

BRASKEM SA
Form 6-K
May 20, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16
OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May 2008

(Commission File Number: 1-14862)

BRASKEM S.A.

(Exact Name as Specified in its Charter)

N/A

(Translation of registrant's name into English)

Rua Eteno, 1561, Polo Petroquimico de Camacari

Camacari, Bahia - CEP 42810-000 Brazil

(Address of principal executive offices)

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-_____ .

EXHIBITS

The following exhibit is furnished with this document:

- Exhibit 1. Consolidated financial statements of Ipiranga Química S.A. at December 31, 2006 (audited) and 2005 (unaudited), and for the years ended December 31, 2006 (audited) and December 31, 2005 (unaudited).
- Exhibit 2. Consolidated interim financial statements of Ipiranga Química S.A. at March 31, 2007 (unaudited) and for the three-months ended March 31, 2007 and 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 20, 2008

BRASKEM S.A.

By: /s/ Carlos José Fadigas de Souza Filho
Name: Carlos José Fadigas de Souza Filho
Title: Chief Financial Officer

Report of Independent Auditors

To the Board of Directors and Stockholders

Ipiranga Química S.A. and Subsidiaries

- 1 We have audited the accompanying consolidated balance sheets of Ipiranga Química S.A. and its subsidiaries as of December 31, 2006, and the related consolidated statements of operations and of changes in financial position, for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.

- 2 We conducted our audit in accordance with approved Brazilian auditing standards, which require that we perform the audit to obtain reasonable assurance about whether the financial statements are fairly presented in all material respects. Accordingly, our work included, among other procedures: (a) planning our audit taking into consideration the significance of balances, the volume of transactions and the accounting and internal control systems of the Companies, (b) examining, on a test basis, evidence and records supporting the amounts and disclosures in the financial statements, and (c) assessing the accounting practices used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

- 3 In our opinion, the financial statements audited by us present fairly, in all material respects, the financial position of Ipiranga Química S.A. and its subsidiaries at December 31, 2006, and consolidated results of operations and of changes in financial position, for the year then ended, in accordance with accounting practices adopted in Brazil.

Ipiranga Química S.A. and Subsidiaries

- 4 Our audit was conducted of the purpose of issuing a opinion of the financial statements, referred to in the first paragraph, taken as a whole. The statement of cash flows, presented in the financial statements to provide supplementary information about the Company, is not a required part of the financial statements. This information has been subjected to the audit procedures described in statement in order for it to be fairly presented in all material respects in relation to the financial statements taken as a whole.

- 5 The financial statements for the year ended December 31, 2005, presented for comparison purposes, were not audited by independent auditors. Our opinion does not cover those financial statements.

PricewaterhouseCoopers
Auditores Independentes

Porto Alegre, Brazil
January 08, 2008

Ipiranga Química S.A. and Subsidiaries**Consolidated Balance Sheets at December 31**

In millions of reais

	2006	2005 Unaudited
Assets		
Current liabilities		
Cash and cash equivalents (Note 4)	84	89
Marketable securities (Note 5)	12	4
Customers		
Local customers	402	238
Foreign customers	212	93
Export drafts - billed	(150)	(136)
Swap receivables (Note 6)	19	16
Inventories (Note 7)	361	348
Taxes and charges recoverable (Note 8)	85	105
Prepaid expenses (Note 9)	11	7
Other accounts receivable	13	20
	1,049	784
Non-current assets		
Long-term receivables		
Customers	3	
Taxes and charges recoverable (Note 8)	292	241
Judicial deposits (Note 20)	9	8
Prepaid expenses (Note 9)	1	2
Claims receivable and other	9	10
	314	261
Permanent assets		
Investments (Note 10)	66	97
Property, plant and equipment (Note 11)	962	977
Deferred charges (Note 12)	18	16
	1,046	1,090
	1,360	1,352
Total assets	2,409	2,135
Liabilities and stockholders equity		
Current liabilities		
Suppliers	650	469
Loans, financing, and debentures (Note 13)	226	332
Taxes and charges payable (Note 14)	41	35
Social, labor, and other contributions and charges	64	74
Proposed dividends and interest on capital	7	2
Swap payables (Note 6)	7	1
Income tax and social contribution	15	21
Provision for contingencies (Note 20)	9	2

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	1,019	936
Non-current liabilities		
Long-term liabilities		
Loans, financing, and debentures (Note 13)	698	710
Taxes and charges payable (Note 14)	6	8
Income tax and social contribution	39	16
Provision for contingencies (Note 20)	11	3
Provision for post-employment benefits (Note 21)	11	13
Other long-term liabilities	4	14
	769	764
Minority interest	37	57
Stockholders' equity (Note 16)		
Capital	295	295
Capital reserve	86	86
Revenue reserves	208	
Retained earnings (deficit)	(5)	(3)
	584	378
Total liabilities and stockholders' equity	2,409	2,135

The accompanying notes are an integral part of these financial statements.

Ipiranga Química S.A. and Subsidiaries**Consolidated Statements of Operations****Year Ended December 31****In millions of reais, except when otherwise indicated**

	2006	2005 Unaudited
Gross sales		
Sale of chemical, petrochemical products and utilities		
Local market	3,980	2,217
Foreign market	947	2,287
	4,927	4,504
Taxes, contributions and freight on sales	(1,281)	(1,248)
Net sales	3,646	3,256
Cost of products, utilities and services	(2,992)	(2,610)
Gross profit	654	646
Operating (expenses) income		
Selling	(59)	(74)
General and administrative	(120)	(114)
Depreciation and amortization	(13)	(15)
Other operating income (expenses), net	8	23
	(184)	(180)
Operating profit before financial result	470	466
Financial result (Note 17)		
Financial expenses	(232)	(278)
Financial income	149	144
	(83)	(134)
Amortization of goodwill	(24)	(19)
Operating profit	363	313
Non-operating result		
Non-operating (expenses) income	(35)	2
	(35)	2

Ipiranga Química S.A. and Subsidiaries**Consolidated Statements of Operations****Year Ended December 31****In millions of reais, except when otherwise indicated**

(continued)

	2006	2005 Unaudited
Income before income tax and social contribution	328	315
Provision for income tax and social contribution (Note 15)	(102)	(81)
Deferred income tax and social contribution (Note 15)	23	(5)
Net income of the year before profit sharing and minority interest	249	(86)
Profit Sharing	(8)	
Minority interest	(35)	(33)
Consolidated net income of the year	206	196
Shares at the end of the year (in thousands)	436,074,462	436,074,462
Net income per share (in R\$)	0.0005	0.0004

The accompanying notes are an integral part of these financial statements.

Ipiranga Química S.A. and Subsidiaries

Statements of Changes in Stockholders' Equity

In millions of reais

	Capital	Capital reserve Fiscal incentives	Legal	Statutory	Special	Revenue reserves	Retained earnings (deficit)	Total
At December 31, 2004 (Unaudited)	295	86					(199)	182
Net income for the year							196	196
At December 31, 2005 (Unaudited)	295	86					(3)	378
Net income for the year							206	206
Appropriation of net income								
Legal reserve			10				(10)	
Statutory reserve				149			(149)	
Special reserve					49		(49)	
At December 31, 2006	295	86	10	149	49		(5)	584

The accompanying notes are an integral part of these financial statements.

Ipiranga Química S.A. and Subsidiaries

Consolidated Statements of Changes in Financial Position

Year Ended December 31

In millions of reais

	2006	2005 Unaudited
Financial resources were provided by		
Operations		
Net income of the year	206	196
Share of minority stockholders in net income	35	33
Expenses (income) not affecting working capital		
Depreciation and amortization	79	86
Amortization of goodwill	24	19
Disposals of property, plant and equipment and other	23	1
Loss on change of interest in subsidiary	33	
Provision for administrative, civil and labor contingencies	7	2
Monetary/exchange variations and interest on long-term assets	(2)	(1)
Monetary/exchange variations and interest on long-term liabilities	(13)	1
Effect upstream merger	(4)	(14)
Deferred long-term income tax and social contribution	(18)	(11)
	370	312
Third parties		
Decrease in long-term receivables		
Increase in long-term liabilities	7	
Loan and financing issuances	417	245
	424	245
Total funds provided	794	557
Financial resources were used for		
Increase in long-term receivables		
Permanent assets	15	46
Investments		11
Property, plant and equipment	84	66
Deferred charges	1	2
Transfer from loans and financing to current liabilities	154	379
Decrease in other long-term liabilities accounts	267	7
Repayments	17	
Redemptions of preferred shares	61	
Interest on own capital and dividends	13	2
Total funds used	612	513

Ipiranga Química S.A. and Subsidiaries

Consolidated Statements of Changes in Financial Position

Year Ended December 31

In millions of reais

(continued)