

BRASKEM SA
Form 6-K
August 17, 2012

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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 August, 2012
(Commission File No. 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- _____.

Braskem S.A.

Quarterly Information (ITR) at

June 30, 2012

and Report on the Review

of the Quarterly Information

Report on Review of Quarterly Information

To the Board of Directors and Shareholders

Braskem S.A.

Introduction

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

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity,

respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent

company interim information

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

Conclusion on the consolidated

interim information

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

Other matters

Statements of value added

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

Salvador, August 14, 2012.

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" BA

Fábio Cajazeira Mendes

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

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

| Assets | Note | Jun/2012 | Parent Company Dec/2011 | Jun/2012 | Consolidated Dec/2011 |
|---|-------------|------------------|--|-------------------|----------------------------------|
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 2,682,328 | 2,224,335 | 3,297,456 | 2,986,819 |
| Financial investments | 6 | 144,570 | 168,979 | 169,962 | 170,297 |
| Trade accounts receivable | 7 | 1,208,373 | 1,097,482 | 2,087,627 | 1,843,756 |
| Inventories | 8 | 2,618,302 | 1,968,509 | 4,533,689 | 3,623,522 |
| Taxes recoverable | 10 | 800,106 | 606,258 | 1,300,513 | 1,036,253 |
| Dividends and interest on capital | | 22,002 | 30,268 | | |
| Prepaid expenses | | 40,201 | 60,109 | 74,430 | 104,496 |
| Related parties | 9 | 13,512 | | 10,341 | |
| Other receivables | 13 | 261,942 | 162,173 | 386,149 | 415,174 |
| | | 7,791,336 | 6,318,113 | 11,860,167 | 10,180,317 |
| Non-current assets | | | | | |
| Financial investments | 6 | 43,017 | 34,720 | 71,317 | 34,752 |
| Trade accounts receivable | 7 | 52,747 | 49,858 | 55,268 | 51,056 |
| Taxes recoverable | 10 | 1,125,138 | 1,062,974 | 1,613,660 | 1,506,247 |
| Deferred income tax and social contribution | 20(b) | 1,061,320 | 415,002 | 1,936,226 | 1,237,144 |
| Judicial deposits | 11 | 155,212 | 151,592 | 176,831 | 174,220 |
| Related parties | 9 | 544,442 | 1,624,513 | 166,406 | 58,169 |
| Insurance claims | 12 | 137,857 | 246,357 | 138,911 | 252,670 |
| Other receivables | 13 | 116,462 | 138,265 | 180,329 | 182,533 |

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| | | | | | |
|--|----|-------------------|-------------------|-------------------|-------------------|
| Investments in subsidiaries | 14 | 9,803,138 | 8,091,220 | 116,605 | |
| Investment in associates and jointly-controlled subsidiaries | 14 | 31,012 | 29,870 | 31,012 | 29,870 |
| Other investments | | 6,575 | 6,575 | 10,485 | 10,844 |
| Property, plant and equipment | 15 | 11,998,814 | 11,665,942 | 21,098,227 | 20,662,721 |
| Intangible assets | 16 | 2,253,829 | 2,248,675 | 3,000,515 | 3,016,692 |
| | | 27,329,563 | 25,765,563 | 28,595,792 | 27,216,918 |
| Total assets | | 35,120,899 | 32,083,676 | 40,455,959 | 37,397,235 |

The Management notes are an integral part of the financial statements

Braskem S.A.**Balance sheet****at June 30, 2012**

**All amounts in thousands of
reais**
Continued

| Liabilities and equity | Note | Jun/2012 | Parent Company Dec/2011 | Jun/2012 | Consolidated Dec/2011 |
|-------------------------------------|-------------|------------------|--|-------------------|----------------------------------|
| Current liabilities | | | | | |
| Trade payables | | 7,008,513 | 5,052,757 | 8,838,558 | 6,847,340 |
| Borrowings | 17 | 983,331 | 961,519 | 1,385,407 | 1,391,779 |
| Hedge operations | 18.2 | 213,452 | 82,912 | 213,451 | 83,392 |
| Payroll and related charges | | 176,555 | 155,248 | 256,403 | 242,102 |
| Taxes payable | 19 | 506,779 | 215,924 | 660,258 | 329,987 |
| Dividends and interest on capital | 26(d) | 484,193 | 1,617 | 487,402 | 4,838 |
| Advances from customers | 23 | 486,799 | 13,935 | 102,670 | 19,119 |
| Sundry provisions | 21 | 5,566 | 18,759 | 14,171 | 23,629 |
| Accounts payable to related parties | 9 | 31,916 | 79,790 | | |
| Other Payables | 24 | 25,732 | 47,514 | 257,244 | 119,402 |
| | | 9,922,836 | 6,629,975 | 12,215,564 | 9,061,588 |
| Non-current liabilities | | | | | |
| Borrowings | 17 | 10,991,228 | 11,276,196 | 15,307,550 | 13,753,033 |
| Debentures | | | | | 19,102 |
| Hedge operations | 18.2 | | 10,278 | | 10,278 |
| Taxes payable | 19 | 1,094,087 | 1,500,584 | 1,206,257 | 1,613,179 |
| Accounts payable to related parties | 9 | 2,920,950 | 1,297,567 | | 44,833 |

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| | | | | | |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| Long-term incentives | | 10,240 | 15,213 | 10,240 | 15,213 |
| Deferred income tax and social contribution | 20(b) | 981,726 | 900,716 | 2,055,610 | 1,953,353 |
| Pension plans | 22 | 134,506 | 134,506 | 150,799 | 149,575 |
| Provision for losses on subsidiaries | | 116,633 | 90,990 | | |
| Advances from customers | 23 | 86,221 | 77,846 | 228,344 | 218,531 |
| Sundry provisions | 21 | 106,892 | 94,913 | 316,795 | 298,094 |
| Other payables | 24 | 253,114 | 241,412 | 266,356 | 280,546 |
| | | 16,695,597 | 15,640,221 | 19,541,951 | 18,355,737 |
| Equity | 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 | | 108,714 | 591,307 | 108,714 | 591,307 |
| Other comprehensive income | | 350,176 | 315,586 | 350,176 | 315,586 |
| Treasury shares | | (11,325) | (11,325) | (60,217) | (60,217) |
| Profit (losses) accumulated | | (834,319) | 28,692 | (834,319) | 28,692 |
| Total attributable to the Company's shareholders | | 8,502,466 | 9,813,480 | 8,453,574 | 9,764,588 |
| Non-controlling interest | 2.4 | | | 244,870 | 215,322 |
| | | 8,502,466 | 9,813,480 | 8,698,444 | 9,979,910 |
| Total liabilities and equity | | 35,120,899 | 32,083,676 | 40,455,959 | 37,397,235 |

The Management notes are an integral part of the financial statements

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

| | Note | Parent Company | | | | | | Co |
|--|-------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
| | | 2Q12 | YTD12 | 2Q11 | YTD11 | 2Q12 | YTD12 | |
| Net sales revenue | 28 | 5,121,830 | 9,696,524 | 4,640,809 | 8,718,631 | 9,137,644 | 17,362,609 | 8,368,188 |
| Cost of products sold | | (4,599,513) | (8,746,223) | (3,838,567) | (7,299,361) | (8,278,007) | (15,873,874) | (7,137,221) |
| Gross profit | | 522,317 | 950,301 | 802,242 | 1,419,270 | 859,637 | 1,488,735 | 1,230,967 |
| Income (expenses) | | | | | | | | |
| Selling | | (41,830) | (91,214) | (38,947) | (76,692) | (96,307) | (194,753) | (81,115) |
| Distribution | | (93,204) | (183,526) | (70,878) | (149,994) | (136,640) | (266,638) | (105,506) |
| General and administrative | | (187,817) | (341,274) | (177,500) | (349,458) | (294,023) | (548,077) | (261,653) |
| Research and development | | (21,457) | (39,617) | (13,202) | (25,855) | (26,911) | (51,357) | (24,122) |
| Results from equity investments | 14(c) | 114,860 | 252,090 | (89,830) | (16,165) | 2,904 | 2,080 | 4 |
| Other operating income (expenses), net | 30 | 73,896 | 41,498 | (8,831) | (4,455) | 92,045 | 284,863 | (20,687) |
| Operating profit | | 366,765 | 588,258 | 403,054 | 796,651 | 400,705 | 714,853 | 737,888 |

Financial results

| | | | | | | | | |
|--------------------|--|--------------------|--------------------|----------------|----------------|--------------------|--------------------|-----------------|
| Financial expenses | | (2,167,137) | (2,236,714) | 103,938 | 13,165 | (2,389,834) | (2,583,246) | (134,582) |
| Financial income | | 188,052 | 200,982 | 83,910 | 196,497 | 284,829 | 373,998 | 55,802 |
| | | (1,979,085) | (2,035,732) | 187,848 | 209,662 | (2,105,005) | (2,209,248) | (78,780) |

Profit (loss) before income tax and social contribution

| | | | | | | | | |
|--|--|--------------------|--------------------|----------------|------------------|--------------------|--------------------|----------------|
| | | (1,612,320) | (1,447,474) | 590,902 | 1,006,313 | (1,704,300) | (1,494,395) | 659,108 |
|--|--|--------------------|--------------------|----------------|------------------|--------------------|--------------------|----------------|

Current income tax and social contribution

20(a)

| | | | | | | | | |
|--|--|--|--|----------|-----------|--------|---------|-----------|
| | | | | (81,934) | (103,769) | 93,352 | (7,894) | (103,312) |
|--|--|--|--|----------|-----------|--------|---------|-----------|

Deferred income tax and social contribution

20(a)

| | | | | | | | | |
|--|--|----------------|----------------|------------------|------------------|----------------|----------------|------------------|
| | | 581,903 | 570,615 | (94,524) | (179,874) | 577,771 | 621,309 | (135,708) |
| | | 581,903 | 570,615 | (176,458) | (283,643) | 671,123 | 613,415 | (239,020) |

Profit (loss) for the period

| | | | | | | | | |
|--|--|--------------------|------------------|----------------|----------------|--------------------|------------------|----------------|
| | | (1,030,417) | (876,859) | 414,444 | 722,670 | (1,033,177) | (880,980) | 420,088 |
|--|--|--------------------|------------------|----------------|----------------|--------------------|------------------|----------------|

Attributable to:

Company's shareholders

| | | | | | | | | |
|--|--|--|--|--|--|-------------|-----------|---------|
| | | | | | | (1,030,417) | (876,859) | 414,444 |
|--|--|--|--|--|--|-------------|-----------|---------|

Non-controlling interests in subsidiaries

2.4

| | | | | | | | | |
|--|--|--|--|--|--|---------|---------|-------|
| | | | | | | (2,760) | (4,121) | 5,644 |
|--|--|--|--|--|--|---------|---------|-------|

| | | | | | | | | |
|--|--|--|--|--|--|--------------------|------------------|----------------|
| | | | | | | (1,033,177) | (880,980) | 420,088 |
|--|--|--|--|--|--|--------------------|------------------|----------------|

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

27

| | |
|--|----------|
| Basic earnings (loss) per share - common | (1.1007) |
| Basic earnings (loss) per share - preferred | (1.1007) |
| Diluted earnings (loss) per share - common | (1.1003) |
| Diluted earnings (loss) per share - preferred | (1.1003) |

The Management notes are an integral part of the financial statements

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

| | Note | Parent Company | | | | Consolidated | | | |
|--|--------|--------------------|------------------|----------------|----------------|--------------------|------------------|----------------|----------------|
| | | 2Q12 | YTD12 | 2Q11 | YTD11 | 2Q12 | YTD12 | 2Q11 | YTD11 |
| Profit (loss) for the period | | (1,030,417) | (876,859) | 414,444 | 722,670 | (1,033,177) | (880,980) | 420,088 | 729,970 |
| Other comprehensive income or loss: | | | | | | | | | |
| Cash flow hedge | 18.2.2 | | 15,613 | (3,335) | 1,225 | | 15,613 | 24,619 | 37,156 |
| Cash flow hedge - subsidiaries | | | | 27,954 | 35,931 | | | | |
| Foreign currency translation adjustment | 14(b) | 92,254 | 36,623 | (12,184) | (14,412) | 98,713 | 49,269 | (12,184) | (14,604) |
| Income tax and social contribution related to components of comprehensive income | 18.2.2 | | (5,309) | 2,441 | 891 | | (5,309) | 2,441 | 891 |
| Total other comprehensive income | | 92,254 | 46,927 | 14,876 | 23,635 | 98,713 | 59,573 | 14,876 | 23,443 |
| Total comprehensive income (loss) | | (938,163) | (829,932) | 429,320 | 746,305 | (934,464) | (821,407) | 434,964 | 753,413 |

for the period

**Attributable
to:**

| | | | | |
|-----------------------------|------------------|------------------|----------------|----------------|
| Company's shareholders | (938,163) | (829,932) | 451,631 | 746,305 |
| Non-controlling interest | 3,699 | 8,525 | (16,667) | 7,108 |
| | (934,464) | (821,407) | 434,964 | 753,413 |

The Management notes are an integral part of the financial statements

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

All amounts in thousands of reais

| | Note | Social capital | Capital reserve | Legal reserve | Tax incentives | Revenue reserves Unrealized profit reserve | Additional dividends proposal | Other comprehensive income | Treas sh |
|---|------|-------------------|--------------------|------------------|-------------------|---|-------------------------------------|----------------------------------|-------------|
| At December 31, 2010 | | 8,043,222 | 845,998 | 87,710 | 5,347 | 995,505 | 250,346 | 221,350 | (10, |
| Comprehensive income for the period: | | | | | | | | | |
| Profit for the period | | | | | | | | | |
| Fair value of cash flow hedge, net of taxes | | | | | | | | 38,047 | |
| Foreign currency translation adjustment | | | | | | | | (14,412) | |
| | | | | | | | | 23,635 | |
| Equity valuation adjustments | | | | | | | | | |
| Deemed cost of jointly-controlled subsidiary | | | | | | | | 22,311 | |
| Realization of additional property, plant and equipment price-level | | | | | | | | (13,618) | |
| | | | | | | | | 8,693 | |

Contributions and
distributions to
shareholders:

Additional
dividends
approved at
Shareholders'
Meeting

(250,346)

Expired
dividends

Repurchase of
treasury shares

(250,346)

**At June 30,
2011**

8,043,222

845,998

87,710

5,347

995,505

253,678

(11,000)

**At December 31,
2011**

8,043,222

845,998

87,710

4,547

16,457

482,593

315,586

(11,000)

Comprehensive
income for the
period:

Loss for the
period

Fair value of cash
flow hedge, net of
taxes

18.2.2

10,304

Foreign currency
translation
adjustment

14(b)

36,623

46,927

Equity valuation
adjustments

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

(230)

Realization of
additional
property, plant
and equipment
price-level

(13,618)

(13,848)

Contributions and distributions to shareholders:

Additional dividends approved at Shareholders' Meeting

(482,593)

Gain on interest in subsidiary 14(b)

1,511

(482,593)

1,511

At June 30, 2012

8,043,222

845,998

87,710

4,547

16,457

350,176

(11,000)

The Management notes are an integral part of the financial statements

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

All amounts in thousands of reais

| | Note | Attributed to the Company's shareholder | | | | | | | | |
|--|------|---|------------------|---------------|----------------|---|-------------------------------|----------------------------|-----------------|---|
| | | Capital | Capital reserves | Legal reserve | Tax incentives | Revenue reserves Unrealized profit reserve | Additional dividends proposal | Other comprehensive income | Treasury shares | Retained earnings (accumulated deficit) |
| At December 31, 2010 | | 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 | | | | | | | | | | 722,670 |
| Fair value of cash flow hedge, net of taxes | | | | | | | | 38,047 | | |
| Foreign currency translation adjustment | | | | | | | | (14,412) | | |
| | | | | | | | | 23,635 | | 722,670 |
| Equity valuation adjustments | | | | | | | | | | |
| Deemed cost of jointly-controlled subsidiary | | | | | | | | 22,311 | | |
| Realization of additional property, plant and equipment price-level restatement, net | | | | | | | | (13,618) | | 13,618 |

of taxes

8,693

13,618

Contributions and
distributions to
shareholders:Additional
dividends
approved at
Shareholders'
Meeting

(250,346)

Non-controlling
interestExpired
dividends

531

Repurchase of
treasury shares

(946)

(250,346)

(946)

531

**At June 30,
2011****8,043,222****845,998****87,710****5,347****995,505****253,678****(60,217)****736,819****At December 31,
2011****8,043,222****845,998****87,710****4,547****16,457****482,593****315,586****(60,217)****28,692**Comprehensive
income for the
period:Profit for the
period

(876,859)

Fair value of cash
flow hedge, net of
taxes 18.2.2

10,304

Foreign currency
translation
adjustment 14(b)

36,623

46,927

(876,859)

Equity valuation
adjustmentsDeemed cost of
jointly-controlled
subsidiary

(230)

230

Realization of
additional

(13,618)

13,618

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

(13,848)

13,848

Contributions and
distributions to
shareholders:

Additional
dividends
approved at
Shareholders'
Meeting

(482,593)

Capital increase
from
non-controlling
interest

Gain on interest
in subsidiary

14(b)

1,511

(482,593)

1,511

**At June 30,
2012**

8,043,222 845,998 87,710 4,547 16,457

350,176 (60,217) (834,319)

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of cash flows****at June 30, 2012****All amounts in thousands of reais**

| | | Parent Company | | Consolidated |
|--|-----------------|-----------------------|------------------|---------------------|
| | Jun/2012 | Jun/2011 | Jun/2012 | Jun/2011 |
| Profit (loss) before income tax and social contribution | (1,447,474) | 1,006,313 | (1,494,395) | 1,113,829 |
| Adjustments for reconciliation of profit (loss) | | | | |
| Depreciation, amortization and depletion | 568,976 | 511,229 | 927,750 | 827,780 |
| Results from equity investments | (252,090) | 16,165 | (2,080) | 748 |
| Interest and monetary and exchange variations, net | 1,326,788 | (121,300) | 1,611,653 | 327 |
| Provisions for losses and write-off of long-lived assets | 212 | (1,462) | 3,584 | 9,316 |
| | 196,412 | 1,410,945 | 1,046,512 | 1,952,000 |
| Changes in operating working capital | | | | |
| Held-for-trading financial investments | 30,079 | (2,952) | (21,773) | 4,778 |
| Trade accounts receivable | (110,040) | (101,982) | (251,271) | 18,846 |
| Inventories | (617,804) | (413,958) | (897,422) | (649,522) |
| Taxes recoverable | (231,804) | (15,088) | (358,927) | (62,402) |
| Prepaid expenses | 19,908 | 17,920 | 29,880 | 14,725 |
| Other receivables | (133,439) | (57,551) | 27,956 | (74,539) |
| Trade payables | 1,955,690 | (291,980) | 1,999,107 | 548,250 |
| Taxes payable | (25,317) | 86,105 | (57,728) | (43,221) |
| Long-term incentives | (4,973) | 7,809 | (4,973) | 7,808 |
| Advances from customers | 481,240 | 5,877 | 93,364 | 123,252 |
| Sundry provisions | 17,094 | (37,151) | 9,243 | (29,616) |

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| | | | | |
|--|------------------|------------------|--------------------|------------------|
| Other payables | 143,814 | (148,890) | 149,949 | (183,623) |
| Cash from operations | 1,720,860 | 459,104 | 1,763,917 | 1,626,736 |
| Interest paid | (354,000) | (307,036) | (392,491) | (421,140) |
| Income tax and social contribution paid | (21,874) | (27,609) | (21,487) | (47,739) |
| Net cash generated by operating activities | 1,344,986 | 124,459 | 1,349,939 | 1,157,857 |
| Proceeds from fixed assets's sales and investments | | 423 | 747 | 1,805 |
| Proceeds from the capital decrease in associates | | 6,600 | | 6,600 |
| Cash effect from incorporated subsidiary | 394 | | | |
| Acquisitions of investments in subsidiaries and associates | (35,204) | | | |
| Acquisitions to property, plant and equipment | (911,651) | (570,203) | (1,400,457) | (830,178) |
| Acquisitions of intangible assets | (4,595) | (320) | (4,695) | (3,308) |
| Held-to-maturity financial investments | (1,660) | (2,760) | (4,598) | (10,716) |
| Net cash used in investing activities | (952,716) | (566,260) | (1,409,003) | (835,797) |
| Short-term and long-term debts | | | | |
| Obtained borrowings | 1,698,231 | 2,063,993 | 3,595,351 | 3,123,818 |
| Payment of borrowings | (2,536,219) | (1,870,474) | (3,182,616) | (3,102,714) |
| Related parties | | | | |
| Obtained loans | 1,081,259 | 428,340 | | |
| Payment of loans | (135,835) | (394,377) | | |
| Current accounts, net | (41,696) | 314,281 | | |
| Dividends paid | (17) | (664,840) | (18) | (664,840) |
| Non-controlling interests in subsidiaries | | | 16,347 | (5,322) |
| Repurchase of shares | | (946) | | (946) |
| Net cash provided by (used in) financing activities | 65,723 | (124,023) | 429,064 | (650,004) |
| Exchange variation on cash of foreign subsidiaries | | | (24,816) | (343) |
| Increase (decrease) in cash and cash equivalents | 457,993 | (565,824) | 345,184 | (328,287) |
| Represented by | | | | |
| Cash and cash equivalents at the beginning of the year | 2,224,335 | 2,339,060 | 2,952,272 | 2,698,075 |

| | | | | |
|---|----------------|------------------|----------------|------------------|
| Cash and cash equivalents at the end of the year | 2,682,328 | 1,773,236 | 3,297,456 | 2,369,788 |
| Increase (decrease) in cash and cash equivalents | 457,993 | (565,824) | 345,184 | (328,287) |

The Management notes are an integral part of the financial statements

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

| | Jun/2012 | Parent Company Jun/2011 | Jun/2012 | Consolidated Jun/2011 |
|--|--------------------|------------------------------------|---------------------|----------------------------------|
| Revenue | 11,790,829 | 10,765,552 | 20,777,664 | 18,972,338 |
| Sale of goods, products and services | 11,747,235 | 10,770,810 | 20,489,394 | 18,999,757 |
| Other income (expenses), net | 58,777 | (4,050) | 313,072 | (21,651) |
| Allowance for doubtful accounts | (15,183) | (1,208) | (24,802) | (5,768) |
| Inputs acquired from third parties | (9,346,801) | (8,699,844) | (16,861,621) | (15,844,998) |
| Cost of products, goods and services sold | (8,965,192) | (8,350,305) | (16,229,208) | (15,294,013) |
| Material, energy, outsourced services and others | (381,159) | (355,281) | (626,757) | (549,124) |
| Impairment / recovery of assets | (450) | 5,742 | (5,656) | (1,861) |
| Gross value added | 2,444,028 | 2,065,708 | 3,916,043 | 3,127,340 |
| Depreciation, amortization and depletion | (568,976) | (511,229) | (927,750) | (827,780) |
| Net value added produced by the entity | 1,875,052 | 1,554,479 | 2,988,293 | 2,299,560 |
| Value added received in transfer | 453,169 | 180,469 | 376,211 | 135,761 |
| Equity in the results of investees | 252,090 | (16,165) | 2,080 | (748) |
| Financial income | 200,982 | 196,497 | 373,998 | 136,363 |
| Other | 97 | 137 | 133 | 146 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Total value added to distribute | 2,328,221 | 1,734,948 | 3,364,504 | 2,435,321 |
| Personnel | 254,125 | 243,474 | 426,926 | 395,013 |
| Direct compensation | 182,785 | 190,232 | 319,222 | 310,013 |
| Benefits | 53,543 | 38,382 | 82,927 | 63,269 |
| FGTS (Government Severance Pay Fund) | 17,797 | 14,860 | 24,777 | 21,731 |
| Taxes, fees and contributions | 652,301 | 715,533 | 1,152,504 | 949,484 |
| Federal | (218,068) | 512,398 | (77,051) | 712,039 |
| State | 865,891 | 199,647 | 1,213,323 | 222,052 |
| Municipal | 4,478 | 3,488 | 16,232 | 15,393 |
| Remuneration on third parties' capital | 2,298,654 | 53,271 | 2,666,054 | 360,854 |
| Financial expenses (including exchange variation) | 2,227,844 | (17,789) | 2,572,826 | 263,582 |
| Rentals | 70,810 | 71,060 | 93,228 | 97,272 |
| Remuneration on own capital | (876,859) | 722,670 | (880,980) | 729,970 |
| Profit (loss) retained in the period | (876,859) | 722,670 | (876,859) | 722,670 |
| Non-controlling interests in profits retained or losses | | | (4,121) | 7,300 |
| Value added distributed | 2,328,221 | 1,734,948 | 3,364,504 | 2,435,321 |

The Management notes are an integral part of the financial statements

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

1. Operations

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

(a) Material operating event

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

In 2012, Sunoco formally informed the Management of Braskem America of its alternative plan to supply feedstock, as required under the supply agreement entered into in 2010. The definitive termination of the supply agreement occurred on June 8, 2012, upon payment of the respective compensation set forth in the contract, in the amount of R\$263,571 (Note 30).

Despite the termination of the supply agreement, the Management of Braskem America has worked 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.

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

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

(b) Corporate events

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

Química S.A. – Petroquisa (“Petroquisa”) into Petrobras was approved and Petrobras became the holder of 47.03% and 35.95% of the voting and total capital of Braskem, respectively.

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

(b.3) On February 28, 2012, the Extraordinary Shareholders’ Meeting of 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.

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

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

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

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

(c) Net working capital

On June 30, 2012, net working capital at the Parent Company and Consolidated were negative R\$2,131,500 and R\$355,398, respectively. 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. On the other hand, the consolidated negative net working capital was rebalanced and does not represent any liquidity problem, in view of the US\$250 million funding operation in July 2012 (Note 35 (b)).

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

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****(d) Effect of foreign exchange variation**

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

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

U.S. dollar, end of period

| | |
|---|-----------|
| June 29, 2012 | R\$2.0213 |
| December 30, 2011 | R\$1.8758 |
| Appreciation of the U.S. dollar in relation to the Brazilian real | 7.76% |

Average U.S. dollar rate

| | |
|---|-----------|
| Six-month period ended June 30, 2012 | R\$1.8663 |
| Six-month period ended June 30, 2011 | R\$1.6318 |
| Appreciation of the U.S. dollar in relation to the Brazilian real | 14.37% |

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

2. Summary of significant accounting policies

2.1. Basis of preparation

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

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

(a) Consolidated quarterly information

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

(b) Parent company quarterly information

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

2.2. Significant accounting policies

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

Due to the accounting of jointly controlled companies using the equity method as of 2012, the balance of cash and cash equivalents in the consolidated statement of cash flow at the start of the period (January 1, 2012) was

reduced by R\$34,547, which corresponds to the balances at RPR, Propilsur and Polimerica on that date.

2.3. Consolidated quarterly information

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

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

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

| | | Total interest - % | | |
|--|-----------------------------------|---------------------------|-----------------|-----------------|
| | Headquarters (Country) | Jun/2012 | Dec/2011 | Jun/2011 |
| Direct and indirect subsidiaries | | | | |
| Braskem America, Inc. (“ Braskem America”) | EUA | 100.00 | 100.00 | 100.00 |
| Braskem America Finance Company ("Braskem America Finance") | EUA | 100.00 | 100.00 | |
| Braskem Argentina S.A. (“ Braskem Argentina”) | Argentina | 100.00 | 100.00 | 100.00 |
| Braskem International GmbH ("Braskem Austria") | (i) Austria | 100.00 | | |
| Braskem Chile Ltda. (“Braskem Chile”) | Chile | 100.00 | 100.00 | 100.00 |
| Braskem Distribuidora Ltda.(“ Braskem Distribuidora”) | Brazil | 100.00 | 100.00 | 100.00 |
| Braskem Netherlands B.V (“ Braskem Holanda”) | Netherlands | 100.00 | 100.00 | 100.00 |
| Braskem Europe GmbH ("Braskem Alemanha") | Germany | 100.00 | 100.00 | |
| Braskem Finance Limited (“ Braskem Finance”) | Cayman Island | 100.00 | 100.00 | 100.00 |
| Braskem Idesa S.A.P.I (“ Braskem Idesa") | Mexico | 65.00 | 65.00 | 65.00 |
| Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços") | Mexico | 65.00 | 65.00 | 65.00 |
| Braskem Importação e Exportação Ltda. ("Braskem Importação”) | Brazil | 100.00 | 100.00 | 100.00 |

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| | | | | | |
|---|-------|------------------------|--------|--------|--------|
| Braskem Incorporated Limited (“ Braskem Inc”) | | Cayman Island | 100.00 | 100.00 | 100.00 |
| Braskem Mexico, S de RL de CV (“ Braskem Mexico”) | | Mexico | 100.00 | 100.00 | 100.00 |
| Braskem Participações S.A. (“ Braskem Participações”) | | Brazil | 100.00 | 100.00 | 100.00 |
| Braskem Petroquímica S.A. (“ Braskem Petroquímica”) | | Brazil | 100.00 | 100.00 | 100.00 |
| Braskem Petroquímica Chile Ltda. (“Petroquímica Chile”) | | Chile | 100.00 | 100.00 | 100.00 |
| Braskem Petroquímica Ibérica, S.L. (“Braskem Espanha”) | (ii) | Spain | 100.00 | | |
| Braskem Qpar S.A. (“ Braskem Qpar”) | | Brazil | 100.00 | 100.00 | 100.00 |
| Cetrel S.A. (“Cetrel”) | | Brazil | 53.91 | 54.09 | 54.37 |
| | | British virgin islands | | | |
| Common Industries Ltd. (“Common”) | | | 100.00 | 100.00 | 100.00 |
| Ideom T ecnologia Ltda. (“ Ideom”) | (iii) | Brazil | | 100.00 | 100.00 |
| IQ Soluções & Química S.A.(“ Quantiq”) | | Brazil | 100.00 | 100.00 | 100.00 |
| IQAG Armazéns Gerais Ltda. (“IQAG”) | | Brazil | 100.00 | 100.00 | 100.00 |
| Lantana Trading Co. Inc. (“ Lantana”) | | Bahamas | 100.00 | 100.00 | 100.00 |
| Norfolk Trading S.A. (“ Norfolk”) | | Uruguai | 100.00 | 100.00 | 100.00 |
| Politeno Empreendimentos Ltda. (“Politeno Empreendimentos”) | | Brazil | 100.00 | 100.00 | 100.00 |
| Rio Polímeros S.A. (“ Riopol”) | | Brazil | 100.00 | 100.00 | 100.00 |

Jointly-controlled subsidiaries

| | | | | | |
|--|--|-----------|--|-------|-------|
| Refinaria de Petróleo Riograndense S.A. (“ RPR”) | | Brazil | | 33.20 | 32.56 |
| Polietilenos de America S.A.(“ Polimerica”) | | Venezuela | | 49.00 | 49.00 |
| Polipropileno Del Sur S.A.(“ Propilsur”) | | Venezuela | | 49.00 | 49.00 |

Specific Purpose Entity (“SPE”)

| | | | | | |
|---|--|--------|--------|--------|--------|
| Fundo de Investimento Multimercado Crédito Privado Sol (“ FIM Sol”) | | Brazil | 100.00 | 100.00 | 100.00 |
|---|--|--------|--------|--------|--------|

(i) Company created in february 2012 (Nota 1 (b.2)).

(ii) Company created in june 2012 (Nota 1 (b.5)).

(iii) Merged into Braskem in February 2012 (Note 1 (b.3)).

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****2.4. Non-controlling interest in the equity and results of operations of the Company's subsidiaries**

| | Jun/2012 | Equity, adjusted Dec/2011 | Jun/2012 | Profit (loss) for the period, adjusted Jun/2011 |
|---------------|-----------------|--------------------------------------|-----------------|--|
| Braskem Idesa | 115,137 | 93,578 | (9,701) | (2,248) |
| Cetrel | 129,733 | 121,744 | 5,580 | 9,548 |
| Total | 244,870 | 215,322 | (4,121) | 7,300 |

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

| | Jun/2012 | Equity Dec/2011 | Jun/2012 | Profit (loss) for the period Jun/2011 |
|---|------------------|----------------------------|------------------|--|
| Parent Company | 8,502,466 | 9,813,480 | (876,859) | 722,670 |
| Braskem shares owned by subsidiary of Braskem | | | | |
| Petroquímica | (48,892) | (48,892) | | |
| Non-controlling interest | 244,870 | 215,322 | (4,121) | 7,300 |
| Consolidated | 8,698,444 | 9,979,910 | (880,980) | 729,970 |

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 new financial policy approved by the Board of Directors on August 9, 2010. The purpose of risk management is to

protect the cash flows of Braskem and reduce the threats to the financing of its operating working capital and investment programs.

3.1. Market risk

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

(a) Exposure to commodity risks

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

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

(b) Exposure to foreign exchange risk

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

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

(c) Exposure to interest rate risk

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

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

3.2. Exposure to credit risk

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

On June 30, 2012, Braskem held netting contracts with Banco Citibank S.A. HSBC Bank Brasil S.A. – Banco Múltiplo, Banco Itaú BBA S.A. Banco Safra S.A. Banco Santander (Brasil) S.A. Banco Votorantim S.A. Banco West LB do Brasil S.A. Banco Caixa Geral – Brasil S.A. and Banco Bradesco S.A., which seek to mitigate credit and liquidity risks in the event of the insolvency of the parties involved. Approximately 27% of the amounts held in cash and cash equivalents (Note 5) and financial investments (Note 6) are contemplated by these agreements, whose related liabilities are accounted for under “borrowings” (Note 17).

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

The maximum exposure to credit risk of non-derivative financial instruments on the reporting date is the sum of their carrying amounts less any provisions for impairment losses. On June 30, 2012, the balance of trade accounts receivable was net of allowance for doubtful accounts of R\$277,189 (R\$253,607 on December 31, 2011).

Braskem S.A.

Notes to the financial statements

at June 30, 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 needed to comply with short-term obligations, calculated based on the operating disbursements projected for the following month; and (ii) ensuring that the Company maintains liquidity during potential crises, calculated based on the projected operating cash generation, less short-term debts, working capital needs and other items.

In some borrowing agreements, Braskem has financial covenants that link net debt and the payment of interest to its consolidated EBITDA (earnings before interest, tax, depreciation and amortization) (Note 17). The Company's Management monitors these indicators on a 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 enable Braskem to reduce the amount of cash it holds. On June 30, 2012, Braskem had not drawn any credit from these lines.

Braskem S.A.

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4. Business combination

PP assets abroad – Dow Chemical

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

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

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

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

The amount paid includes trade accounts receivable and inventory located in Mexico through the subsidiary Braskem México, in the amount of R\$13.2 million (US\$7.6 million), net of the accounts payable assumed. Since it represented an isolated asset acquisition closed in the short term with the sale of inventory and the financial settlement of accounts receivable and payable, this part of the operation is not considered a business combination.

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

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

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

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

- (i) addition of property, plant and equipment, in the amount of R\$36,526;

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

(ii) effect on deferred income tax loss, in the amount of R\$15,021.

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

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

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

| | United States | Germany | Total business combination | Mexico | Total |
|--|------------------|----------------|----------------------------------|---------------|----------------|
| Transferred consideration | | | | | |
| Cash | 285,135 | 285,551 | 570,686 | 13,214 | 583,900 |
| Total transferred consideration (A) | 285,135 | 285,551 | 570,686 | 13,214 | 583,900 |
| Recognized values of identifiable assets acquired and liabilities assumed | | | | | |
| <u>Current assets</u> | | | | | |
| Trade receivable accounts | 143,932 | 133,438 | 277,370 | 18,948 | 296,318 |
| Inventories | 161,617 | 126,385 | 288,002 | 12,661 | 300,663 |
| <u>Non-current assets</u> | | | | | |
| Property, plant and equipment | 137,186 | 222,483 | 359,669 | | 359,669 |
| <u>Current liabilities</u> | | | | | |
| Trade payables | (140,558) | (153,310) | (293,868) | (18,395) | (312,263) |
| Other payable accounts | (845) | (141) | (985) | | (985) |
| <u>Non-current liabilities</u> | | | | | |

| | | | | | |
|--|----------------|----------------|----------------|---------------|----------------|
| Deferred income tax | (6,374) | (8,647) | (15,021) | | (15,021) |
| Pension plans | | (14,436) | (14,436) | | (14,436) |
| Total comprehensive identified assets and assumed liabilities in a fair value (B) | 294,959 | 305,773 | 600,731 | 13,214 | 613,945 |
| Result of business combination (A) - (B) | 9,824 | 20,222 | 30,045 | | 30,045 |

A specialized independent company estimated the fair value of assets acquired and liabilities assumed, based on the following assumptions:

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

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

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

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

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

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

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

| | Jun/2012 | Parent Company Dec/2011 | Jun/2012 | Consolidated Jun/2011 |
|-------------------|------------------|------------------------------------|------------------|----------------------------------|
| Cash and banks | 9,841 | 69,306 | 364,736 | 349,916 |
| Cash equivalents: | | | | |
| Domestic market | 2,499,010 | 1,748,027 | 2,657,622 | 1,899,825 |
| Foreign market | 173,477 | 407,002 | 275,098 | 737,078 |
| Total | 2,682,328 | 2,224,335 | 3,297,456 | 2,986,819 |

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

6. Financial investments

| | Jun/2012 | Parent Company Dec/2011 | Jun/2012 | Consolidated Dec/2011 |
|---------------------------------|-----------------|------------------------------------|-----------------|----------------------------------|
| Held-for-trading | | | | |
| Investments in FIM Sol | 39,496 | 36,410 | 39,496 | 36,410 |
| Investments in foreign currency | 7,049 | 10,716 | 7,049 | 10,716 |
| Shares | 3,023 | 3,023 | 3,023 | 3,023 |
| Loans and receivables | | | | |
| Investments in FIM Sol | 90,624 | 116,007 | 90,624 | 116,007 |

Held-to-maturity

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Quotas of investment funds in credit rights | 43,017 | 34,720 | 43,017 | 34,720 |
| Restricted deposits | 4,378 | 2,823 | 7,415 | 4,173 |
| Investments in time deposit | | | 50,655 | |
| Investments in foreign currency | | | 304,159 | |
| Compensation of investments in foreign currency (i) | | | (304,159) | |
| Total | 187,587 | 203,699 | 241,279 | 205,049 |
| | | | | |
| In current assets | 144,570 | 168,979 | 169,962 | 170,297 |
| In non-current assets | 43,017 | 34,720 | 71,317 | 34,752 |
| Total | 187,587 | 203,699 | 241,279 | 205,049 |

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

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

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

| | Parent company | | Consolidated | |
|---------------------------------|-----------------------|------------------|---------------------|------------------|
| | Jun/2012 | Dec/2011 | Jun/2012 | Dec/2011 |
| Consumers: | | | | |
| Domestic market | 784,709 | 660,289 | 1,064,324 | 866,168 |
| Foreign market | 680,665 | 676,122 | 1,355,760 | 1,282,251 |
| Allowance for doubtful accounts | (204,254) | (189,071) | (277,189) | (253,607) |
| Total | 1,261,120 | 1,147,340 | 2,142,895 | 1,894,812 |
| In current assets | 1,208,373 | 1,097,482 | 2,087,627 | 1,843,756 |
| In non-current assets | 52,747 | 49,858 | 55,268 | 51,056 |
| Total | 1,261,120 | 1,147,340 | 2,142,895 | 1,894,812 |

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

8. Inventories

| | Parent company | | Consolidated | |
|----------------|-----------------------|-----------------|---------------------|-----------------|
| | Jun/2012 | Dec/2011 | Jun/2012 | Dec/2011 |
| Finished goods | 1,626,842 | 1,192,940 | 3,082,638 | 2,444,547 |
| | 831,822 | 620,877 | 1,106,043 | 866,206 |

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Raw materials, production inputs and packaging | | | | |
| Maintenance materials | 98,878 | 95,980 | 191,125 | 183,779 |
| Advances to suppliers | 11,874 | 16,522 | 78,626 | 58,200 |
| Imports in transit and other | 48,886 | 42,190 | 75,257 | 70,790 |
| Total | 2,618,302 | 1,968,509 | 4,533,689 | 3,623,522 |

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

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

9. Related parties

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

(a) Parent company

| Other | Current | | Assets Non-current | | | Advances from customers | Borrowings | Accounts payable to related parties | | Current Total |
|-------|---------|---------------------|-----------------------|-------------------|---------------------|-------------------------------|------------|---|------------------|------------------|
| | Total | Current accounts | Total | Trade payables | Other receivable | | | Advance to export | Payable notes | |
| | 13,553 | | | 1 | | | | | | 1 |
| | 46,452 | | | | | | | | | |
| | 2,809 | | | | | | | | | |
| | 12,038 | | | | | 453,689 | | 23,368 | 7,765 | 484,822 |
| | 504 | | | | | | | | | |
| | 12,073 | | 7,324 | 7,324 | 2,722,364 | | 52,659 | | 783 | 2,775,806 |
| | 581 | | | | | | | | | |

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| | | | | | | | | | | | |
|------------------|------|------------------|----------------|---------------|----------------|------------------|------------------|---------------|---------------|--------------|------------------|
| | | 96 | 1,507 | | 1,507 | | | | | | |
| 14,273 | (i) | 40,433 | 58,341 | | 58,341 | 451 | | | | | 451 |
| | | 835 | 352,625 | | 352,625 | 171 | | | | | 171 |
| | | | | | | 3,188 | | | | | 3,188 |
| | | | 58 | | 58 | | | | | | |
| 7,729 | (i) | 13,738 | 19,874 | | 19,874 | 145 | | | | | 145 |
| | | 7,156 | | | | 154 | | | | | 154 |
| 22,002 | | 150,268 | 432,405 | 7,324 | 439,729 | 2,726,474 | 453,689 | 52,659 | 23,368 | 8,548 | 3,264,738 |
| | | 3,497 | | | | | | | | | |
| | | 6,658 | | | | | | | | | |
| | | 10,155 | | | | | | | | | |
| | | 190 | | | | | | | | | |
| | | 15,136 | | | | | | | | | |
| | | 15,326 | | | | | | | | | |
| | | | | | | 333 | | | | | 333 |
| | | | | 60,511 | 44,201 | 60,511 | 1,247,207 | | | | 1,247,207 |
| | | 65,340 | | | | | | | | | |
| | | 87 | | | | | | | | | |
| | | 65,427 | | 60,511 | 44,201 | 60,511 | 1,247,540 | | | | 1,247,540 |
| 2,402,294 | (ii) | 2,402,294 | | | | | | | | | |
| 2,402,294 | | 2,402,294 | | | | | | | | | |

| | | | | | | | | | | | |
|-----------|-----------|---------|--------|--------|---------|-----------|---------|--------|--------|-------|-----------|
| 2,424,296 | 2,643,470 | 432,405 | 67,835 | 44,201 | 500,240 | 3,974,014 | 453,689 | 52,659 | 23,368 | 8,548 | 4,512,278 |
|-----------|-----------|---------|--------|--------|---------|-----------|---------|--------|--------|-------|-----------|

able".

174 and in "financial investments": R\$ 130,120.

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

| | Income statement transactions from January to June 30, 2012 | | | |
|--|--|---|--|---|
| | | Purchases of raw materials, services and utilities | Financial income (expenses) | Cost of production/general and administrative expenses |
| | Sales of products | | | |
| Subsidiaries | | | | |
| Braskem America | 5,425 | | 1,413 | |
| Braskem Argentina | 59,906 | | 1,924 | |
| Braskem Chile | 21,438 | | 119 | |
| Braskem Finance | | | 1 | |
| Braskem Holanda | 246,737 | | (301,120) | |
| Braskem Idesa | | | 14 | |
| Braskem Inc | 21,069 | 1,096,587 | (631,305) | |
| Braskem Petroquímica | 180,481 | 100,280 | | |
| Braskem Qpar | 22,548 | 41,926 | | |
| Ideom | 2 | 5,500 | | |
| Lantana | | | 4 | |
| Quantiq | 95,635 | 4,815 | | |
| Riopol | 71,688 | 49,295 | | |
| | 724,929 | 1,298,403 | (928,950) | |
| Jointly-controlled subsidiaries | | | | |
| RPR | 1,940 | 1,482 | 743 | |
| | 1,940 | 1,482 | 743 | |

Associated companies

| | | | |
|----------|---------------|--------------|--|
| Borealis | 35,694 | | |
| Sansuy | 13,504 | 6,902 | |
| | 49,198 | 6,902 | |

Related companies

| | | | |
|-----------|----------------|------------------|--------------|
| CNO | | 156,758 | |
| OSP | | 87,538 | |
| Petrobras | 321,686 | 5,153,849 | 2,341 |
| Other | | 82,459 | |
| | 321,686 | 5,480,604 | 2,341 |

Post-employment benefit plan

| | | | |
|---|--|--|---------------|
| Odebrecht Previdência Privada ("Odeprev") | | | 12,490 |
| | | | 12,490 |

| | | | | |
|--------------|------------------|------------------|------------------|---------------|
| Total | 1,097,753 | 6,787,391 | (925,866) | 12,490 |
|--------------|------------------|------------------|------------------|---------------|

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

| Other | Current | | Assets Non-current | | | Current | | Total | Borrowings |
|-----------|---------|------------------|-----------------------|-------------------------------------|----------------|------------|-------------------------------------|---------------|------------|
| | Total | Current accounts | Related parties | Total | Trade payables | Borrowings | Accounts payable to related parties | | |
| | | | Loan agreements | Advance for future capital increase | | | Advance to export | Payable notes | |
| | 8,164 | | | | | | | | |
| | 37,149 | | | | | | | | |
| | 506 | | | | | | | | |
| | 171,590 | | | | | | 7,157 | | 7,157 |
| | 30,641 | | 6,633 | | 6,633 | 2,307,204 | 56,309 | 72,633 | 2,436,146 |
| | 581 | | | | | | | | 3,44 |
| 4,273 (i) | 91,328 | | | 649,639 | 649,639 | 25,523 | | | 25,523 |
| | 96 | 1,497 | | | 1,497 | | | | |

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| | | | | | | | | | | | |
|--------------|------------------|----------------|---------------|------------------|------------------|------------------|---------------|--------------|---------------|------------------|-------------|
| | 3,137 | 155,712 | | | 155,712 | 1,100 | | | | 1,100 | |
| | | | | | | 58 | | | | 58 | |
| | 189 | 8,987 | | | 8,987 | 18,899 | | | | 18,899 | |
| | | 54 | | | 54 | | | | | | |
| | | 1 | | | 1 | | | | | | |
| 5,995 (i) | 23,783 | 5,022 | | | 5,022 | 246 | | | | 246 | |
| | 12,977 | | | 738,799 | 738,799 | 10,476 | | | | 10,476 | |
| 0,268 | 380,141 | 171,273 | 6,633 | 1,388,438 | 1,566,344 | 2,363,506 | 56,309 | 7,157 | 72,633 | 2,499,605 | 3,44 |
| | 5,196 | | | | | | | | | | |
| | 3,497 | | | | | | | | | | |
| | 8,693 | | | | | | | | | | |
| | 3,123 | | | | | | | | | | |
| | 3,123 | | | | | | | | | | |
| | | | | | | 4,128 | | | | 4,128 | |
| | 21,319 | | 58,169 | | 58,169 | 1,360,267 | | | | 1,360,267 | |
| | 20,056 | | | | | 9,930 | | | | 9,930 | |
| | 41,375 | | 58,169 | | 58,169 | 1,374,325 | | | | 1,374,325 | |
| 5,817 (ii) | 1,665,817 | | | | | | | | | | |
| 5,817 | 1,665,817 | | | | | | | | | | |
| 6,085 | 2,099,149 | 171,273 | 64,802 | 1,388,438 | 1,624,513 | 3,737,831 | 56,309 | 7,157 | 72,633 | 3,873,930 | 3,44 |

receivable".

513,400 and in "financial investments": R\$ 152,417.

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

| | Income statement transactions from January to June 30, 2011 | | | |
|--------------------------|--|---|--|---|
| | | Purchases of raw materials, services and utilities | Financial income (expenses) | Cost of production/general and administrative expenses |
| Subsidiaries | Sales of products | | | |
| Braskem America | 5,106 | | (208) | |
| Braskem Argentina | 25,977 | | (2,172) | |
| Braskem Chile | 5,682 | | 6,312 | |
| Braskem Distribuidora | | | (166) | |
| Braskem Holanda | 231,186 | | 21,545 | |
| Braskem Idesa | | | 48 | |
| Braskem Importação | | | (7) | |
| Braskem Inc | | 1,742,080 | 231,552 | |
| Braskem Participações | | | 3 | |
| Braskem Petroquímica | 62,427 | 20,508 | (346) | |
| Braskem Qpar | 2,642 | 32,986 | 45,681 | |
| Cetrel | 71 | 16,769 | | |
| Ideom | 10 | | 760 | |
| IQAG | | | (17) | |
| ISATEC | | 117 | 55 | |
| Lantana | | | (3) | |
| Politeno Empreendimentos | | | 2 | |
| Quantiq | 52,469 | 4,999 | 1,662 | |
| Riopol | 15,782 | 133,717 | 1,561 | |
| | 401,352 | 1,951,176 | 306,262 | |

| | | | | |
|--------------------------------------|----------------|------------------|----------------|--------------|
| Jointly-controlled subsidiary | | | | |
| RPR | 13,276 | 6,540 | | |
| | 13,276 | 6,540 | | |
| Associated companies | | | | |
| Borealis | 93,034 | | | |
| | 93,034 | | | |
| Related companies | | | | |
| BRK | | | (11) | |
| CNO | | 79,551 | | |
| Odebrecht | | 1,221 | 13 | |
| OSP | | 104,184 | | |
| Petrobras | 442,110 | 3,552,599 | 2,150 | |
| PifCo | 7,446 | | | |
| Other | | 539,567 | | |
| | 449,556 | 4,277,122 | 2,152 | |
| Post-employment benefit plan | | | | |
| Odeprev | | | | 5,064 |
| | | | | 5,064 |
| Total | 957,218 | 6,234,838 | 308,414 | 5,064 |

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

| | | Current | | | | Balances at June 30, 2012 | |
|--|---------------|-------------------------|---------------|------------------------|-------------------------|----------------------------------|-----------------------|
| | | | | | | Assets | Liabilities |
| | | | | | | Non-current | Current |
| Trade accounts receivable | | Related parties | Total | Related parties | | Total | Trade payables |
| | | Receivable notes | | Loan agreements | Other receivable | | |
| Jointly-controlled subsidiaries | | | | | | | |
| Polimerica | | 3,497 | 3,497 | | | | |
| Propilsur | | 6,658 | 6,658 | | | | |
| RPR | | | | | | | 2,575 |
| | | 10,155 | 10,155 | | | | 2,575 |
| Associated companies | | | | | | | |
| Borealis | 264 | 186 | 450 | | | | |
| Sansuy | 15,136 | | 15,136 | | | | |
| | 15,400 | 186 | 15,586 | | | | |
| Related companies | | | | | | | |
| CNO | | | | | | | 333 |

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| | | | | | | | |
|--------------|---------------|---------------|---------------|---------------|----------------|----------------|------------------|
| Petrobras | | | | 60,511 | 105,895 | 166,406 | 1,716,221 |
| PifCo | 70,880 | | 70,880 | | | | |
| Other | 87 | | 87 | | | | |
| | 70,967 | | 70,880 | 60,511 | 105,895 | 166,406 | 1,716,554 |
| Total | 86,367 | 10,341 | 96,621 | 60,511 | 105,895 | 166,406 | 1,719,129 |

Income statement transactions from January to June 30, 2012

| | Sales of products | Purchases of raw materials, services and utilities | Financial income (expenses) | Cost of production/general and administrative expenses |
|--------------------------------------|----------------------|--|-----------------------------------|---|
| Jointly-controlled subsidiary | | | | |
| RPR | 2,247 | 17,877 | 743 | |
| | 2,247 | 17,877 | 743 | |
| Associated companies | | | | |
| Borealis | 41,539 | | | |
| Sansuy | 13,504 | 6,902 | | |
| | 55,043 | 6,902 | | |
| Related parties | | | | |
| CNO | | 156,806 | | |
| OSP | | 87,538 | | |
| Petrobras | 477,410 | 8,352,188 | 1,992 | |
| Other | | 83,084 | | |
| | 477,410 | 8,679,616 | 1,992 | |
| Post-employment benefit plan | | | | |
| Odeprev | | | | 14,469 |
| | | | | 14,469 |
| Total | 534,700 | 8,704,395 | 2,735 | 14,469 |

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

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

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

| | Income statement transactions from January to June 30, 2011 | | | |
|--------------------------------------|---|--|-----------------------------------|---|
| | Sales of products | Purchases of raw materials, services and utilities | Financial income (expenses) | Cost of production/general and administrative expenses |
| Jointly-controlled subsidiary | | | | |
| RPR | 13,615 | 18,770 | (56) | |
| | 13,615 | 18,770 | (56) | |
| Associated companies | | | | |
| Borealis | 93,034 | | | |
| | 93,034 | | | |
| Related companies | | | | |
| BRK | | | (11) | |
| CNO | | 79,551 | | |
| OSP | | 104,184 | | |
| Petrobras | 712,945 | 6,481,978 | 2,150 | |
| Pfico | 7,446 | | | |
| Other | | 542,051 | | |
| | 720,391 | 7,207,764 | 2,139 | |
| Post-employment benefit plan | | | | |
| Odeprev | | | | 6,866 |
| | | | | 6,866 |
| Total | 827,040 | 7,226,534 | 2,083 | 6,866 |

(c) Key management personnel

| Non-current liabilities | Jun/2012 | Dec/2011 |
|--------------------------------|-----------------|-----------------|
| Long-term incentives | 2,172 | 4,121 |
| Total | 2,172 | 4,121 |

| Income statement transactions | Parent Company | | Consolidated | |
|---|-----------------------|-----------------|---------------------|-----------------|
| | Jun/2012 | Jun/2011 | Jun/2012 | Jun/2011 |
| Remuneration | | | | |
| Short-term benefits to employees and managers | 26,302 | 22,693 | 26,302 | 25,168 |
| Post-employment benefit | 102 | 98 | 102 | 121 |
| Long-term incentives | 298 | 569 | 298 | 569 |
| Total | 26,702 | 23,360 | 26,702 | 25,858 |

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****10. Taxes recoverable**

| | Note | Parent Company | | Consolidated | |
|--|------|------------------|------------------|------------------|------------------|
| | | Jun/2012 | Dec/2011 | Jun/2012 | Dec/2011 |
| Parent Company and subsidiaries in Brazil | | | | | |
| Excise tax (IPI) | | 32,663 | 30,625 | 36,248 | 31,575 |
| Value-added tax on sales and services (ICMS) | | 626,818 | 649,546 | 1,056,783 | 1,057,964 |
| Social integration program (PIS) and social contribution on revenue (COFINS) | | 539,118 | 280,480 | 736,339 | 470,962 |
| PIS and COFINS - Law 9,718/98 | | 153,620 | 151,457 | 159,896 | 157,733 |
| PIS - Decree-Law 2,445 and 2,449/88 | | 90,857 | 180,234 | 110,595 | 199,972 |
| Income tax and social contribution (IR and CSL) | | 273,994 | 242,615 | 412,930 | 372,489 |
| Tax on net income (ILL) | | 15,175 | 14,912 | 15,175 | 14,912 |
| REINTEGRA program | (a) | 97,171 | 13,804 | 122,248 | 17,924 |
| Additional state income tax (AIRE) | | 56,001 | 56,001 | 56,001 | 56,001 |
| Other | | 39,827 | 49,558 | 68,216 | 81,345 |
| Foreign subsidiaries | | | | | |
| Value-added tax | | | | 122,100 | 64,291 |
| Income tax | | | | 17,346 | 17,332 |
| Other | | | | 296 | |
| Total | | 1,925,244 | 1,669,232 | 2,914,173 | 2,542,500 |

| | | | | |
|-----------------------|------------------|------------------|------------------|------------------|
| In current assets | 800,106 | 606,258 | 1,300,513 | 1,036,253 |
| In non-current assets | 1,125,138 | 1,062,974 | 1,613,660 | 1,506,247 |
| Total | 1,925,244 | 1,669,232 | 2,914,173 | 2,542,500 |

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

(a) REINTEGRA Program

On December 14, 2011, Federal Law 12,546 was approved, which created the program called “REINTEGRA”. The program aims to refund to exporters the federal taxes levied on the production chain for goods sold abroad. The realization of such credits may occur in two ways: (i) to offset PIS and COFINS taxes; or (ii) as cash refund. The Company opted for cash refund.

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

| | Jun/2012 | Parent Company Dec/2011 | Jun/2012 | Consolidated Dec/2011 |
|---|-----------------|------------------------------------|-----------------|----------------------------------|
| Judicial deposits | | | | |
| Tax contingencies | 95,672 | 96,081 | 104,797 | 105,611 |
| Labor and social security contingencies | 54,626 | 50,595 | 65,875 | 60,187 |
| Other | 4,914 | 4,916 | 6,159 | 8,422 |
| Total | 155,212 | 151,592 | 176,831 | 174,220 |

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

12. Insurance claims

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

(i) damages receivable for losses that occurred in December 2010 and February 2011 in the furnaces and electric system at the Olefins plants of the Basic Petrochemicals unit of the Northeast Complex in the amounts of R\$84,940 and R\$28,575, respectively; and

(ii) damages receivable for losses at the Chlor-Alkali plant in the state of Alagoas in the amount of R\$7,137.

In the first half of 2012, Braskem received the amount of R\$36,545 from insurers related to damages for the losses that occurred in the furnaces of the Olefins plants. On June 30, 2012, the amounts of damages expected to be received within 12 months were transferred to current assets, under "other accounts receivable" (Note 13), in the amount of R\$68,731, of which R\$40,426 are related to the losses mentioned in item (i) of this note.

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

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

13. Other accounts receivable - consolidated

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

(a) Current

The main balances forming this line under current assets are:

(i) R\$101,888 in advances to service suppliers (R\$96,213 on December 31, 2011); and

(ii) R\$68,731 in insurance claims, which were transferred to current assets, in accordance with the estimated receivable dates (Note 12).

(b) Non-current

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

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

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

(a) Information on investments

| | Interest in total capital (%) | Adjusted net profit (loss) for the period | | Parent company Adjusted equity | |
|--|--------------------------------------|--|-----------------|---------------------------------------|-----------------|
| | | Jun/2012 | Jun/2011 | Jun/2012 | Dec/2011 |
| (a.1) Investments of the parent company | | | | | |
| Subsidiaries | | | | | |
| Braskem Alemanha | 5.66 | (45,348) | | 191,356 | 208,192 |
| Braskem America | 100.00 | 252,851 | 25,636 | 746,712 | 480,405 |
| Braskem Argentina | 96.77 | (523) | 2,320 | 3,942 | 4,465 |
| Braskem Austria (i) | 100.00 | | | 81 | |
| Braskem Chile | 99.02 | 150 | (135) | 1,693 | 1,543 |
| Braskem Distribuidora | 100.00 | 6,561 | (5,301) | 101,051 | 94,490 |
| Braskem Holanda | 100.00 | 11,414 | 13,223 | 527,528 | 489,925 |
| Braskem Finance | 100.00 | (25,643) | (102,997) | (116,633) | (90,990) |
| Braskem Idesa | 65.00 | (27,719) | (7,192) | 328,964 | 267,367 |
| Braskem Importação | 0.04 | (1) | 8 | 204 | 205 |
| Braskem Inc. | 100.00 | 27,475 | (49,196) | 215,465 | 187,990 |
| Braskem Participações | 100.00 | 286 | 1,231 | 1,637 | 781 |
| Braskem Petroquímica | 100.00 | 22,280 | 7,988 | 1,585,147 | 913,193 |
| Braskem Qpar | 96.96 | (49,646) | 72,795 | 2,672,410 | 2,722,056 |

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| | | | | | | |
|--|------|--------|--------|----------|-----------|-----------|
| Cetrel | | 52.67 | 11,569 | 20,563 | 305,935 | 290,192 |
| Ideom | (ii) | 100.00 | | (10,748) | | 20,762 |
| IQAG | | 0.12 | 627 | 371 | 2,820 | 1,690 |
| Petroquímica Chile | | 97.96 | 212 | 1,016 | 6,920 | 6,708 |
| Politeno | | | | | | |
| Empreendimentos | | 99.98 | (2) | (4) | 29 | 31 |
| Quantiq | | 99.90 | 7,524 | 10,533 | 236,424 | 228,899 |
| Riopol | | 100.00 | 43,356 | 64,864 | 2,549,730 | 1,767,574 |
| Jointly-controlled subsidiary | | | | | | |
| RPR | | 33.20 | 2,696 | 8,860 | 120,534 | 120,655 |
| Associates | | | | | | |
| Borealis | | 20.00 | 5,703 | 7,533 | 155,060 | 149,349 |
| Companhia de Desenvolvimento Rio Verde ("Codeverde") | | 35.97 | 649 | 1,561 | 47,343 | 66,606 |
| Sansuy | | 20.00 | (12) | (12) | 1,942 | 1,954 |

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

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

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

| | Interest in total capital (%) Jun/2012 | Adjusted net profit (loss) for the period | | Parent company Adjusted equity | |
|--|---|--|----------|--------------------------------------|----------|
| | | Jun/2012 | Jun/2011 | Jun/2012 | Dec/2011 |
| (a.2) Investments of subsidiaries | | | | | |
| Braskem America | | | | | |
| Braskem America Finance | 100.00 | (505) | | (5,605) | (3,506) |
| Braskem Chile | | | | | |
| Braskem Argentina | 3.17 | (523) | 2,320 | 3,942 | 4,465 |
| Petroquímica Chile | 2.03 | 212 | 1,016 | 6,920 | 6,708 |
| Braskem Distribuidora | | | | | |
| Braskem Argentina | 0.06 | (523) | 2,320 | 3,942 | 4,465 |
| Lantana | 96.34 | 6,845 | (4,947) | 95,117 | 88,272 |
| Braskem Holanda | | | | | |
| Braskem Alemanha | 94.34 | (45,348) | | 191,356 | 208,192 |
| Propilsur | 49.00 | (515) | (310) | 107,909 | 103,419 |
| Polimerica | 49.00 | (13) | (132) | 74,045 | 71,377 |
| Braskem Idesa | | | | | |
| Braskem Idesa Serviços | 100.00 | 234 | | 2,448 | 1,982 |
| Braskem Importação | | | | | |
| Braskem México | 0.03 | 259 | 1,033 | 3,065 | 2,237 |
| Braskem Inc. | | | | | |
| Braskem Chile | 0.98 | 150 | (135) | 1,693 | 1,543 |
| Lantana | 3.66 | 6,845 | (4,947) | 95,117 | 88,272 |
| Petroquímica Chile | 0.01 | 212 | 1,016 | 6,920 | 6,708 |
| Braskem Participações | | | | | |

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| | | | | | |
|-----------------------------|--------|----------|---------|-----------|-----------|
| Braskem Importação | 99.96 | (1) | 8 | 204 | 205 |
| Braskem México | 99.97 | 259 | 1,033 | 3,065 | 2,237 |
| Politeno Empreendimentos | 0.02 | (2) | (4) | 29 | 31 |
| Quantiq | 0.10 | 7,524 | 10,533 | 236,424 | 228,899 |
| Braskem Petroquímica | | | | | |
| Braskem Qpar | 3.04 | (49,646) | 72,795 | 2,672,410 | 2,722,056 |
| Cetrel | 1.24 | 11,569 | 20,563 | 305,935 | 290,192 |
| Common | | | | | |
| Norfolk | 100.00 | 6,076 | (2,376) | 68,071 | 61,995 |
| Quantiq | | | | | |
| IQAG | 99.88 | 627 | 371 | 2,820 | 1,690 |
| Braskem Qpar | | | | | |
| Common | 100.00 | 550 | (324) | 7,456 | 6,906 |

| | Interest in total capital (%) Jun/2012 | Adjusted net profit (loss) for the period | | Consolidated Adjusted equity | |
|-------------------|---|--|----------|------------------------------------|----------|
| | | Jun/2012 | Jun/2011 | Jun/2012 | Dec/2011 |
| Associates | | | | | |
| Borealis | 20.00 | 5,703 | 7,533 | 155,060 | 149,349 |
| Codeverde | 35.97 | 649 | 1,561 | 47,343 | 66,606 |
| Sansuy | 20.00 | (12) | (12) | 1,942 | 1,954 |

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****(b) Changes in investments in subsidiaries, jointly-controlled subsidiaries and associates**

| Balance at Dec/2011 | Merger | Shares acquisition | Capital increase | Dividends and interest on capital | Equity in results of investees Effect of results | Adjustment of profit in inventories | Goodwill amortization | Other | Interest gain | Cur transl adjustm |
|--------------------------------|-----------------|-------------------------------|-----------------------------|--|---|--|----------------------------------|--------------|--------------------------|-----------------------------------|
| 94,490 | | | | | 6,561 | | | | | |
| 781 | | | | | 286 | | | | | |
| (ii) 773,644 | | | 649,639 | | 22,280 | 1,539 | (1,718) | | 34 | |
| 3,632,228 | | | | | (48,136) | 1,609 | (42,835) | | | |
| 147,638 | | 254 | | | 6,392 | | (956) | | 1,477 | |
| (i) 20,762 | (23,387) | | | | 2,625 | | | | | |
| 31 | | | | | (2) | | | | | |
| 234,169 | | | | | 7,525 | 190 | | 18 | | |
| (ii) 1,765,777 | | | 738,799 | | 43,356 | 477 | | | | |
| 40,063 | | | | (1,689) | 1,649 | | | | | |
| 6,709,583 | (23,387) | 254 | 1,388,438 | (1,689) | 42,536 | 3,815 | (45,509) | 18 | 1,511 | |

| | | | | | | | | | | |
|------------------|-----------------|------------|------------------|----------------|----------------|--------------|-----------------|-----------|--------------|-----------|
| 12,853 | | | | (2,567) | | | | | | |
| 488,191 | | | | 252,851 | | 2,025 | | | | |
| 3,127 | | | | (523) | | 1,338 | | | | |
| | | | 81 | | | | | | | |
| 1,543 | | | | 150 | | | | | | |
| 507,737 | | | | 11,414 | | | | | | |
| 173,488 | | | 34,869 | (18,017) | | | | | | |
| 187,990 | | | | 27,475 | | | | | | |
| 6,708 | | | | 212 | | | | | | |
| 1,381,637 | | | 34,950 | 270,995 | | 3,363 | | | | |
| 8,091,220 | (23,387) | 254 | 1,423,388 | (1,689) | 313,531 | 7,178 | (45,509) | 18 | 1,511 | 36 |
| 29,870 | | | | 1,142 | | | | | | |
| 29,870 | | | | 1,142 | | | | | | |

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

(ii) On April 30, 2012, the capital stock of these subsidiaries was increased through Advance for Future Capital Increase (AFAC) (Note 1 (b.4)).

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

| | Jun/2012 | Parent company | Jun/2012 | Consolidated |
|--|-----------------|-----------------------|-----------------|---------------------|
| | | Jun/2011 | | Jun/2011 |
| Equity in results of subsidiaries | 320,709 | 113,494 | 118 | (293) |
| Equity in results of associate and jointly-controlled subsidiary | 1,142 | 2,227 | 589 | 1,871 |
| Amortization of fair value adjustment | (45,509) | (i) (48,546) | | |
| Provision for losses on investments | (25,625) | (83,760) | | (18) |
| Dividends from other investments / other | 1,373 | 420 | 1,373 | (2,308) |
| | 252,090 | (16,165) | 2,080 | (748) |

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

- R\$42,835 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\$9,718; “cost of sales”, in the amount of R\$46,672; “general and administrative expenses” in the amount of R\$45, and “financial results”, in the amount of R\$8,466. The effect of deferred income tax and social contribution was R\$22,066.

- R\$2,674 related to the amortization of goodwill from fair value adjustments on property, plant and equipment of the subsidiaries Braskem Petroquímica and Cetrel.

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

15. Property, plant and equipment

| | Jun/2012 | | | Parent company Dec/2011 | | |
|--|-------------------|---|-------------------|----------------------------|---|-------------------|
| | Cost | Accumulated depreciation/ depletion | Net | Cost | Accumulated depreciation/ depletion | Net |
| Land | 84,112 | | 84,112 | 84,112 | | 84,112 |
| Buildings and improvements | 1,434,136 | (656,245) | 777,891 | 1,429,520 | (632,144) | 797,376 |
| Machinery, equipment and installations | 15,465,291 | (7,136,247) | 8,329,044 | 14,900,873 | (6,767,658) | 8,133,215 |
| Projects in progress | 2,772,726 | | 2,772,726 | 2,618,316 | | 2,618,316 |
| Other | 511,225 | (316,292) | 194,933 | 499,450 | (306,491) | 192,959 |
| Impairment | (159,892) | | (159,892) | (160,036) | | (160,036) |
| Total | 20,107,598 | (8,108,784) | 11,998,814 | 19,372,235 | (7,706,293) | 11,665,942 |

| | Jun/2012 | | | Consolidated Dec/2011 | | |
|------|-----------|---|-----------|--------------------------|---|-----------|
| | Cost | Accumulated depreciation/ depletion | Net | Cost | Accumulated depreciation/ depletion | Net |
| Land | 419,284 | | 419,284 | 418,426 | | 418,426 |
| | 1,876,246 | (710,512) | 1,165,734 | 1,859,991 | (678,524) | 1,181,467 |

| | | | | | | |
|--|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
| Buildings and improvements | | | | | | |
| Machinery, equipment and installations | 23,480,852 | (8,615,728) | 14,865,124 | 22,782,338 | (7,923,353) | 14,858,985 |
| Projects in progress | 4,286,872 | | 4,286,872 | 3,771,381 | | 3,771,381 |
| Other | 922,038 | (400,933) | 521,105 | 941,649 | (349,151) | 592,498 |
| Impairment | (159,892) | | (159,892) | (160,036) | | (160,036) |
| Total | 30,825,400 | (9,727,173) | 21,098,227 | 29,613,749 | (8,951,028) | 20,662,721 |

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, this balance includes the Company's investment 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

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

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

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

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

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

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

16. Intangible Assets

| | Cost | Accumulated amortization | Jun/2012 Net | Cost | Accumulated amortization | Consolidated Dec/2011 Net | Parent company Jun/2012 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 | 209,103 | (66,805) | 142,298 | 189,745 | (62,217) | 127,528 | 51,459 |
| Software and use rights | 434,699 | (188,584) | 246,115 | 410,231 | (162,444) | 247,787 | 143,496 |
| Contracts with customers and | 671,190 | (122,839) | 548,351 | 671,190 | (93,564) | 577,626 | |

suppliers

| | | | | | | | |
|--------------|------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|
| Total | 4,509,537 | (1,509,022) | 3,000,515 | 4,465,711 | (1,449,019) | 3,016,692 | 2,253,829 |
|--------------|------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|

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

Impairment testing of intangible assets with indefinite useful life

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

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

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****17. Borrowings**

| | | Annual financial charges | | Consolidated | |
|--------------------------------|-------|---------------------------------|---|---------------------|-----------|
| | | Monetary restatement | Average interest (unless otherwise stated) | Jun/2012 | |
| | | | | Dec/2011 | |
| <u>Foreign currency</u> | | | | | |
| Bonds and MTN | (i) | Note 17 (a) | Note 17 (a) | 8,669,641 | 6,147,427 |
| Advances on exchange contracts | (ii) | US dollar exchange variation | 2.03% | | 131,668 |
| Export prepayments | | Note 17 (b) | Note 17 (b) | 929,017 | 1,781,346 |
| BNDES | | Note 17 (c) | Note 17 (c) | 460,195 | 413,722 |
| Export credit notes | | Note 17 (d) | Note 17 (d) | 779,023 | 723,153 |
| Project financing (NEXI) | (iii) | Yen exchange variation | 0.95% above Libor | | 26,318 |
| Other | | US dollar exchange variation | 1.69% above Libor | 759,203 | 476,086 |
| Transactions costs, net | | | | (80,822) | (84,525) |
| <u>Local currency</u> | | | | | |
| Export credit notes | | Note 17 (d) | Note 17 (d) | 1,980,193 | 2,281,814 |
| BNDES | | Note 17 (c) | Note 17 (c) | 2,497,894 | 2,556,521 |
| BNB/ FINAME/ FINEP/ FUNDES | | | 6.93% | 655,660 | 504,476 |

| | | | | |
|----------------------------------|--------------------------------|-------------|-------------------|-------------------|
| BNB/ FINAME/ FINEP/ FUNDES | T JLP | 0.31% | 32,079 | 40,372 |
| Other | Post-fixed monetary correction | 106% of CDI | 11,252 | 148,158 |
| Transactions costs, net | | | (378) | (1,724) |
| Total | | | 16,692,957 | 15,144,812 |
| Current liabilities | | | 1,385,407 | 1,391,779 |
| Non-current liabilities | | | 15,307,550 | 13,753,033 |
| Total | | | 16,692,957 | 15,144,812 |

- (i) Medium Term Notes (MTNs)
- (ii) In February 2012, the Company prepaid this borrowing.
- (iii) In June 2012, the Company paid at maturity the borrowing denominated in yen contracted from NEXI.

| | Jun/2012 | Parent company Dec/2011 |
|--------------------------------|-------------------|------------------------------------|
| <u>Foreign currency</u> | | |
| Current liabilities | 319,092 | 409,580 |
| Non-current liabilities | 7,267,814 | 7,586,674 |
| | 7,586,906 | 7,996,254 |
| <u>Local currency</u> | | |
| Current liabilities | 664,239 | 551,939 |
| Non-current liabilities | 3,723,414 | 3,689,522 |
| | 4,387,653 | 4,241,461 |
| Current liabilities | 983,331 | 961,519 |
| Non-current liabilities | 10,991,228 | 11,276,196 |
| Total | 11,974,559 | 12,237,715 |

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

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

| Issue date | | Issue amount (US\$ in thousands) | Maturity | Interest (% per year) | Consolidated | |
|-------------------|-------|---|---------------------|----------------------------------|---------------------|------------------|
| | | | | | Jun/2012 | Dec/2011 |
| July 1997 | | 250,000 | June 2015 | 9.38 | 132,949 | 123,379 |
| January 2004 | | 250,000 | January 2014 | 11.75 | 179,292 | 166,392 |
| September 2006 | | 275,000 | January 2017 | 8.00 | 273,223 | 253,563 |
| June 2008 | | 500,000 | June 2018 | 7.25 | 1,015,738 | 942,622 |
| May 2010 | | 400,000 | May 2020 | 7.00 | 811,710 | 752,951 |
| May 2010 | | 350,000 | May 2020 | 7.00 | 714,746 | 663,296 |
| October 2010 | | 450,000 | no maturity date | 7.38 | 925,610 | 858,981 |
| April 2011 | | 750,000 | April 2021 | 5.75 | 1,529,008 | 1,419,013 |
| July 2011 | | 500,000 | July 2041 | 7.13 | 1,042,254 | 967,230 |
| February 2012 | (i) | 250,000 | April 2021 | 5.75 | 511,378 | |
| February 2012 | (ii) | 250,000 | no maturity date | 7.38 | 514,331 | |
| May 2012 | (iii) | 500,000 | May 2022 | 5.38 | 1,019,402 | |
| Total | | 4,725,000 | | | 8,669,641 | 6,147,427 |

(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.

(iii) 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 annum. The bonds mature in May 2022 and have semiannual interest payments on May 2 and November 2 of each year.

(b) Export prepayments (“EPP”)

| Issue date | Initial amount of the transaction (US\$ thousand) | Maturity | Charges (% per year) | Consolidated | |
|------------------|---|---------------|--|----------------|------------------|
| | | | | Jun/2012 | Dec/2011 |
| December 2005 | 55,000 | December 2012 | US dollar exchange variation + semiannual Libor + 1.60 | 13,903 | 25,803 |
| July 2006 (i) | 95,000 | June 2013 | US dollar exchange variation + 3.17 | | 33,416 |
| July 2006 (i) | 75,000 | July 2014 | US dollar exchange variation + 2.73 | | 72,696 |
| March 2007 (i) | 35,000 | March 2014 | US dollar exchange variation + 4.10 | | 47,147 |
| April 2007 (ii) | 150,000 | April 2014 | US dollar exchange variation + 3.40 | | 282,206 |
| March 2010 (i) | 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 | 304,037 | 282,093 |
| June 2010 (i) | 150,000 | June 2016 | US dollar exchange variation + semiannual Libor + 2.60 | | 281,869 |
| December 2010 | 100,000 | December 2017 | US dollar exchange variation + semiannual Libor + 2.47 | 203,856 | 187,783 |
| March 2011 (iii) | 200,000 | February 2021 | US dollar exchange variation + semiannual Libor + 1.20 | 407,221 | 377,525 |
| Total | 1,110,000 | | | 929,017 | 1,781,346 |

(i) The Company prepaid these borrowings.

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

(ii) On June 30, 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 (Note 6).

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

(c) BNDES borrowings

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

| Projects | Issue date | Maturity | Charges (% per year) | Consolidated | |
|--------------------------------|-------------------|-----------------|--|---------------------|-----------------|
| | | | | Jun/2012 | Dec/2011 |
| <u>Foreign currency</u> | | | | | |
| Other | 2005/2006 | October 2016 | US dollar exchange variation + 6.39 to 6.59 | 11,281 | 11,764 |
| Other | 2005/2006 | May 2013 | Monetary variation (UMBNDDES) + 5.49 to 6.29 | 2,424 | 3,683 |
| Plant PP - Paulinia | 2006 | January 2015 | US dollar exchange variation + 6.49 | 23,059 | 25,546 |
| Limit of credit UNIB-South | 2006 | July 2014 | US dollar exchange variation + 5.41 to 6.09 | 14,941 | 17,866 |

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| | | | | | |
|-----------------------------|----------------|--------------|---|----------------|----------------|
| Braskem Qpar expansion | 2006/2007/2008 | April 2016 | US dollar exchange variation + 6.09 to 6.59 | 40,688 | 44,047 |
| Braskem Qpar expansion | 2006/2007/2008 | January 2015 | Monetary variation (UMBNDDES) + 6.24 | 2,580 | 2,862 |
| Limit of credit I | 2007 | April 2015 | US dollar exchange variation + 4.91 to 5.80 | 52,176 | 57,813 |
| Green PE | 2009 | July 2017 | US dollar exchange variation + 6.17 | 48,761 | 49,463 |
| Limit of credit II | 2009 | January 2017 | US dollar exchange variation + 6.17 | 103,667 | 87,694 |
| Plant expansion PVC Alagoas | 2010 | January 2020 | US dollar exchange variation + 6.17 | 73,954 | 68,630 |
| Limit of credit III | 2011 | January 2018 | US dollar exchange variation + 6.04 | 62,534 | 28,169 |
| Butadiene | 2011 | January 2021 | US dollar exchange variation + 6.04 | 24,130 | 16,185 |
| | | | | 460,195 | 413,722 |

Local currency

| | | | | | |
|-----------------------------|----------------|----------------|---------------------|------------------|------------------|
| Other | 2005/2006 | September 2016 | TJLP + 0.52 to 3.50 | 134,568 | 166,862 |
| Plant PP - Paulinia | 2006 | December 2014 | TJLP + 2.40 to 3.40 | 204,128 | 245,014 |
| Limit of credit UNIB-South | 2006 | May 2014 | TJLP + 2.02 to 3.00 | 67,772 | 92,131 |
| Braskem Qpar expansion | 2006/2007/2008 | February 2016 | TJLP + 1.00 to 3.50 | 392,638 | 460,270 |
| Limit of credit I | 2007 | April 2015 | TJLP + 1.81 to 2.32 | 217,170 | 260,851 |
| Green PE | 2008/2009 | June 2017 | TJLP + 0.00 to 4.78 | 461,175 | 508,083 |
| Limit of credit II | 2009 | January 2017 | TJLP + 2.58 to 3.58 | 358,254 | 327,902 |
| Limit of credit II | 2009 | January 2017 | 4.50 | 15,999 | 17,582 |
| Plant expansion PVC Alagoas | 2010 | December 2019 | TJLP + 0.00 to 3.58 | 261,340 | 261,403 |
| Plant expansion PVC Alagoas | 2010 | December 2019 | 5.50 | 40,463 | 30,129 |
| Limit of credit III | 2011 | January 2018 | TJLP + 2.05 to 3.45 | 246,378 | 122,234 |
| Butadiene | 2011 | December 2020 | TJLP + 2.45 to 3.45 | 98,009 | 64,060 |
| Total | | | | 2,497,894 | 2,556,521 |

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****(d) Export credit notes (“NCE”)**

| Issue date | Initial amount of the transaction | Maturity | Charges (% per year) | Consolidated | |
|--------------------------------|-----------------------------------|----------------|-------------------------------------|----------------|----------------|
| | | | | Jun/2012 | Dec/2011 |
| <u>Foreign currency</u> | | | | | |
| November 2006 | 167,014 | May 2018 | Us dollar exchange variation + 8.10 | 159,471 | 147,991 |
| April 2007 | 101,605 | March 2018 | Us dollar exchange variation + 7.87 | 102,877 | 95,533 |
| May 2007 | 146,010 | May 2019 | Us dollar exchange variation + 7.85 | 152,589 | 141,636 |
| January 2008 | 266,430 | February 2020 | Us dollar exchange variation + 7.30 | 312,417 | 290,043 |
| March 2008 | 41,750 | March 2016 | Us dollar exchange variation + 7.50 | 51,669 | 47,950 |
| | 722,809 | | | 779,023 | 723,153 |
| <u>Local currency</u> | | | | | |
| December 2005 (i) | 100,000 | March 2014 | 106% of CDI | | 105,345 |
| January 2006 (i) | 11,500 | January 2014 | 108% of CDI | | 7,731 |
| April 2010 | 50,000 | March 2014 | 12.16 | 64,446 | 60,861 |
| June 2010 | 200,000 | June 2014 | 12.13 | 251,551 | 237,590 |
| September 2010 (ii) | 71,000 | September 2012 | 100.7% of CDI | 86,539 | 81,818 |
| February 2011 | 250,000 | | 99% of CDI | 287,092 | 274,613 |

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| | | | | | | |
|---------------|-------|------------------|------------------|---------------|------------------|------------------|
| | | | February 2014 | | | |
| April 2011 | (iii) | 450,000 | April 2019 | 112.5% of CDI | 458,523 | 461,209 |
| June 2011 | | 80,000 | June 2014 | 98.5% of CDI | 88,395 | 84,572 |
| August 2011 | (iii) | 400,000 | August 2019 | 112.5% of CDI | 403,170 | 404,267 |
| October 2011 | | 250,000 | April 2012 | 108.3% of CDI | | 158,568 |
| November 2011 | (i) | 400,000 | November 2019 | 112.5% of CDI | | 405,240 |
| January 2012 | | 200,000 | December 2013 | 103% of CDI | 209,465 | |
| February 2012 | | 30,000 | December 2012 | 8.50 | 30,946 | |
| June 2012 | | 100,000 | June 2014 | 103% of CDI | 100,066 | |
| Total | | 2,592,500 | | | 1,980,193 | 2,281,814 |

(i) 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.i)).

(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.i)).

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

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

| | Jun/2012 | Consolidated Dec/2011 |
|---------------------|-------------------|----------------------------------|
| 2013 | 660,207 | 1,252,464 |
| 2014 | 1,752,192 | 1,781,917 |
| 2015 | 1,189,219 | 1,123,509 |
| 2016 | 1,022,517 | 1,204,472 |
| 2017 | 649,284 | 565,456 |
| 2018 | 1,453,464 | 1,331,131 |
| 2019 | 1,169,327 | 1,536,264 |
| 2020 | 1,909,024 | 1,754,200 |
| 2021 | 2,061,074 | 1,430,065 |
| 2022 and thereafter | 3,441,242 | 1,773,555 |
| Total | 15,307,550 | 13,753,033 |

(f) Capitalized financial charges

The Company and its subsidiaries capitalized financial charges in the period ended June 30, 2012 in the amount of R\$78,883 (R\$40,316 on June 30, 2011), including monetary variation and part of the exchange variation. The average rate of these charges in the period was 7.27% p.a. (7.45% p.a. on June 30, 2011).

(g) Guarantees

Braskem gave collateral for part of its borrowings as follows:

| Loans | Maturity | Total guaranteed | Total debt Jun/2012 | Guarantees |
|--------------|------------------|-----------------------------|--------------------------------|--|
| BNB | December 2022 | 325,389 | 325,389 | Mortgage of plants, pledge of machinery and equipment |
| BNDES | January 2020 | 2,958,089 | 2,958,089 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FUNDES | May 2020 | 206,898 | 206,898 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FINEP | January 2019 | 147,847 | 147,847 | Bank surety |
| FINAME | July 2015 | 7,605 | 7,605 | Pledge of equipment |
| Total | | 3,645,828 | 3,645,828 | |

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

(h) Financial covenants

The Company has a borrowing agreement (Note 17 (b.iii)) that establishes 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 capacity to generate EBITDA (earnings before interest, taxes, depreciation and amortization). The second indicator stipulated in the agreement of the Company is the division of consolidated EBITDA by net interest, which corresponds to the difference between interest paid and interest received.

On June 30, 2012, the Company was in compliance with all commitments undertaken.

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

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

18.1. Non-derivative financial instruments

| | Classification by category | Fair value hierarchy | Note | Book value | | Fair value | |
|----------------------------------|----------------------------|----------------------|------|------------------|------------------|------------------|------------------|
| | | | | Jun/2012 | Dec/2011 | Jun/2012 | Dec/2011 |
| Cash and cash equivalents | | | 5 | | | | |
| Cash and banks | Loans and receivables | | | 364,736 | 349,916 | 364,736 | 349,916 |
| Financial investments in Brazil | Held-for-trading | Level 2 | | 385,447 | 435,580 | 385,447 | 435,580 |
| Financial investments in Brazil | Loans and receivables | | | 2,272,175 | 1,464,245 | 2,272,175 | 1,464,245 |
| Financial investments abroad | Held-for-trading | Level 2 | | 275,098 | 737,078 | 275,098 | 737,078 |
| | | | | 3,297,456 | 2,986,819 | 3,297,456 | 2,986,819 |
| Financial investments | | | 6 | | | | |

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| | | | | | | | |
|---------------------------------------|-----------------------------|---------|-------|-------------------|-------------------|-------------------|-------------------|
| FIM Sol investments | Held-for-trading | Level 2 | | 39,496 | 36,410 | 39,496 | 36,410 |
| Investments in foreign currency | Held-for-trading | Level 2 | | 7,049 | 10,716 | 7,049 | 10,716 |
| Investments in foreign currency | Held-to-maturity | | | 50,655 | | 50,655 | |
| Shares | Held-for-trading | Level 1 | | 3,023 | 3,023 | 3,023 | 3,023 |
| FIM Sol investments | Loans and receivables | | | 90,624 | 116,007 | 90,624 | 116,007 |
| Quotas of receivables investment fund | Held-to-maturity | | | 43,017 | 34,720 | 43,017 | 34,720 |
| Restricted deposits | Held-to-maturity | | | 7,415 | 4,173 | 7,415 | 4,173 |
| | | | | 241,279 | 205,049 | 241,279 | 205,049 |
| Trade accounts receivable | Loans and receivables | | 7 | 2,142,895 | 1,894,812 | 2,142,895 | 1,894,812 |
| Related parties | Loans and receivables | | 9 (b) | 176,747 | 58,169 | 176,747 | 58,169 |
| Trade payables | Other financial liabilities | | | 8,838,558 | 6,847,340 | 8,838,558 | 6,847,340 |
| Borrowings | | | | | | | |
| Foreign currency | Other financial liabilities | | 17 | 11,597,079 | 9,699,720 | 12,034,625 | 9,956,792 |
| Local currency | Other financial liabilities | | | 5,177,078 | 5,531,341 | 5,177,078 | 5,531,765 |
| | | | | 16,774,157 | 15,231,061 | 17,211,703 | 15,488,557 |
| Debentures | Other financial liabilities | | | | 19,102 | | 19,102 |

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.

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Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

18.2. Derivative financial instruments

| Identification | Operation characteristics | | Dec/2011 | Change in fair value (Note 18.2.2) | Financial settlement | Jun/2012 |
|---|---------------------------|-------------------|----------------|---|-------------------------|----------------|
| | Asset part | Liability part | | | | |
| <u>Non-hedge accounting transactions</u> | | | | | | |
| Foreign exchange swap | (i) | Yen | CDI | 649 | (142) | (507) |
| | | Note | | | | |
| Foreign exchange swap | 18.2.1 (a.i) | CDI | Dolar | 70,969 | 114,393 | 17,237 |
| | | Note | | | | |
| Repurchase of shares swap | 18.2.1 (a.ii) | Share value | CDI | 2,263 | (498) | 1,765 |
| 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) | Brent (iii) | Naphtha | | 543 | (543) |
| | | Note | | | | |
| Commodity swap - ethanol | (ii) | 18.2.1 (a.iii) | Reais | Dolar | 7,772 | 1,315 |
| | | | | | | 9,087 |
| | | | | 74,159 | 121,993 | 17,299 |
| | | | | | | 213,451 |
| <u>Hedge accounting transactions</u> | | | | | | |
| | (iv) | Libor | | 19,309 | (685) | (18,624) |

| Interest rate swaps | | Fixed rate | | | | |
|--|-------------------|----------------------|-----|---------------|--------------|-----------------|
| Interest rate swaps | Note 18.2.1 (b.i) | Pre-contractual rate | CDI | (833) | 194 | (639) |
| | | | | 18,476 | (491) | (18,624) |
| Current assets (other receivables) | | | | (1,035) | | (639) |
| Current liability (hedge operations) | | | | 83,392 | | 213,451 |
| Non-current liabilities (hedge operations) | | | | 10,278 | | |
| | | | | 92,635 | | 212,812 |

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

(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.

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

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

The regular changes in the fair value of swaps are recorded as financial income or expenses in the same period in which they occur. Braskem recognized a financial expense of R\$121,993 related to the change in the fair value of these swaps for the period ended June 30, 2012.

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

| Identification | Nominal value | Interest rate | Maturity | Fair value | |
|---|----------------------|----------------------|-----------------|-------------------|-----------------|
| | | | | Jun/2012 | Dec/2011 |
| Swap NCE I | 200,000 | 5.44% | Aug-2019 | 62,220 | 32,023 |
| Swap NCE II | 100,000 | 5.40% | Aug-2019 | 28,842 | 13,952 |
| Swap NCE III | 100,000 | 5.37% | Aug-2019 | 27,257 | 12,512 |
| Swap NCE IV | 100,000 | 5.50% | Apr-2019 | 19,876 | 6,267 |
| Swap NCE V | 100,000 | 5.50% | Apr-2019 | 19,801 | 6,215 |
| Swap NCE VI | 150,000 | 5.43% | Apr-2019 | 24,685 | |
| Swap NCE VII | 100,000 | 4.93% | Apr-2019 | 19,918 | |
| Total | 850,000 | | | 202,599 | 70,969 |
| In current liabilities (hedge operations) | | | | 202,599 | 70,969 |

| | | | |
|--------------|--|----------------|---------------|
| Total | | 202,599 | 70,969 |
|--------------|--|----------------|---------------|

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

(a.ii) Swaps related to share repurchases

| Identification | Nominal value | Interest rate | Maturity | Fair value | |
|---|----------------------|----------------------|-----------------|-------------------|-----------------|
| | | | | Jun/2012 | Dec/2011 |
| Repurchase TRS | 23,218 | 108% CDI | Aug-2012 | 1,765 | 2,263 |
| Total | 23,218 | | | 1,765 | 2,263 |
| In current liabilities (hedge operations) | | | | 1,765 | 2,263 |
| Total | | | | 1,765 | 2,263 |

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

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

| Identification | Nominal value | Rate | Maturity | Fair value | |
|--------------------------------|--------------------------|-------------|-----------------|-------------------|-----------------|
| | | | | Jun/2012 | Dec/2011 |
| Commodity swap - ethanol (NDF) | 5,036 | 1.80% | Jul-2012 | 610 | |
| Commodity swap - ethanol (NDF) | 5,496 | 1.87% | Aug-2012 | 435 | |
| Commodity swap - ethanol (NDF) | 5,130 | 1.81% | Aug-2012 | 591 | |
| Commodity swap - ethanol (NDF) | 5,517 | 1.88% | Sep-2012 | 401 | |
| Commodity swap - ethanol (NDF) | 5,207 | 1.82% | Sep-2012 | 568 | |
| Commodity swap - ethanol (NDF) | 5,537 | 1.89% | Oct-2012 | 376 | |
| Commodity swap - ethanol (NDF) | 5,283 | 1.83% | Oct-2012 | 552 | |
| Commodity swap - ethanol (NDF) | 5,558 | 1.90% | Nov-2012 | 345 | |
| Commodity swap - ethanol (NDF) | 5,360 | 1.84% | Nov-2012 | 530 | |
| Commodity swap - ethanol (NDF) | 5,568 | 1.91% | Dec-2012 | 315 | |
| Commodity swap - ethanol (NDF) | 5,437 | 1.85% | Dec-2012 | 509 | |
| Commodity swap - ethanol (NDF) | 5,690 | 1.92% | Jan-2013 | 289 | |
| Commodity swap - ethanol (NDF) | 5,514 | 1.86% | Jan-2013 | 494 | |

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| | | | | |
|--------------------------------------|---------------|-------|----------|--------------|
| Commodity swap - ethanol (NDF) | 7,057 | 1.75% | Jul-2012 | 1,075 |
| Commodity swap - ethanol (NDF) | 2,137 | 1.76% | Aug-2012 | 312 |
| Commodity swap - ethanol (NDF) | 2,161 | 1.78% | Sep-2012 | 299 |
| Commodity swap - ethanol (NDF) | 2,186 | 1.78% | Oct-2012 | 292 |
| Commodity swap - ethanol (NDF) | 2,948 | 1.79% | Nov-2012 | 377 |
| Commodity swap - ethanol (NDF) | 2,981 | 1.80% | Dec-2012 | 365 |
| Commodity swap - ethanol (NDF) | 3,014 | 1.81% | Jan-2013 | 352 |
| Total | 92,817 | | | 9,087 |
| Current liability (hedge operations) | | | | 9,087 |
| Total | | | | 9,087 |

(b) Hedge accounting transactions

(b.i) Swaps related to export credit notes (NCE)

| Identification | Nominal value (US\$ thousand) | Interest rate | Maturity | Fair value | |
|---------------------------------------|-------------------------------|---------------|----------|--------------|--------------|
| | | | | Jun/2012 | Dec/2011 |
| Swap NCA I | 42,612 | 100.70% CDI | Sep-2012 | (639) | (833) |
| Total | 42,612 | | | (639) | (833) |
| In current assets (other receivables) | | | | (639) | (833) |
| Total | | | | (639) | (833) |

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 June 30, 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. Accordingly, the effective portion of the changes in the fair value of the derivatives, amounting to R\$491 (Note 18.2.2), was recorded under "other comprehensive income".

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****(d) Estimated maximum loss**

The amount at risk of the derivatives held by Braskem on June 30, 2012, which is defined as the highest loss that could result in one month and in 95% of the cases under normal market conditions, was estimated by the Company at US\$78,159 for the NCE swaps and US\$718 for the share repurchase swap.

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 table below shows the summary of changes before the impact of income tax and social contribution:

| | Dec/2011 | Appropriation of interest | Change in fair value | Jun/2012 |
|-----------|-----------------|--|---------------------------------|-----------------|
| Swaps EPP | (17,071) | 16,386 | 685 | |
| Swaps NCE | 833 | (1,264) | (194) | (625) |
| | (16,238) | 15,122 | 491 | (625) |

On June 30, 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**

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

| | Percentage |
|----------------------|-------------------|
| 1 Minimum risk | 24.86% |
| 2 Low risk | 28.38% |
| 3 Moderate risk | 33.75% |
| 4 High risk | 4.72% |
| 5 Very high risk (i) | 8.29% |

(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 buy from Braskem and pay in advance.

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Delinquency indicators for the periods ended:

LTM – last 12 months

(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.

| | Jun/2012 | Dec/2011 |
|--|-----------------|-----------------|
| Financial assets with risk assessment | | |
| AAA | 2,938,404 | 2,868,992 |
| AA | 40,034 | 206 |
| AA- | 248,737 | 72,029 |

| | | |
|---|------------------|------------------|
| A+ | 175,201 | 96,464 |
| A | 17 | 28 |
| A- | 21,845 | 71,367 |
| BB+ | 10,770 | 19,028 |
| B+ | | 3,590 |
| | 3,435,008 | 3,131,704 |
| Financial assets without risk assessment | | |
| Quotas of investment funds in credit rights (i) | 82,512 | 34,720 |
| Sundry funds (i) | 7,049 | 10,723 |
| Restricted deposits (ii) | 7,415 | 4,173 |
| Other financial assets with no risk assessment | 6,751 | 10,548 |
| | 103,727 | 60,164 |
| | 3,538,735 | 3,191,868 |

- (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 June 30, 2012, Braskem has balances rated at "BB+" related to Time Deposits with Special Guarantee (*Depósitos a Prazo com Garantia Especial – DPGE*) in the amount of R\$10,770 (R\$19,028 on December 31, 2011). These deposits are guaranteed by the Credit Guarantee Fund – FGC (*Fundo Garantidor de Crédito*), which makes these investments adequate for Braskem's policy.

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Notes to the financial statements

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18.4. Sensitivity analysis

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

(a) Selection of risks

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

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

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

(b) Selection of scenarios

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

(b.1) Probable scenario

The *Market Readout* published by the Central Bank of Brazil on June 29, 2012 was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate and the CDI interest rate, using the reference date of December 31, 2012. The *Market Readout* presents a consensus of market expectations based on a survey of the forecasts made by various financial and non-financial institutions.

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

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****(b.2) Possible and extreme adverse scenarios**

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

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

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

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

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

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

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

| Instrument | Probable | Possible adverse (25%) | Extreme adverse (50%) |
|-------------------|-----------------|--|---------------------------------------|
| BNDES | 16,233 | (115,049) | (230,098) |
| Bonds | 299,491 | (2,122,587) | (4,245,175) |

| | | | |
|---|---------|-----------|-----------|
| Working capital / structured operations | 54,173 | (383,939) | (767,878) |
| Raw material financing | 75 | (532) | (1,063) |
| Medium-Term Notes | 6,324 | (44,823) | (89,646) |
| EPP | 32,762 | (232,192) | (464,384) |
| Financial investments abroad | (9,704) | 68,775 | 137,549 |
| Swaps | 7,467 | (52,922) | (105,843) |

(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.

| Instrument | Probable | Possible adverse (25%) | Extreme adverse (50%) |
|------------------------|-----------------|--|---------------------------------------|
| Raw material financing | 5 | (11) | (22) |
| EPP | 2,068 | (4,887) | (9,723) |

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

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

| Instrument | Probable | Possible adverse (25%) | Extreme adverse (50%) |
|--------------------------|-----------------|--|--------------------------------------|
| Export credit notes | 40,862 | (91,872) | (176,713) |
| Agricultural credit note | 179 | (420) | (830) |
| Working capital / other | 216 | (491) | (830) |

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

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

| Instrument | Probable | Possible adverse TJLP + 0.5% | Extreme adverse TJLP + 1% |
|---------------------------|-----------------|---|--|
| BNDES | 38,470 | (37,289) | (73,451) |
| FINEP | 59 | (58) 0 | (115) |
| Other governmental agents | 263 | (257) 0 | (510) |

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

| | Note | Parent Company | | Consolidated | |
|--|-------------|-----------------------|------------------|---------------------|------------------|
| | | Jun/2012 | Dec/2011 | Jun/2012 | Dec/2011 |
| Parent Company and subsidiaries in Brazil | | | | | |
| IPI | | 27,732 | 24,259 | 44,621 | 38,654 |
| PIS and COFINS | | 6,742 | | 12,511 | 7,172 |
| Income tax and social contribution | | 14,543 | 13,792 | 34,744 | 21,787 |
| ICMS | | 11,371 | 29,861 | 82,254 | 94,668 |
| Tax debt refinancing program - Law 11,941/09 | (a) | 1,499,636 | 1,600,556 | 1,569,098 | 1,669,976 |
| Other | | 40,842 | 48,040 | 42,378 | 64,521 |
| Foreign subsidiaries | | | | | |
| Value-added tax | | | | 72,418 | 40,463 |
| Income tax | | | | 8,218 | 5,925 |
| Other | | | | 273 | |
| Total | | 1,600,866 | 1,716,508 | 1,866,515 | 1,943,166 |
| In current liability | | 506,779 | 215,924 | 660,258 | 329,987 |
| In non-current liability | | 1,094,087 | 1,500,584 | 1,206,257 | 1,613,179 |
| Total | | 1,600,866 | 1,716,508 | 1,866,515 | 1,943,166 |

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

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

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

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

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

20. Income tax (“IR”) and social contribution (“CSL”)

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

| | Parent Company | | Consolidated | |
|---|-----------------------|------------------|---------------------|------------------|
| | Jun/2012 | Jun/2011 | Jun/2012 | Jun/2011 |
| Profit (loss) before IR and CSL and participation of noncontrolling interest | (1,447,474) | 1,006,313 | (1,494,395) | 1,113,829 |
| IR and CSL at the rate of 34% | 492,141 | (342,146) | 508,094 | (378,702) |
| Permanent adjustments to the IR and CSL calculation basis | | | | |
| IR and CSL on equity in results of investees | 93,956 | 33,392 | 240 | (391) |
| Effects from pre-payment of taxes | | 13,896 | | 13,896 |
| Tax incentives (Sudene and PAT) | | 39,205 | 27 | 39,895 |
| Other permanent differences | (15,482) | (27,990) | 105,054 | (58,557) |
| Effect of IR and CSL on results of operations | 570,615 | (283,643) | 613,415 | (383,859) |
| Breakdown of IR and CSL: | | | | |
| Current IR and CSL | | (142,974) | (7,921) | (212,276) |
| Tax incentives (Sudene and PAT) | | 39,205 | 27 | 39,895 |
| Current IR and CSL | | (103,769) | (7,894) | (172,381) |

| | | | | |
|----------------------------|----------------|------------------|----------------|------------------|
| Deferred IR and CSL | 570,615 | (179,874) | 621,309 | (211,478) |
| Deferred IR and CSL | 570,615 | (179,874) | 621,309 | (211,478) |
| Total IR and CSL | 570,615 | (283,643) | 613,415 | (383,859) |

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****(b) Deferred income tax and social contribution**

| Breakdown of deferred IR and CSL | Note | Parent Company | | Consolidated | |
|---|-------------|-----------------------|-----------------|---------------------|------------------|
| | | Jun/2012 | Dec/2011 | Jun/2012 | Dec/2011 |
| Noncurrent assets | | | | | |
| Tax losses and negative base | | 326,219 | 29,199 | 889,734 | 545,148 |
| Goodwill amortized | | 40,326 | 60,082 | 43,848 | 63,820 |
| Foreign currency translation adjustment | | 288,977 | | 293,062 | 11,979 |
| Temporary differences | | 262,013 | 173,626 | 351,066 | 243,805 |
| Business combination - Quattor | | 89,770 | 89,770 | 241,194 | 238,315 |
| Pension plan | | 45,604 | 45,604 | 45,604 | 45,604 |
| Deferred charges - writeoff | | 8,198 | 11,200 | 71,505 | 82,952 |
| Other | (i) | 213 | 5,521 | 213 | 5,521 |
| Total | | 1,061,320 | 415,002 | 1,936,226 | 1,237,144 |
| Noncurrent liabilities | | | | | |
| Amortization of goodwill based on future profitability | (i) | 472,808 | 420,537 | 523,939 | 474,985 |
| Tax depreciation | (i) | 178,546 | 129,137 | 254,649 | 213,684 |
| Exchange variations | | | 54,275 | | 54,275 |
| Temporary differences | | 5,245 | 5,778 | 322,617 | 321,032 |
| Business combination | | 86,848 | 87,948 | 646,762 | 667,041 |
| Writeoff negative goodwill of | | 2,078 | 2,375 | 2,078 | 2,375 |

| | | | | | |
|----------------------------|-----|----------------|----------------|------------------|------------------|
| incorporated subsidiarie | | | | | |
| Additional indexation PP&E | | 161,205 | 168,220 | 161,205 | 168,220 |
| Other | (i) | 74,996 | 32,446 | 144,360 | 51,741 |
| Total | | 981,726 | 900,716 | 2,055,610 | 1,953,353 |

(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 the amounts that comprise their calculation base, and opted to maintain the existing balances.

There were no material events or circumstances in the quarter ended June 30, 2012 that indicate any compromise of the realization of these deferred taxes.

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

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****21. Sundry provisions**

| | Parent company | | Consolidated | |
|---|-----------------------|-----------------|---------------------|-----------------|
| | Jun/2012 | Dec/2011 | Jun/2012 | Dec/2011 |
| Provision for customers bonus | 5,566 | 10,053 | 12,443 | 13,577 |
| Provision for recovery of environmental damages | 21,745 | 30,451 | 27,872 | 36,777 |
| Judicial and administrative provisions | 85,147 | 73,168 | 285,191 | 266,302 |
| Other | | | 5,460 | 5,067 |
| Total | 112,458 | 113,672 | 330,966 | 321,723 |
| In current liabilities | 5,566 | 18,759 | 14,171 | 23,629 |
| In non-current liabilities | 106,892 | 94,913 | 316,795 | 298,094 |
| Total | 112,458 | 113,672 | 330,966 | 321,723 |

The composition of judicial and administrative provisions is as follows:

| | Parent company | | Consolidated | |
|------------------------------------|-----------------------|-----------------|---------------------|-----------------|
| | Jun/2012 | Dec/2011 | Jun/2012 | Dec/2011 |
| Labor claims | 27,417 | 27,986 | 34,593 | 36,718 |
| Tax claims | | | | |
| Income tax and social contribution | | | 28,970 | 27,753 |

| | | | | |
|-----------------------------|---------------|---------------|----------------|----------------|
| PIS and COFINS | | | 31,762 | 30,354 |
| ICMS - interstate purchases | | | 76,863 | 73,457 |
| ICMS - other | | | 54,953 | 52,518 |
| Other | 50,744 | 38,197 | 50,744 | 38,197 |
| Societary claims and other | 6,986 | 6,985 | 7,306 | 7,305 |
| | 85,147 | 73,168 | 285,191 | 266,302 |

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

22. Private pension plans

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

| | Parent company | | Consolidated | |
|--------------------------|----------------|----------------|----------------|----------------|
| | Jun/2012 | Dec/2011 | Jun/2012 | Dec/2011 |
| Novamont Braskem America | | | 885 | 821 |
| Petros Copesul plan | 134,506 | 134,506 | 134,506 | 134,506 |
| Braskem Alemanha | | | 15,408 | 14,248 |
| | 134,506 | 134,506 | 150,799 | 149,575 |

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

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

23. Advances from customers - consolidated

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

(a) Current

On June 30, 2012, the balance of this line includes advances of R\$49,571 million (US\$24.5 million) from customers for the acquisition of goods in July 2012.

(b) Non-current

On June 30, 2012, the balance of this line includes advances of R\$142,123 (US\$70.3 million) from customers overseas for the acquisition of butadiene for supply between February 2013 and December 2016.

24. Other accounts payable – consolidated

(a) Current

On June 30, 2012, Braskem Idesa has amounts payable to non-controlling interest amounting to R\$121,501, due in December 2012.

(b) Non-current

The main balance of this item refers to notes payable to BNDESPAR Participações S.A. in the amount of R\$246,033 (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 Quattor (currently named Braskem Qpar).

The information related to other accounts payable was presented in the 2011 annual financial statements of the Company, in Note 18.

25. Contingencies

The Company has contingent liabilities related to lawsuits and administrative proceedings arising from 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. A provision for the 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 June 30, 2012****All amounts in thousands of reais unless otherwise stated****26. Shareholders' equity**

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

(a) Capital

On June 30, 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 divided into 451,669,063 common shares, 349,402,736 class A preferred shares, and 593,818 class B preferred shares, distributed as follows:

| | Common shares | % | Preferred shares class A | % | Preferred shares class B | % | Total | % |
|-------------------------|--------------------------|----------------|---|---------------|---|----------------|--------------------|---------------|
| OSP and Odebrecht | 226,334,623 | 50.11% | 79,182,498 | 22.66% | | | 305,517,121 | 38.11% |
| Petrobras | 212,426,946 | 47.03% | 75,792,587 | 21.69% | | | 288,219,533 | 35.95% |
| BNDESPAR | | 0.00% | 44,069,052 | 12.61% | | | 44,069,052 | 5.50% |
| ADR (*) | | 0.00% | 34,224,744 | 9.80% | | | 34,224,744 | 4.27% |
| Other | 12,907,083 | 2.86% | 113,436,839 | 32.47% | 593,818 | 100.00% | 126,937,740 | 15.83% |
| Total | 451,668,652 | 100.00% | 346,705,720 | 99.23% | 593,818 | 100.00% | 798,968,190 | 99.66% |
| Treasury shares | 411 | | 1,542,258 | 0.44% | | | 1,542,669 | 0.19% |
| Braskem shares owned | | | | | | | | |

| | | | | | | | | |
|---------------|--------------------|----------------|--------------------|----------------|----------------|----------------|--------------------|----------------|
| by | | | | | | | | |
| subsidiary of | | | | | | | | |
| Braskem | | | | | | | | |
| Petroquímica | | | 1,154,758 | 0.33% | | | 1,154,758 | 0.14% |
| Total | 451,669,063 | 100.00% | 349,402,736 | 100.00% | 593,818 | 100.00% | 801,665,617 | 100.00% |

(b) Treasury shares

The breakdown of treasury shares is as follows:

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

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

(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. Shares may be purchased by the Company or by financial institutions hired for that purpose.

At the end of the program, Braskem will acquire from the financial institutions, at market price, the balance of shares they purchased, and only then it will record such shares as "treasury shares".

In 2011, a total of 1,405,400 shares were repurchased by financial institutions, for the amount of R\$19,830, and in the period ended June 30, 2012, another 602,200 shares were repurchased, for the amount of R\$6,477, totaling 2,007,600 repurchased shares, amounting to R\$26,395. The weighted average price of repurchased shares is R\$13.09 (lowest of R\$10.53 and highest of R\$15.15).

On June 30, 2012, the market price of these shares was R\$26,862.

(d) Dividends

On April 27, 2012, the Annual Shareholders' Meeting approved the payment of dividends as per the Management proposal in 2011, in the amount of R\$482,593, equivalent to R\$0.605085049 per common, class A preferred and class B preferred share, to be paid by November 20, 2012.

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****(e) Other comprehensive income - shareholders' equity**

| | Note | Additional indexation of PP&E pricelevel | Deemed cost of jointlycontrolled subsidiary | Fair value of cash flow hedges | Parent company and consolidated Foreign currency translation adjustment | Gain on interest in subsidiary | Total |
|---|-------------|---|--|---|--|---|----------------|
| As of December 31, 2010 | | 353,777 | | (53,292) | (79,135) | | 221,350 |
| Additional indexation | | | | | | | |
| Realization by depreciation or writeoff assets | | (20,634) | | | | | (20,634) |
| Income tax and social contribution on realization | | 7,016 | | | | | 7,016 |
| Deemed cost | | | | | | | |
| Deemed cost of jointly-controlled subsidiary | | | 22,311 | | | | 22,311 |
| Cash flow hedges | | | | | | | |
| Change in fair value | | | | (4,235) | | | (4,235) |
| Transfer to result | | | | 41,391 | | | 41,391 |

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| | | | | | | |
|---|--------|----------------|---------------|-----------------|-----------------|----------------------|
| Tax on fair value gains | | | 891 | | | 891 |
| Foreign currency translation adjustment | | | | (14,412) | | (14,412) |
| As of June 30, 2011 | | 340,159 | 22,311 | (15,245) | (93,547) | 253,678 |
| As of December 31, 2011 | | 326,541 | 21,159 | (10,716) | (24,504) | 3,106 315,586 |
| Additional indexation | | | | | | |
| Realization by depreciation or writte-off assets | | (20,634) | | | | (20,634) |
| Income tax and social contribution on realization | | 7,016 | | | | 7,016 |
| 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 | | | | 491 | | 491 |
| Transfer to result | | | | 15,122 | | 15,122 |
| Tax on fair value gains | | | | (5,309) | | (5,309) |
| Gain on interest in subsidiary | 14 (b) | | | | 1,511 | 1,511 |
| Foreign currency translation adjustment | | | | | 36,623 | 36,623 |
| As of June 30, 2012 | | 312,923 | 20,929 | (412) | 12,119 | 4,617 350,176 |

Braskem S.A.**Notes to the financial statements****at June 30, 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.

| | Basic | Jun/2012 Diluted | Basic | Jun/2011 Diluted |
|--|--------------|-----------------------------|--------------|-----------------------------|
| Profit (loss) for the period attributed to Company's shareholders | (876,859) | (876,859) | 722,670 | 722,670 |
| Dividends attributable to priority Preferred share class "A" | | | 209,417 | 209,495 |
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") | | | | 179 |
| Preferred share class "B" | | | 359 | |
| | | | 209,776 | 209,674 |
| Distribution of 6% of the unit value of common shares | | | 272,817 | 272,919 |
| Distribution of plus income, by class: | | | | |
| Common shares | | | 124,589 | 124,538 |
| Preferred shares class "A" | | | 115,488 | 115,440 |

| | | | | |
|---|--|--|---------|---------|
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") | | | | 99 |
| | | | 240,077 | 240,077 |

**Reconciliation of income
(loss) available for
distribution, by class
(numerator):**

| | | | | |
|---|-----------|-----------|---------|---------|
| Common shares | (497,138) | (496,953) | 397,406 | 397,457 |
| Preferred shares class "A" | (379,721) | (379,579) | 324,905 | 324,935 |
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") | | (327) | | 278 |
| | (876,859) | (876,859) | 722,311 | 722,670 |

**Weighted average number of
shares, by class
(denominator):**

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Common shares | 451,668,652 | 451,668,652 | 374,037,569 | 374,037,569 |
| Preferred shares class "A" (i) | 344,990,720 | 344,990,720 | 346,714,919 | 346,714,919 |
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") | | 296,909 | | 296,909 |
| | 796,659,372 | 796,956,281 | 720,752,488 | 721,049,397 |

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

| | | | | |
|----------------------------|----------|----------|--------|--------|
| Common shares | (1.1007) | (1.1003) | 1.0625 | 1.0626 |
| Preferred shares class "A" | (1.1007) | (1.1003) | 0.9371 | 0.9372 |

(i) In the calculation of the weighted average, the shares of the Company 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 earnings per share of the Company was presented in its 2011 annual financial statements, in Note 30.

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****28. Net sales revenues**

| | Jun/2012 | Parent company Jun/2011 | Jun/2012 | Consolidated Jun/2011 |
|--------------------------|------------------|------------------------------------|-------------------|----------------------------------|
| Sales revenue | | | | |
| Domestic market | 9,002,074 | 8,605,370 | 12,961,889 | 12,784,521 |
| Foreign market | 2,840,447 | 2,231,995 | 7,680,225 | 6,345,076 |
| | 11,842,521 | 10,837,365 | 20,642,114 | 19,129,597 |
| Sales deductions | | | | |
| Taxes | (2,050,711) | (2,052,179) | (3,126,785) | (3,219,850) |
| Sales returns and other | (95,286) | (66,555) | (152,720) | (129,840) |
| | (2,145,997) | (2,118,734) | (3,279,505) | (3,349,690) |
| Net sales revenue | 9,696,524 | 8,718,631 | 17,362,609 | 15,779,907 |

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

29. Tax incentives

Braskem receives certain tax incentives granted during the determination of federal and state taxes. On June 30, 2012, the Company recognized credits related to the PRODESIN (ICMS) and REINTEGRA tax incentives amounting to R\$11,596 and R\$104,324, respectively, in its statement of operations. In the period ended June 30, 2012, the Company did not record credits from the SUDENE (IR exemption/reduction) tax incentive as a result of the tax loss recorded in the period.

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

30. Other net operating income (expenses) - consolidated

In the period ended June 30, 2012, the main amounts under this item were as follows:

- (i) indemnity provided for under the supply agreement between Sunoco and Braskem America in the final amount of R\$263,571 (Note 1(a)).
- (ii) reduction in the balance of the tax renegotiation program of Law 11,941/09, amounting to R\$80,496 (Note 19(a)).

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

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****31. Financial results**

| | Parent Company | | Consolidated | |
|---|-----------------------|-----------------|---------------------|------------------|
| | Jun/2012 | Jun/2011 | Jun/2012 | Jun/2011 |
| Financial income | | | | |
| Interest income | 108,097 | 141,882 | 121,862 | 150,995 |
| Monetary variations | 19,592 | 81,489 | 21,662 | 34,112 |
| Exchange rate variations | 63,810 | (31,676) | 217,054 | (61,170) |
| Others | 9,483 | 4,802 | 13,420 | 12,426 |
| | 200,982 | 196,497 | 373,998 | 136,363 |
| Financial expenses | | | | |
| Interest expenses | (457,509) | (397,978) | (513,901) | (452,274) |
| Monetary variations | (118,945) | (116,608) | (135,707) | (151,432) |
| Exchange rate variations | (1,396,450) | 643,883 | (1,559,017) | 654,883 |
| Update of tax and labor debts | (119,078) | (83,126) | (133,351) | (102,331) |
| Tax expenses on financial operations | (8,870) | (4,624) | (10,419) | (6,849) |
| Discounts granted | (12,446) | (8,721) | (23,967) | (19,560) |
| Loans transaction costs - amortization | (1,966) | (3,010) | (6,585) | (16,195) |
| Adjustment to present value - appropriation | (98,534) | (2,114) | (135,804) | (10,690) |
| Outras | (22,916) | (14,537) | (64,495) | (165,879) |
| | (2,236,714) | 13,165 | (2,583,246) | (270,327) |
| Total | (2,035,732) | 209,662 | (2,209,248) | (133,964) |

| | Parent company | | Consolidated | |
|-------------------------------|-----------------------|-----------------|---------------------|-----------------|
| | Jun/2012 | Jun/2011 | Jun/2012 | Jun/2011 |
| Interest income | | | | |
| Held-for-trading | 5,887 | 67,963 | 14,916 | 73,889 |
| Loans and receivables | 66,947 | 40,804 | 69,465 | 42,978 |
| Held-to-maturity | 8,298 | 7,941 | 8,298 | 7,941 |
| | 81,132 | 116,708 | 92,679 | 124,808 |
| Other assets not classifiable | 26,965 | 25,174 | 29,183 | 26,187 |
| Total | 108,097 | 141,882 | 121,862 | 150,995 |

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

Braskem S.A.**Notes to the financial statements****at June 30, 2012****All amounts in thousands of reais unless otherwise stated****32. Expenses by nature**

| | Parent Company | | Consolidated | |
|--|-----------------------|--------------------|---------------------|---------------------|
| | Jun/2012 | Jun/2011 | Jun/2012 | Jun/2011 |
| Classification by nature: | | | | |
| Raw materials other inputs | (7,289,628) | (6,031,754) | (13,481,852) | (11,543,404) |
| Personnel expenses | (539,531) | (502,108) | (890,168) | (785,144) |
| Outsourced services | (107,232) | (276,638) | (501,770) | (425,333) |
| Tax expenses | (13,296) | (13,928) | (27,590) | (29,751) |
| Depreciation, amortization and depletion | (552,052) | (504,944) | (895,347) | (812,546) |
| Variable selling expenses | (162,592) | (140,189) | (291,059) | (238,936) |
| Freights | (418,681) | (323,216) | (619,038) | (476,640) |
| Other expenses | (318,842) | (108,583) | (227,875) | (186,831) |
| Total | (9,401,854) | (7,901,360) | (16,934,699) | (14,498,585) |
| Classification by function: | | | | |
| Cost of products sold | (8,746,223) | (7,299,361) | (15,873,874) | (13,537,208) |
| Selling | (91,214) | (76,692) | (194,753) | (164,557) |
| Distribution | (183,526) | (149,994) | (266,638) | (228,537) |
| General and administrative | (341,274) | (349,458) | (548,077) | (524,534) |
| Research and development | (39,617) | (25,855) | (51,357) | (43,749) |
| Total | (9,401,854) | (7,901,360) | (16,934,699) | (14,498,585) |

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

Braskem S.A.

Notes to the financial statements

at June 30, 2012

All amounts in thousands of reais unless otherwise stated

33. Segment information

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

- **Basic Petrochemicals:** consists of the CGUs UNIB Bahia, UNIB Sul, UNIB São Paulo and UNIB Rio de Janeiro and is represented by the Basic Petrochemicals operating segment. It was unchanged by the new organizational structure.
- **Polyolefins and Renewables:** consists of the CGUs polyethylene, polypropylene and green polyethylene and is represented by the Polyolefins operating segment.
- **Vinyls:** consists of the CGUs PVC and Chlor-Alkali, and is represented by the Vinyls operating segment. It was unchanged by the new organizational structure.
- **Latin America:** this new segment is formed by the businesses and projects of Braskem in Latin America, particularly in Mexico and Venezuela. As of June 30, 2012, it is not a reportable segment and is presented under Other Segments.
- **United States and Europe:** consists of the operations of Braskem in the United States and Europe and is represented by the International Business operating segment.

The change regarding the presentation of information by segment, presented in Note 36 of the 2011 financial statements of the Company, consists of the transfer of the green polyethylene business from the International Business segment to the Polyolefins segment. The following information for June 2012 and 2011 already includes these changes.

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

| | | | Reporting segments | | Total | Other | Corporate | Braskem | Eliminati | |
|--|----------------|-------------|--------------------|---------------|--------------|--------------|-----------|-----------|--------------|----------|
| | Basic | Polyolefins | Vinyls | International | Chemical | reportable | segments | unit | consolidated | |
| | petrochemicals | | | business | distribution | segments | | before | adjustments | |
| | 11,689,015 | 6,747,445 | 925,109 | 2,733,532 | 417,134 | 22,512,235 | 92,827 | | 22,605,062 | (5,242,4 |
| | (10,762,549) | (6,318,608) | (922,471) | (2,654,246) | (347,060) | (21,004,934) | (78,695) | | (21,083,629) | 5,209,7 |
| | 926,466 | 428,837 | 2,638 | 79,286 | 70,074 | 1,507,301 | 14,132 | | 1,521,433 | (32,698 |
| | (234,919) | (434,343) | (60,873) | (113,014) | (52,084) | (895,233) | (31,598) | (133,994) | (1,060,825) | |
| | | | | | | | | 2,080 | 2,080 | |
| | (17,985) | (4,997) | (849) | 258,610 | 1,007 | 235,786 | (1,078) | 50,155 | 284,863 | |
| | (252,904) | (439,340) | (61,722) | 145,596 | (51,077) | (659,447) | (32,676) | (81,759) | (773,882) | |
| | 673,562 | (10,503) | (59,084) | 224,882 | 18,997 | 847,854 | (18,544) | (81,759) | 747,551 | (32,698 |

| | | | Reporting segments | | Total | Other | Corporate | Braskem | Eliminati |
|-------------|-------------|-----------|--------------------|--------------|--------------|----------|-----------|--------------|-----------|
| Basic | Polyolefin | Vinyls | International | Chemical | reportable | segments | unit | consolidated | |
| rochemicals | | | business | distribution | segments | | | before | |
| | | | | | | | | adjustments | |
| 11,315,683 | 6,293,877 | 849,960 | 1,355,480 | 378,281 | 20,193,281 | 108,167 | | 20,301,448 | (4,521,6 |
| (9,941,602) | (5,591,429) | (786,882) | (1,217,431) | (307,816) | (17,845,160) | (87,768) | | (17,932,928) | 4,395,7 |
| 1,374,081 | 702,448 | 63,078 | 138,049 | 70,465 | 2,348,121 | 20,399 | | 2,368,520 | (125,9 |
| | | | | | | | | | |
| (267,445) | (408,355) | (72,008) | (53,456) | (48,525) | (849,789) | (22,002) | (89,586) | (961,377) | |
| | | | | | | | (748) | (748) | |
| (13,795) | 1,072 | (22,929) | (2,612) | (8) | (38,272) | 4,134 | 1,486 | (32,652) | |
| (281,240) | (407,283) | (94,937) | (56,068) | (48,533) | (888,061) | (17,868) | (88,848) | (994,777) | |
| | | | | | | | | | |
| 1,092,841 | 295,165 | (31,859) | 81,981 | 21,932 | 1,460,060 | 2,531 | (88,848) | 1,373,743 | (125,9 |

The Company does not disclose assets by segment since this information is not presented to its chief decision maker.

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 June 30, 2012

All amounts in thousands of reais unless otherwise stated

34. Insurance coverage

In the period ended June 30, 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 2011 annual financial statements of the Company, in Note 37.

35. Subsequent events

(a) In July 2012, a total of 587,700 class A preferred shares were acquired under the share repurchase program, for the amount of R\$6,906. In contrast to the repurchases made up to June 30, 2012 (Note 26 (c)), these acquisitions were made by Braskem, and are therefore recorded directly as "treasury shares".

(b) On July 23, 2012, the subsidiary Braskem America Finance concluded the US\$250 million funding operation with an interest coupon of 7.125% p.a. and effective yield for investors of 6.98%. This operation is related to the additional issue of the funding operation conducted on July 19, 2011, in the amount of US\$500 million and with maturity in 2041.

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: August 17, 2012

BRASKEM S.A.

By: /s/ Marcela Aparecida Drehmer Andrade

Name: Marcela Aparecida Drehmer Andrade
Title: Chief Financial Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
