange variation + semiannual Libor + 1.20	
<b>Total</b>	<b>1,110,000</b>		<b>513,678</b>

(i) The Company prepaid these borrowings.

(ii) On September 30, 2012, this borrowing of the Parent Company was offset with a financial investment by the subsidiary Braskem Holanda (Note 6).

(iii) The operation established formal financial covenants for the Company. With the prepayment of this operation, the liability no longer exists. This was the only operation that imposed financial covenants on the Company.





**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(c) BNDES borrowings**

<b>Projects</b>	<b>Issue date</b>	<b>Maturity</b>	<b>Charges (% per year)</b>	<b>Sep/2012</b>
<b><u>Foreign currency</u></b>				
Other	2005/2006	October 2016	US dollar exchange variation + 6.36	8,158
Other	2005/2006	May 2013	Monetary variation (UMBNDDES) + 5.46	400
Plant PP - Paulinia	(i) 2006	January 2015	US dollar exchange variation + 6.49	
Limit of credit UNIB-South	2006	July 2014	US dollar exchange variation + 5.38 to 6.06	12,841
Braskem Qpar expansion	2006/2007/2008	April 2016	US dollar exchange variation + 6.06 to 6.36	23,176
Braskem Qpar expansion	2006/2007/2008	January 2015	Monetary variation (UMBNDDES) + 6.21	2,342
Limit of credit I	2007	April 2015	US dollar exchange variation + 4.88 to 5.77	47,322
Green PE	2009	July 2017	US dollar exchange variation + 6.14	46,560
Limit of credit II	2009	January 2017	US dollar exchange variation + 6.14	98,427
Plant expansion PVC Alagoas	2010	January 2020	US dollar exchange variation + 6.14	74,302
Limit of credit III	2011	January 2018	US dollar exchange variation + 5.98 to 6.01	113,207
Butadiene	2011	January 2021	US dollar exchange variation + 6.01	28,197
				<b>454,932</b>
<b><u>Local currency</u></b>				
Other	2005/2006	September 2016	TJLP + 2.40 to 2.80	84,535
Plant PP - Paulinia	(i) 2006	December 2014	TJLP + 2.40 to 3.40	
Limit of credit UNIB-South	2006	May 2014	TJLP + 2.02 to 3.00	55,569
Braskem Qpar expansion	2006/2007/2008	February 2016	TJLP + 1.00 to 3.50	220,013
Limit of credit I	2007	April 2015	TJLP + 1.81 to 2.32	195,240
Green PE	2008/2009	June 2017	TJLP + 0.00 to 4.78	437,520
Limit of credit II	2009	January 2017	TJLP + 2.58 to 3.58	338,495
Limit of credit II	2009	January 2017	4.50	15,123
Plant expansion PVC Alagoas	2010	December 2019	TJLP + 0.00 to 3.58	266,496
Plant expansion PVC Alagoas	2010	December 2019	5.50	40,419

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Limit of credit III	2011	January 2018 TJLP + 2.05 to 3.45	462,983
Limit of credit III	2011	July 2018 4.00	63,855
Butadiene	2011	December 2020 TJLP + 2.15 to 3.45	109,203
			<b>2,289,451</b>
<b>Total</b>			<b>2,744,383</b>

(i) The Company settled these borrowings in advance.

## Braskem S.A.

## Notes to the financial statements

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

## (d) Export credit notes ("NCE")

Issue date	Initial amount of the transaction	Maturity	Charges (% per year)	Sep/2012	Consolidated Dec/2011
<b>Foreign currency</b>					
November 2006	167,014	May 2018	Us dollar exchange variation + 8.10	163,483	147,991
April 2007	101,605	March 2018	Us dollar exchange variation + 7.87	105,392	95,533
May 2007	146,010	May 2019	Us dollar exchange variation + 7.85	156,346	141,636
January 2008	266,430	February 2020	Us dollar exchange variation + 7.30	308,296	290,043
March 2008	41,750	March 2016	Us dollar exchange variation + 7.50	50,934	47,950
	<b>722,809</b>			<b>784,451</b>	<b>723,153</b>
<b>Local currency</b>					
December 2005	(i) 100,000	March 2014	106% of CDI		105,345
January 2006	(i) 11,500	January 2014	108% of CDI		7,731
April 2010	50,000	March 2014	12.16	66,337	60,861
June 2010	200,000	June 2014	12.13	258,917	237,590
September 2010	(ii) 71,000	September 2012	100.7% of CDI		81,818
February 2011	250,000	February 2014	99% of CDI	292,524	274,613
April 2011	(iii) 450,000	April 2019	112.5% of CDI	457,755	461,209
June 2011	80,000	June 2014	98.5% of CDI	90,059	84,572
August 2011	(iii) 400,000	August 2019	112.5% of CDI	402,674	404,267
October 2011	250,000	April 2012	108.3% of CDI		158,568
November 2011	(i) 400,000	November 2019	112.5% of CDI		405,240
January 2012	200,000	December 2013	103% of CDI	213,589	
February 2012	30,000	December 2012	8.50	31,598	
June 2012	100,000	June 2014	103% of CDI	102,036	
September 2012	300,000	September 2015	103% of CDI	300,436	
<b>Total</b>	<b>2,892,500</b>			<b>2,215,925</b>	<b>2,281,814</b>

- (i) Borrowings settled in advance.
  
- (ii) The Company had a swap operation for this borrowing, which was designated as hedge accounting. Both the borrowing and the swap were settled at maturity.
  
- (iii) The Company entered into hedge transactions for these NCE contracts in order to offset the variation in the Interbank Certificate of Deposit (CDI) rate (Note 18.2.1(a.i)).

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(e) Payment schedule**

The maturity profile of the long-term amounts is as follows:

	<b>Sep/2012</b>	<b>Consolidated Dec/2011</b>
2013	406,115	1,252,464
2014	1,650,812	1,781,917
2015	1,471,544	1,123,509
2016	1,052,593	1,204,472
2017	677,813	565,456
2018	1,465,336	1,331,131
2019	1,126,897	1,536,264
2020	1,872,453	1,754,200
2021	2,046,643	1,430,065
2022 and thereafter	3,964,705	1,773,555
<b>Total</b>	<b>15,734,911</b>	<b>13,753,033</b>

**(f) Capitalized financial charges - consolidated**

The Company capitalized financial charges in the period ended September 30, 2012 in the amount of R\$121,723 (R\$70,226 on September 30, 2011), including monetary variation and part of the exchange variation. The average rate of these charges in the period was 7.16% p.a. (7.34% p.a. on September 30, 2011).

**(g) Guarantees**

Braskem gave collateral for part of its borrowings as follows:

<b>Loans</b>	<b>Maturity</b>	<b>Total debt Sep/2012</b>	<b>Total guaranteed</b>	<b>Guarantees</b>
BNB	December 2022	318,420	318,420	Mortgage of plants, pledge of machinery and equipment
BNDES	January 2021	2,744,383	2,744,383	Mortgage of plants, land and property, pledge of machinery and equipment
FUNDES	May 2020	210,880	210,880	Mortgage of plants, land and property, pledge of machinery and equipment
FINEP	January 2019	160,410	160,410	Bank surety
FINAME	February 2022	6,740	6,740	Pledge of equipment
Other	May 2013	13,193	13,193	Mortgage of plants and promissory note
<b>Total</b>		<b>3,454,026</b>	<b>3,454,026</b>	

**(h) Financial covenants**

In the period ended September 30, 2012, the Company settled all borrowing agreements that established limits for certain indicators related to the capacity to contract debt and pay interest.

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****18. Financial instruments**

The information related to financial instruments was presented in the annual financial statements of the Company, in Note 21.

**18.1. Non-derivative financial instruments - consolidated**

	Classification by category	Fair value hierarchy	Note	Book value		
				Sep/2012	Dec/2011	Sep/2012
<b>Cash and cash equivalents</b>			5			
Cash and banks	Loans and receivables			352,424	349,916	352,424
Financial investments in Brazil	Held-for-trading	Level 2		438,808	435,580	438,808
Financial investments in Brazil	Loans and receivables			2,471,505	1,464,245	2,471,505
Financial investments abroad	Held-for-trading	Level 2		306,133	737,078	306,133
				<b>3,568,870</b>	<b>2,986,819</b>	<b>3,568,870</b>
<b>Financial investments</b>			6			
FIM Sol investments	Held-for-trading	Level 2		50,741	36,410	50,741
Investments in foreign currency Shares	Held-for-trading	Level 2		5,476	10,716	5,476
	Held-for-trading	Level 1		3,023	3,023	3,023
FIM Sol investments	Loans and receivables			157,571	116,007	157,571
Investments in national currency	Loans and receivables			504		504

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Quotas of receivables investment fund	Held-to-maturity			45,219	34,720	45,219
Restricted deposits	Held-to-maturity			7,680	4,173	7,680
				<b>270,214</b>	<b>205,049</b>	<b>270,214</b>
<b>Trade accounts receivable</b>	Loans and receivables	7		<b>2,586,948</b>	<b>1,894,812</b>	<b>2,586,948</b>
<b>Repurchase of treasury shares commitment</b>	Financial liability at fair value	Level 1	24 (a.ii)	<b>3,743</b>		<b>3,743</b>
<b>Related parties</b>						
Assets	Loans and receivables		9 (b)	175,614	144,760	175,614
Liabilities	Loans and receivables				44,833	
<b>Trade payables</b>	Other financial liabilities			<b>9,016,995</b>	<b>6,847,340</b>	<b>9,016,995</b>
<b>Borrowings</b>						
Foreign currency	Other financial liabilities		17	11,862,402	9,699,720	12,688,348
Local currency	Other financial liabilities			5,221,092	5,531,341	5,221,092
				<b>17,083,494</b>	<b>15,231,061</b>	<b>17,909,440</b>
<b>Debentures</b>	Other financial liabilities				<b>19,102</b>	

**Fair value hierarchy**

Level 1 – fair value obtained through prices quoted (without adjustments) in active markets for identical assets or liabilities, such as the stock exchange.

Level 2 – fair value obtained from discounted cash flow models, when the instrument is a forward purchase or sale or a swap contract, or valuation models of option contracts, such as the Black-Scholes model, when the derivative has the characteristics of an option.



## Braskem S.A.

## Notes to the financial statements

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

## 18.2. Derivative financial instruments

Identification	Operation characteristics		Dec/2011	Change fair value (Note 18.2.)	
	Principal exposure	Hedge			
<b><u>Non-hedge accounting transactions</u></b>					
Foreign exchange swap	(i)	Yen	CDI	649	(14)
Foreign exchange swap	Note 18.2.1 (a.i)	CDI	Dolar	70,969	153,7
Repurchase of shares swap (3° program)	Note 18.2.1 (a.ii)	Share value	CDI	2,263	(4,30)
Repurchase of shares swap (4° program)	Note 18.2.1 (a.ii)	Share value	CDI		(23)
Commodity swap - naphtha	(ii)	Fixed price	Variable price	480	(2)
Merchandise term - ethanol	(ii)	Variable price	Fixed price	(202)	(5)
Crack swap - naphtha	(ii)	Brent (iii)	Naphtha		5
Non-deliverable forward ("NDF") - ethanol	(ii) Note 18.2.1 (a.iii)	Reais	Dollar		14,7
Contract for the future purchase - ethanol	(ii) Note 18.2.1 (a.iv)	Fixed price	Variable price		4
Contract for the future sale in euro	(ii) Note 18.2.1 (a.v)	Reais	Euro		8
Exchange swap		Dolar	CDI		49
				<b>74,159</b>	<b>164,9</b>
<b><u>Hedge accounting transactions</u></b>					
Interest rate swaps	(iv)	Libor	Fixed rate	19,309	(68)
Interest rate swaps	(v)	Pre-contractual rate	CDI	(833)	(1,26)
				<b>18,476</b>	<b>(1,94)</b>
Current assets (other receivables)				(1,035)	
Current liability (hedge operations)				83,392	
Non-current liabilities (hedge operations)				10,278	
				<b>92,635</b>	

(i) In June 2012, the Company paid at maturity the borrowing denominated in yen contracted from NEXI (Note 17 (ii)).

(ii) The Company entered into commodity hedge operations through swap instruments and naphtha and ethanol futures in order to protect itself from the fluctuations in feedstock prices to which it was exposed in certain transactions. It also entered into currency hedge transactions through futures to protect its cash flow, which exchanged exposure to prices in Brazilian real for prices in U.S. dollar or euro, since ethanol (the main feedstock used to produce green polyethylene) is traded in Brazilian real.

(iii) Brent – reference oil price.

(iv) The Company paid in advance the borrowings related to hedge accounting (Note 17 (b.i)).

(v) In September 2012, the Company settled at maturity the NCE contract that was classified as hedge accounting (Note 17(d)).

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****18.2.1. Existing operations on September 30, 2012****(a) Non-hedge accounting transactions**

The regular changes in the fair value of swaps are recorded as financial income or expenses in the same period in which they occur. Braskem recognized a financial expense of R\$164,925 related to the change in the fair value of these swaps for the period ended September 30, 2012.

**(a.i) Swaps related to export credit notes (NCE)**

<b>Identification</b>	<b>Nominal value</b>	<b>Interest rate (hedge)</b>	<b>Maturity</b>	<b>Fair value</b>	
				<b>Sep/2012</b>	<b>Dec/2011</b>
Swap NCE I	200,000	5.44%	Aug-2019	73,494	32,023
Swap NCE II	100,000	5.40%	Aug-2019	34,406	13,952
Swap NCE III	100,000	5.37%	Aug-2019	32,769	12,512
Swap NCE IV	100,000	5.50%	Apr-2019	24,926	6,267
Swap NCE V	100,000	5.50%	Apr-2019	24,866	6,215
Swap NCE VI	150,000	5.43%	Apr-2019	32,104	
Swap NCE VII	100,000	4.93%	Apr-2019	25,142	
<b>Total</b>	<b>850,000</b>			<b>247,707</b>	<b>70,969</b>
In current liabilities (hedge operations)				247,707	70,969
<b>Total</b>				<b>247,707</b>	<b>70,969</b>

The purpose of these swap operations is to offset the interest rate risk arising from the borrowings mentioned in Note 17(d).

**(a.ii) Swaps related to shares repurchase**

<b>Identification</b>	<b>Nominal value</b>	<b>Interest rate (hedge)</b>	<b>Maturity</b>	<b>Fair value</b>	
				<b>Sep/2012</b>	<b>Dec/2011</b>
Repurchase TRS (3° program)	23,218	108% CDI	Aug-2012		2,263
Repurchase TRS (4° program)	3,489	110% CDI	Aug-2013	(238)	
<b>Total</b>	<b>26,707</b>			<b>(238)</b>	<b>2,263</b>
In current assets (other receivables)				(238)	
In current liabilities (hedge operations)					2,263
<b>Total</b>				<b>(238)</b>	<b>2,263</b>

The Braskem shares repurchased by financial institutions are involved in swap transactions that will enable Braskem to pay the same amount that it paid for the shares, plus charges and fees, with the financial institution not exposed to any market risk associated with the shares (Note 26(c)).

**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(a.iii) NDF – ethanol**

<b>Identification</b>	<b>Nominal value</b>	<b>Fixed exchange (hedge)</b>	<b>Maturity</b>	<b>Fair value</b>	
				<b>Sep/2012</b>	<b>Dec/2011</b>
NDF	5,537	1.8927	Oct-2012	401	
NDF	5,283	1.8300	Oct-2012	576	
NDF	5,558	1.9031	Nov-2012	396	
NDF	5,360	1.8395	Nov-2012	581	
NDF	5,568	1.9130	Dec-2012	366	
NDF	5,437	1.8482	Dec-2012	560	
NDF	5,690	1.9237	Jan-2013	340	
NDF	5,514	1.8552	Jan-2013	545	
NDF	2,186	1.7834	Oct-2012	302	
NDF	4,397	1.8310	Nov-2012	477	
NDF	2,948	1.7922	Nov-2012	405	
NDF	2,981	1.8009	Dec-2012	394	
NDF	3,014	1.8102	Jan-2013	381	
<b>Total</b>	<b>59,473</b>			<b>5,724</b>	
Current liability (hedge operations)				5,724	
<b>Total</b>				<b>5,724</b>	

**(a.iv) Future ethanol purchases**

<b>Identification</b>	<b>Fixed price - R\$/m<sup>3</sup></b>	<b>Maturity</b>	<b>Fair value</b>

**(parte ativa)**

	<b>Nominal value</b>	<b>(hedge)</b>		<b>Sep/2012</b>	<b>Dec/2011</b>
Ethanol future purchase - BMF	240,240	1,144.00	Oct-2012	10	
Ethanol future purchase - BMF	282,000	1,175.00	Nov-2012	13	
Ethanol future purchase - BMF	250,950	1,195.00	Dec-2012	10	
<b>Total</b>	<b>773,190</b>			<b>33</b>	
In current liabilities (hedge operations)				33	
<b>Total</b>				<b>33</b>	

**(a.v) Future sales in euro**

	<b>Nominal value</b>	<b>Fixed exchange (hedge)</b>	<b>Maturity</b>	<b>Sep/2012</b>	<b>Fair value Dec/2011</b>
<b>Identification</b>					
Ethanol future sale - BMF	502,550	2.5128	Oct-2012	24	
Ethanol future sale - BMF	504,825	2.5241	Nov-2012	21	
<b>Total</b>	<b>1,007,375</b>			<b>45</b>	
In current liabilities (hedge operations)				45	
<b>Total</b>				<b>45</b>	

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**(b) Hedge accounting transactions**

On September 30, 2012, all operations classified under hedge accounting had been settled.

**(b.1) Effectiveness test of transactions designated for hedge accounting**

In the period ended September 30, 2012, the Company showed that the derivatives held as hedge accounting were effective in offsetting the changes in the hedged item from the time the derivatives were contracted until the settlement of operations in September 2012, and that all other conditions for qualifying these instruments for hedge accounting were met. Accordingly, the effective portion of the changes in the fair value of the derivatives, amounting to R\$1,948 (Note 18.2.2), was recorded under "other comprehensive income", completely transferred to profit or loss after the settlement of operations.

**(c) Estimated maximum loss**

The amount at risk of the derivatives held by Braskem on September 30, 2012, which is defined as the highest loss that could result in one month and in 95% of the cases under normal market conditions, was estimated by the Company at US\$12,417 for the NCE swaps and US\$777 for the share repurchase swap.

**18.2.2. Hedge operations presented under "other comprehensive income" in shareholders' equity**

The derivatives designated as cash flow hedge impacted “other comprehensive income”. The appropriations are allocated to interest expenses in the financial expenses group. The table below shows the summary of changes before the impact of income tax and social contribution:

	<b>Dec/2011</b>	<b>Appropriation of interest</b>	<b>Change in fair value</b>	<b>Sep/2012</b>
Swaps EPP	(17,071)	16,386	685	
Swaps NCE	833	(2,096)	1,263	
	<b>(16,238)</b>	<b>14,290</b>	<b>1,948</b>	

In the period ended September 30, 2012, the appropriation of accrued interest and change in the fair value of derivatives designated as “cash flow hedge” was R\$16,238, which, with the effect of income tax and social contribution of R\$5,522, amounts to R\$10,716 and is presented in “other comprehensive income” (Note 26(e)).



**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**18.3. Credit quality of financial assets**

**(a) Trade accounts receivable**

Only a few of the Company's customers have risk ratings assigned by credit rating agencies. For this reason, the Company developed its own credit rating system for all accounts receivable from domestic customers and for part of the accounts receivable from foreign customers. The Company does not apply this rating to all of its foreign customers because most accounts receivable from them are covered by an insurance policy or letters of credit issued by banks. On September 30, 2012, the credit ratings were as follows:

	<b>Percentage</b>
1 Minimum risk	20.98%
2 Low risk	32.16%
3 Moderate risk	34.65%
4 High risk	3.34%
5 Very high risk (i)	8.88%

(i) Most customers in this group are inactive and the respective accounts are in the process of collection actions in the courts. Customers in this group which are still active buy from Braskem paying in advance.

Default indicators for the periods ended:

September 30, 2012

December 31, 2011  
December 31, 2010

LTM – last 12 months

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**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(b) Other financial assets**

In order to determine the credit ratings of counterparties in financial assets classified as cash and cash equivalents, held-for-trading, held-to-maturity and loans and receivables, the Company uses the following credit rating agencies: Standard & Poor's, Moody's and Fitch Ratings.

	<b>Sep/2012</b>	<b>Dec/2011</b>
<b>Financial assets with risk assessment</b>		
AAA	3,138,176	2,868,992
AA+	70,277	
AA	5	206
AA-	178,359	72,029
A+	249,231	96,464
A	22	28
A-	1,062	71,367
BB+	11,000	19,028
B+		3,590
	<b>3,648,132</b>	<b>3,131,704</b>
<b>Financial assets without risk assessment</b>		
Quotas of investment funds in credit rights (i)	95,959	34,720
Sundry funds (ii)	53,573	10,723
Restricted deposits (iii)	7,680	4,173
Other financial assets with no risk assessment	33,740	10,548
	190,952	60,164
	<b>3,839,084</b>	<b>3,191,868</b>

(i) Financial assets with no internal or external ratings and approved by the Management of the Company.

(ii) Investment funds with no assessment of internal or external risk, whose portfolio is composed of assets from major financial institutions and that comply with Braskem's financial policy.

(iii) Risk-free financial assets

Braskem's financial policy determines "A-" as the minimum rating for financial investments. On September 30, 2012, Braskem has balances rated at "BB+" related to Time Deposits with Special Guarantee (*Depósitos a Prazo com Garantia Especial – DPGE*) in the amount of R\$11,000 (R\$19,028 on December 31, 2011). These deposits are guaranteed by the Credit Guarantee Fund – FGC (*Fundo Garantidor de Crédito*), which makes these investments adequate for Braskem's policy.

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**18.4. Sensitivity analysis**

Financial instruments, including derivatives, may be subject to changes in their fair value as a result of the variation in commodity prices, foreign exchange rates, interest rates, shares and share indexes, price indexes and other variables. The sensitivity of the derivative and non-derivative financial instruments to these variables are presented below:

**(a) Selection of risks**

On September 30, 2012, the main risks that can affect the value of the Company's financial instruments are:

- Brazilian real/U.S. dollar exchange rate;
- LIBOR floating interest rate;
- CDI interest rate; and
- TJLP interest rate.

For the purposes of the risk sensitivity analysis, the Company presents the exposures to currencies as if they were independent, that is, without reflecting in the exposure to a foreign exchange rate the risks of the variation in other foreign exchange rates that could be directly influenced by it.

**(b) Selection of scenarios**

In accordance with CVM Instruction No. 475/08, the Company included three scenarios in the sensitivity analysis, with one that is probable and two that represent adverse effects to the Company. In the preparation of the adverse scenarios, only the impact of the variables on the financial instruments, including derivatives, and on the items covered by hedge transactions, was considered. The overall impacts on the Company's operations, such as those arising from the revaluation of inventories and revenue and future costs, were not considered. Since the Company manages its exposure to foreign exchange rate risk on a net basis, adverse effects from depreciation in the Brazilian real in relation to the U.S. dollar can be offset by opposing effects on Braskem's operating results.

**(b.1) Probable scenario**

The *Market Readout* published by the Central Bank of Brazil on September 28, 2012 was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate and the CDI interest rate, using the reference date of December 31, 2012. The *Market Readout* presents a consensus of market expectations based on a survey of the forecasts made by various financial and non-financial institutions.

The *Market Readout* does not publish forecasts for the interest rates LIBOR and TJLP. Therefore, the Company considered the expectations for the CDI interest rate for determining the probable scenario for those rates, given their correspondence.

**Braskem S.A.**

**Notes to the financial statements**

**at September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

**(b.2) Possible and extreme adverse scenarios**

For the Brazilian real/U.S. dollar exchange rate, a positive change of 25% was considered for the possible adverse scenario and of 50% for the extreme scenario based on the exchange rate on September 30, 2012.

For the CDI interest rate, a positive change of 25% was considered for the possible adverse scenario and of 50% for the extreme scenario based on the interest rate on September 30, 2012.

For the LIBOR interest rate, a positive change of 25% was considered for the possible adverse scenario and of 50% for the extreme scenario based on the LIBOR rate on September 30, 2012.

For the TJLP interest rate, an increase of 0.5% was considered for the possible adverse scenario and of 1% for the extreme scenario based on its rate on September 30, 2012, in accordance with the upward or downward adjustments made by the government in the rate, in this order of scale.

The sensitivity values in the table (c) below are the changes in the value of the financial instruments in each scenario, except for tables (d), (e) and (f), which show the changes in future cash flows.

**(c) Sensitivity to the Brazilian real/U.S. dollar exchange rate**

The sensitivity of each financial instrument, including derivatives and items covered by them, to the variation in the Brazilian real/US dollar exchange rate is presented in the table below:

<b>Instrument</b>	<b>Probable</b>	<b>Possible adverse (25%)</b>	<b>Extreme adverse (50%)</b>
Bonds and MTN	139,940	(2,321,578)	(4,643,156)
BNDES	6,875	(114,049)	(228,097)
Working capital / structured operations	24,191	(401,330)	(802,659)
Raw material financing	33	(540)	(1,081)
Export prepayments	7,741	(128,420)	(256,839)
Financial investments abroad	4,741	78,658	157,316
Swaps	3,819	(63,358)	(126,715)

**(d) Sensitivity of future cash flows to the LIBOR floating interest rate**

The sensitivity of future interest income and expenses of each financial instrument, including derivatives and items covered by them, is presented in the table below. The figures represent the impact on financial income (expenses), taking into consideration the average term of the respective instrument.

<b>Instrument</b>	<b>Probable</b>	<b>Possible adverse (25%)</b>	<b>Extreme adverse (50%)</b>
Working capital / structured operations	(244)	(1,837)	(3,666)
Export prepayments	(295)	(2,217)	(4,415)



**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(e) Sensitivity of future cash flows to the CDI interest rate**

The sensitivity of each financial instrument, including derivatives and items covered by them, to the variation in CDI interest rate is presented in the table below:

<b>Instrument</b>	<b>Probable</b>	<b>Possible adverse (25%)</b>	<b>Extreme adverse (50%)</b>
Export credit notes	(13,304)	(94,999)	(178,193)
Agricultural credit note	(3,590)	(26,636)	(52,139)
Working capital / other	(34)	(251)	(489)

**(f) Sensitivity of future cash flows to the TJLP interest rate**

The sensitivity of each financial instrument, including derivatives and items covered by them, to the variation in TJLP interest rate is presented in the table below:

<b>Instrument</b>	<b>Probable</b>	<b>Possible adverse TJLP + 0.5%</b>	<b>Extreme adverse TJLP + 1%</b>
BNDES	35,594	(34,463)	(67,850)
FINEP	185,247	(182,331)	(361,813)
Other governmental agents	53,156	(52,190)	(103,441)



**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****19. Taxes payable**

	<b>Note</b>	<b>Parent Company</b>		<b>Sep/2012</b>	<b>Consolidated</b>
		<b>Sep/2012</b>	<b>Dec/2011</b>		<b>Dec/2011</b>
IPI		61,665	24,259	81,900	38,654
PIS and COFINS				8,664	7,172
Income tax and social contribution		12,362	13,792	63,590	21,787
ICMS		21,082	29,861	91,090	94,668
Tax debt refinancing program - Law 11,941/09	(a)	1,184,697	1,600,556	1,253,904	1,669,976
Other		45,161	48,040	56,677	64,521
Value-added tax				105,251	40,463
Income tax				1,018	5,925
Other				457	
<b>Total</b>		<b>1,324,967</b>	<b>1,716,508</b>	<b>1,662,551</b>	<b>1,943,166</b>
In current liability		247,650	215,924	472,937	329,987
In non-current liability		1,077,317	1,500,584	1,189,614	1,613,179
<b>Total</b>		<b>1,324,967</b>	<b>1,716,508</b>	<b>1,662,551</b>	<b>1,943,166</b>

The information related to taxes payable was presented in the Company's 2011 annual financial statements, in Note 22.

(a) **Tax renegotiation program – Law 11,941/09**

In June, the Company's Management decided to pay in advance part of the installments under the program, amortizing R\$403,821. In accordance with the applicable rules, Braskem disbursed R\$301,841 on July 31, 2012. The reduction, in the amount of R\$101,980, was recognized as follows: (i) the amounts corresponding to the renegotiated tax payments, of R\$80,496, were recorded under "other net operating income (expenses)"; and (ii) their restatement by the SELIC interest rate, as from the renegotiation date, was recorded under "financial results", in the amount of R\$21,484.

In addition, the installments prepaid were transferred from non-current liabilities to current liabilities.

Braskem S.A.

## Notes to the financial statements

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

## 20. Income tax ("IR") and social contribution ("CSL")

## (a) Reconciliation of the effects of income tax and social contribution on profit or loss

	Sep/2012	Parent Company Sep/2011	Sep/2012	Consolidated Sep/2011
<b>Profit (loss) before IR and CSL and participation of non-controlling interest</b>	<b>(1,652,478)</b>	<b>(598,344)</b>	<b>(1,675,351)</b>	<b>(533,532)</b>
IR and CSL at the rate of 34%	561,843	203,437	569,619	181,401
<b>Permanent adjustments to the IR and CSL calculation basis</b>				
IR and CSL on equity in results of investees	75,406	13,833	(8,347)	(844)
Effects from pre-payment of taxes	27,374	13,896	27,374	13,896
Tax incentives (Sudene and PAT)		61,812	436	62,427
Other permanent differences	(23,609)	(22,775)	81,041	(39,303)
<b>Effect of IR and CSL on results of operations</b>	<b>641,014</b>	<b>270,203</b>	<b>670,123</b>	<b>217,577</b>
<b>Breakdown of IR and CSL:</b>				
Current IR and CSL	(6)	(216,214)	(25,399)	(269,040)
Tax incentives (Sudene and PAT)		61,812	436	62,427
<b>Current IR and CSL</b>	<b>(6)</b>	<b>(154,402)</b>	<b>(24,963)</b>	<b>(206,613)</b>
Deferred IR and CSL	641,020	424,605	695,086	424,190
<b>Deferred IR and CSL</b>	<b>641,020</b>	<b>424,605</b>	<b>695,086</b>	<b>424,190</b>

<b>Total IR and CSL on income statement</b>	<b>641,014</b>	<b>270,203</b>	<b>670,123</b>	<b>217,577</b>
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**Braskem S.A.****Notes to the financial statements****at September 30, 2012****All amounts in thousands of reais unless otherwise stated****(b) Deferred income tax and social contribution**

<b><u>Breakdown of deferred IR and CSL</u></b>	<b><u>Note</u></b>	<b>Sep/2012</b>	<b>Parent Company</b>		<b>Consolidated</b>
			<b>Dec/2011</b>	<b>Sep/2012</b>	<b>Dec/2011</b>
<b>Non-current assets</b>					
Tax losses and negative base		440,484	29,199	1,019,411	545,148
Goodwill amortized		34,226	60,082	37,640	63,820
Foreign currency translation adjustment		233,824		240,004	11,979
Temporary differences		291,923	173,626	384,269	243,805
Business combination - Quattor	(i)	89,771	89,770	242,442	238,315
Pension plan		52,080	45,604	52,080	45,604
Deferred charges - write-off	(i)	6,698	11,200	65,782	82,952
Other	(i)		5,521		5,521
<b>Total</b>		<b>1,149,006</b>	<b>415,002</b>	<b>2,041,628</b>	<b>1,237,144</b>
<b>Non-current liabilities</b>					
Amortization of goodwill based on future profitability	(i)	494,603	420,537	565,627	474,985
Tax depreciation	(i)	195,677	129,137	340,428	213,684
Exchange variations			54,275		54,275
Temporary differences					