

BRASKEM SA  
Form 6-K  
May 17, 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 May, 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**

**March 31, 2012**

**and Report on the Review**

**of Quarterly Information**

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## **Report on the review of the 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 March 31, 2012, comprising the balance sheet as at that date and the statements of operations, comprehensive income, changes in equity and cash flows for the quarter 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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**Report on the review of the quarterly information**

**Other matters**

**Statements of value added**

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 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, May 9, 2012

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" BA

Fábio Cajazeira Mendes

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

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**Braskem S.A.****Balance sheet****at March 31, 2012****All amounts in thousands of reais**

| <b>Assets</b>   | <b>Note</b> | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|---|-------------|-----------------------|-------------------|---------------------|-------------------|
|   |             | <b>Mar/2012</b>       | <b>Dec/2011</b>   | <b>Mar/2012</b>     | <b>Dec/2011</b>   |
| <b>Current assets</b>   |             |                       |                   |                     |                   |
| Cash and cash equivalents                                       | 5           | 2,495,976             | 2,224,335         | 3,303,119           | 2,986,819         |
| Financial investments   | 6           | 286,359               | 168,979           | 289,078             | 170,297           |
| Trade accounts receivable                                       | 7           | 1,345,632             | 1,097,482         | 2,424,235           | 1,843,756         |
| Inventories   | 8           | 2,274,285             | 1,968,509         | 3,920,944           | 3,623,522         |
| Taxes recoverable   | 10          | 633,618               | 606,258           | 1,096,936           | 1,036,253         |
| Dividends and interest on capital                               |             | 32,700                | 30,268            |                     |                   |
| Prepaid expenses  |             | 50,829                | 60,109            | 92,959              | 104,496           |
| Other receivables   | 13          | 188,243               | 162,173           | 646,958             | 406,634           |
|   |             | <b>7,307,642</b>      | <b>6,318,113</b>  | <b>11,774,229</b>   | <b>10,171,777</b> |
| <b>Non-current assets</b>                                       |             |                       |                   |                     |                   |
| Financial investments   | 6           | 39,269                | 34,720            | 39,295              | 34,752            |
| Trade accounts receivable                                       | 7           | 47,199                | 49,858            | 48,336              | 51,056            |
| Taxes recoverable   | 10          | 1,139,089             | 1,062,974         | 1,581,659           | 1,506,247         |
| Deferred income tax and social contribution                     | 20(b)       | 575,131               | 415,002           | 1,463,193           | 1,237,144         |
| Judicial deposits   | 11          | 156,380               | 151,592           | 178,964             | 174,220           |
| Related parties   | 9           | 1,658,080             | 1,624,513         | 59,327              | 58,169            |
| Insurance claims  | 12          | 235,536               | 246,357           | 243,291             | 252,670           |
| Other receivables   | 13          | 150,244               | 138,265           | 197,765             | 182,533           |
| Investments in subsidiaries and jointly-controlled subsidiaries | 14          | 8,150,881             | 8,062,528         |                     |                   |
| Investment in associates  | 14          | 31,012                | 29,870            | 31,012              | 29,870            |
| Other investments   |             | 6,575                 | 6,575             | 10,771              | 10,844            |
| Property, plant and equipment                                   | 15          | 11,948,206            | 11,665,942        | 20,997,916          | 20,628,187        |
| Intangible assets   | 16          | 2,241,286             | 2,248,675         | 2,985,428           | 3,016,692         |
|   |             | <b>26,378,888</b>     | <b>25,736,871</b> | <b>27,836,957</b>   | <b>27,182,384</b> |
| <b>Total assets</b>   |             | <b>33,686,530</b>     | <b>32,054,984</b> | <b>39,611,186</b>   | <b>37,354,161</b> |

The accompanying notes are an integral part of these financial statements



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

at March 31, 2012

All amounts in thousands of  
reais

Continued

| Liabilities and equity                      | Note  | Parent Company    |                   | Consolidated      |                   |
|---|-------|-------------------|-------------------|-------------------|-------------------|
|   |       | Mar/2012          | Dec/2011          | Mar/2012          | Dec/2011          |
| <b>Current liabilities</b>                  |       |                   |                   |                   |                   |
| Trade payables                              |       | 6,091,084         | 5,052,757         | 8,944,232         | 6,847,340         |
| Borrowings                                  | 17    | 949,827           | 961,519           | 1,243,609         | 1,391,779         |
| Hedge operations                            | 18.2  | 111,825           | 82,912            | 111,980           | 83,392            |
| Payroll and related charges                 |       | 201,563           | 155,248           | 303,241           | 242,102           |
| Taxes payable                               | 19    | 219,736           | 215,924           | 434,941           | 329,987           |
| Dividends and interest on capital           |       | 1,615             | 1,617             | 4,825             | 4,838             |
| Advances from customers                     |       | 16,982            | 13,935            | 27,292            | 19,119            |
| Sundry provisions                           | 21    | 9,249             | 18,759            | 15,773            | 23,629            |
| Other payables                              | 24    | 55,401            | 47,514            | 171,575           | 119,402           |
| Related parties                             | 9     | 96,164            | 79,790            |                   |                   |
|   |       | <b>7,753,446</b>  | <b>6,629,975</b>  | <b>11,257,468</b> | <b>9,061,588</b>  |
| <b>Non-current liabilities</b>              |       |                   |                   |                   |                   |
| Borrowings                                  | 17    | 10,223,842        | 11,276,196        | 13,495,616        | 13,753,033        |
| Debentures                                  |       |                   |                   | 17,582            | 19,102            |
| Hedge operations                            | 18.2  | 1,374             | 10,278            | 1,374             | 10,278            |
| Taxes payable                               | 19    | 1,500,321         | 1,500,584         | 1,610,901         | 1,613,179         |
| Related parties                             | 9     | 2,564,297         | 1,297,567         | 36,961            | 44,833            |
| Long-term incentives                        |       | 15,213            | 15,213            | 15,213            | 15,213            |
| Deferred income tax and social contribution | 20(b) | 1,077,440         | 900,716           | 2,117,716         | 1,938,971         |
| Pension plans                               | 22    | 134,506           | 134,506           | 149,921           | 149,575           |
| Provision for losses on subsidiaries        |       | 88,483            | 90,990            |                   |                   |
| Advances from customers                     | 23    | 90,934            | 77,846            | 227,592           | 218,531           |
| Sundry provisions                           | 21    | 94,913            | 94,913            | 301,390           | 298,094           |
| Other payables                              | 24    | 247,724           | 241,412           | 294,035           | 280,546           |
|   |       | <b>16,039,047</b> | <b>15,640,221</b> | <b>18,268,301</b> | <b>18,341,355</b> |

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|   |     |                   |                   |                   |                   |
|---|-----|-------------------|-------------------|-------------------|-------------------|
| <b>Equity</b>   | 26  |                   |                   |                   |                   |
| Capital   |     | 8,043,222         | 8,043,222         | 8,043,222         | 8,043,222         |
| Capital reserve                                       |     | 845,998           | 845,998           | 845,998           | 845,998           |
| Revenue reserves                                      |     | 591,307           | 591,307           | 591,307           | 591,307           |
| Other comprehensive income                            |     | 264,238           | 315,586           | 264,238           | 315,586           |
| Treasury shares                                       |     | (11,325)          | (11,325)          | (60,217)          | (60,217)          |
| Retained earnings                                     |     | 160,597           |                   | 160,597           |                   |
| <br>  |     |                   |                   |                   |                   |
| Total attributable to the shareholders of the Company |     | 9,894,037         | 9,784,788         | 9,845,145         | 9,735,896         |
| <br>  |     |                   |                   |                   |                   |
| Non-controlling interest                              | 2.4 |                   |                   | 240,272           | 215,322           |
|   |     | <b>9,894,037</b>  | <b>9,784,788</b>  | <b>10,085,417</b> | <b>9,951,218</b>  |
| <br>  |     |                   |                   |                   |                   |
| <b>Total liabilities and equity</b>                   |     | <b>33,686,530</b> | <b>32,054,984</b> | <b>39,611,186</b> | <b>37,354,161</b> |

The accompanying notes are an integral part of these financial statements

**Braskem S.A.****Statement of operations for the period**

at March 31, 2012

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

|   | Note  | Parent Company   |                  | Consolidated     |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | Mar/2012         | Mar/2011         | Mar/2012         | Mar/2011         |
| <b>Net sales revenue</b>                                | 28    | <b>4,574,694</b> | <b>4,077,822</b> | <b>8,232,429</b> | <b>7,388,088</b> |
| Cost of products sold                                   |       | (4,146,710)      | (3,460,794)      | (7,599,568)      | (6,390,213)      |
| <b>Gross profit</b>                                     |       | <b>427,984</b>   | <b>617,028</b>   | <b>632,861</b>   | <b>997,875</b>   |
| <b>Income (expenses)</b>                                |       |                  |                  |                  |                  |
| Selling   |       | (49,384)         | (37,745)         | (98,722)         | (82,831)         |
| Distribution  |       | (90,322)         | (79,116)         | (129,998)        | (119,673)        |
| General and administrative                              |       | (153,457)        | (171,958)        | (255,519)        | (262,881)        |
| Research and development                                |       | (18,160)         | (12,653)         | (24,446)         | (19,627)         |
| Results from equity investments                         | 14(c) | 137,230          | 73,665           | (2,099)          | 5,465            |
| Other operating income (expenses), net                  | 30    | (32,398)         | 4,376            | 192,734          | (12,456)         |
| <b>Operating profit</b>                                 |       | <b>221,493</b>   | <b>393,597</b>   | <b>314,811</b>   | <b>505,872</b>   |
| <b>Financial results</b>                                | 31    |                  |                  |                  |                  |
| Financial expenses                                      |       | (69,577)         | (90,773)         | (193,979)        | (135,254)        |
| Financial income  |       | 12,930           | 112,587          | 89,836           | 78,297           |
|   |       | <b>(56,647)</b>  | <b>21,814</b>    | <b>(104,143)</b> | <b>(56,957)</b>  |
| <b>Profit before income tax and social contribution</b> |       | <b>164,846</b>   | <b>415,411</b>   | <b>210,668</b>   | <b>448,915</b>   |
| Current income tax and social contribution              | 20(a) |                  | (21,835)         | (102,044)        | (68,703)         |
| Deferred income tax and social contribution             | 20(a) | (11,288)         | (85,350)         | 43,573           | (75,233)         |
|   |       | <b>(11,288)</b>  | <b>(107,185)</b> | <b>(58,471)</b>  | <b>(143,936)</b> |
| <b>Profit for the period</b>                            |       | <b>153,558</b>   | <b>308,226</b>   | <b>152,197</b>   | <b>304,979</b>   |
| <b>Attributable to:</b>                                 |       |                  |                  |                  |                  |
| Company's shareholders                                  |       |                  |                  | 153,558          | 308,226          |

|   |     |                |                |
|---|-----|----------------|----------------|
| Non-controlling interest                      | 2.4 | (1,361)        | (3,247)        |
|   |     | <b>152,197</b> | <b>304,979</b> |
| <b>Earnings per share attributable to the</b> |     |                |                |
| <b>shareholders of the Company</b>            |     |                |                |
| <b>at the end of the period (R\$)</b>         |     |                |                |
|   | 27  |                |                |
| Basic earnings per share - common             |     |                | 0.2632         |
| Basic earnings per share - preferred          |     | 0.4439         | 0.6040         |
| Diluted earnings per share - common           |     |                | 0.2635         |
| Diluted earnings per share - preferred        |     | 0.4443         | 0.6042         |

The accompanying notes are an integral part of these financial statements

**Braskem S.A.****Statement of comprehensive income**

at March 31, 2012

All amounts in thousands of reais

|  | Note   | Parent Company<br>Mar/2012 | Parent Company<br>Mar/2011 | Consolidated<br>Mar/2012 | Consolidated<br>Mar/2011 |
|--|--------|----------------------------|----------------------------|--------------------------|--------------------------|
| <b>Profit for the period</b>   |        | <b>153,558</b>             | <b>308,226</b>             | <b>152,197</b>           | <b>304,979</b>           |
| <b>Other comprehensive income or loss:</b>                                       |        |                            |                            |                          |                          |
| Cash flow hedge  | 18.2.2 | 15,613                     | 12,537                     | 15,613                   | 12,537                   |
| Foreign currency translation adjustment  | 14(b)  | (55,631)                   | (2,228)                    | (49,444)                 | (2,228)                  |
| Income tax and social contribution related to components of comprehensive income | 18.2.2 | (5,309)                    | (1,551)                    | (5,309)                  | (1,551)                  |
| <b>Total other comprehensive income or loss</b>                                  |        | <b>(45,327)</b>            | <b>8,758</b>               | <b>(39,140)</b>          | <b>8,758</b>             |
| <b>Total comprehensive income or loss for the period</b>                         |        | <b>108,231</b>             | <b>316,984</b>             | <b>113,057</b>           | <b>313,737</b>           |
| <b>Attributable to:</b>  |        |                            |                            |                          |                          |
| Company's shareholders   |        |                            |                            | 108,231                  | 316,984                  |
| Non-controlling interest   |        |                            |                            | 4,826                    | (3,247)                  |
|  |        |                            |                            | <b>113,057</b>           | <b>313,737</b>           |

The accompanying notes are an integral part of these financial statements



**Braskem S.A.****Statement of changes in equity**

All amounts in thousands of reais

|   | Note | Capital<br>reserve | Legal<br>reserve | Tax<br>incentives | Revenue reserves<br>Unrealized<br>profit<br>reserve | Additional<br>dividends<br>proposed | Other<br>comprehensive<br>income | Treasury<br>shares | Retain<br>earnin |
|---|------|--------------------|------------------|-------------------|---|-------------------------------------|----------------------------------|--------------------|------------------|
| <b>At December 31,<br/>2010</b>   |      | 8,043,222          | 845,998          | 87,710            | 5,347   | 995,505                             | 250,346                          | 221,350            | (10,379)         |
| Comprehensive<br>income for the<br>period:  |      |                    |                  |                   |   |                                     |                                  |                    |                  |
| Profit for the<br>period  |      |                    |                  |                   |   |                                     |                                  |                    | 308,2            |
| Fair value of cash<br>flow hedge, net of<br>taxes   |      |                    |                  |                   |   |                                     | 10,986                           |                    |                  |
| Foreign currency<br>translation<br>adjustment   |      |                    |                  |                   |   |                                     | (2,228)                          |                    |                  |
|   |      |                    |                  |                   |   |                                     | 8,758                            |                    | 308,2            |
| Equity valuation<br>adjustments   |      |                    |                  |                   |   |                                     |                                  |                    |                  |
| Deemed cost of<br>jointly-controlled<br>subsidiary  |      |                    |                  |                   |   |                                     | 22,779                           |                    |                  |
| Realization of<br>additional<br>property, plant<br>and equipment<br>price-level<br>restatement, net<br>of taxes |      |                    |                  |                   |   |                                     | (6,809)                          |                    | 6,8              |
|   |      |                    |                  |                   |   |                                     | 15,970                           |                    | 6,8              |

Contributions and  
distributions to  
shareholders:  
Repurchase of  
treasury shares

(946)  
(946)

**At March 31,  
2011**

**8,043,222 845,998 87,710 5,347 995,505 250,346 246,078 (11,325) 315,0**

**At December 31,  
2011**

**8,043,222 845,998 87,710 4,547 16,457 482,593 315,586 (11,325)**

Comprehensive  
income for the  
period:

Profit for the  
period

153,5

Fair value of cash  
flow hedge, net of  
taxes 18.2.2

10,304

Foreign currency  
translation  
adjustment 14(b)

(55,631)  
(45,327)

153,5

Equity valuation  
adjustments

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

(230)

2

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

(6,809)  
(7,039)

6,8  
7,0

Contributions and  
distributions to  
shareholders:

Gain on interest  
in subsidiary 14(b)

1,018  
1,018

**At March 31,  
2012**

**8,043,222 845,998 87,710 4,547 16,457 482,593 264,238 (11,325) 160,5**



The accompanying notes are an integral part of these financial statements

**Braskem S.A.****Statement of changes in equity**

All amounts in thousands of reais

|   | Note | Attributed to shareholders' interest |                 |               |                |   |                               |                            |                 |                   |
|---|------|--------------------------------------|-----------------|---------------|----------------|---|-------------------------------|----------------------------|-----------------|-------------------|
|   |      | Capital                              | Capital reserve | Legal reserve | Tax incentives | Revenue reserves<br>Unrealized profit reserve | Additional dividends proposed | Other comprehensive income | Treasury shares | Retained earnings |
| <b>At December 31, 2010</b>   |      | 8,043,222                            | 845,998         | 87,710        | 5,347          | 995,505                                       | 250,346                       | 221,350                    | (59,271)        |                   |
| Comprehensive income for the period:  |      |                                      |                 |               |                |   |                               |                            |                 |                   |
| Profit for the period   |      |                                      |                 |               |                |   |                               |                            |                 | 308,2             |
| Fair value of cash flow hedge, net of taxes   |      |                                      |                 |               |                |   |                               | 10,986                     |                 |                   |
| Foreign currency translation adjustment   |      |                                      |                 |               |                |   |                               | (2,228)                    |                 |                   |
|   |      |                                      |                 |               |                |   |                               | 8,758                      |                 | 308,2             |
| Equity valuation adjustments  |      |                                      |                 |               |                |   |                               |                            |                 |                   |
| Deemed cost of jointly-controlled subsidiary, net   |      |                                      |                 |               |                |   |                               | 22,779                     |                 |                   |
| Realization of additional property, plant and equipment price-level restatement, net of taxes |      |                                      |                 |               |                |   |                               | (6,809)                    |                 | 6,8               |
|   |      |                                      |                 |               |                |   |                               | 15,970                     |                 | 6,8               |

Contributions and  
distributions to  
shareholders:  
Repurchase of  
treasury shares

(946)  
(946)

**At March 31,  
2011**

8,043,222 845,998 87,710 5,347 995,505 250,346 246,078 (60,217) 315,0

**At December 31,  
2011**

8,043,222 845,998 87,710 4,547 16,457 482,593 315,586 (60,217)

Comprehensive  
income for the  
year:

Profit for the  
period

153,5

Fair value of cash  
flow hedge, net of  
taxes 18.2.2

10,304

Foreign currency  
translation  
adjustment 14(b)

(55,631)  
(45,327)

153,5

Equity valuation  
adjustments

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

(230)

2

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

(6,809)  
(7,039)

6,8  
7,0

Contributions and  
distributions to  
shareholders:  
Capital increase  
of non-controlling  
interest

Gain on interest  
in subsidiary 14(b)

1,018  
1,018

**At March 31,  
2012**

**8,043,222 845,998 87,710 4,547 16,457 482,593 264,238 (60,217) 160,5**

The accompanying notes are an integral part of these financial statements

**Braskem S.A.****Statement of cash flows****at March 31, 2012****All amounts in thousands of reais**

|  | <b>Parent Company</b> |                 | <b>Consolidated</b> |                 |
|--|-----------------------|-----------------|---------------------|-----------------|
|  | <b>Mar/2012</b>       | <b>Mar/2011</b> | <b>Mar/2012</b>     | <b>Mar/2011</b> |
| Profit before income tax and social contribution           | 164,846               | 415,411         | 210,668             | 448,915         |
| Adjustments for reconciliation of profit                   |                       |                 |                     |                 |
| Depreciation, amortization and depletion                   | 270,906               | 261,808         | 444,443             | 418,658         |
| Results from equity investments                            | (137,230)             | (73,665)        | 2,099               | (5,465)         |
| Interest and monetary and exchange variations, net         | (7,255)               | 11,758          | 41,220              | 67,839          |
| Other  | 17,124                | (728)           | 19,674              | 14,162          |
|  | <b>308,391</b>        | <b>614,584</b>  | <b>718,104</b>      | <b>944,109</b>  |
| Changes in operating working capital                       |                       |                 |                     |                 |
| Held-for-trading financial investments                     | (116,085)             | (224,684)       | (117,125)           | (224,684)       |
| Trade accounts receivable                                  | (245,491)             | 10,177          | (578,257)           | 22,056          |
| Inventories  | (291,146)             | (195,433)       | (288,674)           | (256,852)       |
| Taxes recoverable  | (94,792)              | 31,033          | (127,873)           | (8,801)         |
| Prepaid expenses   | 9,280                 | 9,159           | 11,537              | 2,905           |
| Other receivables  | (148,308)             | 12,030          | (243,069)           | (33,734)        |
| Trade payables   | 1,038,261             | (53,221)        | 2,096,892           | 13,587          |
| Taxes payable  | 93,651                | (35,928)        | (8,407)             | (73,346)        |
| Advances from customers                                    | 16,135                | (1,222)         | 17,234              | (1,489)         |
| Sundry provisions  | 8,799                 | (5,190)         | (4,560)             | 2,093           |
| Other payables   | 90,866                | (28,735)        | 109,408             | (41,497)        |
| <b>Cash from operations</b>                                | <b>669,561</b>        | <b>132,570</b>  | <b>1,585,210</b>    | <b>344,347</b>  |
| Interest paid  | (114,935)             | (119,616)       | (139,914)           | (173,127)       |
| Income tax and social contribution paid                    | (6,124)               | (10,602)        | (8,222)             | (17,970)        |
| <b>Net cash generated by operating activities</b>          | <b>548,502</b>        | <b>2,352</b>    | <b>1,437,074</b>    | <b>153,250</b>  |
| Proceeds from the sale of fixed assets and investments     |                       | 423             | 498                 | 486             |
| Cash effect from incorporated subsidiary                   | 394                   |                 |                     |                 |
| Acquisitions of investments in subsidiaries and associates | (35,204)              |                 |                     |                 |

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|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Acquisitions to property, plant and equipment              | (554,230)        | (217,988)        | (832,884)        | (312,963)        |
| Acquisitions of intangible assets                          | (68)             | (1)              | (115)            | (607)            |
| Held-to-maturity financial investments                     | 1,814            | (546)            | (1,124)          | (8,502)          |
| <b>Net cash used in investing activities</b>               | <b>(587,294)</b> | <b>(218,112)</b> | <b>(833,625)</b> | <b>(321,586)</b> |
| Short-term and long-term debt                              |                  |                  |                  |                  |
| Obtained borrowings  | 434,998          | 839,709          | 1,175,038        | 872,824          |
| Payment of borrowings                                      | (1,347,859)      | (859,191)        | (1,477,926)      | (939,409)        |
| Related parties  |                  |                  |                  |                  |
| Obtained loans   | 1,081,388        | 74,348           |                  |                  |
| Payment of loans   | (135,967)        | (142,907)        |                  |                  |
| Current accounts, net                                      | 277,875          | 39,837           |                  |                  |
| Dividends paid   | (2)              | (1)              | (2)              | (1)              |
| Non-controlling interests in subsidiaries                  |                  |                  | 21,142           |                  |
| Repurchase of shares                                       |                  | (946)            |                  | (946)            |
| <b>Net cash provided by (used in) financing activities</b> | <b>310,433</b>   | <b>(49,151)</b>  | <b>(281,748)</b> | <b>(67,532)</b>  |
| Exchange variation on cash of foreign subsidiaries         |                  |                  | (5,401)          | 891              |
| <b>Increase (decrease) in cash and cash equivalents</b>    | <b>271,641</b>   | <b>(264,911)</b> | <b>316,300</b>   | <b>(234,977)</b> |
| Represented by   |                  |                  |                  |                  |
| Cash and cash equivalents at the beginning of the year     | 2,224,335        | 2,339,060        | 2,986,819        | 2,624,270        |
| Cash and cash equivalents at the end of the year           | 2,495,976        | 2,074,149        | 3,303,119        | 2,389,293        |
| <b>Increase (decrease) in cash and cash equivalents</b>    | <b>271,641</b>   | <b>(264,911)</b> | <b>316,300</b>   | <b>(234,977)</b> |

The accompanying notes are an integral part of these financial statements

**Braskem S.A.****Statement of value added**

At March 31, 2012

All amounts in thousands of reais

|  | <b>Parent Company</b> |                    | <b>Consolidated</b> |                    |
|--|-----------------------|--------------------|---------------------|--------------------|
|  | <b>Mar/2012</b>       | <b>Mar/2011</b>    | <b>Mar/2012</b>     | <b>Mar/2011</b>    |
| <b>Revenue</b>   | <b>5,514,450</b>      | <b>5,061,519</b>   | <b>9,924,606</b>    | <b>8,937,208</b>   |
| Sale of goods, products and services                     | 5,556,391             | 5,058,494          | 9,739,174           | 8,955,012          |
| Other income (expenses), net                             | (32,134)              | 4,343              | 199,278             | (11,701)           |
| Allowance for doubtful accounts - reversal (recognition) | (9,807)               | (1,318)            | (13,846)            | (6,103)            |
| <b>Inputs acquired from third parties</b>                | <b>(4,146,170)</b>    | <b>(4,135,154)</b> | <b>(7,872,060)</b>  | <b>(7,405,213)</b> |
| Cost of products, goods and services sold                | (3,957,658)           | (3,972,871)        | (7,566,147)         | (7,139,446)        |
| Material, energy, outsourced services and other          | (188,199)             | (162,263)          | (300,362)           | (265,747)          |
| Impairment / recovery of assets                          | (313)                 | (20)               | (5,551)             | (20)               |
| <b>Gross value added</b>                                 | <b>1,368,280</b>      | <b>926,365</b>     | <b>2,052,546</b>    | <b>1,531,995</b>   |
| <b>Depreciation, amortization and depletion</b>          | <b>(270,906)</b>      | <b>(261,808)</b>   | <b>(444,443)</b>    | <b>(418,658)</b>   |
| <b>Net value added produced by the entity</b>            | <b>1,097,374</b>      | <b>664,557</b>     | <b>1,608,103</b>    | <b>1,113,337</b>   |
| <b>Value added received in transfer</b>                  | <b>150,209</b>        | <b>186,305</b>     | <b>87,803</b>       | <b>83,815</b>      |
| Equity in the results of investees                       | 137,230               | 73,665             | (2,099)             | 5,465              |
| Financial income   | 12,930                | 112,587            | 89,836              | 78,297             |
| Other  | 49                    | 53                 | 66                  | 53                 |
| <b>Total value added to distribute</b>                   | <b>1,247,583</b>      | <b>850,862</b>     | <b>1,695,906</b>    | <b>1,197,152</b>   |
| <b>Personnel</b>   | <b>115,035</b>        | <b>118,504</b>     | <b>200,163</b>      | <b>184,574</b>     |
| Direct compensation                                      | 79,126                | 92,104             | 146,776             | 143,307            |
| Benefits   | 26,538                | 18,830             | 40,738              | 30,730             |
| FGTS (Government Severance Pay Fund)                     | 9,371                 | 7,570              | 12,649              | 10,537             |
| <b>Taxes, fees and contributions</b>                     | <b>882,455</b>        | <b>295,167</b>     | <b>1,117,374</b>    | <b>520,740</b>     |
| Federal  | 610,796               | 219,038            | 817,860             | 327,535            |
| State  | 268,553               | 73,488             | 290,205             | 187,682            |
| Municipal  | 3,106                 | 2,641              | 9,309               | 5,523              |

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|   |                  |                |                  |                  |
|---|------------------|----------------|------------------|------------------|
| <b>Remuneration on third parties' capital</b>           | <b>96,535</b>    | <b>128,965</b> | <b>226,172</b>   | <b>186,859</b>   |
| Financial expenses (including exchange variation)       | 62,597           | 87,797         | 186,389          | 131,692          |
| Rentals   | 33,938           | 41,168         | 39,783           | 55,167           |
| <b>Remuneration on own capital</b>                      | <b>153,558</b>   | <b>308,226</b> | <b>152,197</b>   | <b>304,979</b>   |
| Profit retained in the period                           | 153,558          | 308,226        | 153,558          | 308,226          |
| Non-controlling interests in profits retained or losses |                  |                | (1,361)          | (3,247)          |
| <b>Value added distributed</b>                          | <b>1,247,583</b> | <b>850,862</b> | <b>1,695,906</b> | <b>1,197,152</b> |

The accompanying notes are an integral part of these financial statements



**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2012**

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

**1. Operations**

Braskem S.A. ("Parent Company") is a public corporation headquartered in Camaçari, State of Bahia, which, together with its subsidiaries and jointly-controlled subsidiaries ("Braskem" or "Company") operates 35 industrial units. Braskem S.A. is controlled by Odebrecht S.A. ("Odebrecht"), which directly and indirectly holds interests of 50.11% and 38.11% in its voting and total capital, respectively.

**(a) Relevant operating event**

In December 2011, Sunoco Chemicals, Inc. ("Sunoco") announced the definitive shutdown of its refinery responsible for supplying feedstocks to one of the five polypropylene ("PP") plants of the subsidiary Braskem America in the United States.

In 2012, Sunoco formally informed Braskem America's Management of its alternative plan for feedstock supply, as required under the supply agreement entered into between the parties in 2010.

Pursuant to the plan and notices communicated by Sunoco, the latter confirmed the definitive termination of the supply agreement as of June 9, 2012 and the payment of the damages provided for therein, to be made on the same date.

The amount of damages, as per the agreement, totals R\$235,962 (US\$129.5 million). The amount was recorded by Braskem in the first quarter of 2012 in "other accounts receivable" (Note 13) under current assets, and "other operating revenues (expenses)" (Note 30). Current income tax on this revenue, at the effective rate in the United States, was R\$82,587 (Note 20).

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

Furthermore, Management decided to test for impairment the Cash Generating Unit (“CGU”) formed by the PP plants in the United States and that comprise the International Business segment, as described in Note 15. No losses were identified in this test.

**(b) Corporate events**

**(b.1)** On January 27, 2012, the controlling shareholder of Braskem, BRK Investimentos Petroquímicos S.A. (“BRK”) was proportionally spun-off. As a result of this spin-off, part of the shares issued by Braskem that were held by BRK was delivered to Petróleo Brasileiro S.A. – Petrobras (“Petrobras”). 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 Braskem, a single partner, in the amount of R\$81 (EUR 35 thousand) (Note 14(b)).

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2012**

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

**(b.3)** On February 28, 2012, the Extraordinary Shareholders' Meeting of Braskem 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.

**(c) Net working capital**

On March 31, 2012, the Parent Company's net working capital was negative by R\$445,804. On the other hand, consolidated net working capital was positive by R\$516,761. Because 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, any analysis of the parent company's working capital will not reflect the actual liquidity position of the consolidated group.

The Company also has two revolving credit lines that may be used at any time (Note 3.3).

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

The Company has balances and transactions recorded in U.S. dollars, such as financial investments, trade accounts receivable, trade payables and borrowings. 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 they occur, which are informed by the Central Bank of Brazil.

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

**U.S. dollar, period-end rate**

|   |        |
|---|--------|
| March 30, 2012  | 1.8221 |
| December 30, 2011   | 1.8758 |
| Depreciation of the U.S. dollar in relation to the Brazilian real | 2.86%  |

**Average U.S. dollar rate**

|   |        |
|---|--------|
| Three-month period ended March 31, 2012                           | 1.7701 |
| Three-month period ended March 31, 2011                           | 1.6673 |
| Appreciation of the U.S. dollar in relation to the Brazilian real | 6.17%  |

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 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. Summary of significant accounting policies**

There were no changes in the accounting practices used for the Quarterly Information in relation to those presented in the December 31, 2011 financial statements.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****2.3. Consolidated quarterly information**

The consolidated quarterly information includes those of the Company, its subsidiaries, jointly-controlled subsidiaries and special purpose entity in which it, directly and indirectly, maintains a controlling equity interest or controls the activities, as presented below:

|   | <b>Headquarters<br/>(Country)</b> | <b>Total interest - %</b> |                 |                 |
|---|-----------------------------------|---------------------------|-----------------|-----------------|
|   |                                   | <b>Mar/2012</b>           | <b>Dec/2011</b> | <b>Mar/2011</b> |
| <b>Direct and Indirect subsidiaries</b>                           |                                   |                           |                 |                 |
| Braskem America, Inc.<br>("Braskem America")                      | USA                               | 100.00                    | 100.00          | 100.00          |
| Braskem America Finance<br>Company ("Braskem America<br>Finance") | USA                               | 100.00                    | 100.00          |                 |
| Braskem Argentina S.A.<br>("Braskem Argentina")                   | Argentina                         | 100.00                    | 100.00          | 100.00          |
| Braskem International GmbH (i)<br>("Braskem Austria")             | Austria                           | 100.00                    |                 |                 |
| Braskem Chile Ltda.<br>("Braskem Chile")                          | Chile                             | 100.00                    | 100.00          | 100.00          |
| Braskem Distribuidora<br>Ltda. ("Braskem Distribuidora")          | Brazil                            | 100.00                    | 100.00          | 100.00          |
| Braskem Netherlands B.V.<br>("Braskem Holanda")                   | Netherlands                       | 100.00                    | 100.00          | 100.00          |
| Braskem Europe GmbH<br>("Braskem Alemanha")                       | Germany                           | 100.00                    | 100.00          |                 |
| Braskem Finance Limited<br>("Braskem Finance")                    | Cayman Islands                    | 100.00                    | 100.00          | 100.00          |
|   | Mexico                            | 65.00                     | 65.00           | 65.00           |

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|   |       |                           |        |        |        |
|---|-------|---------------------------|--------|--------|--------|
| Braskem Idesa S.A.P.I<br>("Braskem Idesa")                            |       |                           |        |        |        |
| Braskem Idesa Servicios S.A.<br>de CV ("Braskem Idesa<br>Serviços")   |       | Mexico                    | 65.00  | 65.00  | 65.00  |
| Braskem Importação e<br>Exportação Ltda. ("Braskem<br>Importação")    |       | Brazil                    | 100.00 | 100.00 | 100.00 |
| Braskem Incorporated<br>Limited ("Braskem Inc")                       |       | Cayman Islands            | 100.00 | 100.00 | 100.00 |
| Braskem México, S de RL de<br>CV ("Braskem México")                   |       | Mexico                    | 100.00 | 100.00 | 100.00 |
| Braskem Participações S.A.<br>("Braskem Participações")               |       | Brazil                    | 100.00 | 100.00 | 100.00 |
| Braskem Petroquímica S.A.<br>("Braskem Petroquímica")                 |       | Brazil                    | 100.00 | 100.00 | 100.00 |
| Braskem Petroquímica Chile<br>Ltda. ("Petroquímica Chile")            |       | Chile                     | 100.00 | 100.00 | 100.00 |
| Braskem Qpar S.A. ("Braskem<br>Qpar")                                 |       | Brazil                    | 100.00 | 100.00 | 100.00 |
| Cetrel S.A. ("Cetrel")  | (ii)  | Brazil                    | 54.00  | 54.09  |        |
| Common Industries Ltd.<br>("Common")                                  |       | British Virgin<br>Islands | 100.00 | 100.00 | 100.00 |
| Ideom Tecnologia Ltda.<br>("Ideom")                                   | (iii) | Brazil                    |        | 100.00 | 100.00 |
| IQ Soluções & Química<br>S.A. ("Quantiq")                             |       | Brazil                    | 100.00 | 100.00 | 100.00 |
| IQAG Armazéns Gerais Ltda.<br>("IQAG")                                |       | Brazil                    | 100.00 | 100.00 | 100.00 |
| ISATEC-Pesquisa,<br>desenvolvimento e análises<br>químicas ("Isatec") | (iv)  | Brazil                    |        |        | 100.00 |
| Lantana Trading Co. Inc.<br>("Lantana")                               |       | Bahamas                   | 100.00 | 100.00 | 100.00 |
| Norfolk Trading S.A.<br>("Norfolk")                                   |       | Uruguay                   | 100.00 | 100.00 | 100.00 |
| Politeno Empreendimentos<br>Ltda. ("Politeno<br>Empreendimentos")     |       | Brazil                    | 100.00 | 100.00 | 100.00 |
| Rio Polímeros S.A. ("Riopol")   |       | Brazil                    | 100.00 | 100.00 | 100.00 |
| <b>Jointly-controlled subsidiaries</b>                                |       |                           |        |        |        |
| Refinaria de Petróleo<br>Riograndense S.A. ("RPR")                    |       | Brazil                    | 33.20  | 33.20  | 33.20  |
| Polietilenos de America<br>S.A. ("Polimerica")                        |       | Venezuela                 | 49.00  | 49.00  | 49.99  |
| Polipropileno Del Sur<br>S.A. ("Propilsur")                           |       | Venezuela                 | 49.00  | 49.00  | 49.99  |



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

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| Fundo de Investimento<br>Multimercado Crédito<br>Privado Sol ("FIM Sol") | Brazil | 100.00 | 100.00 | 100.00 |
|--|--------|--------|--------|--------|

- (i) Company created in February 2012 (Note 1 (b.2)).
- (ii) Cetrel started to be fully consolidated by Braskem as from the quarterly information for the period ended June 30, 2011 based on a new interpretation of that subsidiary's bylaws, which, according to the opinion of the Company's external legal advisors, establishes control by the Company. The consolidated quarterly information for the prior periods was not restated due to the immateriality of Cetrel to the Company's financial information as a whole.
- (iii) Merged into Braskem in February 2012 (Note 1 (b.3)).
- (iv) Company sold in May 2011.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****2.4. Non-controlling interests in the equity and results of operations of the Company's subsidiaries**

|               | <b>Mar/2012</b> | <b>Equity<br/>Dec/2011</b> | <b>Profit (loss) for the period</b> |                 |
|---------------|-----------------|----------------------------|-------------------------------------|-----------------|
|               |                 |                            | <b>Mar/2012</b>                     | <b>Mar/2011</b> |
| Braskem Idesa | 113,915         | 93,578                     | (4,464)                             | (3,247)         |
| Cetrel        | 126,357         | 121,744                    | 3,103                               |                 |
| <b>Total</b>  | <b>240,272</b>  | <b>215,322</b>             | <b>(1,361)</b>                      | <b>(3,247)</b>  |

**2.5. Reconciliation of equity and profit (loss) for the period between parent company and consolidated**

|   | <b>Mar/2012</b>   | <b>Equity<br/>Dec/2011</b> | <b>Profit for the period</b> |                 |
|---|-------------------|----------------------------|------------------------------|-----------------|
|   |                   |                            | <b>Mar/2012</b>              | <b>Mar/2011</b> |
| <b>Parent company</b>                                     | <b>9,894,037</b>  | <b>9,784,788</b>           | <b>153,558</b>               | <b>308,226</b>  |
| Braskem's shares owned by subsidiary Braskem Petroquímica | (48,892)          | (48,892)                   |                              |                 |
| Non-controlling interest                                  | 240,272           | 215,322                    | (1,361)                      | (3,247)         |
| <b>Consolidated</b>                                       | <b>10,085,417</b> | <b>9,951,218</b>           | <b>152,197</b>               | <b>304,979</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 fluctuations in the prices of many petrochemical commodities, in particular its main raw material, naphtha. Braskem seeks to pass through the fluctuations in the prices of these commodities caused by fluctuations in international prices and also enters into derivatives contracts to protect against exposure to commodity risks. On March 31, 2012, the Company held swap operations for 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 March 31, 2012**

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

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

Braskem has commercial operations denominated or indexed in 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 real and the foreign currency, in particular the U.S. dollar. Braskem manages its exposure to foreign exchange risk through a combination of debts in foreign currencies, investments in foreign currencies and derivatives. Braskem's financial policy to manage foreign exchange risks provides for the maximum and minimum coverage limits that should be followed and which are continuously monitored by its Management.

On March 31, 2012, Braskem prepared a sensitivity analysis for the exposure to U.S. dollar risk (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"), in fixed rates in Brazilian real and in the Interbank Certificate of Deposit ("daily CDI") rate. Braskem has swap contracts designated as hedge accounting with asset positions subject to floating LIBOR and liability positions subject to fixed rates.

On March 31, 2012, Braskem prepared a sensitivity analysis for exposure to the risk of floating interest rates based on LIBOR (Note 18.4(d)).

**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 large 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 March 31, 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 41% 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 recorded 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.

The maximum exposure to credit risk of non-derivative financial instruments on the reporting date is their carrying amounts less any impairment losses. On March 31, 2012, the balance of trade accounts receivable was net of allowance for doubtful accounts of R\$267,267 (R\$253,607 on December 31, 2011).

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2012**

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

**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 of short-term obligations, calculated based on the expectation of operating disbursements for the following month; and (ii) ensuring that the Company maintains liquidity in possible moments of crisis, calculated based on the expectation of operating cash generation, less short-term debts, working capital needs, among other items.

In some borrowing agreements, Braskem has financial covenants that link net debt and the payment of interest to its consolidated EBITDA (Earnings before interests, taxes, depreciation and amortization) (Note 17). The Company's Management monitors these indicators on quarterly basis in U.S. dollar, as established in the borrowing agreements.

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. These credit facilities allow for reducing the cash held by Braskem. On March 31, 2012, Braskem had not drawn any credit from these lines.

**4. Business combination**

On September 30, 2011, Braskem, through its subsidiaries Braskem America and Braskem Alemanha, acquired the PP business from Dow Chemical for R\$607.6 million (US\$323 million). On the same date, the amount of R\$312.3 million (US\$166 million) was paid, which corresponds to the portion of trade 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 approximately R\$23.7 million (US\$12.3 million) by the acquirers.

On February 8, 2012, the transaction was approved by the Brazilian antitrust agency *Conselho Administrativo de Defesa Econômica* (“CADE”).

Independent appraisers were contracted to determine the assets acquired and liabilities assumed at fair value. This work is expected to be completed by the end of the first half of 2012, when any adjustments will be recognized.

The information related to business combinations formed by the Company was presented in the Company's 2011 annual financial statements, in Note 5.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****5. Cash and cash equivalents**

|                   | <b>Mar/2012</b>  | <b>Parent company<br/>Dec/2011</b> | <b>Mar/2012</b>  | <b>Consolidated<br/>Dec/2011</b> |
|-------------------|------------------|------------------------------------|------------------|----------------------------------|
| Cash and banks    | 34,458           | 69,306                             | 241,143          | 349,916                          |
| Cash equivalents: |                  |                                    |                  |                                  |
| Domestic market   | 2,415,285        | 1,748,027                          | 2,567,754        | 1,899,825                        |
| Foreign market    | 46,233           | 407,002                            | 494,222          | 737,078                          |
| <b>Total</b>      | <b>2,495,976</b> | <b>2,224,335</b>                   | <b>3,303,119</b> | <b>2,986,819</b>                 |

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

**6. Financial investments**

|   | <b>Mar/2012</b> | <b>Parent company<br/>Dec/2011</b> | <b>Mar/2012</b> | <b>Consolidated<br/>Dec/2011</b> |
|---|-----------------|------------------------------------|-----------------|----------------------------------|
| <b>Held-for-trading</b>                             |                 |                                    |                 |                                  |
| Investments in FIM Sol                              | 35,177          | 36,410                             | 35,177          | 36,410                           |
| Investments in foreign currency                     | 9,111           | 10,716                             | 9,111           | 10,716                           |
| Shares  | 3,023           | 3,023                              | 3,023           | 3,023                            |
| <b>Loans and receivables</b>                        |                 |                                    |                 |                                  |
| Investments in FIM Sol                              | 238,039         | 116,007                            | 238,039         | 116,007                          |
| <b>Held-to-maturity</b>                             |                 |                                    |                 |                                  |
| Quotas of investment funds in credit rights         | 39,269          | 34,720                             | 39,269          | 34,720                           |
| Restricted deposits                                 | 1,009           | 2,823                              | 3,754           | 4,173                            |
| Investments in foreign currency                     |                 |                                    | 273,331         |                                  |
| Compensation of investments in foreign currency (i) |                 |                                    | (273,331)       |                                  |
| <b>Total</b>  | <b>325,628</b>  | <b>203,699</b>                     | <b>328,373</b>  | <b>205,049</b>                   |



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|                       |                |                |                |                |
|-----------------------|----------------|----------------|----------------|----------------|
| In current assets     | 286,359        | 168,979        | 289,078        | 170,297        |
| In non-current assets | 39,269         | 34,720         | 39,295         | 34,752         |
| <b>Total</b>          | <b>325,628</b> | <b>203,699</b> | <b>328,373</b> | <b>205,049</b> |

(i) On March 31, 2012, Braskem Holanda had financial investments held to maturity that were 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 table was presented in the Company's 2011 annual financial statements, in Note 7.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****7. Trade accounts receivable**

|                                 | <b>Mar/2012</b>  | <b>Parent company<br/>Dec/2011</b> | <b>Mar/2012</b>  | <b>Consolidated<br/>Dec/2011</b> |
|---------------------------------|------------------|------------------------------------|------------------|----------------------------------|
| Consumers:                      |                  |                                    |                  |                                  |
| Domestic market                 | 791,131          | 660,289                            | 1,097,760        | 866,168                          |
| Foreign market                  | 800,577          | 676,122                            | 1,642,078        | 1,282,251                        |
| Allowance for doubtful accounts | (198,877)        | (189,071)                          | (267,267)        | (253,607)                        |
| <b>Total</b>                    | <b>1,392,831</b> | <b>1,147,340</b>                   | <b>2,472,571</b> | <b>1,894,812</b>                 |
| In current assets               | 1,345,632        | 1,097,482                          | 2,424,235        | 1,843,756                        |
| In non-current assets           | 47,199           | 49,858                             | 48,336           | 51,056                           |
| <b>Total</b>                    | <b>1,392,831</b> | <b>1,147,340</b>                   | <b>2,472,571</b> | <b>1,894,812</b>                 |

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

**8. Inventories**

|  | <b>Mar/2012</b>  | <b>Parent company<br/>Dec/2011</b> | <b>Mar/2012</b>  | <b>Consolidated<br/>Dec/2011</b> |
|--|------------------|------------------------------------|------------------|----------------------------------|
| Finished goods                                 | 1,493,353        | 1,192,940                          | 2,775,256        | 2,444,547                        |
| Raw materials, production inputs and packaging | 567,957          | 620,877                            | 781,813          | 866,206                          |
| Maintenance materials                          | 97,140           | 95,980                             | 188,559          | 183,779                          |
| Advances to suppliers                          | 8,653            | 16,522                             | 38,155           | 58,200                           |
| Imports in transit and other                   | 107,182          | 42,190                             | 137,161          | 70,790                           |
| <b>Total</b>                                   | <b>2,274,285</b> | <b>1,968,509</b>                   | <b>3,920,944</b> | <b>3,623,522</b>                 |

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

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****9. Related parties**

The Company carries out transactions with related parties in the ordinary course of its operations and activities. The Company believes that all the conditions set forth in the contracts with related parties serve the Company's interests. A permanent objective of Braskem's management is to ensure that these contracts present terms and conditions that are as favorable to the Company as those it would enter into with any other third party.

**(a) Parent company**

|                          | Assets     |             | Related parties | Balances at March 31, 2012 |                 |  |
|--------------------------|------------|-------------|-----------------|----------------------------|-----------------|--|
|                          | Current    | Non-current |                 | Current Other accounts     | Related parties | Liabilities Non-current Other accounts |
| <b>Subsidiaries</b>      |            |             |                 |                            |                 |  |
| Braskem America          | 12,646(i)  |             |                 |                            |                 |  |
| Braskem Argentina        | 38,672(ii) |             |                 |                            |                 |  |
| Braskem Chile            | 1,288(ii)  |             |                 |                            |                 |  |
| Braskem Distribuidora    |            |             |                 |                            | 5,687(xiv)      |  |
| Braskem Holanda          | 87,684(ii) |             |                 |                            | 2,124,569(xv)   |  |
| Braskem Importação       |            |             |                 |                            | 119(xiv)        |  |
| Braskem Inc              | 11,698(ii) | 6,522(viii) | 96,164(xii)     | 2,730,298(xiii)            | 6,996(xvi)      | 2,893                                  |
| Braskem México           | 581(iii)   |             |                 |                            |                 |  |
| Braskem Participações    | 96(iii)    | 1,507(ix)   |                 |                            |                 |  |
| Braskem Petroquímica     | 36,070(iv) | 799,886(x)  |                 | 7,019(xiii)                |                 |  |
| Braskem Qpar             | 825(ii)    |             |                 | 979(xiii)                  | 165,090(xiv)    |  |
| Cetrel                   | 24(ii)     |             |                 | 608(xiii)                  |                 |  |
| IQAG                     |            |             |                 |                            | 448(xiv)        |  |
| Lantana                  |            | 53(ix)      |                 |                            |                 |  |
| Politeno Empreendimentos |            |             |                 |                            | 25(xiv)         |  |

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|   |                  |                  |               |                  |                  |              |
|---|------------------|------------------|---------------|------------------|------------------|--------------|
| Quantiq   | 22,005(iv)       | 51,986(ix)       |               | 288(xiii)        | 75,486(xiv)      |              |
| Riopol  | 9,510(ii)        | 738,799(x)       |               | 2,013(xiii)      | 185,877(xiv)     |              |
|   | <b>221,099</b>   | <b>1,598,753</b> | <b>96,164</b> | <b>2,741,205</b> | <b>2,564,297</b> | <b>2,893</b> |
| <b>Jointly-controlled subsidiaries</b>  |                  |                  |               |                  |                  |              |
| RPR   | 2,432(v)         |                  |               |                  |                  |              |
| Propilsur   | 5,196(iii)       |                  |               |                  |                  |              |
| Polimerica  | 3,497(iii)       |                  |               |                  |                  |              |
|   | <b>11,125</b>    |                  |               |                  |                  |              |
| <b>Associated companies</b>   |                  |                  |               |                  |                  |              |
| Borealis Brasil S.A. ("Borealis")   | 1,288(i)         |                  |               |                  |                  |              |
| Sansuy Administração, Participação,<br>Representação e Serviços Ltda ("Sansuy") | 15,279(ii)       |                  |               | 220(xiii)        |                  |              |
|   | <b>16,567</b>    |                  |               | <b>220</b>       |                  |              |
| <b>Related companies</b>  |                  |                  |               |                  |                  |              |
| Petrobras   | 81,037(vi)       | 59,327(xi)       |               | 1,489,220(xiii)  |                  |              |
| Refinaria Alberto Pasqualini ("Refap")  |                  |                  |               | 30,392(xiii)     |                  |              |
| Other   | 259(vi)          |                  |               |                  |                  |              |
|   | <b>81,296</b>    | <b>59,327</b>    |               | <b>1,519,612</b> |                  |              |
| <b>Specific Purpose Entity</b>  |                  |                  |               |                  |                  |              |
| FIM Sol   | 2,446,171(vii)   |                  |               |                  |                  |              |
|   | <b>2,446,171</b> |                  |               |                  |                  |              |

**Total** **2,776,258** **1,658,080** **96,164** **4,261,037** **2,564,297** **2,893**

(i) Amounts under "trade accounts receivable": R\$13,231 and under "other accounts receivable": R\$703.

(ii) Amounts under "trade accounts receivable":

(iii) Amounts under "other accounts receivable".

(iv) Amounts under "trade accounts receivable": R\$27,807 and under "interest on equity receivable": R\$30,268.

(v) Amount under "interest on equity receivable".

(vi) Amounts under "trade accounts receivable": R\$36,996 and under "other accounts receivable": R\$44,300.

(vii) Amounts under "cash and cash equivalents": R\$2,172,955 and under "financial investments": R\$273,216.

(viii) Amount under "related parties" related to loan agreements subject to exchange variation + interest of 5.81% per annum.

(ix) Amounts under "related parties" related to current accounts.

(x) Amounts under "related parties" related to current accounts: R\$150,247 and under "advance for future capital increase (AFAC)": R\$1,388,438.

(xi) Amount under "related parties" related to loan agreements subject to TJLP + interest of 2% per annum.

(xii) Amount under "related parties" related to borrowings subject to exchange variation + interest of between 7.0% and 11.0 % per annum.

- (xiii) Amounts under “trade payables”.
- (xiv) Amounts under “related parties” related to current accounts.
- (xv) Amount under “related parties” related to advances for exports, subject to exchange variation + interest from 1.4% to 7.88% per annum.
- (xvi) Amount under “related parties” related to notes payable, subject to exchange variation.
- (xvii) Amounts under “borrowings”, subject to exchange variation + interest of between 7.00% and 11.0% per annum.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated**

|   | <b>Income statement transactions from January to March 31, 2012</b> |   |   |
|---|---|---|---|
|   | <b>Sales<br/>of products</b>  | <b>Purchases<br/>of<br/>raw<br/>materials,<br/>services and<br/>utilities</b> | <b>Financial<br/>income<br/>(expenses)<br/>Cost of<br/>production/general<br/>and administrative<br/>expenses</b> |
| <b>Subsidiaries</b>                             |   |   |   |
| Braskem America                                 | 3,774   |   | (142)   |
| Braskem Argentina                               | 29,989  |   | (2,419)   |
| Braskem Chile                                   | 18,672  |   | (56)  |
| Braskem Holanda                                 | 101,425   |   | (39,733)  |
| Braskem Inc                                     | 10,929  | 471,473   | 183,929   |
| Braskem Petroquimica                            | 73,488  | 38,387  |   |
| Braskem Qpar                                    | 1,545   | 21,601  |   |
| Ideom   | 2   | 5,500   |   |
| Lantana   |   |   | (2)   |
| Quantiq   | 32,585  | 3,277   |   |
| Riopol  | 29,411  | 18,355  |   |
|   | <b>301,820</b>  | <b>558,593</b>  | <b>141,577</b>  |
| <b>Jointly-controlled subsidiary</b>            |   |   |   |
| RPR   | 1,940   |   |   |
|   | <b>1,940</b>  |   |   |
| <b>Associated companies</b>                     |   |   |   |
| Borealis  | 35,694  |   |   |
| Sansuy  | 6,489   | 220   |   |
|   | <b>42,183</b>   | <b>220</b>  |   |
| <b>Related companies</b>                        |   |   |   |
| CNO - Construtora Norberto Odebrecht<br>("CNO") |   | 105,359   |   |
| OSP   |   | 87,538  |   |
| Petrobras                                       | 213,555   | 2,531,291   | 1,158   |
| Refap   |   | 82,459  |   |
|   | <b>213,555</b>  | <b>2,806,647</b>  | <b>1,158</b>  |
| <b>Post-employment benefit plan</b>             |   |   |   |

|  |                |                  |                |                                |
|--|----------------|------------------|----------------|--------------------------------|
| Odebrecht Previdência Privada<br>("Odeprev") |                |                  |                | 3,247<br><b>3,247</b><br>3,247 |
| <b>Total</b>                                 | <b>559,498</b> | <b>3,365,460</b> | <b>142,735</b> | <b>3,247</b>                   |



**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated**

|  | Assets         |                  |                 | Balances at December 31, 2011 |                  |                            |
|--|----------------|------------------|-----------------|-------------------------------|------------------|----------------------------|
|  | Current        | Non-current      | Related parties | Current Other accounts        | Related parties  | Non-current Other accounts |
| <b>Subsidiaries</b>                    |                |                  |                 |                               |                  |                            |
| Braskem America                        | 8,164(i)       |                  |                 |                               |                  |                            |
| Braskem Argentina                      | 37,149(i)      |                  |                 |                               |                  |                            |
| Braskem Chile                          | 506(i)         |                  |                 |                               |                  |                            |
| Braskem Distribuidora                  |                |                  |                 |                               | 5,500(xiii)      |                            |
| Braskem Holanda                        | 171,590(i)     |                  | 7,157(ix)       |                               | 1,155,493(ix)    |                            |
| Braskem Importação                     |                |                  |                 |                               | 119(xiii)        |                            |
| Braskem Inc                            | 30,641(i)      | 6,633(vi)        | 72,633(x)       | 2,363,513(xi)                 | 7,203(xiii)      | 3,448,165(xi)              |
| Braskem Mexico                         | 581(i)         |                  |                 |                               |                  |                            |
| Braskem Petroquimica                   | 91,328(xiv)    | 649,639(viii)    |                 | 25,523(xii)                   | 17,726(xiii)     |                            |
| Braskem Participações                  | 96(i)          | 1,497(v)         |                 |                               |                  |                            |
| Braskem Qpar                           | 3,137(i)       | 155,712(v)       |                 | 1,100(xii)                    |                  |                            |
| Cetrel                                 |                |                  |                 | 58(xii)                       |                  |                            |
| Ideom                                  | 189(i)         | 8,987(v)         |                 | 18,899(xii)                   |                  |                            |
| IQAG                                   |                |                  |                 |                               | 115(xiii)        |                            |
| Lantana                                |                | 54(v)            |                 |                               |                  |                            |
| Politeno Empreendimentos               |                | 1(v)             |                 |                               |                  |                            |
| Quantiq                                | 23,783(ii)     | 5,022(v)         |                 | 246(xii)                      | 14,275(xiii)     |                            |
| Riopol                                 | 12,977(i)      | 738,799(viii)    |                 | 10,476(xii)                   | 97,136(xiii)     |                            |
|  | <b>380,141</b> | <b>1,566,344</b> | <b>79,790</b>   | <b>2,419,815</b>              | <b>1,297,567</b> | <b>3,448,165</b>           |
| <b>Jointly-controlled subsidiaries</b> |                |                  |                 |                               |                  |                            |
| Propilsur                              | 5,196(i)       |                  |                 |                               |                  |                            |
| Polimerica                             | 3,497(i)       |                  |                 |                               |                  |                            |
|  | <b>8,693</b>   |                  |                 |                               |                  |                            |
| <b>Associated company</b>              |                |                  |                 |                               |                  |                            |
| Borealis                               | 3,123(i)       |                  |                 |                               |                  |                            |
|  | <b>3,123</b>   |                  |                 |                               |                  |                            |
| <b>Related companies</b>               |                |                  |                 |                               |                  |                            |

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|           |               |               |                  |
|-----------|---------------|---------------|------------------|
| CNO       |               |               | 4,128            |
| Petrobras | 21,319(iii)   | 58,169(vii)   | 1,360,267(xii)   |
| Refap     | 19,492(i)     |               | 9,930(xii)       |
| Other     | 564(iii)      |               |                  |
|           | <b>41,375</b> | <b>58,169</b> | <b>1,374,325</b> |

**Specific Purpose Entity**

|         |                  |
|---------|------------------|
| FIM Sol | 1,665,817(iv)    |
|         | <b>1,665,817</b> |

**Total** **2,099,149** **1,624,513** **79,790** **3,794,140** **1,297,567** **3,448,165**

- (i) Amounts under “trade accounts receivable”: R\$286,771 and under “other accounts receivable”: R\$9,567.
- (ii) Amounts under “trade accounts receivable”: R\$7,788 and under “dividends and interest on equity receivable”: R\$15,995.
- (iii) Amounts under “trade accounts receivable”: R\$5,790 and under “other accounts receivable”: R\$16,093.
- (iv) Amounts under “cash and cash equivalents”: R\$1,513,400 and under “financial investments”: R\$152,417.
- (v) Amounts under “related parties” related to current accounts.
- (vi) Amounts under “related parties” related to loan agreements subject to exchange variation + interest of 5.81% per annum.
- (vii) Amounts under “related parties” related to loan agreements subject to TJLP + interest of 2% per annum.
- (viii) Amounts under “related parties” related to AFAC.
- (ix) Amounts under “related parties” related to advances for export, subject to exchange variation + quarterly LIBOR + interest of 1.4% per annum.
- (x) Amounts under “related parties” related to notes payable, subject to exchange variation + quarterly LIBOR + interest of 1.6% per annum.
- (xi) Amounts under “borrowings”, subject to exchange variation + interest of between 7% and 11% per annum.
- (xii) Amounts under “trade payables”.
- (xiii) Amounts under “related parties” related to current accounts: R\$134,871 and notes payable: R\$7,203.
- (xiv) Amounts under “trade accounts receivable”: R\$77,055 and under “dividends and interest on equity receivable”: R\$14,273.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated**

|                                      | <b>Income statement transactions from January to March 31, 2011</b> |   |   |
|--------------------------------------|---|---|---|
|                                      | <b>Sales<br/>of products</b>  | <b>Purchases<br/>of<br/>raw<br/>materials,<br/>services and<br/>utilities</b> | <b>Financial<br/>income<br/>(expenses)</b>                                |
|                                      |   |   | <b>Cost of<br/>production/general<br/>and administrative<br/>expenses</b> |
| <b>Subsidiaries</b>                  |   |   |   |
| Braskem America                      | 4,545   |   | (105)   |
| Braskem Argentina                    | 13,808  |   | (830)   |
| Braskem Chile                        | 1,452   |   | (106)   |
| Braskem Distribuidora                |   |   | (80)  |
| Braskem Holanda                      | 111,076   |   | 733   |
| Braskem Idesa                        |   |   | (1)   |
| Braskem Importação                   |   |   | (3)   |
| Braskem Inc                          |   | 570,178   | 79,220  |
| Braskem Participações                |   |   | 1   |
| Braskem Petroquímica                 | 585   | 2,375   | 47  |
| Braskem Qpar                         | 2,608   | 20,085  | 24,532  |
| Ideom                                | 10  |   | 281   |
| IQAG                                 |   |   | (7)   |
| ISATEC                               |   |   | 55  |
| Lantana                              |   |   | (1)   |
| Politeno Empreendimentos             |   |   | 1   |
| Quantiq                              |   |   | 635   |
| Riopol                               | 8,525   | 99,478  | 1,827   |
|                                      | <b>142,609</b>  | <b>692,116</b>  | <b>106,199</b>  |
| <b>Jointly-controlled subsidiary</b> |   |   |   |
| RPR                                  | 10,800  |   |   |
|                                      | <b>10,800</b>   |   |   |
| <b>Associated companies</b>          |   |   |   |
| Borealis                             | 54,777  |   |   |
| Cetrel                               | 37  | 8,824   |   |
|                                      | <b>54,814</b>   | <b>8,824</b>  |   |
| <b>Related companies</b>             |   |   |   |

|                                     |                |                  |                |              |
|-------------------------------------|----------------|------------------|----------------|--------------|
| BRK                                 |                |                  | (11)           |              |
| CNO                                 |                | 15,231           |                |              |
| OSP                                 |                | 60,164           |                |              |
| Petrobras                           | 200,215        | 1,643,671        | 1,060          |              |
| Refap                               |                | 303,172          |                |              |
|                                     | <b>200,215</b> | <b>2,022,238</b> | <b>1,049</b>   |              |
| <b>Post-employment benefit plan</b> |                |                  |                |              |
| Odeprev                             |                |                  |                | 2,577        |
|                                     |                |                  |                | <b>2,577</b> |
| <b>Total</b>                        | <b>408,438</b> | <b>2,723,178</b> | <b>107,248</b> | <b>2,577</b> |

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(b) Consolidated**

|  | <b>Assets</b>  |                    | <b>Balances at March 31, 2012</b> |                                    |
|--|----------------|--------------------|-----------------------------------|------------------------------------|
|  | <b>Current</b> | <b>Non-current</b> | <b>Current</b>                    | <b>Liabilities<br/>Non-current</b> |
| <b>Jointly-controlled subsidiaries</b> |                |                    |                                   |                                    |
| RPR                                    |                |                    | 1,247(v)                          |                                    |
| Propilur                               | 2,598(i)       |                    |                                   | 20,822(vi)                         |
| Polimerica                             | 1,748(i)       |                    |                                   | 16,139(vi)                         |
|  | <b>4,346</b>   |                    | <b>1,247</b>                      | <b>36,961</b>                      |
| <b>Associated companies</b>            |                |                    |                                   |                                    |
| Borealis                               | 1,119(ii)      |                    |                                   |                                    |
| Sansuy                                 | 15,279(ii)     |                    | 220(v)                            |                                    |
|  | <b>16,398</b>  |                    | <b>220</b>                        |                                    |
| <b>Related companies</b>               |                |                    |                                   |                                    |
| Petrobras                              | 145,922(iii)   | 59,327(iv)         | 2,355,384(v)                      |                                    |
| Refap                                  |                |                    | 30,468(v)                         |                                    |
| Other                                  | 262(iii)       |                    |                                   |                                    |
|  | <b>146,184</b> | <b>59,327</b>      | <b>2,385,852</b>                  |                                    |
| <b>Total</b>                           | <b>166,928</b> | <b>59,327</b>      | <b>2,387,319</b>                  | <b>36,961</b>                      |

(i) Amounts under “other accounts receivable”.

(ii) Amounts under “trade accounts receivable”.

(iii) Amounts under “trade accounts receivable”: R\$40,012 and under “other accounts receivable”: R\$106,172.

(iv) Amount under “related parties” related to loan agreements subject to TJLP + interest of 2% per annum.

(v) Amounts under “trade payables”.

(vi) Amounts under “related parties” related to AFAC made by other shareholders.

|                                      | <b>Income statement transactions from January to March 31, 2012</b> |   |  |   |
|--------------------------------------|---|---|--|---|
|                                      | <b>Sales<br/>of products</b>  | <b>Purchases of<br/>raw<br/>materials,<br/>services and<br/>utilities</b> | <b>Financial<br/>income<br/>(expenses)</b> | <b>Cost of<br/>production/general<br/>and administrative<br/>expenses</b> |
| <b>Jointly-controlled subsidiary</b> |   |   |  |   |
| RPR                                  | 2,247   | 5,013   |  |   |
|                                      | <b>2,247</b>  | <b>5,013</b>  |  |   |
| <b>Associated companies</b>          |   |   |  |   |
| Borealis                             | 41,539  |   |  |   |
| Sansuy                               | 6,489   | 220   |  |   |
|                                      | <b>48,028</b>   | <b>220</b>  |  |   |
| <b>Related companies</b>             |   |   |  |   |
| CNO                                  |   | 105,359   |  |   |
| OSP                                  |   | 87,538  |  |   |
| Petrobras                            | 365,896   | 4,022,266   | 1,158                                      |   |
| Refap                                |   | 83,084  |  |   |
|                                      | <b>365,896</b>  | <b>4,298,247</b>  | <b>1,158</b>                               |   |
| <b>Post-employment benefit plan</b>  |   |   |  |   |
| Odeprev                              |   |   |  | 4,128   |
|                                      |   |   |  | 4,128   |
| <b>Total</b>                         | <b>416,171</b>  | <b>4,303,480</b>  | <b>1,158</b>                               | <b>4,128</b>  |

**Braskem S.A.****Notes to the financial statements**at **March 31, 2012**

All amounts in thousands of reais unless otherwise stated

|  | Assets         |               | Balances at December 31, 2011 |                            |
|--|----------------|---------------|-------------------------------|----------------------------|
|  | Current        | Non-current   | Current                       | Liabilities<br>Non-current |
| <b>Jointly-controlled subsidiaries</b> |                |               |                               |                            |
| Propilur                               | 2,598(i)       |               |                               | 24,855(v)                  |
| Polimerica                             | 1,748(i)       |               |                               | 19,978(v)                  |
|  | <b>4,346</b>   |               |                               | <b>44,833</b>              |
| <b>Associated company</b>              |                |               |                               |                            |
| Borealis                               | 3,123(i)       |               |                               |                            |
|  | <b>3,123</b>   |               |                               |                            |
| <b>Related companies</b>               |                |               |                               |                            |
| CNO                                    |                |               | 4,128(iv)                     |                            |
| Petrobras                              | 88,842(ii)     | 58,169(iii)   | 1,777,503(iv)                 |                            |
| Refap                                  | 19,492(i)      |               | 10,003(iv)                    |                            |
| Other                                  | 565(i)         |               |                               |                            |
|  | <b>108,899</b> | <b>58,169</b> | <b>1,791,634</b>              |                            |
| <b>Total</b>                           | <b>116,368</b> | <b>58,169</b> | <b>1,791,634</b>              | <b>44,833</b>              |

(i) Amounts under “trade accounts receivable”: R\$22,890 and under “other accounts receivable”: R\$4,636.

(ii) Amounts under “trade accounts receivable”: R\$6,887 and under “other accounts receivable”: R\$81,955.

(iii) Amounts under “related parties” related to loan agreements subject to TJLP + interest of 2% per annum.

(iv) Amounts under “trade payables”.

(v) Amounts under “related parties” related to AFAC made by other shareholders.

**Income statement transactions from January to March 31, 2011**  
**Cost of**

|                                      | <b>Sales<br/>of products</b> | <b>Purchases<br/>of<br/>raw<br/>materials,<br/>services and<br/>utilities</b> | <b>Financial<br/>income<br/>(expenses)</b> | <b>production/general<br/>and administrative<br/>expenses</b> |
|--------------------------------------|------------------------------|---|--|---|
| <b>Jointly-controlled subsidiary</b> |                              |   |  |   |
| RPR                                  | 10,829                       | 7,263   | (56)                                       |   |
|                                      | <b>10,829</b>                | <b>7,263</b>  | <b>(56)</b>                                |   |
| <b>Associated companies</b>          |                              |   |  |   |
| Borealis                             | 54,777                       |   |  |   |
| Cetrel                               | 37                           | 9,269   |  |   |
|                                      | <b>54,814</b>                | <b>9,269</b>  |  |   |
| <b>Related companies</b>             |                              |   |  |   |
| BRK                                  |                              |   | (11)                                       |   |
| CNO                                  |                              | 15,231  |  |   |
| OSP                                  |                              | 60,164  |  |   |
| Petrobras                            | 345,824                      | 3,129,625   | 1,059                                      |   |
| Refap                                |                              | 304,600   |  |   |
|                                      | <b>345,824</b>               | <b>3,509,620</b>  | <b>1,048</b>                               |   |
| <b>Post-employment benefit plan</b>  |                              |   |  |   |
| Odeprev                              |                              |   |  | 3,504   |
|                                      |                              |   |  | <b>3,504</b>  |
| <b>Total</b>                         | <b>411,467</b>               | <b>3,526,152</b>  | <b>992</b>                                 | <b>3,504</b>  |



**Braskem S.A.****Notes to the financial statements**at **March 31, 2012**

All amounts in thousands of reais unless otherwise stated

**(c) Key management personnel**

| <b>Non-current liabilities</b> | <b>Mar/2012</b> | <b>Dec/2011</b> |
|--------------------------------|-----------------|-----------------|
| Long-term incentives           | 4,121           | 4,121           |
| <b>Total</b>                   | <b>4,121</b>    | <b>4,121</b>    |

| <b>Income statement transactions</b>          | <b>Mar/2012</b> | <b>Parent company<br/>Mar/2011</b> | <b>Mar/2012</b> | <b>Consolidated<br/>Mar/2011</b> |
|---|-----------------|------------------------------------|-----------------|----------------------------------|
| <b>Remuneration</b>                           |                 |                                    |                 |                                  |
| Short-term benefits to employees and managers | 3,753           | 2,956                              | 3,753           | 3,653                            |
| Post-employment benefit                       | 58              | 48                                 | 58              | 63                               |
| Long-term incentives                          |                 | 725                                |                 | 725                              |
| <b>Total</b>                                  | <b>3,811</b>    | <b>3,729</b>                       | <b>3,811</b>    | <b>4,441</b>                     |

The information related to related parties was presented in the Company's 2011 annual financial statements, in Note 10.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****10. Taxes recoverable**

|  | <b>Parent company</b> |                  | <b>Consolidated</b> |                  |                  |
|--|-----------------------|------------------|---------------------|------------------|------------------|
|  | <b>Note</b>           | <b>Mar/2012</b>  | <b>Dec/2011</b>     | <b>Mar/2012</b>  | <b>Dec/2011</b>  |
| <b>Parent Company and subsidiaries in Brazil</b>                             |                       |                  |                     |                  |                  |
| Excise tax (IPI)   |                       | 36,277           | 30,625              | 40,131           | 30,625           |
| Value-added tax on sales and services (ICMS)                                 |                       | 632,348          | 649,546             | 1,025,306        | 1,025,306        |
| Social integration program (PIS) and social contribution on revenue (COFINS) |                       | 343,686          | 280,480             | 519,721          | 478,903          |
| PIS and COFINS - Law No. 9,718/98  |                       | 152,627          | 151,457             | 158,903          | 151,457          |
| PIS - Decree-Law 2,445 and 2,449/88  |                       | 180,868          | 180,234             | 200,606          | 199,903          |
| Income tax and social contribution (IR and CSL)                              |                       | 254,272          | 242,615             | 392,624          | 378,903          |
| Tax on net income (ILL)  |                       | 15,112           | 14,912              | 15,112           | 14,912           |
| REINTEGRA program  | (a)                   | 53,101           | 13,804              | 66,096           | 13,804           |
| Additional state income tax (AIRE)   |                       | 56,001           | 56,001              | 56,001           | 56,001           |
| Other  |                       | 48,415           | 49,558              | 81,514           | 81,514           |
| <b>Foreign subsidiaries</b>  |                       |                  |                     |                  |                  |
| Value-added tax  |                       |                  |                     | 105,593          | 105,593          |
| Income tax   |                       |                  |                     | 16,988           | 16,988           |
| <b>Total</b>   |                       | <b>1,772,707</b> | <b>1,669,232</b>    | <b>2,678,595</b> | <b>2,548,903</b> |
| In current assets  |                       | 633,618          | 606,258             | 1,096,936        | 1,096,936        |
| In non-current assets  |                       | 1,139,089        | 1,062,974           | 1,581,659        | 1,451,967        |
| <b>Total</b>   |                       | <b>1,772,707</b> | <b>1,669,232</b>    | <b>2,678,595</b> | <b>2,548,903</b> |

**(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. On March 31, 2012, the Company recorded credits amounting to R\$48,172 (Note 29).

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

**Braskem S.A.****Notes to the financial statements**

at March 31, 2012

All amounts in thousands of reais unless otherwise stated

**11. Judicial deposits**

|   | <b>Mar/2012</b> | <b>Parent company<br/>Dec/2011</b> | <b>Mar/2012</b> | <b>Consolidated<br/>Dec/2011</b> |
|---|-----------------|------------------------------------|-----------------|----------------------------------|
| Judicial deposits                       |                 |                                    |                 |                                  |
| Tax contingencies                       | 95,531          | 96,081                             | 105,096         | 105,611                          |
| Labor and social security contingencies | 55,934          | 50,595                             | 67,137          | 60,187                           |
| Other                                   | 4,915           | 4,916                              | 6,731           | 8,422                            |
| <b>Total</b>                            | <b>156,380</b>  | <b>151,592</b>                     | <b>178,964</b>  | <b>174,220</b>                   |

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

**12. Insurance claims**

On March 31, 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 in the Olefins plants of the Basic Petrochemicals unit of the Northeast Complex in the amounts of R\$141,578 and R\$61,649, respectively; and

(ii) damages receivable for losses at the Chlor-Alkali plant in the state of Alagoas in the amount of R\$13,892.

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 March 31, 2012**

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

**13. Other accounts receivable - consolidated**

**(a) Current**

The main balances forming this account in current assets are:

- (i) R\$235,962 in damages recognized in the first quarter of 2012, in accordance with the feedstock supply agreement entered into between Sunoco and Braskem America (Note 1(a));
- (ii) R\$114,575 in advances to services suppliers (R\$96,213 on December 31, 2011);
- (iii) R\$106,172 in accounts receivable from related companies (R\$81,955 on December 31, 2011), Note 9(b).

**(b) Non-current**

On March 31, 2012, the main balance under this item refers to interest receivable and monetary restatement on the mandatory Eletrobras loan in the periods from 1977 to 1986 and 1987 to 1994, in the amount of R\$80 million.

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

**Braskem S.A.****Notes to the financial statements**

at March 31, 2012

All amounts in thousands of reais unless otherwise stated

**14. Investments****(a) Information on investments**

|  | Interest in<br>total<br>capital<br>(%) | Adjusted net profit (loss)<br>for the period |          |           | Parent company<br>Adjusted |
|--|--|--|----------|-----------|----------------------------|
|  |  | Mar/2012                                     | Mar/2012 | Mar/2011  | Mar/2012                   |
| <b>(a.1) Investments of the parent<br/>company</b> |  |  |          |           | <b>Dec/2011</b>            |
| <b>Subsidiaries</b>                                |  |  |          |           |                            |
| Braskem Alemanha                                   | 5.66                                   | (11,236)                                     |          | 196,143   | 208,192                    |
| Braskem America                                    | 100.00                                 | 162,902                                      | 15,096   | 634,956   | 480,405                    |
| Braskem Argentina                                  | 96.77                                  | 788  | 1,007    | 5,253     | 4,465                      |
| Braskem Austria (i)                                | 100.00                                 |  |          | 81        |                            |
| Braskem Chile                                      | 99.02                                  | 37   | 955      | 1,587     | 1,543                      |
| Braskem Distribuidora                              | 100.00                                 | (2,469)                                      | (2,566)  | 92,021    | 94,490                     |
| Braskem Holanda                                    | 100.00                                 | 53,741                                       | 5,145    | 484,787   | 489,925                    |
| Braskem Finance                                    | 100.00                                 | 2,507  | (2,603)  | (88,483)  | (90,990)                   |
| Braskem Idesa                                      | 65.00                                  | (12,754)                                     | (9,277)  | 325,471   | 267,367                    |
| Braskem Importação                                 | 0.04                                   | (2,527)                                      |          | 85,745    | 205                        |
| Braskem Inc.                                       | 100.00                                 | (3,664)                                      | 16,150   | 184,326   | 187,990                    |
| Braskem Participações                              | 100.00                                 | 567  | 603      | 1,504     | 781                        |
| Braskem Petroquímica                               | 100.00                                 | 3,019  | 10,734   | 916,234   | 913,193                    |
| Braskem Qpar                                       | 96.96                                  | (42,206)                                     | 4,660    | 2,679,850 | 2,722,056                  |
| Cetrel (ii)  | 52.76                                  | 6,469  |          | 299,444   | 290,192                    |
| Ideom (iii)  | 100.00                                 |  | (3,236)  |           | 20,762                     |
| IQAG   | 0.12                                   | 260  | 138      | 2,453     | 1,690                      |
| ISATEC (iv)  |  |  | (801)    |           |                            |



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|  |        |          |        |           |           |
|--|--------|----------|--------|-----------|-----------|
| Petroquímica Chile   | 97.96  | (13)     | (111)  | 6,758     | 6,708     |
| Politeno Empreendimentos                                   | 99.98  | (1)      | (2)    | 30        | 31        |
| Quantiq  | 99.90  | 3,328    | 7,685  | 232,227   | 228,899   |
| Riopol   | 100.00 | (19,827) | 42,858 | 1,747,747 | 1,767,574 |
| <b>Jointly-controlled subsidiary</b>                       |        |          |        |           |           |
|  | 33.20  | 4,099    | 8,571  | 116,511   | 120,655   |
| <b>Associates</b>  |        |          |        |           |           |
| Borealis   | 20.00  | 5,703    |        | 155,060   | 149,349   |
| Companhia de<br>Desenvolvimento<br>Rio Verde ("Codeverde") | 35.97  | (199)    | (100)  | 46,738    | 66,606    |
| Cetrel   |        |          | 10,584 |           |           |
| Sansuy   | 20.00  | (16)     |        | 1,954     | 1,954     |

- (i) Company incorporated in February 2012 (Note 1(b.2)).  
(ii) Change from associate to subsidiary due to a new interpretation of the Bylaws (Note 2.3 (ii)).  
(iii) Company merged into Braskem in February 2012 (Note 1(b.3)).  
(iv) Company divested in May 2011.

**Braskem S.A.****Notes to the financial statements**

at March 31, 2012

All amounts in thousands of reais unless otherwise stated

|  | Interest in<br>total<br>capital<br>(%) | Adjusted net profit (loss) |          | Parent company<br>Adjusted<br>equity |          |
|--|--|----------------------------|----------|--------------------------------------|----------|
|  |  | for the period             |          | Mar/2012                             | Dec/2011 |
|  |  | Mar/2012                   | Mar/2011 |                                      |          |
| <b>(a.2) Investments of subsidiaries</b> |  |                            |          |                                      | -        |
| <b>Braskem America</b>                   |  |                            |          |                                      |          |
| Braskem America Finance                  | 100.00                                 | (328)                      |          | (3,235)                              | (3,506)  |
| <b>Braskem Chile</b>                     |  |                            |          |                                      |          |
| Braskem Argentina                        | 3.17                                   | 788                        | 1,007    | 5,253                                | 4,465    |
| Petroquímica Chile                       | 2.03                                   | (13)                       | (111)    | 6,758                                | 6,708    |
| <b>Braskem Distribuidora</b>             |  |                            |          |                                      |          |
| Braskem Importação                       | 99.96                                  | (2,527)                    | 4        | 85,745                               | 205      |
| Braskem Argentina                        | 0.06                                   | 788                        | 1,007    | 5,253                                | 4,465    |
| Lantana                                  | 96.34                                  | (2,527)                    | (1,765)  | 85,745                               | 88,272   |
| <b>Braskem Holanda</b>                   |  |                            |          |                                      |          |
| Braskem Alemanha                         | 94.34                                  | (11,236)                   |          | 196,143                              | 208,192  |
| Propilsur                                | 49.00                                  | (168)                      |          | 90,870                               | 103,419  |
| Polimerica                               | 49.00                                  | 1                          |          | 62,155                               | 71,377   |
| <b>Braskem Idesa</b>                     |  |                            |          |                                      |          |
| Braskem Idesa Serviços                   | 100.00                                 | 81                         |          | 2,170                                | 1,982    |
| <b>Braskem Importação</b>                |  |                            |          |                                      |          |
| Braskem México                           | 0.03                                   | 587                        | 621      | 2,979                                | 2,237    |
| <b>Braskem Inc.</b>                      |  |                            |          |                                      |          |
| Braskem Chile                            | 0.98                                   | 37                         | (111)    | 1,587                                | 1,543    |
| Lantana                                  | 3.66                                   | (2,527)                    | (1,765)  | 85,745                               | 88,272   |
| Petroquímica Chile                       | 0.01                                   | (13)                       | (111)    | 6,758                                | 6,708    |
| <b>Braskem Participações</b>             |  |                            |          |                                      |          |
| Ideom                                    |  |                            | (3,236)  | -                                    | 20,762   |
| Braskem México                           | 99.97                                  | 587                        | 621      | 2,979                                | 2,237    |

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|                             |                 |        |          |        |           |           |
|-----------------------------|-----------------|--------|----------|--------|-----------|-----------|
|                             | Politeno        | 0.02   | (1)      | (2)    | 30        | 31        |
|                             | Empreendimentos |        |          |        |           |           |
|                             | Quantiq         | 0.10   | 3,328    | 7,685  | 232,227   | 228,899   |
| <b>Braskem Petroquímica</b> |                 |        |          |        |           |           |
|                             | Braskem Qpar    | 3.04   | (42,206) | 4,660  | 2,679,850 | 2,722,056 |
|                             | Cetrel          | 1.24   | 6,469    | 10,584 | 299,444   | 290,192   |
| <b>Common</b>               |                 |        |          |        |           |           |
|                             | Norfolk         | 100.00 | (171)    | (691)  | 60,794    | 61,995    |
| <b>Quantiq</b>              |                 |        |          |        |           |           |
|                             | IQAG            | 99.88  | 260      | 138    | 2,453     | 1,690     |
| <b>Braskem Qpar</b>         |                 |        |          |        |           |           |
|                             | Common          | 100.00 | (1,201)  | (110)  | 6,736     | 6,906     |

|                   |                                      | <b>Adjusted net profit (loss)</b> |                 |                 | <b>Consolidated</b>    |         |
|-------------------|--------------------------------------|-----------------------------------|-----------------|-----------------|------------------------|---------|
|                   | <b>Interest in total capital (%)</b> | <b>for the period</b>             |                 |                 | <b>Adjusted equity</b> |         |
|                   | <b>Mar/2012</b>                      | <b>Mar/2012</b>                   | <b>Mar/2011</b> | <b>Mar/2012</b> | <b>Dec/2011</b>        |         |
| <b>Associates</b> |                                      |                                   |                 |                 |                        |         |
|                   | Borealis                             | 20.00                             | 5,703           |                 | 155,060                | 149,349 |
|                   | Cetrel                               | (i)                               |                 | 10,584          |                        |         |
|                   | Codeverde                            | 35.97                             | (199)           | (100)           | 46,738                 | 66,606  |
|                   | Sansuy                               | 20.00                             | (16)            |                 | 1,954                  | 1,954   |

(i) Change from associate to subsidiary due to a new interpretation of the Bylaws (Note 2.3 (ii)).

**Braskem S.A.****Notes to the financial statements**

at March 31, 2012

All amounts in thousands of reais unless otherwise stated

**(b) Movements in investments in subsidiaries, jointly-controlled subsidiary and associate**

|   | Balance<br>at<br>Dec/2011 | Merger          | Shares<br>acquisition | Capital<br>increase | Dividends<br>and<br>interest on<br>capital | Equity in results of<br>investees<br>Effect<br>of<br>results | Adjustment<br>of<br>profit in<br>inventories | Goodwill<br>amortization<br>Other | Inter<br>g |
|---|---------------------------|-----------------|-----------------------|---------------------|--|--|--|-----------------------------------|------------|
| <b>Subsidiaries and<br/>jointly-controlled<br/>subsidiary</b> |                           |                 |                       |                     |  |  |  |                                   |            |
| <b>Domestic<br/>subsidiaries</b>                              |                           |                 |                       |                     |  |  |  |                                   |            |
| Braskem<br>Distribuidora                                      | 94,490                    |                 |                       |                     |  | (2,469)  |  |                                   |            |
| Braskem<br>Participações                                      | 781                       |                 |                       |                     |  | 567  |  |                                   |            |
| Braskem<br>Petroquímica                                       | 773,644                   |                 |                       |                     |  | 3,019  | 649  | (859)                             |            |
| Braskem Qpar  | 3,632,228                 |                 |                       |                     |  | (40,922)   | (1,023)                                      | (20,920)                          |            |
| Cetrel  | 147,638                   |                 | 254                   |                     |  | 3,560  |  | (478)                             |            |
| Ideom   | (i) 20,762                | (23,387)        |                       |                     |  | 2,625  |  |                                   |            |
| Politeno<br>Empreendimentos                                   | 31                        |                 |                       |                     |  | (1)  |  |                                   |            |
| Quantiq   | 234,169                   |                 |                       |                     |  | 3,328  | (2,520)                                      |                                   | 9          |
| Riopol  | 1,765,777                 |                 |                       |                     |  | (19,827)   | (511)  |                                   |            |
| RPR   | 40,063                    |                 |                       |                     | (2,432)                                    | 1,056  |  |                                   |            |
|   | <b>6,709,583</b>          | <b>(23,387)</b> | <b>254</b>            |                     | <b>(2,432)</b>                             | <b>(49,064)</b>  | <b>(3,405)</b>                               | <b>(22,257)</b>                   | <b>9</b>   |

**Foreign subsidiaries**

|                           |                  |                 |               |               |                |                |              |                 |          |              |
|---------------------------|------------------|-----------------|---------------|---------------|----------------|----------------|--------------|-----------------|----------|--------------|
| Braskem                   |                  |                 |               |               |                |                |              |                 |          |              |
| Alemanha                  | 11,784           |                 |               |               | (636)          |                |              |                 |          |              |
| Braskem America           | 478,380          |                 |               |               | 162,902        |                | 2,025        |                 |          |              |
| Braskem                   |                  |                 |               |               |                |                |              |                 |          |              |
| Argentina                 | 3,127            |                 |               |               | 788            |                | 1,338        |                 |          |              |
| Braskem Austria           |                  |                 | 81            |               |                |                |              |                 |          |              |
| Braskem Chile             | 1,543            |                 |               |               | 44             |                |              |                 |          |              |
| Braskem Holanda           | 489,925          |                 |               |               | 53,741         |                |              |                 |          |              |
| Braskem Idesa             | 173,488          |                 | 34,869        |               | (8,290)        |                |              |                 |          |              |
| Braskem Inc.              | 187,990          |                 |               |               | (3,664)        |                |              |                 |          |              |
| Petroquímica              |                  |                 |               |               |                |                |              |                 |          |              |
| Chile                     | 6,708            |                 |               |               | 50             |                |              |                 |          |              |
|                           | <b>1,352,945</b> |                 | <b>34,950</b> |               | <b>204,935</b> |                | <b>3,363</b> |                 |          |              |
| <b>Total subsidiaries</b> | <b>8,062,528</b> | <b>(23,387)</b> | <b>254</b>    | <b>34,950</b> | <b>(2,432)</b> | <b>155,871</b> | <b>(42)</b>  | <b>(22,257)</b> | <b>9</b> | <b>1,000</b> |
| <b>Associate</b>          |                  |                 |               |               |                |                |              |                 |          |              |
| Borealis                  | 29,870           |                 |               |               | 1,142          |                |              |                 |          |              |
| <b>Total associate</b>    | <b>29,870</b>    |                 |               |               | <b>1,142</b>   |                |              |                 |          |              |

(i) Company merged into Braskem in February 2012 (Note 1(b.2)).

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(c) Breakdown of equity accounting results**

|   |                 | <b>Parent<br/>company</b> |                 | <b>Consolidated</b> |
|---|-----------------|---------------------------|-----------------|---------------------|
|   | <b>Mar/2012</b> | <b>Mar/2011</b>           | <b>Mar/2012</b> | <b>Mar/2011</b>     |
| Equity in results of subsidiaries and jointly-controlled subsidiary | 155,829         | 96,513                    | (1,845)         | 1,228               |
| Equity in results of associate                                      | 1,142           | 5,472                     | 1,083           | 5,601               |
| Amortization of fair value adjustment                               | (22,257)(i)     | (24,281)                  | (1,337)(i)      | (1,364)             |
| (Provision) reversal for losses on investments/other                | 2,516           | (4,039)                   |                 |                     |
|   | <b>137,230</b>  | <b>73,665</b>             | <b>(2,099)</b>  | <b>5,465</b>        |

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

- R\$20,920 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”, in the amount of R\$4,072; “cost of sales”, in the amount of R\$23,073; “general and administrative expenses” in the amount of R\$23, and “financial results”, in the amount of R\$4,528. The effect of deferred income tax and social contribution was R\$10,776.

- R\$1,337 related to the amortization of goodwill from fair value adjustments on property, plant and equipment of the subsidiaries Braskem Petroquímica and Cetrel.

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

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****15. Property, plant and equipment**

|   | Mar/2012          |   |                   | Parent company<br>Dec/2011 |   |                   |
|---|-------------------|---|-------------------|----------------------------|---|-------------------|
|   | Cost              | Accumulated<br>depreciation/<br>depletion | Net               | Cost                       | Accumulated<br>depreciation/<br>depletion | Net               |
| Land                                      | 84,112            |   | 84,112            | 84,112                     |   | 84,112            |
| Buildings and<br>improvements             | 1,429,561         | (644,184)                                 | 785,377           | 1,429,520                  | (632,144)                                 | 797,376           |
| Machinery, equipment and<br>installations | 15,286,491        | (6,914,098)                               | 8,372,393         | 14,900,873                 | (6,767,658)                               | 8,133,215         |
| Projects in progress                      | 2,667,526         |   | 2,667,526         | 2,618,316                  |   | 2,618,316         |
| Other                                     | 502,262           | (303,473)                                 | 198,789           | 499,450                    | (306,491)                                 | 192,959           |
| Impairment                                | (159,991)         |   | (159,991)         | (160,036)                  |   | (160,036)         |
| <b>Total</b>                              | <b>19,809,961</b> | <b>(7,861,755)</b>                        | <b>11,948,206</b> | <b>19,372,235</b>          | <b>(7,706,293)</b>                        | <b>11,665,942</b> |

|                               | Mar/2012   |   |            | Consolidated<br>Dec/2011 |   |            |
|-------------------------------|------------|---|------------|--------------------------|---|------------|
|                               | Cost       | Accumulated<br>depreciation/<br>depletion | Net        | Cost                     | Accumulated<br>depreciation/<br>depletion | Net        |
| Land                          | 417,201    |   | 417,201    | 418,426                  |   | 418,426    |
| Buildings and<br>improvements | 1,864,608  | (694,520)                                 | 1,170,088  | 1,859,991                | (678,524)                                 | 1,181,467  |
|                               | 23,188,273 | (8,218,932)                               | 14,969,341 | 22,755,930               | (7,923,353)                               | 14,832,577 |



|  |                   |                    |                   |                   |                    |                   |
|--|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
| Machinery, equipment and installations |                   |                    |                   |                   |                    |                   |
| Projects in progress                   | 4,038,260         |                    | 4,038,260         | 3,763,255         |                    | 3,763,255         |
| Other                                  | 938,871           | (375,854)          | 563,017           | 941,649           | (349,151)          | 592,498           |
| Impairment                             | (159,991)         |                    | (159,991)         | (160,036)         |                    | (160,036)         |
| <b>Total</b>                           | <b>30,287,222</b> | <b>(9,289,306)</b> | <b>20,997,916</b> | <b>29,579,215</b> | <b>(8,951,028)</b> | <b>20,628,187</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, particularly the expansion of the PVC plant in the state of Alagoas and the construction of a new butadiene plant in the state of Rio Grande do Sul. In addition, the balance includes the Company's investment (project finance) in Mexico called Ethylene XXI, for the construction of an ethylene and polyethylene plant through the subsidiary Braskem Idesa.

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

With the announcement of the shutdown of the refinery of Sunoco scheduled for June 9, 2012 (Note 1(a)), the Company's Management decided to conduct impairment testing for the CGU composed of the PP plants in the United States, which is part of the International Business operating segment, in accordance with the guidelines in CPC 1. The test indicated that there is no need to provision for impairment loss of this CGU.

The assumptions used to determine the discounted cash flow include: cash flows for five years based on the Business Plan, discount rates based on the Weighted Average Cost of Capital (WACC) of 8.1% a year and growth rates to determine the perpetuity based on annual inflation rate according to the CPI (Consumer Price Index – rate available in the USA) of 2.3% per year.

**Braskem S.A.****Notes to the financial statements**at **March 31, 2012****All amounts in thousands of reais unless otherwise stated**

Considering the impact of the “discount rate” and “growth rate for perpetuity” on the potential cash flows, it was performed a sensitivity analysis with changes in these variables which also indicated that there is no need to record a provision. This sensitivity analysis considered two scenarios, of which (i) +0.5% in the discount rate, and (ii) - 0.5% growth rate in perpetuity.

There were no significant events or circumstances in the period ended March 31, 2012 that indicate the need for impairment testing on property, plant and equipment of other CGUs and/or operating segments of the Company.

**16. Intangible assets**

|  |                  |                             | Mar/2012         | Dec/2011         |                             |                  | Consolidated     | Parent<br>company<br>Mar/2012 |
|--|------------------|-----------------------------|------------------|------------------|-----------------------------|------------------|------------------|-------------------------------|
|  | Cost             | Accumulated<br>amortization | Net              | Cost             | Accumulated<br>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                 | 182,876          | (64,272)                    | 118,604          | 189,745          | (62,217)                    | 127,528          | 48,525           |                               |
| Software and use rights                | 414,374          | (175,599)                   | 238,775          | 410,231          | (162,444)                   | 247,787          | 133,887          |                               |
| Contracts with customers and suppliers | 671,190          | (106,892)                   | 564,298          | 671,190          | (93,564)                    | 577,626          |                  |                               |
| <b>Total</b>                           | <b>4,462,985</b> | <b>(1,477,557)</b>          | <b>2,985,428</b> | <b>4,465,711</b> | <b>(1,449,019)</b>          | <b>3,016,692</b> | <b>2,241,286</b> |                               |

This table was presented in the Company’s 2011 annual financial statements, 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 assumptions used to determine the amount using the discounted cash flow method include: projections of cash flows based on estimates of business for future cash flows, discounted 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 March 31, 2012 that indicate the need for impairment testing of the intangible assets with indefinite useful life.

## Braskem S.A.

## Notes to the financial statements

at March 31, 2012

All amounts in thousands of reais unless otherwise stated

## 17. Borrowings

|  | Annual<br>financial<br>charges     |  | Consolidated |           |
|--|------------------------------------|--|--------------|-----------|
|  | Monetary<br>restatement            | Average<br>interest<br>(unless<br>otherwise<br>stated) | Mar/2012     | Dec/2011  |
| <b><u>Foreign currency</u></b>         |                                    |  |              |           |
| Bonds and MTN (i)                      | Note 17 (a)                        | Note 17 (a)  | 6,939,714    | 6,147,427 |
| Advances on exchange<br>contracts (ii) | US dollar<br>exchange<br>variation | 2.03%  |              | 131,668   |
| Export prepayments                     | Note 17 (b)                        | Note 17 (b)  | 1,249,583    | 1,781,346 |
| BNDES                                  | Note 17 (c)                        | Note 17 (c)  | 416,422      | 413,722   |
|  | US dollar<br>exchange<br>variation |  |              |           |
| Raw material                           |                                    | 3.02%  | 6,187        | 6,322     |
| Export credit notes                    | Note 17 (d)                        | Note 17 (d)  | 703,867      | 723,153   |
|  | Yen exchange<br>variation          | 0.95% above<br>Libor                                   |              |           |
| Project financing (NEXI)               |                                    |  | 13,371       | 26,318    |
|  | US dollar<br>exchange<br>variation | 1.93% above<br>Libor                                   |              |           |
| Other                                  |                                    |  | 503,264      | 469,764   |
| Transactions costs, net                |                                    |  | (82,854)     | (84,525)  |
| <b><u>Local currency</u></b>           |                                    |  |              |           |
| Export credit notes                    | Note 17 (d)                        | Note 17 (d)  | 1,862,762    | 2,281,814 |
| BNDES                                  | Note 17 (c)                        | Note 17 (c)  | 2,550,687    | 2,556,521 |
| BNB/ FINAME/ FINEP/<br>FUNDES          |                                    | 6.81%  | 533,047      | 504,476   |

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|                                  |  |             |                   |                    |
|----------------------------------|--|-------------|-------------------|--------------------|
| BNB/ FINAME/ FINEP/<br>FUNDES    | TJLP<br>Post-fixed<br>monetary<br>correction | 0.20%       | 32,567            | 40,372             |
| Other<br>Transactions costs, net |  | 106% of CDI | 11,008<br>(400)   | 148,158<br>(1,724) |
| <b>Total</b>                     |  |             | <b>14,739,225</b> | <b>15,144,812</b>  |
| Current liabilities              |  |             | 1,243,609         | 1,391,779          |
| Non-current liabilities          |  |             | 13,495,616        | 13,753,033         |
| <b>Total</b>                     |  |             | <b>14,739,225</b> | <b>15,144,812</b>  |

- (i) Medium Term Notes (MTNs)
- (ii) In February 2012, the Company paid this borrowing in advance.

|                                |                         | <b>Mar/2012</b>   | <b>Parent company<br/>Dec/2011</b> |
|--------------------------------|-------------------------|-------------------|------------------------------------|
| <b><u>Foreign currency</u></b> |                         |                   |                                    |
|                                | Current liabilities     | 319,193           | 409,580                            |
|                                | Non-current liabilities | 6,704,989         | 7,586,674                          |
|                                |                         | <b>7,024,182</b>  | <b>7,996,254</b>                   |
| <b><u>Local currency</u></b>   |                         |                   |                                    |
|                                | Current liabilities     | 630,634           | 551,939                            |
|                                | Non-current liabilities | 3,518,853         | 3,689,522                          |
|                                |                         | <b>4,149,487</b>  | <b>4,241,461</b>                   |
| Current liabilities            |                         | 949,827           | 961,519                            |
| Non-current liabilities        |                         | 10,223,842        | 11,276,196                         |
| <b>Total</b>                   |                         | <b>11,173,669</b> | <b>12,237,715</b>                  |

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(a) Bonds and MTN**

| <b>Issue date</b>  | <b>Issue amount<br/>(US\$ in<br/>thousands)</b> | <b>Maturity</b>     | <b>Interest<br/>(% per year)</b> | <b>Mar/2012</b>  | <b>Consolidated<br/>Dec/2011</b> |
|--------------------|---|---------------------|----------------------------------|------------------|----------------------------------|
| July 1997          | 250.000   | June 2015           | 9.38                             | 122,633          | 123,379                          |
| January 2004       | 250.000   | January 2014        | 11.75                            | 157,109          | 166,392                          |
| September 2006     | 275.000   | January 2017        | 8.00                             | 241,534          | 253,563                          |
| June 2008          | 500.000   | June 2018           | 7.25                             | 932,150          | 942,622                          |
| May 2010           | 400.000   | May 2020            | 7.00                             | 744,259          | 752,951                          |
| May 2010           | 350.000   | May 2020            | 7.00                             | 655,468          | 663,296                          |
| October 2010       | 450.000   | no maturity<br>date | 7.38                             | 834,391          | 858,981                          |
| April 2011         | 750.000   | April 2021          | 5.75                             | 1,397,779        | 1,419,013                        |
| July 2011          | 500.000   | July 2041           | 7.13                             | 923,311          | 967,230                          |
| February 2012 (i)  | 250.000   | April 2021          | 5.75                             | 467,530          |                                  |
| February 2012 (ii) | 250.000   | no maturity<br>date | 7.38                             | 463,550          |                                  |
| <b>Total</b>       | <b>4,225,000</b>                                |                     |                                  | <b>6,939,714</b> | <b>6,147,427</b>                 |

(i) On February 2, 2012, the Company concluded the bond issue in the amount of US\$250 million that represented an additional issue to the operation that Braskem Finance carried out in April 2011, in the amount of US\$750 million.

(ii) On February 14, 2012, the Company concluded the bond issue in the amount of US\$250 million that represented an additional issue to the perpetual bond issue carried out by Braskem Finance in October 2010 in the amount of US\$450 million.

**(b) Export prepayments (“EPP”)**

| Issue date       | Initial amount of the transaction (US\$ thousand) | Maturity      | Charges (% per year)                                   | Consolidated     |                  |
|------------------|---|---------------|--|------------------|------------------|
|                  |   |               |  | Mar/2012         | Dec/2011         |
| December 2005    | 55.000  | December 2012 | US dollar exchange variation + semiannual Libor + 1.60 | 18,790           | 25,803           |
| July 2006 (i)    | 95.000  | June 2013     | US dollar exchange variation + 3.17                    | 27,051           | 33,416           |
| July 2006 (i)    | 75.000  | July 2014     | US dollar exchange variation + 2.73                    | 63,781           | 72,696           |
| March 2007 (i)   | 35.000  | March 2014    | US dollar exchange variation + 4.10                    | 36,444           | 47,147           |
| April 2007 (ii)  | 150.000   | April 2014    | US dollar exchange variation + 3.40                    |                  | 282,206          |
| March 2010 (iii) | 100.000   | March 2015    | US dollar exchange variation + 4.67                    |                  | 190,808          |
| May 2010         | 150.000   | May 2015      | US dollar exchange variation + semiannual Libor + 2.40 | 277,600          | 282,093          |
| June 2010        | 150.000   | June 2016     | US dollar exchange variation + semiannual Libor + 2.60 | 276,122          | 281,869          |
| December 2010    | 100.000   | December 2017 | US dollar exchange variation + semiannual Libor + 2.47 | 184,505          | 187,783          |
| March 2011 (iv)  | 200.000   | February 2021 | US dollar exchange variation + semiannual Libor + 1.20 | 365,290          | 377,525          |
| <b>Total</b>     | <b>1,110,000</b>                                  |               |  | <b>1,249,583</b> | <b>1,781,346</b> |

(i) Braskem contracted hedge transactions for certain export prepayment contracts in order to offset the variation in LIBOR (Note 18.2.1(b.i)). On March 31, 2012, the breakdown of the charges on these contracts already shows the nominal rate applied taking into consideration these transactions.

(ii) On March 31, 2012, the balance of financial investments of Braskem Holanda was irrevocably offset in the consolidated financial statements using the balance of EPP of the Parent Company, in accordance with the credit assignment contract entered into between those companies and Banco Bradesco (Note 6). Such offsetting is allowed under CPC 39 when there is intent to realize a financial asset and to settle a financial liability simultaneously.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated**

(iii) On March 29, 2012, this borrowing was completely settled in advance.

(iv) The operation establishes formal financial covenants between the Company and the financial institution (Note 17(i)).

**(c) BNDES borrowings**

Braskem has borrowings contracted with the Brazilian Development Bank (BNDES), with a breakdown by project presented below:

| <b>Projects</b>            | <b>Issue date</b> | <b>Maturity</b> | <b>Charges (% per year)</b>                  | <b>Consolidated</b> |                 |
|----------------------------|-------------------|-----------------|--|---------------------|-----------------|
|                            |                   |                 |  | <b>Mar/2012</b>     | <b>Dec/2011</b> |
| Other                      | 2005/2006         | September 2016  | TJLP + 0.52 to 3.50                          | 150,587             | 166,862         |
| Other                      | 2005/2006         | October 2016    | US dollar exchange variation + 6.44 to 6.64  | 10,799              | 11,764          |
| Other                      | 2005/2006         | October 2016    | Monetary variation (UMBNDDES) + 5.54 to 6.34 | 2,876               | 3,683           |
| Plant PP - Paulinia        | 2006              | December 2014   | TJLP + 2.40 to 3.40                          | 224,596             | 245,014         |
| Plant PP - Paulinia        | 2006              | January 2015    | US dollar exchange variation + 6.54          | 22,803              | 25,546          |
| Limit of credit UNIB-South | 2006              | May 2014        | TJLP + 2.02 to 3.00                          | 79,959              | 92,131          |
|                            | 2006              | July 2014       |  | 15,413              | 17,866          |



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|   |                |               |   |                  |                  |
|---|----------------|---------------|---|------------------|------------------|
| Limit of credit UNIB-South Braskem Qpar expansion | 2006/2007/2008 | February 2016 | US dollar exchange variation + 5.46 to 6.14 TJLP + 1.00 to 3.50 | 426,515          | 460,270          |
| Braskem Qpar expansion                            | 2006/2007/2008 | April 2016    | US dollar exchange variation + 6.14 to 6.64                     | 39,737           | 44,047           |
| Braskem Qpar expansion                            | 2006/2007/2008 | January 2015  | Monetary variation (UMBNDDES) + 6.29                            | 2,549            | 2,862            |
| Limit of credit I                                 | 2007           | April 2015    | TJLP + 1.81 to 2.32   | 239,034          | 260,851          |
| Limit of credit I                                 | 2007           | April 2015    | US dollar exchange variation + 4.96 to 5.85                     | 51,601           | 57,813           |
| Green PE  | 2008/2009      | June 2017     | TJLP + 0.00 to 4.78   | 484,688          | 508,083          |
| Green PE  | 2009           | July 2017     | US dollar exchange variation + 6.22                             | 46,127           | 49,463           |
| Limit of credit II                                | 2009           | January 2017  | TJLP + 2.58 to 3.58   | 312,549          | 327,902          |
| Limit of credit II                                | 2009           | January 2017  | US dollar exchange variation + 6.22                             | 81,523           | 87,694           |
| Limit of credit II                                | 2009           | January 2017  | 4.50  | 16,874           | 17,582           |
| Plant expansion PVC Alagoas                       | 2010           | December 2019 | TJLP + 0.00 to 3.58   | 261,403          | 261,403          |
| Plant expansion PVC Alagoas                       | 2010           | January 2020  | US dollar exchange variation + 6.22                             | 66,672           | 68,630           |
| Plant expansion PVC Alagoas                       | 2010           | January 2020  | 5.50  | 30,169           | 30,129           |
| Limit of credit III                               | 2011           | January 2018  | TJLP + 2.05 to 3.45   | 244,354          | 122,234          |
| Limit of credit III                               | 2011           | January 2018  | US dollar exchange variation + 6.09                             | 56,123           | 28,169           |
| Butadiene   | 2011           | December 2020 | TJLP + 2.45 to 3.45   | 80,252           | 64,060           |
| Butadiene   | 2011           | January 2021  | US dollar exchange variation + 6.09                             | 19,906           | 16,185           |
| <b>Total</b>                                      |                |               |   | <b>2,967,109</b> | <b>2,970,243</b> |

**Braskem S.A.****Notes to the financial statements****at March 31, 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)                | Consolidated |          |
|----------------|-------|-----------------------------------|----------------|-------------------------------------|--------------|----------|
|                |       |                                   |                |                                     | Mar/2012     | Dec/2011 |
| December 2005  | (i)   | 100,000                           | March 2014     | 106% of CDI                         |              | 105,345  |
| January 2006   |       | 11,500                            | January 2014   | 108% of CDI                         | 4,699        | 7,731    |
| November 2006  |       | 167,014                           | May 2018       | Us dollar exchange variation + 8.10 | 146,665      | 147,991  |
| April 2007     |       | 101,605                           | March 2018     | Us dollar exchange variation + 7.87 | 94,610       | 95,533   |
| May 2007       |       | 146,010                           | May 2019       | Us dollar exchange variation + 7.85 | 140,293      | 141,636  |
| January 2008   |       | 266,430                           | February 2020  | Us dollar exchange variation + 7.30 | 276,585      | 290,043  |
| March 2008     |       | 41,750                            | March 2016     | Us dollar exchange variation + 7.50 | 45,714       | 47,950   |
| April 2010     |       | 50,000                            | March 2014     | 12.16                               | 62,628       | 60,861   |
| June 2010      |       | 200,000                           | June 2014      | 12.13                               | 244,471      | 237,590  |
| September 2010 | (ii)  | 71,000                            | September 2012 | 100.7% of CDI                       | 84,145       | 81,818   |
| February 2011  |       | 250,000                           | February 2014  | 99% of CDI                          | 281,286      | 274,613  |
| April 2011     | (iii) | 450,000                           | April 2019     | 112.5% of CDI                       | 459,904      | 461,209  |
| June 2011      |       | 80,000                            | June 2014      | 98.5% of CDI                        | 86,617       | 84,572   |
| August 2011    | (iii) | 400,000                           | August 2019    | 112.5% of CDI                       | 403,639      | 404,267  |
| October 2011   | (i)   | 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                           |                | 103% of CDI                         | 205,059      |          |

|               |                  |                  |      |                  |
|---------------|------------------|------------------|------|------------------|
|               |                  | December<br>2013 |      |                  |
| February 2012 | 30,000           | December<br>2012 | 8.50 | 30,314           |
| <b>Total</b>  | <b>3,215,309</b> |                  |      | <b>2,566,629</b> |
|               |                  |                  |      | <b>3,004,967</b> |

- (i) In March 2012, the Company settled these borrowings in advance.
- (ii) The Company entered into a swap operation for this borrowing, which was designated as hedge accounting (Note 18.2.1(b.ii)).
- (iii) The Company entered into hedge transactions for certain NCE contracts in order to offset the variation in the Interbank Certificate of Deposit (CDI) rate (Note 18.2.1(a.ii)).

(e) **Project finance - NEXI**

In March and September 2005, the Company obtained loans in Japanese currency from Nippon Export and Investment Insurance ("NEXI"), in the amount of YEN 5,256,500 thousand (R\$136,496) and YEN 6,628,200 thousand (R\$141,529), respectively. The principal is repayable in 11 installments as from March 2007, with final maturity in June 2012. The Company entered into swap agreements for the entire amount of these debts (Note 18.2.1 (a.i)).

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(f) Payment schedule**

The long-term amounts mature as follows:

|                     | <b>Mar/2012</b>   | <b>Consolidated<br/>Dec/2011</b> |
|---------------------|-------------------|----------------------------------|
| 2013                | 853,684           | 1,252,464                        |
| 2014                | 1,601,037         | 1,781,917                        |
| 2015                | 1,083,775         | 1,123,509                        |
| 2016                | 1,195,148         | 1,204,472                        |
| 2017                | 586,188           | 565,456                          |
| 2018                | 1,301,215         | 1,331,131                        |
| 2019                | 1,132,590         | 1,536,264                        |
| 2020                | 1,711,622         | 1,754,200                        |
| 2021                | 1,849,171         | 1,430,065                        |
| 2022 and thereafter | 2,181,186         | 1,773,555                        |
| <b>Total</b>        | <b>13,495,616</b> | <b>13,753,033</b>                |

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(g) Capitalized financial charges**

The Company and its subsidiaries capitalized financial charges in the period ended March 31, 2012 in the amount of R\$32,953 (R\$5,056 on March 31, 2011), including monetary and exchange variation. The average rate of these charges in the period was 7.46% per year (7.28% per year on March 31, 2011).

**(h) Guarantees**

Braskem gave collateral for part of its borrowings as follows:

| <b>Loans</b> | <b>Maturity</b>  | <b>Total<br/>guaranteed</b> | <b>Total<br/>debt<br/>Mar/2012</b> | <b>Guarantees</b>   |
|--------------|------------------|-----------------------------|------------------------------------|---|
| BNB          | December<br>2022 | 234,922                     | 234,922                            | Mortgage of plants, pledge of<br>machinery and equipment                    |
| BNDES        | January 2020     | 2,965,637                   | 2,952,124                          | Mortgage of plants, land and property,<br>pledge of machinery and equipment |
| FUNDES       | May 2020         | 204,342                     | 204,342                            | Mortgage of plants, land and property,<br>pledge of machinery and equipment |
| NEXI         | June 2012        | 13,371                      | 13,371                             | Insurance policy  |
| EPP          | March 2014       | 36,444                      | 36,444                             | Mortgage guarantees of 2° grade and<br>land                                 |
| FINEP        | January 2019     | 120,143                     | 64,942                             | Bank surety   |
| FINAME       | July 2015        | 5,777                       | 5,777                              | Pledge of equipment   |
| <b>Total</b> |                  | <b>3,580,636</b>            | <b>3,511,922</b>                   |   |

**(i) Financial covenants**

Some of the borrowing agreements of the Company (Note 17 (b.iv) and 17e)) establish limits for certain indicators related to the capacity to contract debt and pay interest.

The first indicator establishes a limit for the indebtedness of the Company based on its EBITDA generating capacity.

The second indicator stipulated in the agreements of the Company is the division of consolidated EBITDA by net interest, which corresponds to the difference between interest paid and interest received.

On March 31, 2012, the Company was in compliance with all commitments undertaken.

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

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****18. Financial instruments****18.1. Non-derivative financial instruments**

|                                  | <b>Classification by category</b> | <b>Fair value hierarchy</b> | <b>Note</b> | <b>Mar/2012</b>  | <b>Book value Dec/2011</b> | <b>Mar/2012</b>  | <b>Fair value Dec/2011</b> |
|----------------------------------|-----------------------------------|-----------------------------|-------------|------------------|----------------------------|------------------|----------------------------|
| <b>Cash and cash equivalents</b> |                                   |                             | 5           |                  |                            |                  |                            |
| Cash and banks                   | Loans and receivables             |                             |             | 241,143          | 349,916                    | 241,143          | 349,916                    |
| Financial investments in Brazil  | Held-for-trading                  | Level 2                     |             | 394,799          | 435,580                    | 394,799          | 435,580                    |
| Financial investments in Brazil  | Loans and receivables             |                             |             | 2,172,955        | 1,464,245                  | 2,172,955        | 1,464,245                  |
| Financial investments abroad     | Held-for-trading                  | Level 2                     |             | 494,222          | 737,078                    | 494,222          | 737,078                    |
|                                  |                                   |                             |             | <b>3,303,119</b> | <b>2,986,819</b>           | <b>3,303,119</b> | <b>2,986,819</b>           |
| <b>Financial investments</b>     |                                   |                             | 6           |                  |                            |                  |                            |
| FIM Sol investments              | Held-for-trading                  | Level 2                     |             | 35,177           | 36,410                     | 35,177           | 36,410                     |
| Investments in foreign currency  | Held-for-trading                  | Level 2                     |             | 9,111            | 10,716                     | 9,111            | 10,716                     |
| Shares                           | Held-for-trading                  | Level 1                     |             | 3,023            | 3,023                      | 3,023            | 3,023                      |
|                                  |                                   |                             |             | 238,039          | 116,007                    | 238,039          | 116,007                    |

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|                                  |                             |       |                   |                   |                   |
|----------------------------------|-----------------------------|-------|-------------------|-------------------|-------------------|
| FIM Sol investments              | Loans and receivables       |       |                   |                   |                   |
| Quotas of receivables            |                             |       |                   |                   |                   |
| investment fund                  | Held-to-maturity            |       | 39,269            | 34,720            | 39,269            |
| Restricted deposits              | Held-to-maturity            |       | 3,754             | 4,173             | 3,754             |
|                                  |                             |       | <b>328,373</b>    | <b>205,049</b>    | <b>328,373</b>    |
|                                  |                             |       |                   |                   | <b>205,049</b>    |
| <b>Trade accounts receivable</b> | Loans and receivables       | 7     | <b>2,472,571</b>  | <b>1,894,812</b>  | <b>2,472,571</b>  |
|                                  |                             |       |                   |                   | <b>1,894,812</b>  |
| <b>Related parties</b>           |                             | 9 (b) |                   |                   |                   |
| Assets                           | Loans and receivables       |       | 59,327            | 58,169            | 59,327            |
|                                  |                             |       |                   |                   | 58,169            |
| <b>Trade payables</b>            | Other financial liabilities |       | <b>8,944,232</b>  | <b>6,847,340</b>  | <b>8,944,232</b>  |
|                                  |                             |       |                   |                   | <b>6,847,340</b>  |
| <b>Borrowings</b>                |                             | 17    |                   |                   |                   |
| Foreign currency                 | Other financial liabilities |       | 9,749,554         | 9,699,720         | 10,191,892        |
| Local currency                   | Other financial liabilities |       | 4,989,671         | 5,531,341         | 4,990,364         |
|                                  |                             |       | <b>14,739,225</b> | <b>15,231,061</b> | <b>15,182,256</b> |
|                                  |                             |       |                   |                   | <b>15,488,557</b> |
| <b>Debentures</b>                | Other financial liabilities |       | <b>17,582</b>     | <b>19,102</b>     | <b>17,582</b>     |
|                                  |                             |       |                   |                   | <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; and

Level 3 - techniques that use data that have a significant effect on fair value and that are not based on observable market data, that is, unobservable inputs. The Company did not apply this technique on its financial instruments.





**Braskem S.A.****Notes to the financial statements**

at March 31, 2012

All amounts in thousands of reais unless otherwise stated

**18.2. Derivative financial instruments**

| Identification                                  | Characteristics of the operation |                | Dec/2011       | Change in fair value (Note 18.2.2) | Financial settlement | Mar/2012     |               |
|---|----------------------------------|----------------|----------------|------------------------------------|----------------------|--------------|---------------|
|   | Asset part                       | Liability part |                |                                    |                      |              |               |
| <b><u>Non-hedge accounting transactions</u></b> |                                  |                |                |                                    |                      |              |               |
| Foreign exchange swap                           | Note 18.2.1 (a.i)                | Iene           | CDI            | 649                                | 2,560                | (2,605)      | 604           |
| Foreign exchange swap                           | Note 18.2.1 (a.ii)               | CDI            | Dolar          | 70,969                             | 17,075               | 8,608        | 96,652        |
| Repurchase of shares swap                       | (i) Note 18.2.1 (a.iii)          | Share value    | CDI            | 2,263                              | (1,781)              |              | 482           |
| Commodity swap - naphtha                        | (ii)                             | Fixed price    | Variable price | 480                                | (24)                 | (456)        |               |
| Commodity swap - ethanol                        | (ii)                             | Variable price | Fixed price    | (202)                              | (51)                 | 253          |               |
| Commodity swap - naphtha                        | (ii) Note 18.2.1 (a.iv)          | Brent (iii)    | Naphtha        |                                    | 155                  |              | 155           |
| Commodity swap - ethanol                        | (ii) Note 18.2.1 (a.v)           | Reais          | Dolar          |                                    | 1,369                |              | 1,369         |
|   |                                  |                |                | <b>74,159</b>                      | <b>19,303</b>        | <b>5,800</b> | <b>99,262</b> |
| <b><u>Hedge accounting transactions</u></b>     |                                  |                |                |                                    |                      |              |               |

|   |                          |                         |               |               |            |                |                |
|---|--------------------------|-------------------------|---------------|---------------|------------|----------------|----------------|
| Interest rate swaps                           | Note<br>18.2.1<br>(b.i)  | Libor                   | Fixed<br>rate | 19,309        | 621        | (5,838)        | 14,092         |
| Interest rate swaps                           | Note<br>18.2.1<br>(b.ii) | Pre-contractual<br>rate | CDI           | (833)         | (262)      |                | (1,095)        |
|   |                          |                         |               | <b>18,476</b> | <b>359</b> | <b>(5,838)</b> | <b>12,997</b>  |
| Current assets (other<br>receivables)         |                          |                         |               | (1,035)       |            |                | (1,095)        |
| Current liability (hedge<br>operations)       |                          |                         |               | 83,392        |            |                | 111,980        |
| Non-current liabilities (hedge<br>operations) |                          |                         |               | 10,278        |            |                | 1,374          |
|   |                          |                         |               | <b>92,635</b> |            |                | <b>112,259</b> |

(i) The Braskem's shares that were repurchased by a financial institution involved swap transactions (Note 26(c)).

(ii) In January 2012, the Company settled its commodity swap operations for naphtha and ethanol, which sought to hedge the fixed price and the fluctuation in the variable prices of these commodities, respectively, and entered into new operations to hedge the price of naphtha based on the price of Brent oil (used to produce naphtha), and, in the case of the ethanol swap agreement, swap the price in Brazilian real for U.S. dollar.

(iii) Brent – reference oil price.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****18.2.1. Operations outstanding at March 31, 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\$19,303 related to the change in the fair value of these swaps for the period ended March 31, 2012.

**(a.i) Swaps related to project finance (NEXI)**

| <b>Identification</b>                     | <b>Nominal value</b> | <b>Interest rate</b> | <b>Maturity</b> | <b>Mar/2012</b> | <b>Fair value Dec/2011</b> |
|---|----------------------|----------------------|-----------------|-----------------|----------------------------|
| Swap NEXI I                               | 28,987               | 104.29%<br>CDI       | June 2012       | 156             | (129)                      |
| Swap NEXI II                              | 136,495              | 101.85%<br>CDI       | March<br>2012   |                 | 1,468                      |
| Swap NEXI III                             | 86,110               | 103.98%<br>CDI       | June 2012       | 408             | (503)                      |
| Swap NEXI IV                              | 27,903               | 103.98%<br>CDI       | June 2012       | 40              | (187)                      |
| <b>Total</b>                              | <b>279,495</b>       |                      |                 | <b>604</b>      | <b>649</b>                 |
| In current liabilities (hedge operations) |                      |                      |                 | 604             | 649                        |
| <b>Total</b>                              |                      |                      |                 | <b>604</b>      | <b>649</b>                 |

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

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

| <b>Identification</b>                     | <b>Nominal value</b> | <b>Interest rate</b> | <b>Maturity</b> | <b>Mar/2012</b> | <b>Fair value Dec/2011</b> |
|---|----------------------|----------------------|-----------------|-----------------|----------------------------|
| Swap NCE I                                | 200,000              | 5.44%                | August 2019     | 36,269          | 32,023                     |
| Swap NCE II                               | 100,000              | 5.40%                | August 2019     | 16,060          | 13,952                     |
| Swap NCE III                              | 100,000              | 5.37%                | August 2019     | 14,610          | 12,512                     |
| Swap NCE IV                               | 100,000              | 5.50%                | April 2019      | 7,630           | 6,267                      |
| Swap NCE V                                | 100,000              | 5.50%                | April 2019      | 7,464           | 6,215                      |
| Swap NCE VI                               | 150,000              | 5.43%                | April 2019      | 6,755           |                            |
| Swap NCE VII                              | 100,000              | 4.93%                | April 2019      | 7,864           |                            |
| <b>Total</b>                              | <b>850,000</b>       |                      |                 | <b>96,652</b>   | <b>70,969</b>              |
| In current liabilities (hedge operations) |                      |                      |                 | 96,652          | 70,969                     |
| <b>Total</b>                              |                      |                      |                 | <b>96,652</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).

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(a.iii) Swaps related to share repurchases (Note 26(c))**

| <b>Identification</b>                     | <b>Nominal value</b> | <b>Interest rate</b> | <b>Maturity</b> | <b>Mar/2012</b> | <b>Fair value<br/>Dec/2011</b> |
|---|----------------------|----------------------|-----------------|-----------------|--------------------------------|
| Repurchase TRS                            | 19,830               | 108% CDI             | August 2012     | 482             | 2,263                          |
| <b>Total</b>                              | <b>19,830</b>        |                      |                 | <b>482</b>      | <b>2,263</b>                   |
| In current liabilities (hedge operations) |                      |                      |                 | 482             | 2,263                          |
| <b>Total</b>                              |                      |                      |                 | <b>482</b>      | <b>2,263</b>                   |

**(a.iv) Naphtha swaps**

| <b>Identification</b>       | <b>Amount<br/>of barrel</b> | <b>Floating<br/>spread<br/>US\$</b> | <b>Maturity</b> | <b>Mar/2012</b> | <b>Fair value<br/>Dec/2011</b> |
|-----------------------------|-----------------------------|-------------------------------------|-----------------|-----------------|--------------------------------|
| Swap of commodity - naphtha | 44,500                      | Brent -<br>US\$ 5.9                 | April 2012      | 121             |                                |
| Swap of commodity - naphtha | 44,500                      | Brent -<br>US\$ 5.8                 | April 2012      | 117             |                                |
| Swap of commodity - naphtha | 44,500                      | Brent -<br>US\$ 5.4                 | April 2012      | 81              |                                |
| Swap of commodity - naphtha | 44,500                      | Brent -<br>US\$ 5.3                 | April 2012      | 70              |                                |
| Swap of commodity - naphtha | 44,500                      | Brent -<br>US\$ 4.7                 | April 2012      | 24              |                                |
| Swap of commodity - naphtha | 44,500                      | Brent -<br>US\$ 3.6                 | April 2012      | (65)            |                                |

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|   |                |                     |            |            |
|---|----------------|---------------------|------------|------------|
| Swap of commodity - naphtha               | 44,500         | Brent -<br>US\$ 5.8 | April 2012 | (113)      |
| Swap of commodity - naphtha               | 44,500         | Brent -<br>US\$ 5.8 | April 2012 | (113)      |
| Swap of commodity - naphtha               | 44,500         | Brent -<br>US\$ 4.0 | April 2012 | 33         |
| <b>Total</b>                              | <b>400,500</b> |                     |            | <b>155</b> |
| In current liabilities (hedge operations) |                |                     |            | 155        |
| <b>Total</b>                              |                |                     |            | <b>155</b> |

(i) BBL – oil barrel

**(a.v) Ethanol swaps (NDF)**

| <b>Identification</b>             | <b>Nominal value</b> | <b>Rate</b> | <b>Maturity</b> | <b>Fair value</b> |                 |
|-----------------------------------|----------------------|-------------|-----------------|-------------------|-----------------|
|                                   |                      |             |                 | <b>Mar/2012</b>   | <b>Dec/2011</b> |
| Swap of commodity - ethanol (NDF) | 5,496                | 1.87%       | August 2012     | (6)               |                 |
| Swap of commodity - ethanol (NDF) | 5,517                | 1.88%       | September 2012  | (3)               |                 |
| Swap of commodity - ethanol (NDF) | 5,537                | 1.89%       | October 2012    | 1                 |                 |
| Swap of commodity - ethanol (NDF) | 5,558                | 1.90%       | November 2012   | 2                 |                 |
| Swap of commodity - ethanol (NDF) | 5,568                | 1.91%       | December 2012   | 1                 |                 |
| Swap of commodity - ethanol (NDF) | 5,690                | 1.92%       | January 2013    | (2)               |                 |
| Swap of commodity - ethanol (NDF) | 7,057                | 1.75%       | July 2012       | 425               |                 |
| Swap of commodity - ethanol (NDF) | 2,137                | 1.76%       | August 2012     | 130               |                 |
| Swap of commodity - ethanol (NDF) | 2,161                | 1.78%       | September 2012  | 131               |                 |
| Swap of commodity - ethanol (NDF) | 2,186                | 1.78%       | October 2012    | 134               |                 |
| Swap of commodity - ethanol (NDF) | 2,948                | 1.79%       | November 2012   | 183               |                 |
| Swap of commodity - ethanol (NDF) | 2,981                | 1.80%       | December 2012   | 186               |                 |
| Swap of commodity - ethanol (NDF) | 3,014                | 1.81%       | January 2013    | 187               |                 |
| <b>Total</b>                      | <b>55,850</b>        |             |                 | <b>1,369</b>      |                 |
|                                   |                      |             |                 |                   | 1,369           |

In current liabilities (hedge  
operations)  
**Total**

**1,369**

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**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(b) Hedge accounting transactions****(b.i) Interest rate swaps related to export prepayments (EPP)**

| <b>Identification</b>                         | <b>Nominal value<br/>(US\$<br/>thousand)</b> | <b>Interest<br/>rate</b> | <b>Maturity</b> | <b>Mar/2012</b> | <b>Fair value<br/>Dec/2011</b> |
|---|--|--------------------------|-----------------|-----------------|--------------------------------|
| Swap EPP X                                    | 35,000                                       | 2.50%                    | March<br>2014   | 1,209           | 1,216                          |
| Swap EPP XI                                   | 75,000                                       | 1.95%                    | July 2014       | 937             | 1,079                          |
| Swap EPP XIV                                  | 50,000                                       | 2.64%                    | April 2014      | 3,522           | 3,452                          |
| Swap EPP XV                                   | 100,000                                      | 2.62%                    | April 2014      | 6,989           | 6,848                          |
| Swap EPP XVI                                  | 47,500                                       | 1.67%                    | June 2013       | 141             | 184                            |
| Swap EPP XVII                                 | 75,000                                       | 2.20%                    | March<br>2015   |                 | 4,923                          |
| Swap EPP XIX                                  | 25,000                                       | 2.17%                    | March<br>2015   | 1,294           | 1,608                          |
| <b>Total</b>                                  | <b>407,500</b>                               |                          |                 | <b>14,092</b>   | <b>19,309</b>                  |
| In current liabilities (hedge operations)     |  |                          |                 | 12,718          | 9,031                          |
| In non-current liabilities (hedge operations) |  |                          |                 | 1,374           | 10,278                         |
| <b>Total</b>                                  |  |                          |                 | <b>14,092</b>   | <b>19,309</b>                  |

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

**(b.ii) Swaps related to export credit notes (NCE)**

| <b>Identification</b>                 | <b>Nominal<br/>value<br/>(US\$<br/>thousand)</b> | <b>Interest<br/>rate</b> | <b>Maturity</b>   | <b>Fair value</b> |                 |
|---------------------------------------|--|--------------------------|-------------------|-------------------|-----------------|
|                                       |  |                          |                   | <b>Mar/2012</b>   | <b>Dec/2011</b> |
| Swap NCA I                            | 42,612   | 100.70%<br>CDI           | September<br>2012 | (1,095)           | (833)           |
| <b>Total</b>                          | <b>42,612</b>                                    |                          |                   | <b>(1,095)</b>    | <b>(833)</b>    |
| In current assets (other receivables) |  |                          |                   | (1,095)           | (833)           |
| <b>Total</b>                          |  |                          |                   | <b>(1,095)</b>    | <b>(833)</b>    |

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

**(c) Effectiveness test of transactions designated for hedge accounting**

The effectiveness test at March 31, 2012, showed that the derivatives were effective in offsetting the changes in the hedged item from the time the derivatives were contracted until the end of the reporting period, and that all other conditions for qualifying these instruments for hedge accounting were met. Consequently, the effective portion of the changes in the fair value of the derivatives, amounting to R\$359 (Note 18.2.2), was recorded as "other comprehensive income".

**(d) Estimated maximum loss**

The amount at risk of the derivatives held by Braskem on March 31, 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\$47,940 for the EPP swaps, US\$75,700 for NCE swap and R\$26,950 for the NEXI swaps.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****18.2.2. Hedge operations presented under “other comprehensive income”  
in shareholders' equity**

The derivatives indicated in item 18.2.1 (b) were designated as cash flow hedge, resulting in closing balances under “other comprehensive income”. The appropriations of interest are allocated to interest expenses in the financial expenses group. The summary of changes in the account is as follows:

|           | <b>Dec/2011</b> | <b>Appropriation<br/>of<br/>interest</b> | <b>Change in<br/>fair value</b> | <b>Mar/2012</b> |
|-----------|-----------------|--|---------------------------------|-----------------|
| Swaps EPP | (17,071)        | 15,972                                   | (621)                           | (1,720)         |
| Swap NCE  | 833             |  | 262                             | 1,095           |
|           | <b>(16,238)</b> | <b>15,972</b>                            | <b>(359)</b>                    | <b>(625)</b>    |

On March 31, 2012, the appropriation of accrued interest and change in the fair value of derivatives designated as “cash flow hedge” was R\$15,613, which, with the effect of income tax and social contribution of R\$5,309, amounts to R\$10,304 and is presented in “other comprehensive income” under shareholders' equity.

**18.3. Credit quality of financial assets****(a) Trade accounts receivable**

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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 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. As of March 31, 2012, the credit ratings were as follows:

|   |                    | <b>Percentage</b> |
|---|--------------------|-------------------|
| 1 | Minimum risk       | 21.05             |
| 2 | Low risk           | 30.19             |
| 3 | Moderate risk      | 35.48             |
| 4 | High risk          | 4.60              |
| 5 | Very high risk (i) | 8.69              |

(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 that are still active purchase from Braskem and pay in advance.

Delinquency indicators:

- Mar/2012: 0.36%
- Dec/2011: 0.18%
- Dec/2010: 0.13%

**Braskem S.A.****Notes to the financial statements****at March 31, 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>Mar/2012</b>  | <b>Dec/2011</b>  |
|---|------------------|------------------|
| <b>Financial assets with risk assessment</b>    |                  |                  |
| AAA   | 3,300,415        | 2,868,992        |
| AA  | 8                | 206              |
| AA-   | 78,009           | 72,029           |
| A+  | 95,677           | 96,464           |
| A   | 24               | 28               |
| A-  | 22,748           | 71,367           |
| BB+   | 14,922           | 19,028           |
| B+  | 2,594            | 3,590            |
|   | <b>3,514,397</b> | <b>3,131,704</b> |
| <b>Financial assets without risk assessment</b> |                  |                  |
| Quotas of investment funds in credit rights (i) | 74,444           | 34,720           |
| Sundry funds (i)                                | 9,220            | 10,723           |
| Restricted deposits (ii)                        | 3,754            | 4,173            |
| Other financial assets with no risk assessment  | 29,677           | 10,548           |
|   | 117,095          | 60,164           |
| <b>Total</b>                                    | <b>3,631,492</b> | <b>3,191,868</b> |

(i) Financial assets with no internal or external ratings.

(ii) Risk-free financial assets

Braskem's financial policy determines "A-" as the minimum rating for financial investments. On March 31, 2012, Braskem has balances rated at "B+" and "BB+" related to the jointly controlled companies Propilsur and Polimerica, in the amount of R\$2,594 (R\$3,590 on December 31, 2011) and Time Deposits with Special Guarantee (DPGE) in the amount of R\$14,922 (R\$19,028 on December 31, 2011), respectively. The DPGEs are guaranteed by the Credit Guarantee Fund – FGC, which makes these investments appropriate to Braskem's policy.

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2012**

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

**18.4. Sensitivity analysis**

The 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 March 31, 2012, the two 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.

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 may 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.

The Market Readout published by the Central Bank of Brazil on March 30, 2012 was used to create the probable scenario for the reference date 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.

For the interest rate variables not considered in the Market Readout, the probable scenario considered was the percentage variation in the Interbank Certificate of Deposit (CDI) rate. For the exchange rate variables not included in the Market Readout survey, the probable scenario considered was the percentage variation in the U.S. dollar-Brazilian real exchange rate.

For the Brazilian real-U.S. dollar exchange rate, an increase of 25% was considered for the possible adverse scenario and of 50% for the extreme scenario based on the exchange rate on March 31, 2012.

For the LIBOR interest rate, a decrease of 25% was considered for the possible adverse scenario and of 50% for the extreme scenario based on the LIBOR rate on March 31, 2012.

The sensitivity amounts in the table below are the changes in the value of the financial instruments in each scenario, except for table (e), which shows the changes in future cash flows.



**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(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<br/>adverse<br/>(25%)</b> | <b>Extreme<br/>adverse<br/>(50%)</b> |
|---|-----------------|---------------------------------------|--------------------------------------|
| Advances on exchange contracts          | 11,899          | (104,032)                             | (208,065)                            |
| BNDES                                   | 34,516          | (301,783)                             | (603,565)                            |
| Bonds                                   | 180,683         | (1,579,764)                           | (3,159,527)                          |
| Working capital / structured operations | 177             | (1,547)                               | (3,094)                              |
| Raw material financing                  | 4,492           | (39,277)                              | (78,554)                             |
| Medium-Term Notes                       | 13,254          | (115,888)                             | (231,775)                            |
| EPP                                     | (14,499)        | 126,772                               | 253,544                              |
| Financial investments abroad            | (1,770)         | (280,016)                             | (560,031)                            |
| EPP debt, plus hedge, of which:         |                 |                                       |                                      |
| EPP debt                                | 3,703           | (32,380)                              | (64,760)                             |
| Swap EPP                                | 403             | (3,523)                               | (7,046)                              |
| Other swaps                             | 26,641          | (232,933)                             | (465,867)                            |

**(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<br/>adverse<br/>(25%)</b> | <b>Extreme<br/>adverse<br/>(50%)</b> |
|---------------------------------|-----------------|---------------------------------------|--------------------------------------|
| Raw material financing          | 5               | (46)                                  | (91)                                 |
| EPP                             | 961             | (8,329)                               | (16,534)                             |
| EPP debt, plus hedge, of which: |                 |                                       |                                      |
| EPP debt                        | 111             | (963)                                 | (1,912)                              |
| Swap EPP                        | (111)           | 963                                   | 1,912                                |

The information related to financial instruments was presented in the 2011 annual financial statements, in Note 21.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****19. Taxes payable**

|  | Note | Mar/2012         | Parent company<br>Dec/2011 | Mar/2012         | Consolidated<br>Dec/2011 |
|--|------|------------------|----------------------------|------------------|--------------------------|
| IPI  |      | 34,656           | 24,259                     | 52,197           | 38,654                   |
| PIS and COFINS                                     |      |                  |                            | 5,947            | 7,172                    |
| IR   | (a)  | 12,775           | 13,792                     | 124,369          | 27,712                   |
| ICMS   |      | 20,926           | 29,861                     | 125,569          | 135,131                  |
| Tax debt refinancing program - Law<br>No.11,941/09 |      | 1,603,072        | 1,600,556                  | 1,672,610        | 1,669,976                |
| Other  |      | 48,628           | 48,040                     | 65,150           | 64,521                   |
| <b>Total</b>                                       |      | <b>1,720,057</b> | <b>1,716,508</b>           | <b>2,045,842</b> | <b>1,943,166</b>         |
| Current liabilities                                |      | 219,736          | 215,924                    | 434,941          | 329,987                  |
| Non-current liabilities                            |      | 1,500,321        | 1,500,584                  | 1,610,901        | 1,613,179                |
| <b>Total</b>                                       |      | <b>1,720,057</b> | <b>1,716,508</b>           | <b>2,045,842</b> | <b>1,943,166</b>         |

**(a) Income tax**

Braskem recognized current income tax when recording the damages received from the agreement between Sunoco and Braskem America in the amount of R\$82,587 (Note 1(a)).

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



**Braskem S.A.****Notes to the financial statements**at **March 31, 2012**

All amounts in thousands of reais unless otherwise stated

**20. Income tax and social contribution****(a) Reconciliation of the effects of income tax and social contribution on profit or loss**

|   | <b>Mar/2012</b> | <b>Parent<br/>company<br/>Mar/2011</b> | <b>Mar/2012</b>  | <b>Consolidated<br/>Mar/2011</b> |
|---|-----------------|--|------------------|----------------------------------|
| <b>Profit before IR and CSL and participation of non-controlling interest</b> | <b>164,846</b>  | <b>415,411</b>                         | <b>210,668</b>   | <b>448,915</b>                   |
| IR and CSL at the rate of 34%   | (56,048)        | (141,240)                              | (71,627)         | (152,631)                        |
| <b>Permanent adjustments to the IR and CSL calculation basis</b>              |                 |  |                  |                                  |
| IR and CSL on equity in results of investees                                  | 45,805          | 26,883                                 | (714)            | (5,639)                          |
| Tax incentives (Sudene and PAT)   |                 | 7,038                                  | -                | 7,370                            |
| Other permanent differences   | (1,045)         | 134                                    | 13,870           | 6,964                            |
| <b>Effect of IR and CSL on results of operations</b>                          | <b>(11,288)</b> | <b>(107,185)</b>                       | <b>(58,471)</b>  | <b>(143,936)</b>                 |
| <b>Breakdown of IR and CSL:</b>   |                 |  |                  |                                  |
| Current IR and CSL  |                 | (28,873)                               | (102,044)        | (76,073)                         |
| Tax incentives (Sudene and PAT)   |                 | 7,038                                  | -                | 7,370                            |
| <b>Current IR and CSL</b>   |                 | <b>(21,835)</b>                        | <b>(102,044)</b> | <b>(68,703)</b>                  |
| Deferred IR and CSL   | (11,288)        | (85,350)                               | 43,573           | (75,233)                         |
| <b>Deferred IR and CSL</b>  | <b>(11,288)</b> | <b>(85,350)</b>                        | <b>43,573</b>    | <b>(75,233)</b>                  |
| <b>Total IR and CSL</b>   | <b>(11,288)</b> | <b>(107,185)</b>                       | <b>(58,471)</b>  | <b>(143,936)</b>                 |



**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(b) Deferred income tax and social contribution**

| <b><u>Breakdown of deferred IR<br/>and CSL</u></b>            | <b>Parent company</b> |                 | <b>Consolidated</b> |                  |
|---|-----------------------|-----------------|---------------------|------------------|
|   | <b>Mar/2012</b>       | <b>Dec/2011</b> | <b>Mar/2012</b>     | <b>Dec/2011</b>  |
| <b>Non-current assets</b>                                     |                       |                 |                     |                  |
| Tax losses and negative base                                  | 184,209               | 29,199          | 755,063             | 545,147          |
| Goodwill amortized  | 46,857                | 60,082          | 50,487              | 63,821           |
| Temporary differences   | 198,779               | 173,627         | 294,742             | 255,785          |
| Business combination - Quattor                                | 89,770                | 89,770          | 239,855             | 238,314          |
| Pension plan  | 45,604                | 45,604          | 45,604              | 45,604           |
| Deferred charges - write-off                                  | 9,699                 | 11,199          | 77,229              | 82,952           |
| Other (i)   | 213                   | 5,521           | 213                 | 5,521            |
| <b>Total</b>  | <b>575,131</b>        | <b>415,002</b>  | <b>1,463,193</b>    | <b>1,237,144</b> |
| <b>Non-current liabilities</b>                                |                       |                 |                     |                  |
| Amortization of goodwill based<br>on future profitability (i) | 448,266               | 420,537         | 508,239             | 474,985          |
| Tax depreciation (i)  | 159,900               | 129,137         | 264,157             | 213,684          |
| Exchange variations   | 165,137               | 54,276          | 165,137             | 54,275           |
| Other temporary differences                                   | 5,393                 | 5,779           | 306,400             | 321,033          |
| Business combination  | 70,346                | 87,947          | 640,207             | 667,040          |
| Write-off negative goodwill of<br>incorporated subsidiarie    | 2,226                 | 2,375           | 2,226               | 2,375            |
| Additional indexation PP&E                                    | 181,764               | 168,219         | 181,764             | 168,220          |
| Other (i)   | 44,408                | 32,446          | 49,586              | 37,359           |
| <b>Total</b>  | <b>1,077,440</b>      | <b>900,716</b>  | <b>2,117,716</b>    | <b>1,938,971</b> |

(i) Adequacy Law Nos. 11,638/07 and 11,941/09

**(c) Realization of deferred income tax and social contribution**

In December 2011, the Company assessed the realization of deferred income tax and social contribution by analyzing the grounds for accruing and realizing the amounts that comprise its calculation base.

There were no material events or circumstances in the quarter ended March 31, 2012 that indicate any compromising of the realization of these taxes.

The information related to income tax and social contribution was presented in the Company's 2011 annual financial statements, in Note 23.



**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****21. Sundry provisions**

|   | <b>Mar/2012</b> | <b>Parent company<br/>Dec/2011</b> | <b>Mar/2012</b> | <b>Consolidated<br/>Dec/2011</b> |
|---|-----------------|------------------------------------|-----------------|----------------------------------|
| Provision for costumers bonus                   | 5,714           | 10,053                             | 10,303          | 13,577                           |
| Provision for recovery of environmental damages | 25,281          | 30,451                             | 31,526          | 36,777                           |
| Judicial and administrative provisions          | 73,167          | 73,168                             | 270,412         | 266,302                          |
| Other   |                 |                                    | 4,922           | 5,067                            |
| <b>Total</b>                                    | <b>104,162</b>  | <b>113,672</b>                     | <b>317,163</b>  | <b>321,723</b>                   |
| In current liabilities                          | 9,249           | 18,759                             | 15,773          | 23,629                           |
| In non-current liabilities                      | 94,913          | 94,913                             | 301,390         | 298,094                          |
| <b>Total</b>                                    | <b>104,162</b>  | <b>113,672</b>                     | <b>317,163</b>  | <b>321,723</b>                   |

The composition of judicial provisions is as follows:

|                                    | <b>Mar/2012</b> | <b>Parent company<br/>Dec/2011</b> | <b>Mar/2012</b> | <b>Consolidated<br/>Dec/2011</b> |
|------------------------------------|-----------------|------------------------------------|-----------------|----------------------------------|
| Labor claims                       | 27,986          | 27,986                             | 36,299          | 36,718                           |
| Tax claims                         |                 |                                    |                 |                                  |
| Income tax and social contribution |                 |                                    | 28,404          | 27,753                           |
| PIS and COFINS                     |                 |                                    | 31,107          | 30,354                           |

|                             |               |               |                |                |
|-----------------------------|---------------|---------------|----------------|----------------|
| ICMS - interstate purchases |               |               | 75,279         | 73,457         |
| ICMS - other                |               |               | 53,820         | 52,518         |
| Other                       | 38,197        | 38,197        | 38,197         | 38,197         |
| Societary claims and other  | 6,984         | 6,985         | 7,306          | 7,305          |
|                             | <b>73,167</b> | <b>73,168</b> | <b>270,412</b> | <b>266,302</b> |

This table was presented in the Company's 2011 annual financial statements, in Note 24.

## 22. Private pension plans

The amounts recognized for defined benefit pension plans are as follows:

|                          | <b>Mar/2012</b> | <b>Parent company<br/>Dec/2011</b> | <b>Mar/2012</b> | <b>Consolidated<br/>Dec/2011</b> |
|--------------------------|-----------------|------------------------------------|-----------------|----------------------------------|
| Novamont Braskem America |                 |                                    | 797             | 821                              |
| Petros Copesul plan      | 134,506         | 134,506                            | 134,506         | 134,506                          |
| Braskem Alemanha         |                 |                                    | 14,618          | 14,248                           |
|                          | <b>134,506</b>  | <b>134,506</b>                     | <b>149,921</b>  | <b>149,575</b>                   |

The information related to private pension plans was presented in the Company's 2011 annual financial statements, in Note 26.

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2012**

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

**23. Advances from customers – non-current liabilities**

On March 31, 2012, the balance of this line includes advances of R\$140 million (US\$75 million) from customers overseas for the acquisition of butadiene to be supplied between February 2013 and December 2016.

The information related to advances from customers was presented in the Company's 2011 annual financial statements, in Note 27.

**24. Other accounts payable**

The main balance of this item refers to notes payable to BNDESPAR Participações S.A. in the amount of R\$240,948 (R\$235,968 on December 31, 2011), which on August 9, 2010 exercised its option to sell shares in Riopol to Braskem, as part of the business combination of Braskem Qpar (current name of Quattor).

This table was presented in the Company's 2011 annual financial statements, in Note 18.

**25. Contingencies**

The Company has contingent liabilities related to lawsuits and administrative proceedings arising in the normal course of its business. These contingencies are of a labor and social security, tax, civil and corporate nature and involve risks of losses that are classified by the Company's management as possible. Lawsuits for which the risk of loss is classified as probable is recognized and is presented in Note 21 of this Quarterly Information.

Based on the opinion of the internal legal advisors, there were no significant additions of lawsuits that involve the risk of losses classified as possible or significant changes in the progress of the existing lawsuits.

The description of the main contingent liabilities of the Company was presented in the 2011 annual financial statements, in Note 28.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****26. Shareholders' equity****(a) Capital**

On March 31, 2012, the Company's subscribed and paid up capital stock amounted to R\$8,043,222 and comprised 801,665,617 shares with no par value and divided into 451,669,063 common shares, 349,402,736 class A preferred shares, and 593,818 class B preferred shares.

**(b) Treasury shares**

The breakdown of treasury shares is as follows:

|                              | <b>Mar/2012</b>  | <b>Parent company<br/>Dec/2011</b> | <b>Mar/2012</b>  | <b>Consolidated<br/>Dec/2011</b> |
|------------------------------|------------------|------------------------------------|------------------|----------------------------------|
| <b>Quantity</b>              |                  |                                    |                  |                                  |
| Common shares                | 411              | 411                                | 411              | 411                              |
| Preferred shares class "A"   | 1,542,258        | 1,542,258                          | 2,697,016        | 2,697,016                        |
|                              | <b>1,542,669</b> | <b>1,542,669</b>                   | <b>2,697,427</b> | <b>2,697,427</b>                 |
| <b>Amount (R\$ thousand)</b> | 11,325           | 11,325                             | 60,217           | 60,217                           |

**(c) Ongoing share repurchase program**

On August 26, 2011, Braskem's Board of Directors approved a program for the repurchase of shares effective for the period between August 29, 2011 and August 28, 2012, through which the Company may acquire up to 12,162,504 class A preferred shares at market price.

As from March 31, 2012, 1,405,400 shares had been repurchased by financial institutions for R\$19,830, at a weighted average cost of R\$14.11 (minimum of R\$13.26 and maximum of R\$15.15). On March 30, 2012, the market price of these shares was R\$20,308.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****(d) Other comprehensive income**

|   | <b>Note</b> | <b>Additional<br/>indexation<br/>of<br/>PP&amp;E<br/>price-level</b> | <b>Deemed<br/>cost of<br/>jointly-controlled<br/>subsidiary</b> | <b>Fair<br/>value<br/>of cash<br/>flow<br/>hedges</b> | <b>Foreign<br/>currency<br/>translation<br/>adjustment</b> | <b>Gain<br/>on interest<br/>in<br/>subsidiary</b> | <b>Parent<br/>company<br/>and<br/>consolidated<br/>Total</b> |
|---|-------------|--|---|---|--|---|--|
| <b>As of December 31,<br/>2010</b>                      |             | <b>353,777</b>   |   | <b>(53,292)</b>                                       | <b>(79,135)</b>  |   | <b>221,350</b>   |
| Additional indexation                                   |             |  |   |   |  |   |  |
| Realization by<br>depreciation or<br>write-off assets   |             | (10,317)   |   |   |  |   | (10,317)   |
| Income tax and<br>social contribution<br>on realization |             | 3,508  |   |   |  |   | 3,508  |
| Deemed cost   |             |  |   |   |  |   |  |
| Deemed cost of<br>jointly-controlled<br>subsidiary      |             |  | 22,779  |   |  |   | 22,779   |
| Cash flow hedges  |             |  |   |   |  |   |  |
| Change in fair<br>value                                 |             |  |   | 2,325   |  |   | 2,325  |
| Transfer to result                                      |             |  |   | 10,212  |  |   | 10,212   |

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|   |        |                |               |                 |                 |                |
|---|--------|----------------|---------------|-----------------|-----------------|----------------|
| Tax on fair value gains                           |        |                | (1,551)       |                 |                 | (1,551)        |
| Foreign currency translation adjustment           |        |                |               | (2,228)         |                 | (2,228)        |
| <b>As of March 31, 2011</b>                       |        | <b>346,968</b> | <b>22,779</b> | <b>(42,306)</b> | <b>(81,363)</b> | <b>246,078</b> |
| <b>As of December 31, 2011</b>                    |        | <b>326,541</b> | <b>21,159</b> | <b>(10,716)</b> | <b>(24,504)</b> | <b>3,106</b>   |
| Additional indexation                             |        |                |               |                 |                 |                |
| Realization by depreciation or writte-off assets  |        | (10,317)       |               |                 |                 | (10,317)       |
| Income tax and social contribution on realization |        | 3,508          |               |                 |                 | 3,508          |
| Deemed cost                                       |        |                |               |                 |                 |                |
| Realization by depreciation or writte-off assets  |        |                | (348)         |                 |                 | (348)          |
| Income tax and social contribution on realization |        |                | 118           |                 |                 | 118            |
| Cash flow hedges                                  | 19.2.2 |                |               |                 |                 |                |
| Change in fair value                              |        |                |               | (359)           |                 | (359)          |
| Transfer to result                                |        |                |               | 15,972          |                 | 15,972         |
| Tax on fair value gains                           |        |                |               | (5,309)         |                 | (5,309)        |
| Gain on interest in subsidiary                    | 14 (b) |                |               |                 | 1,018           | 1,018          |
| Foreign currency translation adjustment           |        |                |               |                 | (55,631)        | (55,631)       |
| <b>As of March 31, 2012</b>                       |        | <b>319,732</b> | <b>20,929</b> | <b>(412)</b>    | <b>(80,135)</b> | <b>4,124</b>   |

The information related to the Company's shareholders' equity was presented in its 2011 annual financial statements, in Note 29.





**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****27. Earnings per share**

The table below shows the reconciliation of profit or loss for the period adjusted for the amounts used to calculate basic and diluted earnings per share.

|  | <b>Basic</b> | <b>Mar/2012<br/>Diluted</b> | <b>Basic</b> | <b>Mar/2011<br/>Diluted</b> |
|--|--------------|-----------------------------|--------------|-----------------------------|
| Profit for the period attributed to Company's shareholders   | 153,558      | 153,558                     | 308,226      | 308,226                     |
| Dividends attributable to priority Preferred share class "A"   | 153,294      | 153,426                     | 209,417      | 209,495                     |
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") |              | 132                         |              | 179                         |
| Preferred share class "B"  | 264          |                             | 359          |                             |
|  | 153,558      | 153,558                     | 209,776      | 209,674                     |
| Distribution of 6% of the unit value of common shares  |              |                             | 98,450       | 98,552                      |
| <b>Reconciliation of income available for distribution, by class (numerator):</b>                            |              |                             |              |                             |
| Common shares  |              |                             | 98,450       | 98,552                      |
| Preferred shares class "A"   | 153,294      | 153,426                     | 209,417      | 209,495                     |
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") |              | 132                         |              | 179                         |
|  | 153,294      | 153,558                     | 307,867      | 308,226                     |
| <b>Weighted average number of shares, by class (denominator):</b>  |              |                             |              |                             |
| Common shares (i)  |              |                             | 374,037,569  | 374,037,569                 |
| Preferred shares class "A" (ii)  | 345,300,320  | 345,300,320                 | 346,724,221  | 346,724,221                 |
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") |              | 296,909                     |              | 296,909                     |

|  |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
|  | 345,300,320 | 345,597,229 | 720,761,790 | 721,058,699 |
|--|-------------|-------------|-------------|-------------|

**Earnings per share (in R\$)**

|                            |        |        |        |        |
|----------------------------|--------|--------|--------|--------|
| Common shares              |        |        | 0.2632 | 0.2635 |
| Preferred shares class "A" | 0.4439 | 0.4443 | 0.6040 | 0.6042 |

(i) On March 31, 2012, the net income for the period of R\$153,558 was insufficient for the distribution of dividends to the common shares, for which reason this class of shares was removed from the weighted average used to calculate earnings per share.

(ii) In the calculation of the weighted average, the Company's shares repurchased by a financial institution that are not yet recorded as "treasury shares" were excluded from the base (Note 26 (c)).

The information related to the Company's earnings per share was presented in its 2011 annual financial statements, in Note 30.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****28. Net sales revenues**

|                          | <b>Mar/2012</b>  | <b>Parent company<br/>Mar/2011</b> | <b>Mar/2012</b>  | <b>Consolidated<br/>Mar/2011</b> |
|--------------------------|------------------|------------------------------------|------------------|----------------------------------|
| <b>Sales revenue</b>     |                  |                                    |                  |                                  |
| Domestic market          | 4,298,027        | 4,063,277                          | 6,207,556        | 6,134,075                        |
| Foreign market           | 1,323,734        | 1,031,478                          | 3,612,742        | 2,899,078                        |
|                          | 5,621,761        | 5,094,755                          | 9,820,298        | 9,033,153                        |
| <b>Sales deductions</b>  |                  |                                    |                  |                                  |
| Taxes                    | (981,697)        | (980,672)                          | (1,506,745)      | (1,566,924)                      |
| Sales returns and other  | (65,370)         | (36,261)                           | (81,124)         | (78,141)                         |
|                          | (1,047,067)      | (1,016,933)                        | (1,587,869)      | (1,645,065)                      |
| <b>Net sales revenue</b> | <b>4,574,694</b> | <b>4,077,822</b>                   | <b>8,232,429</b> | <b>7,388,088</b>                 |

This table was presented in the Company's 2011 annual financial statements, in Note 31.

**29. Tax incentives**

Braskem receives certain tax incentives granted during the determination of federal and state taxes. On March 31, 2012, the Company recognized credits related to the PRODESIN – ICMS and REINTEGRA tax incentives amounting to R\$6,531 and R\$48,172, respectively, in its statement of operations. In the first quarter of 2012, the Company did not record credits from the SUDENE – IR tax incentive as a result of the tax loss recorded in the period.

The information related to tax incentives was presented in the Company's 2011 annual financial statements, in Note 32.

**30. Other net operating income (expenses) - consolidated**

In the period ended March 31, 2012, the main amounts under this item were as follows:

- (i) residual value of written-off property, plant and equipment in the amount of R\$25,739;
  
- (ii) recording of damages provided for under the supply agreement between Sunoco and Braskem America in the amount of R\$235,962 (Note 1(a)).

The information related to the Company's other net operating income (expenses) was presented in the 2011 annual financial statements, in Note 33.

Braskem S.A.

## Notes to the financial statements

at March 31, 2012

All amounts in thousands of reais unless otherwise stated

## 31. Financial results

|   | Mar/2012        | Parent company<br>Mar/2011 | Mar/2012         | Consolidated<br>Mar/2011 |
|---|-----------------|----------------------------|------------------|--------------------------|
| <b>Financial income</b>                     |                 |                            |                  |                          |
| Interest income                             | 47,435          | 62,345                     | 64,440           | 64,786                   |
| Monetary variations                         | 10,315          | 47,846                     | 12,080           | 20,080                   |
| Exchange rate variations                    | (44,989)        | 191                        | 11,422           | (10,148)                 |
| Other                                       | 169             | 2,205                      | 1,894            | 3,579                    |
|   | <b>12,930</b>   | <b>112,587</b>             | <b>89,836</b>    | <b>78,297</b>            |
| <b>Financial expenses</b>                   |                 |                            |                  |                          |
| Interest expenses                           | (219,306)       | (203,071)                  | (248,006)        | (208,889)                |
| Monetary variations                         | (67,165)        | (54,128)                   | (79,311)         | (72,274)                 |
| Exchange rate variations                    | 286,268         | 219,752                    | 251,370          | 225,218                  |
| Update of tax and labor debts               | (39,720)        | (35,822)                   | (47,589)         | (36,879)                 |
| Tax expenses on financial operations        | (6,980)         | (2,976)                    | (7,591)          | (3,562)                  |
| Discounts granted                           | (5,517)         | (4,746)                    | (10,880)         | (9,863)                  |
| Loans transaction costs - amortization      | (983)           | (504)                      | (4,136)          | (3,825)                  |
| Adjustment to present value - appropriation | (2,488)         | (372)                      | (9,352)          | (4,738)                  |
| Other                                       | (13,686)        | (8,906)                    | (38,484)         | (20,442)                 |
|   | <b>(69,577)</b> | <b>(90,773)</b>            | <b>(193,979)</b> | <b>(135,254)</b>         |
| <b>Total</b>                                | <b>(56,647)</b> | <b>21,814</b>              | <b>(104,143)</b> | <b>(56,957)</b>          |

Parent  
company

Consolidated

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|                               | <b>Mar/2012</b> | <b>Mar/2011</b> | <b>Mar/2012</b> | <b>Mar/2011</b> |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Interest income</b>        |                 |                 |                 |                 |
| Held-for-trading              | 1,151           | 38,399          | 13,509          | 39,367          |
| Loans and receivables         | 38,890          | 18,024          | 39,713          | 18,869          |
| Held-to-maturity              | 4,549           | 3,310           | 4,549           | 3,310           |
|                               | 44,590          | 59,733          | 57,771          | 61,546          |
| Other assets not classifiable | 2,845           | 2,612           | 6,669           | 3,240           |
| <b>Total</b>                  | <b>47,435</b>   | <b>62,345</b>   | <b>64,440</b>   | <b>64,786</b>   |

This table was presented in the Company's 2011 annual financial statements, in Note 34.

**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****32. Expenses by nature**

|  | <b>Mar/2012</b>    | <b>Parent company<br/>Mar/2011</b> | <b>Mar/2012</b>    | <b>Consolidated<br/>Mar/2011</b> |
|--|--------------------|------------------------------------|--------------------|----------------------------------|
| <b>Classification by nature:</b>         |                    |                                    |                    |                                  |
| Raw materials other inputs               | (3,456,705)        | (2,865,966)                        | (6,416,733)        | (5,400,625)                      |
| Personnel expenses                       | (238,995)          | (226,203)                          | (429,173)          | (386,095)                        |
| Outsourced services                      | (50,297)           | (129,754)                          | (240,332)          | (214,128)                        |
| Tax expenses                             | (7,125)            | (7,336)                            | (14,008)           | (14,581)                         |
| Depreciation, amortization and depletion | (270,906)          | (252,673)                          | (440,286)          | (411,704)                        |
| Variable selling expenses                | (85,358)           | (73,788)                           | (142,692)          | (129,752)                        |
| Freights                                 | (204,748)          | (157,303)                          | (294,758)          | (225,060)                        |
| Other expenses                           | (143,899)          | (49,243)                           | (130,271)          | (93,280)                         |
| <b>Total</b>                             | <b>(4,458,033)</b> | <b>(3,762,266)</b>                 | <b>(8,108,253)</b> | <b>(6,875,225)</b>               |
| <b>Classification by function:</b>       |                    |                                    |                    |                                  |
| Cost of products sold                    | (4,146,710)        | (3,460,794)                        | (7,599,568)        | (6,390,213)                      |
| Selling                                  | (49,384)           | (37,745)                           | (98,722)           | (82,831)                         |
| Distribution                             | (90,322)           | (79,116)                           | (129,998)          | (119,673)                        |
| General and administrative               | (153,457)          | (171,958)                          | (255,519)          | (262,881)                        |
| Research and development                 | (18,160)           | (12,653)                           | (24,446)           | (19,627)                         |
| <b>Total</b>                             | <b>(4,458,033)</b> | <b>(3,762,266)</b>                 | <b>(8,108,253)</b> | <b>(6,875,225)</b>               |

This table was presented in the Company's 2011 annual financial statements, in Note 35.





**Braskem S.A.****Notes to the financial statements****at March 31, 2012****All amounts in thousands of reais unless otherwise stated****33. Segment information**

On April 10, 2012, the Business Leader of Braskem (chief executive officer) announced the Company's new corporate structure (Note 35(a)). The change regarding the structure for the presentation of segment information, presented in Note 36 of the Company's 2011 financial statements, consists of the transfer of the green polyethylene business from the International Business segment to the Polyolefins segment. The information below already includes these changes, since the Company's chief decision maker has already assessed the quarterly information considering the new corporate structure. The Company does not disclose assets by segment since this information is not presented to its chief decision maker.

|  | Basic          |             | Reporting segments |                        |                       | Total               | Other Corporate | Br          |
|--|----------------|-------------|--------------------|------------------------|-----------------------|---------------------|-----------------|-------------|
|  | petrochemicals | Polyolefins | Vinyls             | International business | Chemical distribution | reportable segments | segments        | unit cons   |
|  |                |             |                    |                        |                       | segments            |                 | adju        |
| Net sales revenue                          | 5,651,669      | 3,267,496   | 449,717            | 1,301,498              | 193,088               | 10,863,468          | 53,785          | 10,9        |
| Cost of products sold                      | (5,288,362)    | (3,113,907) | (444,660)          | (1,212,391)            | (160,427)             | (10,219,747)        | (38,766)        | (10,2       |
| Gross profit                               | 363,307        | 153,589     | 5,057              | 89,107                 | 32,661                | 643,721             | 15,019          | 6           |
| Operating expenses                         |                |             |                    |                        |                       |                     |                 |             |
| Selling, general and distribution expenses | (109,213)      | (222,680)   | (30,195)           | (48,748)               | (26,399)              | (437,235)           | (20,292)        | (26,712) (4 |

|  |           |           |          |          |          |           |          |         |     |
|--|-----------|-----------|----------|----------|----------|-----------|----------|---------|-----|
| Results from equity investments        |           |           |          |          |          |           |          | (2,099) |     |
| Other operating income (expenses), net | (3,447)   | 25        | (256)    | (126)    |          | (3,804)   | 1,261    | 170,831 | 1   |
|  | (112,660) | (222,655) | (30,451) | (48,874) | (26,399) | (441,039) | (19,031) | 142,020 | (3) |
| Operating profit (loss)                | 250,647   | (69,066)  | (25,394) | 40,233   | 6,262    | 202,682   | (4,012)  | 142,020 | 3   |

## Reporting segments

|  | Basic          |             | International |           | Chemical     | Total               |                |                |             |
|--|----------------|-------------|---------------|-----------|--------------|---------------------|----------------|----------------|-------------|
|  | petrochemicals | Polyolefins | Vinyls        | business  | distribution | reportable segments | Other segments | Corporate unit | adjustments |
| Net sales revenue                          | 5,087,138      | 3,074,449   | 396,641       | 652,779   | 174,203      | 9,385,210           | 201,009        |                | 9,5         |
| Cost of products sold                      | (4,539,836)    | (2,633,734) | (384,580)     | (578,774) | (138,877)    | (8,275,801)         | (175,468)      |                | (8,4)       |
| Gross profit                               | 547,302        | 440,715     | 12,061        | 74,005    | 35,326       | 1,109,409           | 25,541         |                | 1,1         |
| Operating expenses                         |                |             |               |           |              |                     |                |                |             |
| Selling, general and distribution expenses | (137,173)      | (198,950)   | (33,166)      | (29,735)  | (23,621)     | (422,645)           | (19,057)       | (43,310)       | (4)         |
| Results from equity investments            |                |             |               |           |              |                     |                | 5,465          |             |
| Other operating income (expenses)          | (5,696)        | (3,936)     | (5,826)       | (7,395)   | (1,455)      | (24,308)            | 2,553          | 9,299          | (           |
|  | (142,869)      | (202,886)   | (38,992)      | (37,130)  | (25,076)     | (446,953)           | (16,504)       | (28,546)       | (4)         |
| Operating profit (loss)                    | 404,433        | 237,829     | (26,931)      | 36,875    | 10,250       | 662,456             | 9,037          | (28,546)       | 6           |

The information related to the presentation of information by segment was presented in the 2011 annual financial statements, in Note 36.

**Braskem S.A.**

**Notes to the financial statements**

**at March 31, 2012**

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

**34. Insurance coverage**

In the period ended March 31, 2012, there were no significant changes in the insurance coverage of Braskem and its subsidiaries.

The information related to insurance coverage was presented in the Company's 2011 annual financial statements, in Note 37.

**35. Subsequent events**

(a) On April 10, 2012, the Business Leader of Braskem announced the Company's new corporate structure, effective as of March 2012, which is distributed as follows:

- **Basic Petrochemicals Unit:** formed by the Basic Petrochemical Units UNIB Bahia, UNIB Sul, UNIB São Paulo and UNIB Rio de Janeiro. The unit is represented by the Basic Petrochemicals operating segment and was not changed by the new corporate structure.
- **Polyolefins and Renewables Unit:** consists of the polyethylene, polypropylene and green polyethylene businesses and is represented by the Polyolefins operational segment.

- **Vinyls Unit:** formed by the PVC and Chlor-Alkali businesses. The unit is represented by the Vinyls operating segment and was not changed by the new corporate structure.
  
- **Latin America Unit:** this new unit is formed by Braskem's businesses and projects in Latin America, particularly Mexico and Venezuela. As of March 31, 2012, the unit is not a reportable segment and is presented under Other Segments.
  
- **United States and Europe Unit:** formed by Braskem's operations in the United States and Europe. This unit is represented by the International Business operating segment.

**(b)** On April 27, 2012, the Annual Shareholders' Meeting approved the payment of dividends proposed by the Management in 2011 in the amount of R\$482,593, to be paid as from November 20, 2012.

**(c)** On May 2, 2012, the subsidiary Braskem Finance concluded the US\$500 million bond issue with an interest coupon of 5.375% per annum and an effective yield for investors of 5.4% per year. The bonds mature in May 2022 and have semiannual interest payments on May 2 and November 2 of each year.

