BRASKEM SA
Form 6-K
November 26, 2010

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

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# FORM 6-K

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

**For the month of November, 2010**
**(Commission File No. 1-14862 )**

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

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

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

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

Form 20-F ___X___ 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 ___X___

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

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(A free translation of the original in Portuguese)

**Braskem S.A.**

**Report of Independent Accountants on Limited**

**Review of Quarterly Information (ITR)**

**September 30, 2010**

(A free translation of the original in Portuguese)

**Review Report of Independent Accountants**

To the Board of Directors and Stockholders

Braskem S.A.

1 We have reviewed the accounting information included in the Quarterly Information (ITR) of Braskem S.A. and subsidiaries (parent company and consolidated) for the quarter ended September 30, 2010, comprising the balance sheets and the statements of income, of changes in stockholders equity and of cash flows, explanatory notes and the performance report. This Quarterly Information is the responsibility of the Companys management.

2 Our review was carried out in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council (CFC), and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the Quarterly Information; and (b) a review of information and of subsequent events which have, or could have, significant effects on the financial position and operations of the Company and its subsidiaries.

3 Based on our limited review, we are not aware of any material modifications that should be made to the quarterly information referred to above in order that it be stated in accordance with the accounting practices adopted in Brazil applicable to the preparation of the Quarterly Information, consistent with the standards issued by the Brazilian Securities Commission (CVM).

4 As mentioned in Note 2, the CVM has approved several Pronouncements, Interpretations and Technical Guidance issued by the Brazilian Accounting Pronouncements Committee (CPC) to be effective as from 2010, which altered the accounting practices adopted in Brazil. As permitted by CVM Resolution No. 603/09, the Company's management has elected to present its Quarterly Information by using the accounting standards adopted in Brazil until December 31, 2009. As required by said Resolution, Note 2 to the Quarterly Information discloses this fact and also provides a description of the main changes that may have an impact on the Company's year-end financial statements, as well as explanations of the reasons that make it impractical to present an estimate of their possible effects on stockholders' equity and results of operations.

5 Braskem S.A. and subsidiaries have an accumulated Value-added Tax on Sales and Services (ICMS) balance recoverable essentially arising from the difference between the rates applicable to incoming and outgoing inputs and products, domestic sales with tax deferral incentive, and export sales. The realization of such credits, which amount to R$ 763,018 thousand at September 30, 2010 (consolidated - R$ 1,211,508 thousand), depends on the successful implementation by Braskem S.A. management of the actions described in Note 9. The Quarterly Information (ITR) of Braskem S.A. and subsidiaries at September 30, 2010 does not include any adjustments relating to the recovery of these credits as a result of their future realization.

6 As described in Note 1(d) to the Quarterly Information (ITR), the Company and its subsidiaries are currently undergoing a business and corporate restructuring process aiming to establish a proper capital structure and higher profitability, competitiveness and gains of scale. This process has been causing and may still cause economic and/or corporate impacts on the Company and some subsidiaries, and will determine the direction of the development of their operations.

7 The Quarterly Information (ITR) mentioned in paragraph 1 above also includes comparative accounting information relating to the results of operations for the quarter and 9-month period ended September 30, 2009, obtained from the corresponding ITR as of that date. The limited review of the Quarterly Information for the quarter ended September 30, 2009 was conducted by other independent accountants who issued an unqualified limited review report dated October 23, 2009, except for Note 28  Subsequent Events that was dated October 28, 2009, which includes emphasis of matter paragraphs on: (i) realization of the ICMS balance recoverable; (ii) involvement of Braskem S.A. and merged entities in significant lawsuits that include those related to exemption of payment of social contribution on net income; (iii) recognition of Excise Tax (IPI), credits that were offset against IPI itself and other federal taxes; (iv) restatement of comparative figures relating to the statements of operations and cash flows as a result of changes in accounting practices.

Salvador, November xx, 2010

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" BA

Felipe Edmond Ayoub

Accountant CRC 1SP187402/O-4 "S" BA

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Braskem S.A.

ITR Quarterly Information Reference Date September 30, 2010

## Balance Sheet

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| **Assets** | **Note** | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| **Current assets** | | | | | |
| Cash and cash equivalents | 4 | 2,564,669 | 2,319,663 | 3,090,942 | 3,013,923 |
| Marketable securities | 5 | 395,342 | 440,900 | 395,342 | 441,049 |
| Trade accounts receivable | 6 | 1,092,406 | 1,376,780 | 2,177,531 | 2,469,139 |
| Inventories | 7 | 1,985,260 | 2,102,360 | 3,059,961 | 3,265,151 |
| Taxes recoverable | 9 | 464,894 | 352,696 | 844,628 | 671,205 |
| Deferred income tax and social contribution | 18 (b) | 49,369 | 52,045 | 83,568 | 85,662 |
| Dividends and interest on capital receivable | | 3,833 | 3,763 | | |
| Prepaid expenses | | 38,195 | 47,478 | 54,776 | 83,154 |
| Hedge operations | 22 (f.3) | | | 344 | |
| Other accounts receivable | | 140,730 | 152,077 | 221,915 | 191,117 |
| | | 6,734,698 | 6,847,762 | 9,929,007 | 10,220,400 |
| **Non-current assets** | | | | | |
| Marketable securities | 5 | 18,362 | 17,918 | 18,362 | 19,977 |
| Hedge operations | 22 (f.3) | 83 | | 83 | |
| Trade accounts receivable | 6 | 64,109 | 59,331 | 64,911 | 60,178 |
| Inventories | 7 | 27,382 | 28,997 | 55,626 | 59,356 |
| Taxes recoverable | 9 | 1,198,273 | 1,358,760 | 1,656,026 | 1,830,811 |
| Deferred income tax and social contribution | 18 (b) | 216,699 | 217,214 | 373,337 | 368,143 |
| Judicial deposits and compulsory loans | 10 | 144,045 | 141,925 | 166,774 | 165,350 |
| Related parties | 8 (a)(a.1) | 2,265,530 | 2,251,616 | 99,939 | 130,092 |
| Other accounts receivable | | 88,707 | 88,595 | 100,412 | 99,499 |
| | | 4,023,190 | 4,164,356 | 2,535,470 | 2,733,406 |

| | | | | | |
|---|---|---|---|---|---|
| Investments in subsidiaries | 11 | 4,341,623 | 4,003,166 | 8,471 | 16,129 |
| Investments in associated companies | 11 | 26,198 | 25,257 | 26,198 | 25,257 |
| Other investments | | 6,575 | 6,575 | 9,180 | 9,311 |
| Fixed assets | 12 | 9,838,379 | 9,845,284 | 16,140,581 | 16,210,112 |
| Intangible assets | 13 | 3,095,943 | 2,977,016 | 3,649,344 | 3,542,451 |
| Deferred charges | 14 | 56,105 | 61,016 | 262,615 | 279,459 |
| | | 21,388,013 | 21,082,670 | 22,631,859 | 22,816,125 |
| **Total assets** | | 28,122,711 | 27,930,432 | 32,560,866 | 33,036,525 |

(A free translation of the original in Portuguese)

Braskem S.A.

ITR Quarterly Information Reference Date September 30, 2010

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| **Liabilities and Shareholders Equity** | **Note** | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| **Current liabilities** | | | | | |
| Suppliers | | 4,303,481 | 4,770,513 | 5,203,422 | 5,964,279 |
| Loans and financing | 15 | 842,580 | 930,434 | 1,227,034 | 1,286,335 |
| Debentures | 16 | 504,371 | 15,331 | 504,371 | 15,331 |
| Hedge operations | 22 (f.3) | 14,270 | 13,213 | 39,670 | 52,904 |
| Payroll and payroll charges | | 228,773 | 192,589 | 333,282 | 269,472 |
| Taxes payable | 17 | 241,982 | 273,645 | 593,025 | 457,012 |
| Deferred income tax and social contribution | 18 (b) | | | 49 | |
| Dividends and interest on capital payable | | 1,364 | 1,829 | 4,817 | 5,288 |
| Advances from customers | | 39,750 | 32,356 | 46,639 | 40,120 |
| Related parties | 8 (a) | 65,299 | 69,107 | | |
| Other accounts payable | 19 | 210,310 | 162,480 | 350,025 | 220,905 |
| | | 6,452,180 | 6,461,497 | 8,032,334 | 8,311,646 |
| **Non-current liabilities** | | | | | |
| Suppliers | | 17,280 | 24,797 | 17,307 | 24,824 |
| Loans and financing | 15 | 9,609,600 | 10,036,027 | 11,685,092 | 12,581,859 |
| Debentures | 16 | | 500,000 | | 500,000 |
| Hedge operations | 22 (f.3) | 22,323 | 19,267 | 62,616 | 60,168 |
| Taxes payable | 17 | 1,305,496 | 1,250,290 | 1,440,335 | 1,395,981 |
| Related parties | 8 (a) | 10,676 | 11,174 | 651 | 634 |
| Long-term incentives | | 14,030 | 12,297 | 14,030 | 12,297 |
| Deferred income tax and social contribution | 18 (b) | 929,365 | 696,211 | 1,218,728 | 1,007,054 |
| Private pension plans | 26 | 23,208 | 23,208 | 24,058 | 24,058 |
| Other accounts payable | 19 | 499,418 | 282,332 | 589,807 | 387,084 |

| | | | | | |
|---|---|---|---|---|---|
| | | 12,431,396 | 12,855,603 | 15,052,624 | 15,993,959 |
| **Minority interest** | | | | 27,688 | 129,612 |
| **Shareholders equity** | 20 | | | | |
| Capital | | 8,038,952 | 8,016,667 | 8,038,952 | 8,016,667 |
| Capital reserves | | 845,998 | 765,196 | 845,998 | 765,196 |
| Carrying value adjustments | | (78,874) | (90,937) | (78,874) | (90,937) |
| Cumulative translation adjustment | | (31,185) | 12,280 | (31,185) | 12,280 |
| Treasury shares | | (11,932) | (11,932) | (60,823) | (11,932) |
| Retained earnings (accumulated losses) | | 476,176 | (77,942) | 464,152 | (89,966) |
| | | 9,239,135 | 8,613,332 | 9,178,220 | 8,601,308 |
| **Total liabilities and shareholders equity** | | 28,122,711 | 27,930,432 | 32,560,866 | 33,036,525 |

(A free translation of the original in Portuguese)

Braskem S.A.

ITR Quarterly Information Reference Date September 30, 2010

| **Statement of Income** | | **Parent Company** | | | | **Consolidated** | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Note** | **07/01/2010 to 09/30/2010** | **01/01/2010 to 09/30/2010** | **07/01/2009 to 09/30/2009** | **01/01/2009 to 09/30/2009** | **07/01/2010 to 09/30/2010** | **01/01/2010 to 09/30/2010** | **07/01/2009 to 09/30/2009** | **01 09** |
| **Sales gross revenues** | | | | **Restated** | **Restated** | | | **Restated** | |
| Domestic market | | 4,280,063 | 12,412,932 | 3,745,653 | 9,978,297 | 6,539,809 | 16,887,683 | 3,951,632 | 10 |
| Foreign market | | 1,252,983 | 3,545,255 | 1,149,334 | 3,059,761 | 2,759,969 | 6,479,148 | 1,212,233 | 3 |
| Taxes, freight and sales returns | | (1,203,609) | (3,460,646) | (1,074,424) | (2,908,524) | (2,024,096) | (5,108,972) | (1,117,142) | (3 |
| **Net sales** | | **4,329,437** | **12,497,541** | **3,820,563** | **10,129,534** | **7,275,682** | **18,257,859** | **4,046,723** | **10** |
| Cost of goods sold | | (3,621,951) | (10,222,762) | (2,925,762) | (8,271,476) | (6,145,054) | (15,174,674) | (3,067,660) | (8 |
| **Gross profit** | | **707,486** | **2,274,779** | **894,801** | **1,858,058** | **1,130,628** | **3,083,185** | **979,063** | **2** |
| **Income (expenses)** | | | | | | | | | |
| Selling | | (32,868) | (111,536) | (56,107) | (154,607) | (111,260) | (280,111) | (64,695) | ( |
| General and administrative | | (159,800) | (439,936) | (136,981) | (346,304) | (247,681) | (611,184) | (147,973) | ( |
| Distribution | | (73,892) | (208,106) | (69,362) | (204,510) | (75,039) | (210,248) | (77,417) | ( |
| Research and development | | (10,964) | (30,555) | (10,236) | (35,771) | (18,531) | (46,788) | (10,531) | |
| Equity accounting results | 11 (c) | 132,270 | 66,677 | 9,643 | (61,674) | 7,013 | 20,613 | 908 | |
| Depreciation and amortization | | (27,862) | (82,170) | (27,135) | (71,703) | (34,823) | (100,208) | (28,713) | |
| Result from fixed asset | | (4,712) | (9,079) | (14,666) | (15,591) | (4,982) | (21,895) | (14,685) | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| disposals and others | | | | | | | | | |
| Other net operating income (expenses) | 24 | (9,971) | (39,206) | (24,533) | 106,457 | (9,822) | (39,496) | (25,707) | |
| **Operating profit before financial result** | | **519,687** | **1,420,868** | **565,424** | **1,074,355** | **635,503** | **1,793,868** | **610,250** | **1** |
| **Financial result** | 23 | | | | | | | | |
| Financial expenses | | 238,119 | (955,739) | 351,601 | 1,526,346 | 177,469 | (1,355,835) | 407,054 | 1 |
| Financial revenues | | 40,537 | 255,672 | (65,939) | (180,448) | 15,454 | 328,674 | (164,414) | ( |
| | | **278,656** | **(700,067)** | **285,662** | **1,345,898** | **192,923** | **(1,027,161)** | **242,640** | **1** |
| **Profit before income tax and social contribution** | | **798,343** | **720,801** | **851,086** | **2,420,253** | **828,426** | **766,707** | **852,890** | **2** |
| Income tax and social contribution current | 18 (a) | (7,953) | (93,315) | (36,293) | (39,962) | (37,559) | (139,549) | (40,364) | |
| Income tax and social contribution deferred | 18 (b) | (236,736) | (151,774) | (170,066) | (569,949) | (227,570) | (152,786) | (167,799) | ( |
| | | **(244,689)** | **(245,089)** | **(206,359)** | **(609,911)** | **(265,129)** | **(292,335)** | **(208,163)** | **(** |
| **Net income (loss) before minority interests** | | **553,654** | **475,712** | **644,727** | **1,810,342** | **563,297** | **474,372** | **644,727** | **1** |
| **Minority interest** | | | | | | (9,643) | 1,340 | | |
| **Net income for the period** | | **553,654** | **475,712** | **644,727** | **1,810,342** | **553,654** | **475,712** | **644,727** | **1** |
| Number of outstanding shares at the end of the | | 799,761 | 799,761 | 519,422 | 519,422 | 799,761 | 799,761 | 519,422 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| period, ex treasury (in thousands) | | | | | | | |
| **Net income per share at the end of the period R$** | 0.6923 | 0.5948 | 1.2412 | 3.4853 | 0.6923 | 0.5948 | 1.2412 |

(A free translation of the original in Portuguese)

Braskem S.A.

ITR Quarterly Information Reference Date September 30, 2010

| Statement of Cash Flows | Parent Company | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | 07/01/2010 to 09/30/2010 | 01/01/2010 to 09/30/2010 | 07/01/2009 to 09/30/2009 Restated | 01/01/2009 to 09/30/2009 Restated | 07/01/2010 to 09/30/2010 | 01/01/2010 to 09/30/2010 | 07/01/2009 to 09/30/2009 Restated | 01/01/20 to 09/30/20 Restat |
| Profit before income tax, social contribution and minority interest | 798,343 | 720,801 | 851,086 | 2,420,253 | 828,426 | 766,707 | 852,890 | 2,419, |
| Adjustment for the reconciliation of net income | | | | | | | | |
| Depreciation, amortization and depletion | 263,483 | 752,208 | 208,750 | 627,965 | 396,918 | 1,003,719 | 213,986 | 643, |
| Equity accounting | (132,270) | (66,677) | (9,643) | 61,674 | (7,013) | (20,613) | (908) | 9, |
| Losses (gains) on investments and others | (897) | (3,198) | (838) | (3,044) | | | | (2,7 |
| Provision for losses and write-offs (investments, fixed assets, intangible assets, deferred charges) | 3,050 | 14,899 | 187 | 3,298 | 4,135 | 8,977 | 986 | 3, |
| | (237,533) | 589,587 | (253,935) | (1,145,818) | (222,511) | 354,516 | (210,200) | (1,155,7 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Interest, monetary and exchange variations, net | | | | | | | | |
| Minority interests | | | | | (9,643) | 1,340 | | |
| **Cash generation before changes in the operating working capital** | **694,176** | **2,007,620** | **795,607** | **1,964,328** | **990,312** | **2,114,646** | **856,754** | **1,917,(** |
| Changes in the operating working capital | | | | | | | | |
| Marketable securities | 33,279 | 73,085 | (34,875) | (3,521) | 35,487 | 205,285 | (30,894) | (8,9 |
| Trade accounts receivable | 279,280 | 315,483 | 88,041 | (187,524) | 286,552 | (107,962) | 26,458 | (155,6 |
| Inventories | 111,511 | (195,317) | (10,878) | 886,391 | 209,135 | (229,297) | 26,109 | 976,( |
| Taxes recoverable | 53,752 | 100,674 | 66,380 | 30,213 | 6,825 | 239,289 | 18,208 | 33,3 |
| Prepaid expenses | 9,283 | (16,110) | 16,581 | 29,987 | 28,378 | (18,203) | 16,633 | 30,8 |
| Accounts receivable from related parties | 9,135 | (693,820) | | | | | | |
| Other accounts receivable | 9,116 | (34,707) | (34,429) | (80,480) | (1,204) | 37,702 | (23,721) | (96,6 |
| Suppliers | (474,549) | 986,518 | (456,697) | (1,230,978) | (768,374) | 740,784 | (473,942) | (1,213,6 |
| Taxes payable | (22,713) | (319,973) | (84,053) | (3,519) | 85,949 | (351,050) | (37,852) | (9,8 |
| Long-term incentives | 1,733 | 6,321 | (281) | (4,873) | 1,733 | 6,321 | (281) | (4,8 |
| Advances from customers | 7,394 | 11,306 | 20,265 | 27,008 | 6,519 | (4,570) | 17,439 | 25,4 |
| Interest paid | (129,225) | (400,370) | (92,376) | (487,762) | (252,958) | (666,953) | (141,098) | (470,6 |
| Income tax and social contribution paid | (5,463) | (27,458) | (3,023) | (15,590) | (5,463) | (27,462) | (3,057) | (15,7 |
| | 75,512 | 23,010 | 63,919 | 15,593 | 181,675 | 151,351 | 35,998 | 5,7 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Other accounts payable | | | | | | | | |
| **Generation of operating cash** | **652,221** | **1,836,262** | **334,181** | **939,273** | **804,566** | **2,089,881** | **286,754** | **1,013,** |
| Proceeds from the sale of fixed assets | 316 | 1,193 | 868 | 2,638 | 323 | 1,256 | 868 | 2, |
| Additions to investments (Note 2 (a.2)) | (39,456) | (4,008,209) | (9,119) | (62,002) | 5,928 | (935,476) | | (15,7 |
| Additions to fixed assets | (237,785) | (736,549) | (183,865) | (390,799) | (332,120) | (910,351) | (186,540) | (400,4 |
| Additions to intangible assets | | | | | (6,299) | (30,583) | (8,374) | (41,5 |
| **Use of cash in investing activities** | **(276,925)** | **(4,743,565)** | **(192,116)** | **(450,163)** | **(332,168)** | **(1,875,154)** | **(194,046)** | **(455,1** |

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(A free translation of the original in Portuguese)

Braskem S.A.

ITR – Quarterly Information – Reference Date September 30, 2010

| | Parent Company | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | 07/01/2010 to 09/30/2010 | 01/01/2010 to 09/30/2010 | 07/01/2009 to 09/30/2009 Restated | 01/01/2009 to 09/30/2009 Restated | 07/01/2010 to 09/30/2010 | 01/01/2010 to 09/30/2010 | 07/01/2009 to 09/30/2009 Restated | 01/01/ 09/30 Res |
| Short-term debt | | | | | | | | |
| New loans | 227,708 | 257,358 | 338,421 | 1,121,001 | | 788,371 | 903,601 | 1, |
| Payments | (1,311,710) | (3,672,697) | (1,201,366) | (3,419,497) | (1,414,547) | (7,898,316) | (744,871) | (2,4 |
| Long-term debt | | | | | | | | |
| New loans | 953,905 | 2,883,791 | 729,811 | 2,072,130 | 985,607 | 3,553,957 | (338,957) | 1,0 |
| Related parties | | | | | | | | |
| New loans | 145 | 411,055 | 18,548 | 28,159 | | | | |
| Payments | (337) | (412,864) | (19,293) | (29,518) | | | | |
| Dividends paid and unclaimed and minority interest | (1) | (97) | (99) | (573) | 33,561 | 25,939 | (99) | |
| Capital/reserve increase | | 3,742,622 | | | | 3,742,622 | | |
| Other | | | | | | | 1,638 | |
| **Generation (use) of cash in financing activities** | **(130,290)** | **3,209,168** | **(133,978)** | **(228,298)** | **(395,379)** | **212,573** | **(178,688)** | **(2** |
| **Increase in cash and cash equivalents** | **245,006** | **301,865** | **8,087** | **260,812** | **77,019** | **427,300** | **(85,980)** | **2** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Represented by | | | | | | | | |
| Cash and cash equivalents at the beginning of the period | 2,319,663 | 2,262,804 | 2,452,587 | 2,199,862 | 3,013,923 | 2,663,642 | 2,794,311 | 2,4 |
| Cash and cash equivalents at the end of the period | 2,564,669 | 2,564,669 | 2,460,674 | 2,460,674 | 3,090,942 | 3,090,942 | 2,708,331 | 2,7 |
| **Increase (decrease) in cash and cash equivalents** | **245,006** | **301,865** | **8,087** | **260,812** | **77,019** | **427,300** | **(85,980)** | **2** |

(A free translation of the original in Portuguese)

Braskem S.A.

ITR  Quarterly Information  Reference Date September 30, 2010

**Statement of Changes in Shareholders Equity Parent Company**

| | Note | Capital | Capital reserves | Treasury shares | Retained earnings/ (Accumulated losses) | Carrying value adjustments | Cumulative translation adjustment | Total |
|---|---|---|---|---|---|---|---|---|
| **December 31, 2009** | | **5,473,181** | **428,575** | **(11,932)** | **(1,069,699)** | **(66,177)** | | **4,753,948** |
| Unclaimed dividends | | | | | 936 | | | 936 |
| Adjustment of negative goodwill | | | | | 6,892 | | | 6,892 |
| Carrying value adjustments | 20(c) | | | | | (12,835) | | (12,835) |
| Loss for the period | | | | | (123,399) | | | (123,399) |
| **March 31, 2010** | | **5,473,181** | **428,575** | **(11,932)** | **(1,185,270)** | **(79,012)** | | **4,625,542** |
| Capital increase | 20(a) | 2,543,486 | 1,398,492 | | | | | 3,941,978 |
| Offset of losses | | | (1,061,871) | | 1,061,871 | | | |
| Cumulative translation adjustment | | | | | | | 12,280 | 12,280 |
| Carrying value adjustments | 20(c) | | | | | (11,925) | | (11,925) |
| Net income for the period | | | | | 45,457 | | | 45,457 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **June 30, 2010** | | **8,016,667** | **765,196** | **(11,932)** | **(77,942)** | **(90,937)** | **12,280** | **8,613,332** |
| Unclaimed dividends | | | | | 464 | | | 464 |
| Capital increase | 20(a) | 22,285 | 80,802 | | | | | 103,087 |
| Cumulative translation adjustment | | | | | | | (43,465) | (43,465) |
| Carrying value adjustments | 20(c) | | | | | 12,063 | | 12,063 |
| Net income for the period | | | | | 553,654 | | | 553,654 |
| **September 30, 2010** | | **8,038,952** | **845,998** | **(11,932)** | **476,176** | **(78,874)** | **(31,185)** | **9,239,135** |

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**ALL AMOUNTS STATED IN THOUSANDS OF REAIS, UNLESS OTHERWISE INDICATED**

## 1 Operating context

(a) Braskem S.A. ("Braskem" or "the Company") is a limited liability publicly-traded company, with its headquarters in Camaçari – BA, and operates a total of 31 industrial units, 28 in the Brazilian states of Alagoas, Bahia, Rio de Janeiro, Rio Grande do Sul and São Paulo and 3 in the United States, in Pennsylvania, Texas and Virginia. These units produce basic petrochemicals, such as ethylene, propylene and benzene, as well as gasoline and LPG (Liquefied Petroleum Gas, also known as kitchen gas). In the segment of thermoplastic resins, the Company produces polyethylene, polypropylene and PVC. In addition, Braskem's activities include the import and export of chemical products, petrochemicals, fuels, the production and sale of inputs consumed by companies at the Camaçari Petrochemical Complex - BA and Triunfo – RS, such as: steam, water, compressed air, electricity, the provision of several services to those companies as well as investments in others as a partner or shareholder. Braskem is controlled by Odebrecht S.A. with an indirect holding of 50.1% and 38.1% of voting and total stock, respectively.

(b) In May 2009, Company management announced the suspension of production of Caprolactam and the temporary closure of the industrial plant in Camaçari. This decision was based on a rigorous evaluation of the business, taking into account the market difficulties for Caprolactam in Brazil experienced in the last few years, as well as the impact of the last global financial crisis. On September 30, 2010 the Company has a provision for a loss of R$ 29,600, representing the total net book values of machinery, equipment and installations used for the production of Caprolactam, which cannot be used in the event of a resumption in production. Company management is monitoring developments in the market for Caprolactam before making any final decision on this matter.

(c) In January 2010, the Company's management decided to suspend production at the industrial unit located in the city of São Paulo, which produced specialty PVC resins. This decision was based on the rising logistics costs associated with obtaining the main raw material for the unit, Monovinyl chloride (MVC), which was transferred from one of Braskem's plants in Camaçari. To maintain the sale of these PVC resins, the Company signed a purchase agreement with Mexichem Colombia S.A. The unit in question has warehouses that continue to be used as distribution centers for specialty PVC and other products manufactured by the Company in other states. On December 31, 2009, the net book value of the machinery, equipment and installations of this plant was R$ 25,000 and an allowance for loss was recorded in the same amount, given that the same would not result in any cash flow from either sale or possible resumption of production.

(d) In September 2010, Management of subsidiary Braskem PP Americas, Inc ("PP Americas") decided to idle a high-impact copolymer production line at the La Porte plant, located in Texas, U.S. The key factors driving this decision were the line's outdated technology, high production cost, and low production capacity. PP Americas will keep the production of high-impact copolymer on two other lines at the La Porte plant, without affecting the total production of other resins.

(e) On September 24, 2010, the Company launched an ethanol-derived ethylene unit at the Triunfo Petrochemical Complex (Rio Grande do Sul), which will produce 200 thousand tonnes of green polyethylene per year. With this new unit, the Company now offers resin from renewable sources by diversifying its competitive raw material sources.

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**(f) Corporate reorganization**

Since its creation on August 16, 2002, Braskem has undergone an extensive corporate restructuring process, always disclosed to the market in the form of Relevant Fact notices. The main events in 2009 and 2010, are summarized below:

(f.1) On April 30, and May 5, 2009, the Extraordinary General Shareholders' Meetings ("AGE") held by Braskem and Petroquímica Triunfo S.A. ("Triunfo"), respectively, approved the merger of Triunfo into the Company. The net asset value merged, evaluated at book value, totaled R$ 117,990. A total of 13,387,157 class A preferred shares were issued by Braskem and delivered to shareholders of Triunfo at an exchange ratio of 0.210428051882238 share of Braskem for each share of Triunfo. (Note 20.a)

(f.2) On January 22, 2010, the Company announced the finalization of the negotiations that resulted in the acquisition of Quattor Participações S.A. ("Quattor") ( Note 1.f2.iv) by the Company, in accordance with an Investment Agreement signed on that date between Odebrecht, Petroleo Brasileiro S.A. – PETROBRAS ("Petrobras"), Braskem and Unipar – União de Indústrias Petroquímicas S.A. ("Unipar"). The agreement will enable Petrobras to consolidate its main petrochemical assets in Braskem, which will remain a private-sector publicly-traded company and improve its ability to compete globally.

In addition, the Investment Agreement gives Braskem first-refusal rights for participating as a partner in projects involving the Rio de Janeiro Petrochemical Complex (COMPERJ) and the Suape Petrochemical Complex in Pernambuco state.

The Investment Agreement was sent to the Administrative Council of Economic Defense (CADE – anti-trust agency). The Economic Monitoring Office of the Ministry of Finance

(SEAE) has recommended that this acquisition be approved without restrictions by CADE. The Economic Law Office of the Ministry of Justice (SDE) has also recommended that the transaction be approved without restrictions.

The steps already taken in terms of the Investment Agreement include:

(i) The creation of a holding company, BRK Investimentos Petroquímicos S.A. (BRK), in December 2009, to which Odebrecht and Petrobras later transferred all their common shares in Braskem.

(ii) In April 2010, Odebrecht and Petrobras finalized a R$ 3,500,000 share capital increase in BRK through the issue of new shares paid up in cash.

(iii) On April 14, 2010, the Board of Directors ratified the share capital increase in the Company through a private subscription that resulted in the issue of 243,206,530 common shares and 16,697,781 class A preferred shares at a unit value of R$ 14.40, for a total of R$ 3,742,622, of which R$ 2,378,742 was recorded in the capital stock account and R$ 1,363,880 in the capital reserve account (Note 20.a).

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(iv) On April 27, 2010, the Company disclosed, in a Relevant Fact notice, the acquisition from Unipar, of shares representing 60% of the total and voting capital in Quattor, through a cash payment of R$ 659,454. In accordance with the accounting practices adopted to prepare this Quarterly Information (Note 3), the acquisition generated goodwill of R$ 360,419 based on the expected future profitability of the company acquired. However, this acquisition represents a businesses combination, as established in the Technical Pronouncement - CPC 15, and the Companys management therefore engaged a specialized company to assess the fair value of the assets and liabilities acquired. This calculation, which is still not finalized, will be reflected in the financial statements to be prepared in accordance with International Financial Reporting Standards (IFRS), and disclosed as established in CVM Resolution No. 603 of November 10, 2009.

On the acquisition date of March 31, 2010, Quattor held the following investments:

(v) On May 10, 2010, the Company announced the acquisition, from Unipar, of all the shares of Unipar Comercial e Distribuidora ("Unipar Comercial") as well as shares representing 33.33% of total capital of Polibutenos S.A. Indústrias Químicas ("Polibutenos") for cash payments of R$ 27,104 and R$ 22,362, respectively.

On May 31, 2010, the Company acquired from Chevron Oronite do Brasil ("Chevron"), shares representing 33.33% of total capital of Polibutenos for R$ 22,482. With the acquisitions from Unipar and Chevron, Braskem now owns, directly and indirectly, 100% of the share capital of Polibutenos.

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In accordance with the accounting procedures adopted to prepare this Quarterly Information (Note 3), the acquisitions of Unipar Comercial and Polibutenos generated goodwill of R$ 3,828 and R$ 32,145, respectively, based on expected future profits. However, these acquisitions represented business combinations, as established in the Technical Pronouncement - CPC 15, and the Companys management therefore engaged a specialized company to assess the fair value of the assets and liabilities acquired. This calculation, which is still not finalized, will be reflected in the financial statements to be prepared in accordance with International Financial Reporting Standards (IFRS), and disclosed as established in CVM Resolution No. 603 of November 10, 2009.

(vi) On May 26, 2010, the Company filed a request to register a Public Offer with CVM, in order to acquire the 7,688 common shares and 1,542,006 preferred shares of Quattor Petroquímica S.A. (Quattor Petroquímica) held by minority shareholders, as a result of the change in control. These shares represented 0.68% of the total capital of Quattor Petroquímica. CVMs Board approved the Public Offer on October 28, 2010.

(vii) On June 18, 2010, the Extraordinary General Shareholders Meeting held by Braskem approved the acquisition of Quattor shares previously held by Petrobras and which represented 40% of total and voting shares of the subsidiary. The net asset value merged was evaluated at book value, on March 31, 2010 at R$ 199,356, of which R$ 164,744 was recorded in the Capital account and R$ 34,612 in the Capital reserve account. This operation involved the issuance of 18,000,087 common shares at an exchange ratio of 0.18855863182 share of Braskem for each share of Quattor, as established in the economic reports of the companies prepared by an independent specialist (Note 20.a). As a result of this share merger, Braskem now holds 100% of voting and total capital of Quattor.

(viii) On June 24, 2010, Quattors Extraordinary General Shareholders Meeting approved the increase in the capital stock of R$ 4,014,128, without the issue of new shares. The capital increase was carried out with advances for future capital increase received from Braskem.

Additionally, on June 29, 2010, the Extraordinary General Shareholders’ Meeting held by Quattor approved a R$ 2,578,372 reduction in its share capital, without the cancellation of shares and restitution to Braskem, its sole shareholder, of all the investments in Rio Polímeros S.A. (“Riopol”) and Quattor Petroquímica. The value of these investments, on May 31, 2010, including the respective goodwill/negative goodwill, was R$ 1,189,934. As well as the investments, the values related to the advances made for future capital increases in these subsidiaries were also repaid to Braskem in the total of R$ 1,388,438.

(ix) On January 7, 2008, BNDES Participações S.A. ("BNDESPAR") acquired 25% of Riopol, and it was granted a put option to sell 60% and 40% of the acquired interest to Unipar and Petrobras, respectively. This option was exercisable up to June 2013.

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On August 9, 2010, BNDESPAR exercised the put option and Braskem acquired 190,784,674 common shares and 30 preferred shares of Riopol for R$ 209,951. Pursuant to the accounting standards adopted for the preparation of this Quarterly Information (Note 3), the acquisition generated goodwill in the amount of R$ 128,655 based on Riopol's future profitability. With this acquisition, corresponding to 15% of Riopol's total capital, Braskem holds directly and indirectly 90% of the total capital of that subsidiary.

The amount of this acquisition will be paid in 3 installments, adjusted by the TJLP (Note 19), as follows:

(a) First installment, maturing on June 11, 2015, corresponding to 15% of the total amount;

(b) Second installment, maturing on June 11, 2016, corresponding to 35% of the total amount;

(c) Third installment, maturing on June 11, 2017, corresponding to 50% of the total amount.

Also due to the put option exercised by BNDESPAR, Petrobras has acquired 10% of Riopol's capital stock.

(x) On August 30, 2010, Braskem's Extraordinary General Meeting approved the merger of Riopol's shares, converting Riopol into a wholly-owned subsidiary of the Company. The merged net assets were appraised at book value on March 31, 2010, the transaction's base date, and amounted to R$ 103,087. Of that amount, R$ 22,285 was allocated to the capital stock account, and R$ 80,802 to the capital reserve account. In that transaction, 2,434,890 preferred class-A shares were issued, considering an exchange ratio of 0.010064743789 of a Braskem share for each Riopol share, pursuant to economic appraisal reports of the companies, prepared by an independent expert (Note 20.a).

Due to this stock merger, subsidiary Quattor Petroquímica, which held 9.02% of Riopol's capital, has received Braskem shares. In the consolidated financial statements, these shares are accounted for as "treasury shares" (Note 20 (b)).

(xi) On September 1, 2010, Quattor's Extraordinary General Meeting approved the merger of the companies mentioned below. The net assets of the merged companies were appraised at book value on June 30, 2010 (transaction's base date).

(a) Merger of Quattor Química S.A. ("Quattor Química")

On the merger date, Quattor Química's capital was owned by Quattor (94.11%) and Quattor Petroquímica (5.89%). The exchange ratio of Quattor Química shares for Quattor shares was determined based on the shareholders' equity of both companies on June 30, 2010, the transaction's base date, generating a capital increase of R$ 58,231 with the issuance of 7,538,949 common shares delivered to Quattor Petroquímica.

(b) Merger of Polibutenos

On the merger date, Polibutenos's capital was owned by Quattor (33.33%) and Braskem (66.67%). The exchange ratio of Polibutenos shares for Quattor shares was determined based on the shareholders' equity of both companies on June 30, 2010, the transaction's base date, generating a capital increase of R$ 13,032 with the issuance of 1,687,179 common shares delivered to Braskem.

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(c) Mergers of Mauá Resinas S.A. ("Mauá Resinas") and Norfolk Distribuidora Ltda. ("Norfolk")

On the merger date, Mauá Resinas and Norfolk were wholly-owned subsidiaries of Quattor, accordingly there was no capital increase or issue of shares by the surviving company.

On September 30, 2010, after all stages provided for in the Investment Agreement and the aforementioned mergers had been completed, Braskem's participation in the companies acquired is as follows:

(f.3) On February 1, 2010, Braskem announced to the market that its subsidiary Braskem América, Inc. ("Braskem América") signed, on that same date, a share purchase and sale contract with Sunoco Inc., a U.S. oil company, through which it acquired all the total and voting capital of Sunoco Chemicals, Inc. ("Sunoco Chemicals") for US$ 350 million, equivalent to R$ 620,837. Sunoco Chemicals has an annual installed capacity of 950,000 metric tons of polypropylene distributed in three plants located in Pennsylvania, West Virginia and Texas.

The transaction was finalized on April 1, 2010, when full payment was made. On the same date the name of the acquiree was changed to Braskem PP Americas, Inc. ("PP Americas").

In accordance with the accounting practices adopted when preparing this Quarterly Information (Note 3), the acquisition generated goodwill of R$ 62,041. However, the acquisition represented a "business combination", as established in the Technical Pronouncement - CPC 15, and the Company's management therefore engaged a specialized company to assess the fair value of the assets and liabilities acquired. This calculation, which is still not finalized, will be reflected in the financial statements to be prepared in accordance with International Financial Reporting Standards (IFRS), and disclosed as established in CVM Resolution No. 603 of November 10, 2009.

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(f.4) On June 1, 2010, Braskem approved the spin-off of its subsidiary Varient Distribuidora de Resinas Ltda. (“Varient”) and the merger of the spun-off part by the new subsidiary Alcacer Distribuidora de Resinas Ltda. (“Alcacer”). On the same date, negotiations were concluded to sell these two subsidiaries for a total value of R$ 12,700 (Note 11).

(f.5) In November 2009, Braskem and Grupo IDESA Sociedad Anónima de Capital Variable (“IDESA”), a traditional petrochemical company in Mexico, announced that they had put in the winning bid in a tender offer process in Mexico to implement a petrochemical project based on ethane in the Veracruz region with a supply contract through PEMEX-Gás, of 66,000 barrels/day of this input over a period of 20 years. As a result of this tender offer, Braskem and IDESA signed a Memorandum of Understanding and finalized a definitive contract on February 23, 2010, involving:

(i) a commitment by Braskem-IDESA to invest in the construction of an integrated ethane cracker, with production capacity of 1 million metric tons per year of ethylene; and

(ii) in three polyethylene plants producing approximately 1 million metric tons per year. The investment in the project, which is denominated Etileno XXI, is estimated at some US$2.5 billion, with conclusion of construction and operational startup of the unit expected in January 2015.

The name of the new investee is Braskem Idesa, Sociedad Anónima Promotora de Inversión (“Braskem Idesa”). The fully-subscribed share capital of this subsidiary totals 76,592,000 Mexican pesos on May 25, 2010, represented by 6,300 shares, of which 65% are owned by Braskem and 35% by Etileno XXI Sociedad Anónima de Capital Variable. Additionally, on September 30, 2010, the shareholders contributed Mex$ 433,788 thousand to Braskem Idesa's capital, through the issuance of 35,680 shares. Braskem Idesa's subscribed and paid-up capital is now Mex$ 510,380 thousand, in 41,980 shares.

## 2 Presentation of quarterly information

The financial statements of the Company (individual and consolidated) were prepared according to the accounting practices adopted in Brazil, which are derived from the Brazilian Corporation Law, pronouncements, guidelines and interpretations of the Brazilian Accounting Pronouncements Committee (CPC), and the rules of CVM. As determined by the CVM, in Resolution No. 603 of November 10, 2009, the Company decided to present its Quarterly Information for the period ending September 30, 2010, in accordance with the accounting rules existing on December 31, 2009.

In the preparation of the 2009 and 2010 financial statements, the Company adopted the amendments to the corporate legislation introduced by Law 11,638/07, of December 28, 2007, with the amendments introduced by Law Nos. 11,638/07 and 11,941/09 which modify Law No. 6,404/76 (Brazilian Corporation Law) as regards aspects of the preparation and disclosure of the financial statements. The main purpose of these laws was to update the Brazilian corporation Law in order to harmonize the accounting practices adopted in Brazil with International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board  IASB.

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The pronouncements issued by the CPC which affected the Quarterly Information are as follows:

| **CPC Pronouncement** | **Subject** | **CVM Approval Resolution** | **Approval Date** |
|---|---|---|---|
| CPC 01R | Impairment of assets | 527/07 | 1/11/2007 |
| CPC 02R2 | Effects of changes in foreign exchange rates and conversion of financial statements | 534/08 | 1/29/2008 |
| CPC 03R2 | Cash flow statement | 547/08 | 8/13/2008 |
| CPC 04 | Intangible assets | 553/08 | 11/12/2008 |
| CPC 05R | Disclosures about related parties | 560/08 | 12/11/2008 |
| CPC 06 | Leasing operations | 554/08 | 11/12/2008 |
| CPC 07 | Government subsidies and assistance | 555/08 | 11/12/2008 |
| CPC 08 | Transaction costs and premiums on the issuance of securities | 556/08 | 11/12/2008 |
| CPC 09 | Value-added statement | 557/08 | 11/12/2008 |
| CPC 12 | Adjustment to present value | 564/08 | 12/17/2008 |
| CPC 13 | Initial adoption of Law Nos. 11,638/07 and 11,941/09 | 565/08 | 12/17/2008 |
| CPC 14 | Financial Instruments: recognition, measurement and disclosure | (*) | 12/17/2008 |

(*)The CPC Guideline  OCPC No. 03, approved by CVM/SNC/SEP circular No. 03/2009, on 11/19/09, substituted CPC 14.

During the 2009 financial year, the CPC issued and the CVM approved new pronouncements and technical interpretations related to the process of convergence with international accounting standards - IFRS. These standards have to be adopted in the 2010 financial year and 2009 restated for the purposes of comparison.

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The following is a list of the pronouncements and technical interpretations that will impact the Companys Quarterly Information when the pronouncements issued in 2009 are first adopted:

**Pronouncements:**

| CPC Pronouncement | Subject | CVM Approval Resolution | CVM Approval Approval Date |
|---|---|---|---|
| CPC 15 | Business combinations | 580/09 | 7/31/2009 |
| CPC 16 | Inventories | 575/09 | 6/5/2009 |
| CPC 18 | Investments in associated companies | 605/09 | 11/26/2009 |
| CPC 19 | Investment in joint ventures | 606/09 | 11/26/2009 |
| CPC 20 | Borrowing costs | 577/09 | 6/5/2009 |
| CPC 21 | Interim financial statements | 581/09 | 7/31/2009 |
| CPC 22 | Information by segments | 582/09 | 7/31/2009 |
| CPC 23 | Accounting policies, changes in estimates and error correction | 592/09 | 9/15/2009 |
| CPC 24 | Subsequent events | 593/09 | 9/15/2009 |
| CPC 25 | Provisions and asset and liability contingencies | 594/09 | 9/15/2009 |
| CPC 26 | Presentation of financial statements | 595/09 | 9/15/2009 |
| CPC 27 | Property, plant and equipment | 583/09 | 7/31/2009 |
| CPC 30 | Revenues | 597/09 | 9/15/2009 |
| CPC 31 | Non-current assets held for sale and discontinued operations | 598/09 | 9/15/2009 |
| CPC 32 | Taxes on profits | 599/09 | 9/15/2009 |
| CPC 33 | Post-employment benefits (benefits to employees) | 600/09 | 10/7/2009 |
| CPC 35 | Separate financial statements | 607/09 | 11/26/2009 |
| CPC 36 | Consolidated financial statements | 608/09 | 11/26/2009 |
| CPC 37 | Initial adoption of international accounting standards | 609/09 | 12/22/2009 |
| CPC 38 | Financial instruments  recognition and measurement | 604/09 | 11/19/2009 |

| | | | |
|---|---|---|---|
| CPC 39 | Financial instruments  presentation | 604/09 | 11/19/2009 |
| CPC 40 | Financial instruments  disclosure | 604/09 | 11/19/2009 |
| CPC 43 | Initial adoption of the technical pronouncements 15 to 40 | 610/09 | 12/22/2009 |

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**Technical interpretations:**

| **Technical Interpretation** | | **CVM Approval** | |
|---|---|---|---|
| **ICPC** | **Subject** | **Resolution** | **Approval Date** |
| ICPC-03 | Leasing operations | 613/09 | 12/22/2009 |
| ICPC-04 | Share-based payments | 614/09 | 12/22/2009 |
| ICPC-05 | Share transactions by the group and treasury shares | 615/09 | 12/22/2009 |
| ICPC-06 | Hedge of net investment in foreign operations | 616/09 | 12/22/2009 |
| ICPC-08 | Accounting for proposed dividend payments | 601/09 | 10/7/2009 |
| ICPC-09 | Individual, separate, consolidated financial statements and the application of the equity method | 618/09 | 12/22/2009 |
| ICPC-10 | Fixed assets and investment property | 619/09 | 12/22/2009 |
| ICPC-11 | Receipt of customer assets | 620/09 | 12/22/2009 |
| ICPC-12 | Changes in decommissioning liabilities | 621/09 | 12/22/2009 |

Given the adoption of the new CPCs and convergence with IFRS, the Company is finalizing the preparation of its opening balance sheet as of January 1, 2009, based on the applicable standards, and is reprocessing all the months in 2009 and 2010 already disclosed. The main impacts identified to date, and still subject to examination by the independent auditors, are:

(i) the updating of fixed assets;

(ii) write downs of deferred charges and some amounts classified as intangible assets;

(iii) adjustment relative to the defined benefit pension plan;

(iv) deferred income tax and social contribution on the initial adjustments; and

(v) business combinations.



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**(a) Companies acquired in 2010**

(a.1) The balance sheets of the companies acquired during the period (Note 1 (f)), adjusted to reflect the Companys accounting practices, are shown below:

| | Quattor consolidated 4/1/2010 | PP Americas 4/1/2010 | Unipar Comercial 5/1/2010 | Polibutenos 5/31/2010 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current** | | | | |
| Cash and cash equivalents | 413,847 | | 1,857 | 3,718 |
| Marketable securities | 130,224 | | | |
| Trade accounts receivable | 463,073 | | 40,234 | 8,913 |
| Inventories | 665,458 | 171,742 | 14,762 | 3,518 |
| Taxes recoverable | 285,236 | | 1,669 | 4,167 |
| Deferred income tax and social contribution | 25,179 | | 749 | |
| Prepaid expenses | 13,913 | | 240 | 167 |
| Other receivables | 31,606 | | 417 | 69 |
| | 2,028,536 | 171,742 | 59,928 | 20,552 |
| **Non-current** | | | | |
| Trade accounts receivable | 50 | | | |
| Inventory | 28,050 | | | |
| Taxes recoverable | 464,191 | | 45 | 4,429 |
| Deferred income tax and social contribution | 163,739 | | | 351 |
| Judicial deposits and compulsory loans | 12,128 | | 62 | 53 |
| Related parties | 23,901 | | | |
| Other receivables | 865 | 8,514 | | 252 |
| | 692,924 | 8,514 | 107 | 5,085 |

| | | | | |
|---|---|---|---|---|
| Other investments | 2,071 | | 4 | |
| Fixed assets | 5,522,933 | 646,851 | 14,717 | 57,960 |
| Intangible assets | 639,660 | 180,148 | 385 | 14 |
| Deferred charges | 228,738 | | | |
| | 7,086,326 | 835,513 | 15,213 | 63,059 |
| **Total assets** | 9,114,862 | 1,007,255 | 75,141 | 83,611 |

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| | Quattor Consolidated 4/1/2010 | PP Americas 4/1/2010 | Unipar Comercial 5/1/2010 | Polibutenos 5/31/2010 |
|---|---|---|---|---|
| **Liability and shareholders equity** | | | | |
| **Current** | | | | |
| Suppliers | 623,254 | | 9,741 | 3,934 |
| Loans and financing | 2,366,493 | | 23,331 | 23,964 |
| Hedge operations | 3,674 | | | |
| Salaries and payroll charges | 34,402 | 5,487 | 1,456 | 442 |
| Taxes payable | 99,171 | | 993 | 875 |
| Income tax and social contribution  current and deferred | 5,512 | | 263 | 489 |
| Dividends and interest on capital payable | 3,336 | | 130 | 9,720 |
| Advances from customers | 21,380 | | | |
| Other accounts payable | 28,294 | 1,110 | 1,726 | 246 |
| | 3,185,516 | 6,597 | 37,640 | 39,670 |
| **Non-current** | | | | |
| Loans and financing | 4,995,202 | | 6,495 | 23,878 |
| Deferred income tax and social contribution | 12,091 | 300,625 | | |
| Taxes payable | 144,635 | | 74 | |
| Private pension plans | 850 | | | |
| Other accounts payable | 137,582 | 17,155 | | 1,013 |
| | 5,290,360 | 317,780 | 6,569 | 24,891 |
| **Non-controlling shareholders** | 140,595 | | | |
| **Shareholders equity** | | | | |
| Capital stock | 2,202,112 | 598,393 | 14,000 | 13,649 |
| Capital and revenue reserves | | | 13,469 | 2,731 |
| Retained earnings (accumulated losses) | (1,703,721) | 84,485 | 3,463 | 2,670 |
| | 498,391 | 682,878 | 30,932 | 19,050 |
| **Total liabilities and shareholders equity** | 9,114,862 | 1,007,255 | 75,141 | 83,611 |

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(a.2) Cash flow effect  Additions to investments  2010

- **Consolidated**

| **Companies acquired** | **Amount paid** | **Cash acquired (Note 2 (a))** | **Net** |
|---|---|---|---|
| Quattor (consolidated) (Note 1, f.2 (iv)) | (659,454) | 413,847 | (245,607) |
| PP Americas (Note 1, f.3) | (620,837) | | (620,837) |
| Unipar Comercial (Note 1, f.2 (v)) | (27,104) | 1,857 | (25,247) |
| Polibutenos (Note 1, f.2 (v)) | (44,845) | 2,479 | (42,366) |
| Cetrel | (1,419) | | (1,419) |
| | (1,353,659) | 418,183 | (935,476) |

- **Parent Company**

| **Companies acquired** | **Amount paid** |
|---|---|
| Quattor (consolidated) (Note 1, f.2 (iv)) | (659,454) |
| Unipar Comercial (Note 1, f.2 (v)) | (27,104) |
| Polibutenos (Note 1, f.2 (v)) | (44,845) |
| | (731,403) |
| | |
| Advances for future capital increase | (2,708,407) |
| Capital increase in subsidiaries | (568,399) |
| | (4,008,209) |

**(b) Transitory Tax Regime (RTT)**

The amounts presented in the Quarterly Information as of September 30, 2010 and 2009 consider the adoption of the Transitory Tax Regime (RTT) by the Company and its subsidiaries based in Brazil, as stipulated in Law No. 11,941/09, the aim of which is to maintain tax neutrality with respect to the changes in Brazilian corporate law introduced by Laws 11,638/07 and 11,941/09. The definitive option for the RTT was made upon filing the Statement of Corporate Economic-Fiscal Information  DIPJ for the 2008 calendar year. When applicable, the deferred tax effects generated by adhering to the RTT are recognized and presented in the items Deferred Income tax and Social Contribution (Note 18(b)).

**(c) Restatement of the statements of operations and of cash flow  3rd quarter/2009**

(i) CPC 2R  The statements of operations and of cash flow of the overseas operations, considered dependent on Braskem, were included in the parent companys financial statements as determined in item 4 of CPC 2. With the withdrawal of the requirement previously included in CPC 2, the Company presents, for the purposes of comparison, its third quarter results in 2009 excluding the foreign subsidiaries. The CPC referred to is now known as CPC 2R.

(ii)CPC 3R  The Company is restating its cash flow statement to improve presentation.

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# 3 Significant accounting practices

There were no significant changes in the accounting practices applicable to the Quarterly Information compared with those presented in the financial statements for the year ended December 31, 2009.

Company management defined the functional currency of the subsidiaries PP Americas (Note 1 (f.3)) and Braskem Idesa (Note 1 (f.5)), as the US dollar and Mexican peso, respectively. As defined in CPC 2R, the effects of the translation to the Company's reporting currency were recognized in shareholders' equity, in the item "Cumulative translation adjustments".

**(a) Consolidated quarterly information**

The Consolidated Quarterly Information was prepared in accordance with the principles of consolidation established in Brazilian Corporate Law and supplementary rules issued by the CVM and includes the Quarterly Information of the Company and its subsidiaries, jointly-controlled companies and special-purpose entities (SPEs), in which it has share control or control over their activities, directly and/or indirectly, as shown below:

| | | **Participation in total capital - %** | | |
|---|---|---|---|---|
| | **HQ (Country)** | **Sep/2010** | **Jun/2010** | **Sep/2009** |
| **Direct and indirect subsidiaries** | | | | |
| Braskem America Inc. ("Braskem America") | USA | 100.00 | 100.00 | 100.00 |
| Braskem Chile Limitada ("IPQ Chile") | Chile | 100.00 | 100.00 | 100.00 |
| Braskem Distribuidora Ltda.("Braskem Distribuidora") | Brazil | 100.00 | 100.00 | 100.00 |
| Braskem Europe B.V. ("Braskem Europa") | Holland | 100.00 | 100.00 | 100.00 |
| Braskem Finance Limited ("Braskem Finance") | Cayman Islands | 100.00 | 100.00 | 100.00 |
| Braskem Idesa, Sociedade Anônima Promotora de Inversión ("Braskem Idesa") | Mexico | 65.00 | 65.00 | |
| Braskem Incorporated ("Braskem Inc.") | Cayman Islands | 100.00 | 100.00 | 100.00 |
| Braskem Importação e Exportação Ltda. ("Braskem Importação") | Brazil | 100.00 | 100.00 | 100.00 |
| Braskem Participações S.A. ("Braskem Participações") | Brazil | 100.00 | 100.00 | 100.00 |

| | | | | | |
|---|---|---|---|---|---|
| Braskem Petroquímica S.A. (“IPQ Argentina”) | | Argentina | 100.00 | 100.00 | 100.00 |
| Braskem Petroquímica Chile Limitada (“Braskem Chile”) | | Chile | 100.00 | 100.00 | 100.00 |
| Braskem PP Americas Inc. (“PP Americas”) | (i) | USA | 100.00 | 100.00 | |
| Company Alagoas Industrial - CINAL (“CINAL”) | | Brazil | 100.00 | 100.00 | 100.00 |
| Copesul International Trading INC. (“CITI”) | (ii) | British Virgin Islands | | | 100.00 |
| Lantana Trading Co. Inc. (“Lantana”) | | The Bahamas | 100.00 | 100.00 | 100.00 |
| Ideom Tecnologia Ltda. (“Ideom”) | | Brazil | 100.00 | 100.00 | 100.00 |
| IQ Soluções & Químicas S.A.(“Quantiq”) | | Brazil | 100.00 | 100.00 | 100.00 |
| Ipiranga Química Armazéns Gerais Ltda. (“IQAG”) | | Brazil | 100.00 | 100.00 | 100.00 |
| ISATEC” Chemical Research. Development and Analyses Ltda. (“ISATEC”) | | Brazil | 100.00 | 100.00 | 100.00 |
| Natal Trading | (ii) | British Virgin Islands | | | 100.00 |
| Politeno Empreendimentos Ltda. (“Politeno Empreendimentos”) | | Brazil | 100.00 | 100.00 | 100.00 |
| Varient Distribuidora de Resinas Ltda. (“Varient”) | (iii) | Brazil | | | 100.00 |

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| | | | **Participation in total capital - %** | | |
|---|---|---|---|---|---|
| | | **HQ (Country)** | **Sep/2010** | **Jun/2010** | **Sep/2009** |
| Quattor Participações S.A. (Quattor) | (iv) | Brazil | 100.00 | 100.00 | |
| Quattor Petroquímica S.A. (Quattor Petroquímica) | (iv) | Brazil | 99.32 | 99.32 | |
| Quattor Química S.A. (Quattor Química) | (v) | Brazil | | 100.00 | |
| Rio Polímeros S.A. (Riopol) | (iv) | Brazil | 100.00 | 75.00 | |
| Polibutenos S.A. Indústrias Químicas (Polibutenos) | (vi) | Brazil | | 100.00 | |
| Mauá Resinas S.A. (Mauá Resinas) | (v) | Brazil | | 100.00 | |
| Norfolk Distribuidora Ltda. (Norfolk) | (v) | Brazil | | 100.00 | |
| Norfolk Trading S.A. (Norfolk Trading) | (iv) | Uruguay | 100.00 | 100.00 | |
| Commom Industries Ltd. (Commom) | (iv) | British Virgin Islands | 100.00 | 100.00 | |
| Unipar Comercial e Distribuidora S.A. (Unipar Comercial) | (vii) | Brazil | 100.00 | 100.00 | |
| **Jointly-controlled** | (viii) | | | | |
| CETREL S.A. - Environmental Protection Company ("CETREL") | | Brazil | 53.54 | 53.83 | 53.80 |
| Polietilenos de America S.A.(POLIMERICA) | | Venezuela | 49.00 | 49.00 | |
| Polipropileno Del Sur S.A.(PROPILSUR) | | Venezuela | 49.00 | 49.00 | |

| | | | | | |
|---|---|---|---|---|---|
| **Special-purpose Entity (“SPE”)** | | | | | |
| Multimarket Investment Fund CCrédito Privado Sol (“FIQ Sol”) | (ix) | Brazil | 100.00 | 100.00 | 100.00 |

(i) Company acquired in April 2010. (Note 1.f.3)

(ii) Subsidiaries merged by Braskem Inc. in December 2009.

(iii) Company set up in September 2009 from the spin-off of Quantiq and sold in June 2010. (Note 1.f.4)

(iv) Companies acquired in April 2010. (Note 1.f.2)

(v) Companies acquired in April 2010 and merged into Quattor in September 2010. (Note 1.f.2)

(vi) Company acquired in May 2010 and merged into Quattor in September 2010. (Note 1.f.2.(v))

(vii) Company acquired in May 2010 (Note 1.f.2.(v))

(viii) Investments consolidated proportionately, in accordance with CVM Instruction No. 247/96

(ix) Fund consolidated in accordance with CVM Instruction No. 408/04

Inter-company investments and equity accounting results, as well as the balances of assets and liabilities, revenues and expenses and the unrealized profits arising from operations between consolidated companies, were eliminated in the consolidated Quarterly Information.

Goodwill based on the fair value of fixed assets were reclassified to a specific asset account, in accordance with CVM Instruction No. 247/96.

As defined in paragraph 1 of Article 23 of CVM Normative Instruction No. 247/96, the Company did not proportionately consolidate the Quarterly Information of the jointly-controlled entity Oil Refinery Rio-Grandense S.A. (“RPR”). The information of this subsidiary would not significantly alter the Company’s consolidated Quarterly Information.

## 3 Significant accounting practices

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**(b) Reconciliation of shareholders equity between the parent company and the Consolidated**

**Parent Company**
Exclusion of the gain on sale of investments between consolidated companies
Reversal of the amortization of goodwill related to the sale of investments between consolidated con
Braskem shares belonging to subsidiary Quattor Petroquímica - Note 1 f.2(xi)(a)
**Consolidated**

## 4 Cash and cash equivalents

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| Cash and banks | 51,795 | 139,721 | 263,335 | 586,918 |
| Financial investments | | | | |
| in Brazil | 2,417,828 | 2,026,079 | 2,567,708 | 2,103,675 |
| Abroad | 95,046 | 153,863 | 259,899 | 323,330 |
| Total | 2,564,669 | 2,319,663 | 3,090,942 | 3,013,923 |

The financial investments in Brazil are represented, mainly, by investment in Braskems exclusive fund (FIQ Sol) that, in turn, holds fixed income instruments and time deposits. The applications overseas consist of sovereign fixed income instruments or those issued by large financial institutions *(Time Deposit)*, which are very liquid in the market. All the financial investments were classified as "held for trading" and are measured at their fair values with variations recognized in the results of operations.

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**5 Marketable securities**

| | Consolidated | |
|---|---|---|
| | **Sep/2010** | **Jun/2010** |
| Current | | |
| US Treasury Bills (available for sale) | 257,734 | 290,396 |
| Shares held for trading | 85 | 85 |
| Investment in FIQ Sol (held for trading) | 99,740 | 104,039 |
| Investments in foreign currencies ( held for trading) | 37,783 | 46,529 |
| | 395,342 | 441,049 |
| Non-current | | |
| Subordinate quotas in investment funds (held to maturity) | 18,362 | 17,918 |
| Others | | 2,059 |
| | 18,362 | 19,977 |
| Total | 413,704 | 461,026 |
| Parent Company | 413,704 | 458,818 |

# 6 Trade accounts receivable

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | Sep/2010 | Jun/2010 | Sep/2010 | Jun/2010 |
| Customers | | | | |
| Domestic market | 915,670 | 1,084,143 | 1,578,190 | 1,730,655 |
| Foreign market | 454,235 | 565,706 | 928,596 | 1,056,574 |
| Allowance for doubtful accounts | (213,390) | (213,738) | (264,344) | (257,912) |
| Total | 1,156,515 | 1,436,111 | 2,242,442 | 2,529,317 |
| | | | | |
| In current assets | 1,092,406 | 1,376,780 | 2,177,531 | 2,469,139 |
| In non-current assets | 64,109 | 59,331 | 64,911 | 60,178 |
| Total | 1,156,515 | 1,436,111 | 2,242,442 | 2,529,317 |

## 7 Inventories

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | Sep/2010 | Jun/2010 | Sep/2010 | Jun/2010 |
| Finished products and work in process | 1,045,825 | 1,139,217 | 1,840,727 | 2,004,319 |
| Raw materials, production inputs and packaging | 564,944 | 565,169 | 706,299 | 745,927 |
| Maintenance materials (i) | 379,097 | 365,203 | 468,091 | 462,414 |
| Advances to suppliers | 7,824 | 8,735 | 58,916 | 9,087 |
| Imports in transit and others | 14,952 | 53,033 | 41,554 | 102,760 |
| Total | 2,012,642 | 2,131,357 | 3,115,587 | 3,324,507 |
| | | | | |
| In current assets | 1,985,260 | 2,102,360 | 3,059,961 | 3,265,151 |
| In non-current assets (i) | 27,382 | 28,997 | 55,626 | 59,356 |
| Total | 2,012,642 | 2,131,357 | 3,115,587 | 3,324,507 |

(i) Based on past consumption, certain maintenance materials inventories were classified in non-current assets.

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## 8 Related parties

### (a) Parent Company

**Balances Sep/2010**

| | Assets | | | | Liabilities | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Current | | | | Non-current | | |
| | | | Related | | Related | | Other | | | | |
| | Current | | parties | | parties | | accounts | | Related parties | | Othe |
| **Subsidiaries** | | | | | | | | | | | |
| Braskem America | 219 | (i) | | | | | | | | | |
| Braskem Chile | 128 | (ii) | | | | | | | | | |
| Braskem Distribuidora | | | | | | | | | 2,964 | (vii) | |
| Braskem Europa | 118,019 | (i) | | | | | | | | | |
| Braskem Importação | | | | | | | | | 115 | (vii) | |
| Braskem Inc. | | | 5,620 | (vi) | 65,299 | (xi) | 35,792 | (xii) | 6,506 | (xi) | |
| Braskem Participações | 96 | (ii) | | | | | | | | | |
| CINAL | 25 | (i) | 685 | (vii) | | | | | | | |
| Ideom | 154 | (i) | 16,049 | (vii) | | | | | | | |
| IPQ Argentina | 25,497 | (i) | | | | | | | | | |
| IPQ Chile | 1,617 | (i) | | | | | | | | | |
| IQAG | | | | | | | | | 440 | (vii) | |
| ISATEC | | | 2,239 | (vii) | | | 53 | (xiii) | | | |
| Lantana | | | 49 | (vii) | | | | | | | |
| Politeno Empreendimentos | | | 33 | (vii) | | | | | | | |
| Quantiq | 10,892 | (iii) | 18,402 | (vii) | | | 122 | (xiii) | | | |
| Quattor | 505 | (i) | 528,608 | (vii) | | | 7,772 | (xiii) | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Quattor Petroquimica | 42,142 | (i) | 845,923 | (viii) | | 141 | (xiii) | |
| Riopol | 4,940 | (i) | 768,679 | (ix) | | 7,428 | (xiii) | |
| Unipar Comercial | 2,202 | (i) | 26,563 | (vii) | | 117 | (xiii) | |
| | **206,436** | | **2,212,850** | | **65,299** | **51,425** | | **10,025** |



6 Trade accounts receivable

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| | | | | | | |
|---|---|---|---|---|---|---|
| **Jointly-controlled** | | | | | | |
| Braskem Idesa | 1,107 (ii) | | | | | |
| CETREL | | | | 471 (xiii) | | |
| RPR | 6,544 (i) | | | 4,437 (xiii) | | |
| | **7,651** | | | **4,908** | | |
| **Associate** | | | | | | |
| Borealis | 5,870 (iv) | | | | | |
| | **5,870** | | | | | |
| **Related companies** | | | | | | |
| BRK | | | | | 651 (vii) | |
| Petrobras | 7,616 (i) | 52,680 (x) | | 356,129 (xiii) | | 15,526 (xiii) |
| Petrobras International Finance ("PFICO") | 27,577 (i) | | | | | |
| Refinaria Alberto Pasqualini ("REFAP") | 5,173 (i) | | | 76,468 (xiii) | | |
| Outros | 103 (ii) | | | | | |
| | **40,469** | **52,680** | | **432,597** | **651** | **15,526** |
| **SPE** | | | | | | |
| FIQ Sol | 2,414,264 (v) | | | | | |
| | **2,414,264** | | | | | |
| **As of September 30, 2010** | **2,674,690** | **2,265,530** | **65,299** | **488,930** | **10,676** | **1,581,779** |
| **As of June 30, 2010** | **2,027,982** | **2,251,616** | **69,107** | **857,540** | **11,174** | **2,452,788** |

Groups of accounts in which the transactions are recorded:

(i) Trade accounts receivable

(ii) Other receivables

(iii) R$ 7,059 in trade accounts receivable and R$ 3,833 in dividends and interest on capital

(iv) R$ 5,683 in trade accounts receivable and R$ 187 in other receivables

(v) R$ 2,314,524 in cash and cash equivalents and R$ 99,740 in marketable securities

(vi) Related to a loan contract, remunerated at 100% of the CDI

(vii) Related to current accounts, remunerated at 100% of the CDI

(viii) Related to current accounts remunerated at 100% of the CDI: R$ 196,284 and to Advance for Future Capital: R$ 649,639

(ix) Related to current accounts remunerated at 100% of the CDI: R$ 29,880 and to Advance for Future Capital: R$ 738,799

(x) Related to a loan contract, remunerated at TJLP + interest of 2% p.a.

(xi) Related to notes payable, remunerated at the foreign exchange variation + quarterly Libor + interest of 1.6% p.a.

(xii) Related to financing, remunerated at the foreign exchange variation + interest of between 7.65% and 11.0% p.a.

(xiii) Suppliers

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| | Transactions in the January to Sep/2010 results | | | |
|---|---|---|---|---|
| | Product sales | Purchases of raw materials, services and utilities | Financial revenues/ (expenses) (i) | Cost of production/ General and administrative expenses |
| **Subsidiaries** | | | | |
| Braskem America | 219 | | (15) | |
| Braskem Argentina | | | 2,698 | |
| Braskem Chile | | | | |
| Braskem Distribuidora | | 919 | 158 | |
| Braskem Europa | 216,546 | | (6,382) | |
| Braskem Importação | | | (8) | |
| Braskem Inc. | | 247,072 | 105,593 | |
| CINAL | 299 | 8,101 | 106 | |
| Ideom | | | 541 | |
| IPQ Argentina | 55,899 | | (3,299) | |
| IPQ Chile | 9,087 | | | |
| IQAG | | 2 | (22) | |
| ISATEC | | 33 | 104 | |
| Lantana | | | (1) | |
| Polibutenos | | | 608 | |
| Politeno Empreendimentos | | | 2 | |
| Quantiq | 58,467 | 516 | 913 | |
| Quattor | | 8,042 | 14,764 | |
| Quattor Petroquimica | 117,785 | 3,778 | 3,718 | |
| Quattor Química | 138,032 | | 4,198 | |
| Riopol | 9,920 | 92,671 | 180 | |
| Unipar Comercial | 15,755 | 2,081 | 1,003 | |
| | **622,009** | **363,215** | **124,859** | |
| **Jointly-controlled** | | | | |

| | | | |
|---|---|---|---|
| CETREL | 165 | 12,881 | |
| RPR | 109,698 | 37,743 | |
| | **109,863** | **50,624** | |
| **Associate** | | | |
| Borealis | 118,967 | 5 | |
| | **118,967** | **5** | |
| **Post-employment benefit plans** | | | |
| Fundação Petrobras de Seguridade Social ("PETROS") | | | 2,480 |
| Odeprev – Odebrecht Previdência (“ODEPREV”) | | | 5,981 |
| Triunfo Vida | | | 126 |
| | | | **8,587** |

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| | | | | |
|---|---|---|---|---|
| **Related companies** | | | | |
| BRK | | | (17) | |
| Construtora Norberto Odebrecht ("CNO") | | 39,833 | | |
| OCS □ Administradora e corretora de seguros (□OCS□) | | 1,966 | | |
| Odebrecht Plantas Industriais (□OPIP□) | | 122,508 | | |
| Petrobras | 357,682 | 4,517,582 | 1,369 | |
| PIFCO | 51,162 | | | |
| REFAP | 235,684 | 996,428 | | |
| | **644,528** | **5,678,317** | **1,352** | |
| **As of September 30, 2010** | **1,495,367** | **6,092,161** | **126,211** | **8,587** |
| **As of September 30, 2009** | **1,322,106** | **4,311,063** | **139,331** | **11,270** |

(i) Includes the effect of foreign exchange variations

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The inter-company transactions between the Company and related companies are made on terms equivalent to the averages practiced with third parties, subject to the following:

(i) For the purchase of naphtha from Petrobras and REFAP, the price of naphtha and other oil byproducts is that practiced in the international market, using a clause related to the quality of parafinicity and contaminants in the naphtha delivered; and

(ii) For the sales to foreign subsidiaries, the collection period of 180 days is longer than that established for other customers.

**(a.1) Consolidated**

In consolidated non-current assets, the item related parties, totaling R$ 99,939, comprises:

(i) R$ 52,680 related to the loan contract with Petrobras, bearing the TJLP + interest of 2% p.a.

(ii) R$ 47,259 related to receivables from Propilsur.

**(b) Key management personnel**

The Company considers Key management personnel to be the members of the Board of Directors and of the Executive Board, comprised of the CEO and vice-presidents.

| **Transactions affecting the results** | **Parent Company** | | **Consolidated** | |
|---|---|---|---|---|
| | **Sep/2010** | **Sep/2009** | **Sep/2010** | **Sep/2009** |
| **Compensation** | | | | |
| Short-term benefits to employees and management | 23,719 | 23,234 | 26,988 | 23,844 |
| Post-employment benefits | 147 | 196 | 283 | 196 |
| Benefits on contract termination | | 36 | 892 | 36 |
| Long-term incentive | 1,734 | 964 | 1,734 | 964 |
| **Total** | 25,600 | 24,430 | 29,897 | 25,040 |

| **Balance sheet  Parent Company/ Consolidated** | **Sep/2010** | **Jun/2010** |
|---|---|---|
| Long-term incentive | 5,218 | 4,573 |
| **Total** | 5,218 | 4,573 |

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## 9 Taxes recoverable

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| IPI recoverable | 26,789 | 26,027 | 29,493 | 33,930 |
| ICMS (a) | 904,463 | 964,664 | 1,360,675 | 1,419,006 |
| PIS and Cofins | 353,734 | 259,411 | 543,963 | 485,533 |
| PIS  Decrees-Law Nos. 2,445 and 2,449/88 | 55,194 | 55,194 | 55,297 | 59,364 |
| Income tax and social contribution | 144,359 | 238,705 | 289,975 | 325,592 |
| Tax on net income  ILL | 60,686 | 60,238 | 60,686 | 60,238 |
| Others | 117,942 | 107,217 | 160,565 | 118,353 |
| Total | 1,663,167 | 1,711,456 | 2,500,654 | 2,502,016 |
| | | | | |
| In current assets | 464,894 | 352,696 | 844,628 | 671,205 |
| In non-current assets | 1,198,273 | 1,358,760 | 1,656,026 | 1,830,811 |
| Total | 1,663,167 | 1,711,456 | 2,500,654 | 2,502,016 |

### (a) ICMS (Value-added Tax on Sales and Services)

The Company has accumulated a balance of ICMS recoverable over the past few years largely from acquisitions of fixed assets, domestic sales with tax deferral incentives and foreign sales. This accumulation is most notable in the states of Bahia, Rio Grande do Sul and São Paulo, where the majority of the production units are concentrated. The tax credit in São Paulo State relates to the Quattor Petroquímica and Quattor Química production units.

(a.1) Company management has been prioritizing a series of actions to maximize the use of these credits and does not currently expect to incur any loss in connection with them. Of particular note among the actions of management are:

- The agreement with the State of Rio Grande do Sul to maintain full deferral of ICMS on the import of naphtha and limit the use of accumulated ICMS credits to a monthly average of R$ 8,250 for offset against the monthly balances due by the units in this state;

- The agreement with the state government of Bahia to increase the percentage reduction in the calculation base for ICMS due on the imported petrochemical naphtha, lowering the effective rate to 5.8%, as defined in paragraphs 9 and 10 of Article 347 of the ICMS Regulation of the State of Bahia (Decree No. 11,059 of May 19, 2008);

- The signing in November 2009, with no effect on the previous item, of an Agreement with the State of Bahia, ensuring the effective implementation of State Decree No. 11,807, of October 27, 2009, which gradually reduces the effective ICMS rate on domestic naphtha acquired in the same state from 17% to 0% up to March 2011. On September 30, 2010, the rate was 8%.

- Agreement with the State of Rio Grande do Sul to use R$ 9,600 per year of the ICMS credit balance to pay for the acquisition of goods for investments in the same state;

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- Importation of raw materials using the prerogatives defined in the applicable customs legislation, ensuring a lower generation of ICMS credits;

- Maintaining the increase in the calculation base for ICMS on fuel sales to the industrial refiner, from 40% to 100%, as defined in Article 347 of the ICMS Regulation in the State of Bahia; and

- Substitution of exports of co-products with domestic operations.

Given the tax rule that limits the short-term use of ICMS credits arising from the acquisition of fixed assets and managements projection of the period of time the other credits will be realized, on September 30, 2010, the amount recorded as long-term assets was R$ 770,035 in the parent company and R$ 1,202,849 in the consolidated.

(a.2) Subsidiary Riopol has recorded, based on Decree Law No. 25,665/1999, deferred ICMS tax on imports of equipment and parts for the construction of its manufacturing facilities. Pursuant to this Decree, Riopol, as a substitute taxpayer, is allowed to postpone the payment of ICMS for 6 years from the date of acquisition of the assets, with no financial charges. On September 30, 2010, the balance of ICMS payable was R$ 70,164.

## 10 Judicial deposits and compulsory loans  Non-current assets

| | Parent Company | Consolidated |
|---|---|---|

| | Sep/2010 | Jun/2010 | Sep/2010 | Jun/2010 |
|---|---|---|---|---|
| **Judicial deposits** | | | | |
| Tax contingencies | 50,762 | 50,237 | 49,477 | 55,036 |
| Labor contingencies and others | 89,467 | 87,872 | 113,546 | 104,917 |
| **Compulsory deposit** | | | | |
| Eletrobrás | 3,816 | 3,816 | 3,751 | 5,397 |
| | 144,045 | 141,925 | 166,774 | 165,350 |
| In non-current assets | 144,045 | 141,925 | 166,774 | 165,350 |
| **Total** | 144,045 | 141,925 | 166,774 | 165,350 |

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## 11 Investments

### (a) Information about investments

| (a.1) Investments by the parent company | Share in total capital (%) | Adjusted net income (loss) for the period | | Adjusted shareholders' equity (net capital deficiency) | |
|---|---|---|---|---|---|
| | Sep/2010 | Sep/2010 | Sep/2009 | Sep/2010 | Jun/201 |
| **Subsidiaries** | | | | | |
| Braskem America | 100.00 | 36,425 | (1,516) | 335,625 | 341,98 |
| Braskem Chile | 100.00 | 236 | (65) | 5,225 | 4,68 |
| Braskem Distribuidora | 100.00 | (2,376) | (17,674) | 86,751 | 91,56 |
| Braskem Europa | 100.00 | 8,791 | 17,018 | 123,617 | 125,12 |
| Braskem Finance | 100.00 | 9,215 | 28,975 | 41,912 | 26,88 |
| Braskem Idesa | 65.00 | (2,783) | | 65,909 | 9,88 |
| Braskem Inc, | 100.00 | (42,455) | 4,248 | 172,136 | 190,15 |
| Braskem Participações | 100.00 | (1,714) | (124) | 2,031 | 89 |
| CINAL | 100.00 | (749) | (1,016) | 27,570 | 28,88 |
| Ideom | 99.90 | (9,729) | (504) | (11,698) | (7,325 |
| IPQ Argentina | 96.77 | 891 | 2,063 | 9,091 | 8,98 |
| IPQ Chile | 99.02 | 75 | (174) | 1,556 | 1,42 |
| IQAG | 0.12 | 534 | 152 | 1,415 | 1,22 |
| ISATEC | 100.00 | (1,318) | (1,214) | 599 | 92 |
| Polibutenos (i) | | 2,658 | | | 19,54 |
| Politeno Empreendimentos | 100.00 | (27) | 713 | (19) | (16 |
| QuantiQ | 100.00 | 12,808 | 10,258 | 106,955 | 102,43 |
| Quattor (i) | 96.96 | (764,912) | | 2,007,424 | 1,843,35 |
| Quattor Petroquímica (ii) | 99.32 | | | | |
| Riopol (i) | 100.00 | (802,075) | | 554,095 | 499,03 |
| Unipar Comercial (i) | 100.00 | 9,345 | | 36,361 | 32,95 |
| **Jointly-Controlled** | | | | | |
| CETREL | 53.54 | 27,639 | 20,964 | 261,230 | 248,45 |
| RPR | 33.20 | 44,402 | 33,443 | 25,115 | 26,13 |
| **Associates** | | | | | |
| Borealis | 20.00 | 15,078 | 9,704 | 130,990 | 126,28 |
| CODEVERDE | 35.75 | (596) | (770) | 83,953 | 93,87 |
| Sansuy Administração, Participação, Representação e Serviços Ltda. | 20.00 | (10) | | 1,975 | 1,97 |

(i) Income (loss) for the period from January to September 2010. Equity accounting is calculated as from the acquisition of each investment. (Note 1.f)

(ii) This information will be disclosed in the subsidiary's quarterly information

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| (a.2) Investments of subsidiaries | Share in total capital (%) Sep/2010 | Adjusted net income (loss) for the period Sep/2010 | Sep/2009 | Adjusted shareholders equity (net capital deficiency) Sep/2010 | Jun/2010 |
|---|---|---|---|---|---|
| **Braskem América** | | | | | |
| PP Americas | 100.00 | 34,783 | | 686,269 | 703,605 |
| **Braskem Distribuidora** | | | | | |
| Braskem Importação | 100.00 | 9 | 16 | 195 | 192 |
| IPQ Argentina | 0.06 | 891 | 2,063 | 9,091 | 8,981 |
| Lantana | 96.35 | (2,213) | (958) | 79,728 | 84,778 |
| **Braskem Participações** | | | | | |
| Ideom | 0.10 | (9,729) | (504) | (11,698) | (7,325) |
| **Braskem Inc** | | | | | |
| Lantana | 3.65 | (2,213) | (958) | 79,728 | 84,778 |
| **QuantiQ** | | | | | |
| IQAG | 99.88 | 534 | 152 | 1,415 | 1,227 |
| **IPQ Chile** | | | | | |
| IPQ Argentina | 3.17 | 891 | 2,063 | 9,091 | 8,981 |
| **Braskem Europa** | | | | | |
| **Jointly Controlled** | | | | | |
| Propilsur | 49.00 | (3,566) | | (6,035) | (6,293) |
| Polimerica | 49.00 | (2,159) | | (5,544) | (5,522) |
| **Quattor** | | | | | |
| Quattor Química | | | | | 988,636 |
| Commom | | | | | 7,272 |
| Mauá Resinas | | | | | 2,252 |
| Norfolk | | | | | 3,919 |
| Polibutenos | | | | | 19,547 |
| Commom | 100.00 | 926 | | 6,923 | 7,272 |
| Norfolk Trading | 100.00 | 628 | | 53,354 | 56,058 |
| **Quattor Petroquímica** | | | | | |
| Quattor | 3.04 | (764,912) | | 2,007,424 | 1,843,355 |

| | |
|---|---|
| Quattor Química | 988,636 |
| Riopol | 499,035 |

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**(b) Movement of investments in subsidiaries, jointly-controlled companies and associates**

**Third Quarter**

| Subsidiaries and jointly-controlled companies | Balance on 6/30/2010 | Merger / merger of shares | Transfer of negative goodwill (i) | Capital increase (decrease) | Dividends and interest on capital | Equity accounting results | Goodwill amortization | G (lo parti |
|---|---|---|---|---|---|---|---|---|
| **Domestic subsidiaries** | | | | | | | | |
| Braskem Distribuidora | 91,564 | - | - | - | - | (4,813) | - | |
| Braskem Participações | 896 | - | - | 1,532 | - | (279) | - | |
| CETREL | 129,741 | - | - | - | - | 5,849 | (505) | |
| CINAL | 20,157 | - | 8,731 | - | - | (1,318) | - | |
| ISATEC | 923 | - | - | - | - | (324) | - | |
| Polibutenos | 13,031 | (13,032) | - | - | - | 1 | - | |
| Quantiq | 102,436 | - | - | - | (70) | 4,589 | - | |
| Quattor | 1,843,355 | 13,032 | - | - | - | 89,984 | - | |
| RPR | 8,677 | - | - | - | - | 3,360 | - | |
| Riopol | 329,363 | 81,296 | - | 103,087 | - | 40,349 | - | |
| UNIPAR Comercial | 32,958 | - | - | - | - | 3,673 | - | |
| Other (ii) | 723,475 | - | - | - | - | (17,934) | (1,145) | |
| | **3,296,576** | **81,296** | **8,731** | **104,619** | **(70)** | **123,137** | **(1,650)** | |
| **Foreign subsidiaries** | | | | | | | | |
| Braskem America | 341,987 | - | - | - | - | 43,427 | - | |
| Braskem Chile | 4,681 | - | - | - | - | 544 | - | |
| Braskem Europa | 125,129 | - | - | - | - | (1,512) | - | |
| Braskem Idesa | 7,347 | - | - | 37,924 | - | (1,809) | - | |
| Braskem Inc. | 190,152 | - | - | - | - | (41,599) | - | |
| Braskem Finance | 26,884 | - | - | - | - | 15,028 | - | |
| IPQ Argentina | 8,981 | - | - | - | - | 110 | - | |
| IPQ Chile | 1,429 | - | - | - | - | 127 | - | |
| | **706,590** | **-** | **-** | **37,924** | **-** | **14,316** | **-** | |

(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Total subsidiaries** | **4,003,166** | **81,296** | **8,731** | **142,543** | **(70)** | **137,453** | **(1,650)** |
| **Associates** | | | | | | | |
| Borealis | 25,257 | - | - | - | - | 941 | - |
| CODEVERDE | - | - | - | (2,835) | - | - | - |
| **Total associates** | **25,257** | **-** | **-** | **(2,835)** | **-** | **941** | **-** |

(i) Amount transferred to "other accounts payabler" (Note 19 (iii)).

(ii) Considers information of subsidiary Quattor Petroquímica



(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

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**Accumulated**

| Subsidiaries and jointly-controlled companies | Balance on 12/31/2009 | Merger / merger of shares and spin-off | Acquisition of shares | Goodwill on acquisition of investments | Transfer of negative goodwill (i) | Capital increase (decrease) | Dividends and interest on capital |
|---|---|---|---|---|---|---|---|
| **Domestic subsidiaries** | | | | | | | |
| Alcácer | - | | 1,320 | - | | - | - |
| Braskem Distribuidora | 89,127 | - | - | - | | - | - |
| Braskem Participações | 2,331 | - | - | - | | 1,532 | - |
| CETREL | 115,993 | - | - | - | | 5,369 | (1,901) |
| CINAL | 19,588 | - | - | | 8,731 | - | - |
| Ideom | - | - | - | - | | - | - |
| ISATEC | 1,917 | - | - | - | | - | - |
| Polibutenos | - | (13,032) | 12,699 | - | | - | - |
| Politeno Empreendimentos | 9 | - | - | - | | - | - |
| Quantiq | 94,244 | - | - | - | | - | (97) |
| Quattor | - | 13,032 | 498,391 | - | | 1,435,756 | - |

(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| RPR | - | - | - | - | | - | - |
| Riopol | - | 81,296 | 328,723 | - | | 103,087 | - |
| UNIPAR Comercial | - | - | 30,932 | - | | - | - |
| Varient | 14,007 | (1,319) | - | - | | - | (1,256) |
| Other (ii) | - | - | 690,558 | 34,362 | | - | - |
| | **337,216** | **79,977** | **1,562,623** | **34,362** | **8,731** | **1,545,744** | **(3,254)** |
| **Foreign subsidiaries** | | | | | | | |
| Braskem America | 3,821 | - | - | - | | 335,467 | - |
| Braskem Chile | 4,989 | - | - | - | | - | - |
| Braskem Europa | 114,826 | - | - | - | | - | - |
| Braskem Idesa | - | - | 7,347 | - | | 37,924 | - |
| Braskem Inc. | 15,679 | - | - | - | | 180,760 | - |
| Braskem Finance | 32,697 | - | - | - | | - | - |
| IPQ Argentina | 8,200 | - | - | - | | - | - |
| IPQ Chile | 1,481 | - | - | - | | - | - |
| | **181,693** | **-** | **7,347** | **-** | **-** | **554,151** | **-** |
| **Total subsidiaries** | **518,909** | **79,977** | **1,569,970** | **34,362** | **8,731** | **2,099,895** | **(3,254)** |
| **Associates** | | | | | | | |
| Borealis | 20,684 | - | - | - | - | - | - |
| CODEVERDE | - | - | - | - | | (2,835) | - |
| **Total associates** | **20,684** | **-** | **-** | **-** | **-** | **(2,835)** | **-** |

(i) Amount transferred to "other accounts payabler" (Note 19 (iii)).
(ii) Considers information of subsidiary Quattor Petroquímica



(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

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**(c) Equity accounting results**

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **Sep/2010** | **Sep/2009** | **Sep/2010** | **Sep/2009** |
| Equity in the results of subsidiaries and jointly-controlled companies | 73,636 | (52,058) | 18,203 | (4,840) |
| Equity in the results of associates | 5,514 | 1,940 | 5,514 | 1,940 |
| Amortization of goodwill | (2,619) | (6,310) | (3,104) | (6,310) |
| Provision for investment losses | (9,854) | (5,246) | | |
| | 66,677 | (61,674) | 20,613 | (9,210) |

## 12 Fixed assets

**Consolidated**

| | Sep/2010 | | | Jun/2010 | Average annual rates depreciation/ depletion |
|---|---|---|---|---|---|
| | **Cost** | **Accumulated depreciation/ depletion** | **Net** | **Net** | **(%)** |

| | | | | | |
|---|---|---|---|---|---|
| Land | 195,003 | | 195,003 | 193,366 | |
| Buildings and improvements | 1,854,037 | (701,500) | 1,152,537 | 1,135,023 | 3.6 |
| Machinery, equipment and installations | 20,046,545 | (6,967,977) | 13,078,568 | 13,346,528 | 8.2 |
| Mines and wells | 24,314 | (10,043) | 14,271 | 14,752 | 8.9 |
| Furniture and fixtures | 144,722 | (76,467) | 68,255 | 69,357 | 10.6 |
| IT equipment | 160,538 | (126,606) | 33,932 | 43,204 | 20.4 |
| Projects in progress | 1,384,214 | | 1,384,214 | 1,197,640 | |
| Laboratory / safety equipment | 120,588 | (39,387) | 81,201 | 82,093 | 10.0 |
| Others | 221,392 | (88,792) | 132,600 | 128,149 | 16.8 |
| | 24,151,353 | (8,010,772) | 16,140,581 | 16,210,112 | |

| | | | | |
|---|---|---|---|---|
| **Parent Company** | 16,182,402 | (6,344,023) | 9,838,379 | 9,845,284 |

The projects in progress largely involve the implementation of projects in industrial units, operating improvements to increase the working life of machinery and equipment and projects in the areas of health, safety and the environment.

Consolidated fixed assets include a provision for impairment loss of R$ 523,959 recorded by the subsidiaries Riopol and Quattor Química prior to the acquisition of these companies by Braskem.



(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

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## 13 Intangible assets

**Consolidated**

| | Sep/2010 | | | Jun/2010 | Average annual |
|---|---|---|---|---|---|
| | **Cost** | **Accumulated amortization** | **Net** | **Net** | **rates of amortization (%)** |
| Goodwill based on expected future profitability | 4,406,596 | (1,296,350) | 3,110,246 | 2,981,591 | (i) |
| Trademarks and patents | 101,137 | (28,556) | 72,581 | 74,977 | 5.2 |
| Software and usage rights | 714,725 | (248,208) | 466,517 | 485,883 | 11.1 |
| | 5,222,458 | (1,573,114) | 3,649,344 | 3,542,451 | |

| | | | | |
|---|---|---|---|---|
| **Parent Company** | 4,365,493 | (1,269,550) | 3,095,943 | 2,977,016 |

(i) The goodwill based on expected future profitability was amortized through to December 31, 2008, over the maximum term of 10 years. From 2009, this type of goodwill is no longer systematically amortized, but is subject to an annual test of recoverability, as defined in CPC 01R. In addition, during the third quarter of 2010, the Company recognized goodwill of R$ 128,658 on the acquisition of Riopol shares belonging to BNDESPAR (Note 1.f.2 (ix)).

(b) Movement of investments in subsidiaries, jointly-controlled companies and associates 

## 14 Deferred charges

The balance on September 30, 2010 refers to expenses incurred during the construction period of the industrial plants (pre-operating expenses), which are being amortized over periods that vary between five and ten years. The Company and its subsidiaries opted to maintain the existing balance as of December 31, 2008 until fully amortized, subject to analysis of recoverability, as defined in Article 299-A of Law No. 6,404/76, modified by Article 25 of Law 11,941/09.

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## 15 Loans and financing

| | Annual financial charges | | Consolidated | |
|---|---|---|---|---|
| | **Currency or monetary index** | **Average interest (except when otherwise indicated)** | **Sep/2010** | **Jun/2010** |
| **Foreign currency** | | | | |
| Eurobonds | Note 15 (a) | Note 15 (a) | 3,507,274 | 3,055,985 |
| Repurchase agreement | US$ | Monthly Libor + 0.95% | | 32,441 |
| Prepayment of exports | Note 15 (b) | Note 15 (b) | 2,580,661 | 3,618,963 |
| Medium-term notes | US$ | 11.75% | 432,951 | 473,600 |
| Financing of raw materials | US$ | 3.05% (3.02% - Jun/2010) | 19,516 | 20,717 |
| Financing of shares (ii) | US$ | 4.45% | 358,622 | 381,202 |
| BNDES | Post-fixed monetary restatement (UMBNDES) (i) | 8.59% (8.69% - Jun/2010) | 103,870 | 110,927 |
| BNDES | US$ | 6.31% (6.43% - Jun/2010) | 250,257 | 253,831 |
| Working capital | US$ | 7.64% (7.63% - Jun/2010) | 657,774 | 697,729 |
| Working capital | US$ | 100% of CDI | 500,598 | 535,753 |
| Working capital | US$ | 100% of CDI + 2.5% | 69,478 | 75,617 |
| Project Financing (NEXI) | YEN | 0.95% over the TIBOR (Note 15 (c)) | 78,279 | 88,293 |
| Net transaction costs | Note 15 (h) | Note 15 (h) | (40,800) | (32,387) |

| | | | | |
|---|---|---|---|---|
| **Brazilian currency** | | | | |
| Working Capital | Post-fixed monetary restatement | 105.0% to 110.0% of the CDI (105.0% to 112.5% of the CDI - Jun/2010) | 828,692 | 1,078,514 |
| | | 12.13% (12.14% - Jun/2010) | 258,569 | 251,210 |
| Working capital | TR | Fixed interest of 9.93% | | 83,427 |
| FINAME | TJLP | 1.16% (5.72% - Jun/2010) | 10,852 | 11,694 |
| FINAME | | 9.53% (9.71% - Jun/2010) | 304 | 430 |
| BNDES | TJLP | 3.38% (3.36% - Jun/2010) | 2,678,494 | 2,673,441 |
| BNDES EXIM | | 7.00% | 150,395 | |
| BNB | | 8.50% (8.52% - Jun/2010) | 221,656 | 231,670 |
| FINEP | Post-fixed monetary restatement (TJLP) | Average fixed interest of 0.03% | 69,133 | 74,136 |
| FUNDES | | 6.0% | 179,346 | 172,354 |
| LEASING | | 13.79% | | 327 |
| Net transaction costs | Note 15 (h) | Note 15 (h) | (3,795) | (21,680) |
| **Total** | | | **12,912,126** | **13,868,194** |
| Current liabilities | | | 1,227,034 | 1,286,335 |
| Non-current liabilities | | | 11,685,092 | 12,581,859 |
| **Total** | | | **12,912,126** | **13,868,194** |

**Parent Company**

| | | |
|---|---|---|
| Current liabilities | 842,580 | 930,434 |
| Non-current liabilities | 9,609,600 | 10,036,027 |
| **Total** | **10,452,180** | **10,966,461** |

(i) UMBNDES = BNDES monetary unit

(ii) Financing for the acquisition of PP Americas, with a principal value of US$ 210,000,000 and payment over 5 years in 5 installments, the first of which is due on April 1, 2013.

(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

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**(a) Eurobonds**

The composition of Eurobond operations is shown below:

| | | | | Consolidated | |
|---|---|---|---|---|---|
| | | | Interest | | |
| **Issue Date** | **Amount of issue US$ 000s** | **Maturity** | **(% p.a.)** | **Sep/2010** | **Jun/2010** |
| Jul/1997 | 250,000 | Jun/2015 | 9.38 | 262,050 | 272,313 |
| Jun/2005 | 150,000 | N/A | 9.75 | 255,152 | 271,312 |
| Apr/2006 | 200,000 | N/A | 9.00 | 344,842 | 366,682 |
| Sept/2006 | 275,000 | Jan/2017 | 8.00 | 472,531 | 512,367 |
| Jun/2008 | 500,000 | Jun/2018 | 7.25 | 866,719 | 905,285 |
| May/2010 | 400,000 | May/2020 | 7.00 | 696,523 | 728,026 |
| Aug/2010 | 350,000 | May/2020 | 7.00 | 609,457 | |
| Total | 2,125,000 | | | 3,507,274 | 3,055,985 |

N/A = no stated maturity

In May and July 2010, the subsidiary Braskem Finance finalized the issue of US$ 750 million for debt is refinancing.



(b) Movement of investments in subsidiaries, jointly-controlled companies and associates 

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**(b) Prepayment of exports (EPP)**

The composition of prepayment of exports operations is shown below:

| | | | | Consol |
|---|---|---|---|---|
| **Date of funding** | **Initial amount US$ 000s** | **Maturity** | **Cost (% p.a.)** | **Sep/2010** |
| Dec/05 | 55,000 | Dec/12 | Variation in US$ + Six-month Libor + 1.60 | 52,433 |
| Jul/06 | 95,000 | Jun/13 | Variation in US$ + 2.67 | 57,057 |
| Jul/06 | 75,000 | Jul/14 | Variation in US$ + 2.73 | 97,428 |
| Mar/07 | 35,000 | Mar/14 | Variation in US$ + 4.10 | 59,297 |
| Apr/07 | 150,000 | Apr/14 | Variation in US$ + 3.40 | 255,877 |
| Nov/07 | 150,000 | Nov/13 | Variation in US$ + 3.53 | 255,804 |
| Mar/08 | 5,000 | Jan/15 | Variation in US$ + Six-month Libor + 2.40 (ii) | |
| Mar/08 | 5,000 | Feb/15 | Variation in US$ + Six-month Libor + 2.50 (ii) | |
| Mar/08 | 80,000 | Mar/12 | Variation in US$ + Six-month Libor + 1.70 | 135,561 |
| Apr/08 | 40,000 | Mar/13 | 85% of CDI | 52,634 |
| Sept/08 | 3,000 | Sept/13 | Variation in US$ + Six-month Libor + 2.75 (ii) | |
| Oct/08 | 725,000 | Oct/13 | Variation in US$ + 5.64 (i) | 685,276 |
| May/09 | 20,000 | Jan/11 | Variation in US$ + Six-month Libor + 4.00 (ii) | |
| Aug/09 | 20,000 | Jul/11 | Variation in US$ + Six-month Libor + 5.00 | 34,294 |
| Sept/09 | 125,000 | Sept/15 | 100% of CDI + 2.75 | 211,775 |
| Mar/10 | 100,000 | Mar/15 | Variation in US$ + 4.67 | 169,975 |
| Mar/10 | 150,000 | Mar/15 | Variation in US$ + 4.69 (ii) | |
| Mar/10 | 70,000 | Mar/15 | Variation in US$ + 4.67 (ii) | |
| May/10 | 150,000 | May/15 | Variation in US$ + Six-month Libor + 2.40 | 256,468 |
| Jun/10 | 150,000 | Jun/16 | Variation in US$ + Six-month Libor + 2.60 | 256,782 |
| Total | 2,203,000 | | | 2,580,661 |

(i) Partially pre-settled operations.

(ii) Pre-settled operations.



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(b) Movement of investments in subsidiaries, jointly-controlled companies and associates 

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**(c) Project financing**

In March and September 2005, the Company obtained loans in Japanese currency from Nippon Export and Investment Insurance ("NEXI"), of YEN 5,256,500,000 - R$ 136,496 and YEN 6,628,200,000 – R$ 141,529, respectively. The principal is being paid in eleven semi-annual installments, with the first in March 2007 and the last in June 2012.

As described in (Note 22(f.3)), the Company entered into swap contracts for all of this debt in order to change the annual finance cost to 101.59% of the CDI for the part received in March 2005 and to 104.29% and 103.98% of the CDI for the parts received in September 2005. The swap contracts were made with first-tier foreign banks and their maturities, currency, rates and amounts are perfectly matched to the debt. The result of the swap contracts is included in the financial result (Note 23).

**(d) Payment schedule**

The amounts of financing maturing in the long term is as follows:

| | **Consolidated** | |
|---|---|---|
| | **Sep/2010** | **Jun/2010** |
| 2011 | 388,391 | 648,300 |
| 2012 | 1,365,476 | 1,717,343 |
| 2013 | 2,147,908 | 2,337,337 |
| 2014 | 1,940,264 | 2,343,186 |

| | | |
|---|---|---|
| 2015 | 1,207,025 | 1,293,904 |
| 2016 | 676,041 | 678,868 |
| 2017 | 592,042 | 617,030 |
| 2018 | 1,087,893 | 1,155,033 |
| 2019 onwards | 2,280,052 | 1,790,858 |
| | 11,685,092 | 12,581,859 |



(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

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**(e) Guarantees**

The Company provided the following guarantees for its financing:

**<u>Parent Company</u>**

| | Maturity | Total guaranteed | Amount of financing | Guarantees |
|---|---|---|---|---|
| BNB | Jun/16 | 190,045 | 190,045 | Mortgage of plants, pledge of machinery and equipment |
| BNDES | Jul/17 | 1,533,161 | 1,533,161 | Mortgage of plants, land and property, pledge of machinery and equipment |
| NEXI | Jun/12 | 78,279 | 78,279 | Insurance policy |
| FINAME | May/12 | 690 | 690 | Lien of equipment |
| | | **1,802,175** | **1,802,175** | |

**(f) Borrowing costs capitalized**

The Company adopts the accounting practice of capitalizing financial charges during the construction period of assets, establishing as policy the application of an average weighted cost of borrowing, including the variation in the exchange rate and monetary restatement, applied to the balance of fixed assets under construction. The average interest rate in the period was 5.01% p.a. (-12.58% p.a. Sep/2009), including the variation in the exchange rate and monetary restatement. The amounts capitalized in each quarter are as shown below:

| | Expenses (revenue) | |
|---|---|---|
| | Consolidated | |
| | Sep/2010 | Sep/2009 |
| Gross | 555,152 | (1,594,927) |
| (-) Financial charges capitalized in the period | (39,512) | 100,907 |
| Financial charges in the result of operations | 515,640 | (1,494,020) |

**(g) Covenants**

Some of the loan contracts of the Company and its subsidiaries establish limits for certain indicators linked to the capacity for indebtedness and payment of interest.

The first indicator establishes a limit for the indebtedness of the Company and its subsidiaries based on their EBITDA generating capacity. This is computed by dividing the Company's consolidated net debt by its consolidated EBITDA over the past twelve months. This indicator is calculated in reais or U.S. dollars, depending on the contractual conditions. If calculated in US$, the closing PTAX is used for the net debt and the average US$ over the last four quarters for the EBITDA.

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The second indicator defined in the contracts is the division of consolidated EBITDA by net interest, which corresponds to the difference between interest paid and interest received. This indicator is determined on a quarterly basis and only calculated in US$.

A summary of these operations and their limiting factors is provided below:

| **Operation** | **Indicator/Limit** | **Currency** |
|---|---|---|
| **Debentures** | Net Debt/EBITDA < 4.5 | R$ |
| **Nexi financing** | Net Debt /EBITDA < 4.5<br>EBITDA /Net interest > 1.5 | US$ |
| **Prepayment of exports** | Net Debt /EBITDA < 4.5<br>EBITDA/Net Interest > 2.0 | US$ |

The calculation of EBITDA for these operations is determined as follows:

| **Consolidated** | |
|---|---|
| **Debentures** | **EBITDA** = LB (-) DOP (+) DAC (+/-) ORD |
| **Nexi, prepayment of exports** | **EBITDA** = LB (-) DOP (+) DAC (+/-) ORD (+) DJCP |

LB=Gross profit
DOP=General, administrative and selling expenses
DAC=Depreciation allocated to the cost of products sold
ORD=Other operating revenue and expenses
DJCP=Dividends and interest on capital received from non-consolidated companies

The penalty for failing to comply with these commitments is the possibility of anticipating debt maturities, except for the operations involving debentures, where debt can only be

(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

prepaid by the issuance of new debt with a new indicator limit, after the issue, of more than 4.5.

On September 30, 2010, all the commitments assumed were met.



(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

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**(h) Transaction costs (consolidated)**

The expenses incurred to structure certain loans were considered as part of the cost of the transaction as defined in CPC 08. The changes in this item were as follows:

| | Sep/2010 | | | | |
|---|---|---|---|---|---|
| | **Prepayment of exports** | **Eurobonds** | **Working Capital** | **Total** | **Prepayment of exports** |
| Balance at the beginning of the period | 17,481 | 9,888 | 26,698 | 54,067 | 16,088 |
| Initial balance of acquired companies | | | | | 3,095 |
| Costs incurred | | 7,377 | | 7,377 | |
| Amortizations | (1,590) | (554) | (14,705) | (16,849) | (1,702) |
| Balance at the end of the period | 15,891 | 16,711 | 11,993 | 44,595 | 17,481 |

The amounts to be appropriated to future results are as follows:

| | **Prepayment of exports** | **Eurobonds** | **Working Capital** | **Total** |
|---|---|---|---|---|
| 2010 | 1,580 | 493 | 701 | 2,774 |
| 2011 | 6,128 | 1,974 | 2,340 | 10,442 |
| 2012 | 4,780 | 1,974 | 2,340 | 9,094 |
| 2013 | 2,468 | 1,974 | 2,340 | 6,782 |
| 2014 | 541 | 1,974 | 2,338 | 4,853 |
| 2015 | 394 | 1,974 | 1,092 | 3,460 |
| 2016 | | 1,974 | 672 | 2,646 |
| 2017 | | 1,974 | 170 | 2,144 |
| 2018 | | 1,356 | | 1,356 |
| 2019 onwards | | 1,044 | | 1,044 |

(b) Movement of investments in subsidiaries, jointly-controlled companies and associates

| | | | |
|---|---|---|---|
| 15,891 | 16,711 | 11,993 | 44,595 |

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# 16 Debentures (public issue not convertible into shares)

| | | | | | Consolidated | |
|---|---|---|---|---|---|---|
| **Issue** | **Unit Value** | **Maturity** | **Interest** | **Payment of interest** | **Sep/2010** | **Jun/2010** |
| 14th | R$ 10 | Sept/2011 | 103.5% of CDI | Semi-annually, from Mar/2007 | 504,371 | 515,331 |
| | | | | | 504,371 | 515,331 |

## 17 Taxes payable

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| **Current** | | | | | |
| IPI | | 32,508 | 30,411 | 50,020 | 49,830 |
| PIS and COFINS | | 12,978 | 21,166 | 140,352 | 98,739 |
| Income tax and social contribution | | 48,285 | 60,049 | 136,437 | 77,284 |
| ICMS | | 32,957 | 42,637 | 132,710 | 93,424 |
| Installment Program  Law No. 11,941/09 | (ii) | 89,736 | 86,021 | 96,560 | 92,845 |
| PAES - Law No. 10,684/03 | (i) | 5,143 | 9,996 | 5,373 | 10,246 |
| Others | | 20,375 | 23,365 | 31,573 | 34,644 |
| Total | | 241,982 | 273,645 | 593,025 | 457,012 |
| **Non-current** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| COFINS  Law No. 9,718/98 | | | | 3,812 | 3,767 |
| ICMS | | | | 48,835 | 58,006 |
| Education, SAT and INSS | | 40,084 | 40,085 | 41,285 | 41,276 |
| Installment Program  Law No. 11,941/09 | (ii) | 1,249,067 | 1,197,618 | 1,328,803 | 1,277,356 |
| PAES - Law No. 10,684/03 | (i) | 31,507 | 28,114 | 31,948 | 28,593 |
| Others | | 53,663 | 53,298 | 63,547 | 58,801 |
| Subtotal | | 1,374,321 | 1,319,115 | 1,518,230 | 1,467,799 |
| (-) Judicial deposits | | (68,825) | (68,825) | (77,895) | (71,818) |
| Total | | 1,305,496 | 1,250,290 | 1,440,335 | 1,395,981 |

**(i) Special installment program - PAES - Law No. 10,684/03**

The merged companies Ipiranga Petroquímica S.A. (IPQ) and Trikem S.A. (Trikem) and the subsidiary CINAL adhered to the Special Installment Program (PAES), implemented by Federal Law No. 10,684/03.

IPQ opted for this installment program due to the cancellation of Comprobatory Compensation Documents (DCCs) related to the acquisition and offset of third-party tax credits. Trikem made this option as a result of withdrawing from the lawsuit contesting the increase in COFINS from 2% to 3%, instituted by Law No. 9,718/98.

Even though the Company was making the payments on time and meeting all the legal requirements, the National Treasury Attorney excluded Trikem from PAES on two occasions. In both cases, the Company obtained legal rulings determining it could remain in the installment program.

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The Company opted to exercise the right conceded by Law No. 11,941/09 to pay the outstanding balance of PAES in revised installments and, as a result, withdrew from all the litigation related to its exclusion from the previous installment program.

**(ii) Installment program of Law No. 11,941/09**

Law No. 11,941 was published on May 27, 2009, and established the conditions for paying federal tax debts in installments. Of particular note among these conditions are: i) the payment can be made in up to 180 months; ii) the discounts related to fines, interest and charges vary according to the installment payment period; iii) there is the possibility of using remaining income tax and social contribution losses to settle the fines and interest. In accordance with this Law, Braskem and its subsidiaries Quattor Química and Quattor Petroquímicahas adhered to the installment program and have been paying the minimum amounts established by the Law. The Brazilian Tax Authority is expected to make available a computer application, during 2010, to consolidate the debt included in the program, which should confirm the values recorded.

Based on an analysis of the expected outcomes of the legal and administrative processes, prepared by external legal advisors, the following main taxes were included in the installment program: i) Social Contribution on Net Income of R$ 1,012,235; ii) IPI credit arising from the purchase of raw materials and fixed assets of R$ 91,461; and iii) COFINS resulting from the legal discussion on the increase in rate from 2% to 3% established in Law No. 9,718/98 of R$ 61,570. In relation to the installment period, Company management opted for 180 months.

The installments due are shown below:

| | Parent Company | Consolidated |
|---|---|---|
| Installment balance as of December 31, 2009 | 852,486 | 852,486 |
| (+) Arrears charges and new taxes included in the installment program | 368,226 | 368,226 |
| (-) Minimum payments | (27) | (27) |
| (+) SELIC interest rate | 36,375 | 36,375 |
| Installment balance as of March 31, 2010 | 1,257,060 | 1,257,060 |
| (+) Opening balance of the companies acquired (i) | | 86,562 |
| (-) Minimum payments | (31) | (31) |
| (+) SELIC interest rate | 26,610 | 26,610 |
| Installment balance as of June 30, 2010 | 1,283,639 | 1,370,201 |
| (-) Minimum payments | (30) | (32) |
| (+) SELIC interest rate and other arrears charges | 55,194 | 55,194 |
| Installment balance as of September 30, 2010 | 1,338,803 | 1,425,363 |
| In current liabilities | 89,736 | 96,560 |
| In non-current liabilities | 1,249,067 | 1,328,803 |
| Total | 1,338,803 | 1,425,363 |

(i) Quattor Química  R$ 85,762 and Quattor Petroquímica  R$ 800

As established in the Law, the Company will lose all the reductions on arrears charges if it fails to pay three installments, whether or not consecutive.

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## 18 Income Tax and Social Contribution

### (a) Reconciliation of the effects of income tax and social contribution in the results of operations

| | P Se |
|---|---|
| Profit before income tax, social contribution, and participation of non-controlling shareholders | 7 |
| | |
| Expense at the income tax and social contribution standard rate of 34% | (2 |
| | |
| Income tax and social contribution on equity accounting | |
| Tax effects of exemption from social contribution (Note 17 (ii)) | |
| Effects of tax debt installment program (Note 17) | |
| Changes in Part B of LALUR, without constitution of deferred taxes | |
| RTT (Note 2 (b)) | |
| Others | ( |
| Social contribution - payment in installments, Law No. 11,941/09 | ( |
| Tax benefits (SUDENE and PAT) | |
| | |
| Effect of income tax and social contribution in the results | (2 |
| | |
| <u>Composition of Income Tax and Social Contribution:</u> | |
| Current | ( |
| SUDENE and PAT | |
| Social contribution - payment in installments, Law No. 11,941/09 | ( |
| | |
| Income and social contribution  current | ( |
| | |
| Income and social contribution  deferred | (1 |

| | |
|---|---|
| Total of income tax and social contribution in the results | (2 |

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**(b) Composition of deferred income tax and social contribution**

| **Composition of deferred income tax** | **Parent Company** | | **Consolidated** | |
|---|---|---|---|---|
| | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| **Assets** | | | | |
| Tax losses | | | 62,027 | 110,552 |
| Goodwill amortized | 88,407 | 99,657 | 88,407 | 100,903 |
| Temporary provisions | 83,814 | 73,212 | 152,164 | 90,299 |
| RTT | 11,273 | 13,662 | 11,273 | 23,939 |
| Other temporary differences | 15,484 | 15,484 | 26,490 | 38,726 |
| | 198,978 | 202,015 | 340,361 | 364,419 |
| | | | | |
| In current assets | 49,369 | 52,045 | 77,909 | 85,662 |
| In non-current assets | 149,609 | 149,970 | 262,452 | 278,757 |
| Total | 198,978 | 202,015 | 340,361 | 364,419 |
| | | | | |
| **Liabilities** | | | | |
| RTT | 210,805 | 179,285 | 210,805 | 184,174 |
| Exchange variance | 467,936 | 327,911 | 467,936 | 327,911 |
| Other temporary differences | 6,277 | 6,424 | 293,929 | 310,618 |
| | 685,018 | 513,620 | 972,670 | 822,703 |
| | | | | |
| In current liabilities | | | 49 | |
| In non-current liabilities | 685,018 | 513,620 | 972,621 | 822,703 |
| Total | 685,018 | 513,620 | 972,670 | 822,703 |

| **Composition of deferred social contribution** | **Parent Company** | | **Consolidated** | |
|---|---|---|---|---|
| | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| **Assets** | | | | |
| Social contribution losses | | | 23,435 | 11,846 |
| Goodwill amortized | 32,598 | 36,672 | 32,598 | 36,672 |
| Temporary provisions | 29,189 | 24,959 | 54,116 | 30,930 |

| | | | | |
|---|---|---|---|---|
| RTT | 2,582 | 2,478 | 2,582 | 6,178 |
| Other temporary differences | 2,721 | 3,135 | 3,813 | 3,760 |
| | 67,090 | 67,244 | 116,544 | 89,386 |
| | | | | |
| In current assets | | | 5,659 | |
| In non-current assets | 67,090 | 67,244 | 110,885 | 89,386 |
| Total | 67,090 | 67,244 | 116,544 | 89,386 |
| | | | | |
| **Liabilities** | | | | |
| RTT | 75,890 | 64,543 | 75,890 | 66,303 |
| Exchange variance | 168,457 | 118,048 | 168,457 | 118,048 |
| Other temporary differences | | | 1,760 | |
| | 244,347 | 182,591 | 246,107 | 184,351 |
| | | | | |
| In non-current liabilities | 244,347 | 182,591 | 246,107 | 184,351 |
| Total | 244,347 | 182,591 | 246,107 | 184,351 |

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**(c) Social contribution**

On December 31, 2009, the Company's management, based on the opinion of its legal advisors, announced its decision to exercise the right granted by Law No. 11,941/09 to pay the social contribution in installments, with respect to the lawsuits challenging the constitutionality of Law 7,689/88.

It should also be noted that the Company, based on the opinion of its legal advisors, did not consider it advisable to pay the amounts that are required as isolated penalty in installments. Indeed, the Taxpayers Council has repeatedly ruled, also in cases to which the Company is party, that the imputation of an isolated penalty and fine on assessment for the same taxable event is illegal. The amount of the fines under discussion, updated by the SELIC rate until September 30, 2010, is R$ 122,743.

Moreover, considering that in the case of the merged company OPP Química S.A., the government has not proposed an action for rescission, the Company believes that, legally, the first decision in its favor is still valid. Therefore, the assessment notices issued by the Federal Revenue Service related to OPP Química S.A. were not included in the installment program. The amount under discussion, updated by the SELIC rate until September 30, 2010, is R$ 229,736.

Finally, the Company is still studying the possibility of challenging in court the validity of the fine on assessment that was charged by the tax authorities. The reason for this is that the Company, based on the opinion of its legal advisors, believes that up until the filing of the request to withdraw its administrative and judicial appeals, it is not in arrears with the Government. The amount under analysis, updated by the SELIC rate until September 30, 2010, is R$ 185,029.

**(d) Tax incentives**

(d.1) Income tax

Up to the base year 2011, the Company has the right to a 75% reduction in the income tax due on profits from the sale of basic petrochemical products and utilities produced at the Camaçari plant. The three polyethylene plants and the polypropylene plant located in Camaçari enjoy the same reduction up to base years 2011, 2012, 2013 and 2016. The PVC plants in Camaçari and Marechal Deodoro (AL) also have a right to the benefit until the base years 2013 and 2019 respectively.

The production of caustic soda, chlorine, ethylene dichloride, and caprolactam have the benefit of a 75% reduction in the income tax rate up until the base year of 2012.

(d.2) Tax on Sales and Services - ICMS

The Company has been granted ICMS tax incentives by the State of Alagoas through the Integrated Development Program of the State of Alagoas - PRODESIN. This incentive is intended to stimulate the installation and expansion of industries in that state and is recorded in the results for the year under the account "Other operating income".

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## 19 Other accounts payable

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| Commissions/customer bonuses | | 22,064 | 16,047 | 23,338 | 16,374 |
| Insurance premiums | | 27,544 | 28,368 | 27,522 | 35,328 |
| Provision for recovery of environmental damages | (i) | 41,020 | 46,083 | 41,020 | 46,083 |
| Market value of derivative instruments | | 10,930 | 15,532 | 10,930 | 15,532 |
| Various legal provisions | (ii) | 79,832 | 79,651 | 89,073 | 86,179 |
| Advances from customers | | 15,046 | 21,987 | 15,046 | 21,987 |
| Lease agreements | | 12,572 | 14,601 | 12,804 | 14,601 |
| Provision for demobilization of plants | | 18,200 | 18,200 | 18,200 | 18,200 |
| Notes payable | (iii) | 222,492 | 10,378 | 223,893 | 10,378 |
| Negative goodwill on the acquisition of investments | (iv) | 131,770 | 123,039 | 206,602 | 208,447 |
| Labor agreement (Note 21.a) | | 79,688 | | 90,870 | |
| Other accounts payable | | 48,570 | 70,926 | 180,534 | 134,880 |
| Total | | 709,728 | 444,812 | 939,832 | 607,989 |
| | | | | | |
| In current liabilities | | 210,310 | 162,480 | 350,025 | 220,905 |
| In non-current liabilities | | 499,418 | 282,332 | 589,807 | 387,084 |
| Total | | 709,728 | 444,812 | 939,832 | 607,989 |

(i) The Company maintains a provision for future expenses with restoration of the environmental damage in some of its industrial plants.

(ii) The Company makes provisions for the amounts involved in legal disputes considered as probable losses based on the opinion of its legal advisors. The amount of the provision for the civil and labor cases is calculated considering the amount claimed by the plaintiff and the Company's historical percentage of loss in the settlement of lawsuits of this nature (Note 21).

The composition of these provisions is as follows:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| Labor claims | 19,301 | 19,301 | 27,971 | 24,465 |
| Tax litigation | 50,718 | 50,537 | 50,896 | 51,467 |
| Civil proceedings | 1,695 | 1,695 | 2,088 | 1,868 |
| Other contingencies | 8,118 | 8,118 | 8,118 | 8,379 |
| | 79,832 | 79,651 | 89,073 | 86,179 |

(iii) The balance for September 30, 2010 includes R$ 212,428 corresponding to the debt with BNDESPAR for the acquisition of Riopol shares (Note 1 (f.2) (ix)).

(iv) Negative goodwill arises from the acquisition of the following companies:

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| | Parent Company Sep/2010 | Consolidated Sep/2010 |
|---|---|---|
| Riopol | 119,211 | 119,211 |
| Unipar Comercial | 3,828 | 3,828 |
| Quattor Petroquímica | | 14,081 |
| PP Americas | | 60,751 |
| CINAL | 8,731 | 8,731 |
| | 131,770 | 206,602 |

## 20 Shareholders' equity

### (a) Capital

On September 30, 2010, the Company's subscribed and paid up capital is R$ 8,038,952 represented by 801,267,442 shares without par value divided into 451,669,063 common shares, 349,004,561 preferred shares class "A", and 593,818 preferred shares class "B".

On May 5, 2009, due to the merger of Triunfo (Note 1 f(f.1)), the Company's capital increased by R$ 97,379, from R$ 5,375,802 to R$ 5,473,181, by issuing 13,387,157 preferred shares class "A".

The Company's Extraordinary General Meeting held on February 25, 2010 approved the increase of capital, independently of changes in the bylaws, up to the limit of 1,152,937,970 shares, divided into 535,661,731 common shares, 616,682,421 preferred shares class "A" and 593,818 preferred shares class "B". The amount of preferred shares without voting rights or with restricted voting rights may not exceed the limit of two thirds of the Company's total capital.

On April 14, 2010, the Company's Board of Directors approved the increase of capital in the form of private subscription by issuing 259,904,311 shares of which 243,206,530 are common shares and 16,697,781 are preferred shares class "A" with an issue value of R$ 14.40 per share totaling R$ 3,742,622. The amount of R$ 1,363,880 was credited to the capital reserve account and R$ 2,378,742 to the capital account, which increased from R$ 5,473,181 to R$ 7,851,923, representing 780,832,465 shares divided into 433,668,976 common shares, 346,569,671 preferred shares class "A", and 593,818 preferred shares Class B.

The General and Extraordinary Meeting held on June 18, 2010 approved the merger of Quattor shares by Braskem. This merger resulted in the issue of 18,000,087 common shares totaling R$ 199,356, of which R$ 164,744 was allocated to the capital account and R$ 34,612 to the capital reserve account. As a result, the Company's capital increased from R$ 7,851,923 to R$ 8,016,667.

The EGM held on August 30, 2010, approved the merger of Riopol shares by Braskem. This merger resulted in the issuance of 2,434,890 preferred class "A" shares for R$ 103,087 in total, of which R$ 22,285 was allocated to the capital account and R$ 80,802 to the capital reserve account. As a result, the Company's capital increased from R$ 8,016,667 to R$ 8,038,952.

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**(b) Treasury shares**

On September 30, 2010, the Company held in treasury 1,506,060 preferred shares class "A" with the value of R$ 11,932 due to the percentage that the merged company Triunfo owned in Braskem. The total value of these shares calculated at the average price of trading at BM&FBovespa on September 30, 2010 was R$ 25,874.

In the consolidated financial statements as of September 30, 2010, the Company recorded the amount of R$ 48,891 under "Treasury Shares," corresponding to 1,154,758 preferred class A shares issued by Braskem and held by subsidiary Quattor Petroquímica. These shares were received by Quattor Petroquimica as a result of the merger of Riopol shares by Braskem. (Note 1(f.2)(x)).

**(c) Carrying value adjustments**

This account, created by Law No. 11,638/07, has the purpose of recording amounts that are already part of the shareholders' equity and not yet included in current results of operations, but which will be in the future. The Company has the following amounts in this account:

| | **Consolidated** | | | | | |
|---|---|---|---|---|---|---|
| | | **Sep/2010** | | | **Jun/2010** | |
| | **Original value** | **IR & CSL deferred** | **Net amount** | **Original value** | **IR & CSL deferred** | **Net amount** |
| Difference between fair value and | 3,632 | (1,235) | | 2,794 | (950) | |

| | | | | | | |
|---|---|---|---|---|---|---|
| amortized cost of financial assets | | | 2,397 | | | 1,844 |
| classified as available for sale | | | | | | |
| Hedging transactions designated for | | | | | | |
| hedge accounting | | | | | | |
| Braskem S.A. | (32,317) | 10,988 | (21,329) | (30,329) | 10,312 | (20,017) |
| Braskem Inc. | (50,300) | | (50,300) | (70,186) | | (70,186) |
| Braskem America | (9,986) | | (9,986) | (2,578) | | (2,578) |
| Braskem PP Americas | 344 | | 344 | | | |
| | (92,259) | 10,988 | (81,271) | (103,093) | 10,312 | (92,781) |
| **Total** | (88,627) | 9,753 | (78,874) | (100,299) | 9,362 | (90,937) |

## 21 Contingencies

### (a) Labor and social security

Collective Bargaining Agreement - Clause 4

The Union of Workers in the Petrochemical, Chemical, Plastics and related Industries and Companies in the State of Bahia ("SINDIQUÍMICA") and the Union of Petrochemical and Synthetic Resin Industries of the State of Bahia ("SINPEQ") have challenged in court the enforceability of the clause of indexation of wages contained in the collective labor agreement in regards to a public order (economic plan) established in 1990 that restricted salary increases. The Company and subsidiary Quattor Petroquímica were operating factories in the region in 1990 and were members of SINPEQ.

The labor union claimed a wage adjustment retroactively. In December 2002, the Supreme Court affirmed the previous decision of the Labor Court ruling that the law of economic policy prevails over collective bargaining agreements and therefore no adjustment was due. In 2003, SINDIQUÍMICA requested an Amendment of Judgment against the latter decision, which on May 31, 2005 was unanimously rejected.

On October 24, 2005, SINDIQUÍMICA appealed judgment. The appeal was referred to the Attorney General's Office, which rendered an opinion completely favorable to SINPEQ in November 2006. The trial of the appeal was initiated on June 28, 2007, being suspended by a request for review of one of the judges.

In September 2010, the Company, Quattor Petroquímica and SINDIQUÍMICA entered into an agreement for the settlement of this lawsuit. The total amount to be disbursed by these companies is R$ 163,667, including the indemnities and the respective arrears charges, attorney's fees, and taxes levied on the payments. In the statement of income, R$ 73,036 was recorded under "cost of goods sold," and the remainder, referring to arrears charges, under "other" financial expenses. This disbursement will be made in 3 installments: the first was paid in September 2010, and the other two will be paid in March and September 2011 (Note 19).

<u>INSS</u>

The Company is party to several administrative and judicial proceedings concerning social security matters, which, adjusted by the Selic rate until September 30, 2010, total R$ 280,281.

The Company's legal advisors deemed as possible the chances of success in all these cases, and therefore no provision was made for losses.

Other labor contingencies

- In the second quarter of 2005, the Union of Workers in Chemical and Petrochemical Industries of Triunfo - RS and Camaçari - BA filed several lawsuits claiming the payment of overtime. Appropriate defenses were presented for these actions. The opinion of the external legal advisors is that it is possible that the Company will win these lawsuits, and therefore no provision has been made.

- In the third quarter of 2010, the Union of Workers in Chemical and Petrochemical Industries of Triunfo (Rio Grande do Sul) filed a class action claiming the payment of overtime referring to work breaks, and the integration into base salary of the remunerated weekly day-off. The opinion of the external legal advisors is that it is possible that the Company will win these lawsuits, and therefore no provision has been made.

- On September 30, 2010, the Company and its subsidiaries were defendants in 1,446 claims for indemnities and labor lawsuits, including those mentioned above, which amounted to approximately R$ 708,967 (June 2010 – R$ 507,999). For the lawsuits the external legal advisors deemed as probable loss, the Company had provided R$ 19,301 on September 30, 2010.

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**(b) Taxes**

IRPJ and CSL

The Brazilian Federal Revenue Service SRF sent an official notification to the merged company Copesul in 1999, claiming underpayment of IRPJ and CSL for 1994, related to the monetary restatement of the balance sheet and equity method adjustment, arising from accounting recognition of dividends distributed by its subsidiary overseas. The updated amount of the action totals R$ 22,025 on September 30, 2010. The case awaits judgment of appeal made by the National Treasury at the Upper Chamber of Tax Appeals. The Company's legal advisors assessed the chance of success in this process as possible.

IPC/BTNF - Law No. 8,200/91

In 1995 the Federal Revenue Service assessed the merged company Copesul for allegedly underpaying income tax (IRPJ) and social contribution (CSL) in fiscal years 1992 to 1994 due to the use of differences between the indexes IPC/BTNF without the restrictions imposed by Law No. 8,200/91. The assessment notice was judged valid in 1996. Since then, the National Treasury Attorney could have filed for Tax Enforcement to collect the debts from the merged company Copesul.

The Government, however, under a preliminary order issued in an action to prevent the Federal Revenue Service from demanding the IR and CSL in and after the fiscal year 1995, understood that it would be barred from receiving these debts. Despite having passed the statute of limitations period, the Treasury filed for Tax Enforcement in 2006 intending to collect them.

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Braskem filed a writ of mandamus to cancel the record of this outstanding debt. The Regional Federal Court □TRF□ of the 4th region granted Braskem's claim. The Treasury appealed to the Superior Court of Justice ("STJ"). On August 3, 2010, the STJ denied the appeal filed by the Treasury, which can still further appeal this decision.

The Company has not made any provision related to this matter because, based on the opinion of its external legal advisors, it believes that the chances of success are probable, mainly as a result of the recent decision of the STJ.

<u>ICMS</u>

In 2009, the subsidiary Quattor Química was assessed by SEFAZ SP for alleged underpayment of value-added taxes (ICMS) due to utilization of tax credits arising from purchases of taxable goods from a taxpayer located in the State of Bahia which were exported by the aforementioned subsidiary. The updated amount of the debt is R$ 267,392, and the assessment notice is pending trial in the initial administrative level.

The Company, based on the opinion of its legal advisors, believes that the chances of success are possible.

**(c) Other lawsuits of the Company and its subsidiaries**

<u>Civil</u>

The Company has civil lawsuits filed by the owner of a former distributor of caustic soda and by the transportation company that provided services for this former distributor in the total amount on September 30, 2010 of R$ 30,312. The plaintiffs seek compensation for damages related to alleged breach of distribution contract by the Company. The evaluation of the management, supported by the opinion of its legal advisors responsible for these cases, is that the actions are likely to be dismissed and therefore no provisions were made.

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Corporate

Some holders of incentive preferred stock proposed actions originally against the merged companies Nitrocarbono, OPP Química, Salgema, Trikem, Polialden, and Politeno. They claim participation in the profits remaining after the payment of preferential dividends on the same basis as other shareholders, along with voting rights until the distribution of dividends is restored as intended. The amount involved in the lawsuits, with a chance of a possible and remote success, is R$ 23,928 and R$ 2,791 respectively.

## 22 Financial instruments

### Non-derivative financial instruments

Braskem and its subsidiaries held on September 30, 2010 and June 30, 2010 the following non-derivative financial instruments, as defined by OCPC 03.

| | **Book value** | | **Fair value** | |
|---|---|---|---|---|
| | **Sep/2010** | **Jun/2010** | **Sep/2010** | **Jun/2010** |
| Cash and cash equivalents (Note 4) | | | | |
| Cash and banks | 263,335 | 586,918 | 263,335 | 586,918 |
| Financial investments in Brazil | 2,567,708 | 2,103,675 | 2,567,708 | 2,103,675 |
| Financial investments abroad | 259,899 | 323,330 | 259,899 | 323,330 |
| | | 3,013,923 | | 3,013,923 |

| | | | | |
|---|---|---|---|---|
| | 3,090,942 | | 3,090,942 | |
| Marketable securities (Note 5) | 395,342 | 441,049 | 395,342 | 440,900 |
| Trade accounts receivable (Note 6) | 2,506,786 | 2,787,229 | 2,506,786 | 2,787,229 |
| Related parties (Note 8) | | | | |
| Assets | 99,939 | 130,092 | 99,939 | 130,092 |
| Liabilities | 651 | 634 | 651 | 634 |
| Suppliers | 5,220,729 | 5,989,103 | 5,220,729 | 5,989,103 |
| Loans (Note 15) | | | | |
| Foreign currency | 8,559,280 | 9,345,058 | 8,848,011 | 9,608,078 |
| Local currency | 4,397,441 | 4,577,203 | 4,397,441 | 4,577,203 |
| | 12,956,721 | 13,922,261 | 13,245,452 | 14,185,281 |
| Debentures (Note 16) | 504,371 | 515,331 | 502,672 | 512,485 |



16 Debentures (public issue not convertible into shares)

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**Risks and derivative financial instruments**

**(a) Risk management**

The Company is exposed to market risks arising from changes in commodity prices, exchange rates, and interest rates, as well as credit risk arising from the possibility of default of counterparties in financial investments, accounts receivable, and derivatives.

The Company has adopted procedures for managing market and credit risks in conformity with a new Financial Policy approved by the Board of Directors on August 9, 2010. The objective of risk management is to protect the Company's cash flow and reduce threats to the funding of its operating working capital and investment programs.

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

The Company has business operations denominated in or indexed to foreign currencies. The Company's raw materials and products are in accordance with or heavily influenced by international commodity prices, which are usually denominated in U.S. dollars. Additionally, the Company has long-term loans in foreign currencies, which cause exposure to changes in exchange rates between the Brazilian real and the foreign currency. The Company manages its exposure to exchange rates through a mix of debt in foreign currencies, investments in foreign currencies, and derivatives. The Company's policy for foreign exchange risk management includes maximum and minimum limits of coverage that must be followed, which are continuously monitored by the management.

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

The Company is exposed to the risk that a change in floating interest rates may cause an increase in its future expenses with the interest payments. The debt in foreign currency at floating rates is mainly subject to fluctuations in LIBOR. The local currency debt is mainly subject to the variation of TJLP, fixed rates in Brazilian real and the daily variation of the CDI.

**(d) Exposure to risks with commodities**

The Company is exposed to price fluctuations of various petrochemical commodities, in particular, its main raw material naphtha. The Company seeks to pass on price fluctuations of raw materials caused by fluctuations in international prices. However, part of its sales may be made through contracts with fixed prices or with a maximum and/or minimum fluctuation band. These contracts can be commercial agreements or derivative contracts relating to future sales. Subsidiary PP America has fixed-price purchase agreements and, for these agreements, entered into derivatives, designated as hedges for accounting purposes, changing fixed prices for market prices.

**(e) Exposure to credit risks**

The operations that subject the Company to a concentration of credit risk mainly relate to bank current accounts, financial investments, and other accounts receivables where the Company is exposed to the risk of the financial institution or the customer involved. In order to manage this risk, the Company maintains bank current accounts and financial investments with large financial institutions, considering the concentrations according to their rating and the price observed daily in the market for credit default swaps referenced to the institutions, as well as netting contracts that minimize the total credit risk arising from the various financial transactions entered into between the parties.

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With respect to customer credit risk, the Company protects itself by performing a rigorous analysis before granting credit and obtaining collateral and guarantees when considered necessary.

**(f) Derivative financial instruments**

The Company uses derivative financial instruments for the following purposes:

**(f.1) Hedge:** The Company's Financial Policy provides for an ongoing program of short-term hedge for the currency risk arising from its operations and financial items. The other market risks are addressed on a case-by-case basis for each operation. In general, the Company includes the need of a hedge in the analysis of prospective transactions and tries to tailor it to the operations being considered in addition to maintaining it for the full term of the hedged transaction.

The Company may designate derivatives as hedges for the purposes of applying hedge accounting according to OCPC 03. The designation as a hedge is not mandatory. In general the Company would choose to designate derivatives as a hedge for accounting purposes when it is expected that this results in a significant improvement in showing the offsetting effects of derivatives on the variations of the hedged items.

On September 30, 2010, the Company had financial derivative contracts with a nominal value of R$ 2,085,085 (June 2010 - R$ 3,184,574) of which R$ 89,227 was related to hedge transactions linked to financing of projects and R$ 1,995,858 linked to export prepayment and loan operations (see Notes f, f.3 (i.a) and (i.b) below). Also in September, Braskem Inc. settled in advance US$ 395 million of its export prepayment liabilities and consequently settled the interest rate swap, which was linked to the EPP, of the same amount. This debt

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settlement was made at the accrued value and the swap at its market value. The Company incurred a financial expense of US$ 23,531 thousand as a result of the swap settlement.

**(f.2) Modify the return of other instruments:** The Company may use derivatives to modify the return on investments or interest rates or the monetary restatement of financial liabilities according to its judgment as to the most appropriate conditions for the Company. If the risk of the modified return through derivatives is substantially lower for the Company, the transaction is considered a hedge. When the Company uses derivatives to modify the returns on investments, it seeks to balance the obligations of the derivative with the rights represented by the investments. When it uses derivatives to modify the interest rate or the monetary restatement of liabilities, its purpose is to balance the rights of the derivative with the obligations in the liabilities. These operations to modify the return on investments or interest rate or index to adjust financial commitments are made for an amount not exceeding the investment or underlying commitment. The Company does not take leveraged positions in derivatives. On September 30, 2010, the Company had no operations of this nature.

**(f.3) Monetization of certain risks:** The Company may use derivatives to monetize certain risks that it deems acceptable due to its export profile. When monetizing a risk, Braskem earns a financial income in exchange for financial compensation to the counterparty in the occurrence of a specific event. On September 30, 2010, the Company had no operations of this nature.

All derivative financial instruments held at September 30, 2010 were made on the OTC market with large financial counterparties under global derivative contracts in Brazil and abroad.

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Derivative financial instruments are recognized in the balance sheet at their fair value as an asset or liability depending on whether the fair value represents a positive or negative balance for the Company, respectively. Derivative financial instruments are necessarily classified as "held for trading". The periodic variations of the fair value of derivatives are recognized as financial income or expense in the period in which they occur, except when the derivative is designated and qualified for accounting purposes as a cash flow hedge during the period in question.

The fair value of derivatives is obtained as follows:

a) Public sources, when the derivative is traded on an exchange

b) By discounted cash flow techniques when the derivative is a forward purchase or sale agreement or swap contract

c) Models for evaluating option contracts such as the *Black-Scholes* model when the derivative has the characteristics of an option.

The assumptions for evaluation (inputs of the models) are obtained from sources that reflect the most current observable market prices, particularly the future interest curves and prices of currencies published by the Stock and Futures Exchange, the spot exchange rates published by the Central Bank of Brazil, and international interest curves published by widely known pricing service companies such as *Bloomberg* or *Reuters.*

On September 30, 2010, the Company did not have derivatives that required unobservable assumptions for calculating their fair value.

The table below shows the operations with derivative financial instruments of Braskem and its subsidiaries as of September 30, 2010. The "Loss (gain)" column shows the effect recognized in financial income or expense associated with the settlements and the variation in fair value of derivatives in the period ended September 30, 2010:

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**Consolidated**

| **Identification** | | **Nominal value** | **Maturity** | **Fair value Jun/2010** | **Loss (Gain)** | **Carrying value adjustments** | **F S** |
|---|---|---|---|---|---|---|---|
| **Derivative operation** | | | | | | | |
| Yen-CDI swap | | | | | | | |
| (Note 22, f.3i (i.a)) | (*) | R$ 279,495 | Jun/2012 | 15,532 | (4,602) | | |
| | | | | **15,532** | **(4,602)** | | |
| Non-current liabilities | | | | | | | |
| ("Other accounts payable) | | | | 15.532 | | | |
| | | | | **15,532** | | | |
| **Hedge accounting operations** | | | | | | | |
| Braskem Inc. | | | | | | | |
| Interest rate Swaps | | | | | | | |
| (LIBOR x fixed rate) | (**) | US$ 400,000,000 | Oct/2013 | 77,992 | (27,828) | 5,543 | |
| Braskem S.A | | | | | | | |
| Interest rate Swaps | | | | | | | |
| (LIBOR x fixed rate) | (**) | US$ 426,146,000 | Jul/2014 | 22,704 | | 7,299 | |
| Interest rate Swaps | | | | | | | |
| (LIBOR x fixed rate) | (**) | US$ 100,000,000 | Mar/2015 | 9,776 | (12,039) | 8,852 | |
| | | US$ 526,146,000 | | 32,480 | (12,039) | 16,151 | |
| Interest rate Swaps | | | | | | | |
| (fixed rate x % CDI) | (**) | US$ 41,908,000 | Sep/2012 | | | (83) | |
| Braskem Americas | | | | | | | |
| Interest rate Swaps | | | | | | | |
| (LIBOR x fixed rate) | (**) | US$ 210,000,000 | Apr/2015 | 2,600 | | 7,387 | |

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| | | | | | |
|---|---|---|---|---|---|
| <u>Braskem PP America</u> (***) | | | | | |
| Sale price swaps | US$ 4,410,000 | Jun/2011 | | | (344) |
| | **US$ 1,182,464,000** | | **113,072** | **(39,867)** | **28,654** |
| | | | | | |
| Current asset | | | | | |
| Non-current asset | | | | | |
| Current liability | | | 52,904 | | |
| Non-current liability | | | 60,168 | | |
| | | | **113,072** | | |

(*) Exchange hedge of NEXI financing

(**) Interest rate hedge (designated for hedge accounting)

(***) Hedge of sale price (designated for hedge accounting)

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**(i) Operations outstanding on September 30, 2010**

The Company and its subsidiaries held the following derivative financial instruments:

**(i.a) Swaps linked to project financing (NEXI)**

The Company held on September 30, 2010 four currency swap contracts with a total nominal value of R$ 279,495 to hedge loans obtained in yen with floating interest rates and maturities in March and June, 2012. The objective of these swaps is to mitigate the risk of fluctuations in the exchange rate between the real and yen related to the funding and the risk of variation in future expenses with the interest payments. The periods, amounts, settlement dates, and interest rates in yen of the swaps match the financing terms. The Company intends to maintain these swaps until the settlement of the loans.

The characteristics of each swap transaction are listed below:

| | **Nominal** | | | **Fair value** | |
|---|---|---|---|---|---|
| **Identification** | **value** | **Interest rate** | **Maturity date** | **Sep/2010** | **Jun/2010** |
| *Swap* NEXI I | 28,987 | 104.29% CDI | Jun/12 | 624 | 828 |
| *Swap* NEXI II | 136,495 | 101.85% CDI | Mar/12 | 8,470 | 12,059 |
| *Swap* NEXI III | 86,110 | 103.98% CDI | Jun/12 | 1,655 | 2,303 |
| *Swap* NEXI IV | 27,903 | 103.98% CDI | Jun/12 | 181 | 342 |
| | 279,495 | | | 10,930 | 15,532 |

These contracts may require that Braskem make guarantee deposits under certain conditions. On September 30, 2010 there was no guarantee deposit placed by Braskem in relation to these derivatives. The counterparties in these operations are top-tier banks with a credit rating of A or better according to Moody's, Standard & Poors, or Fitch, which is consistent with the discount rates used to reflect the credit risk of the counterparties.

The Company has elected not to designate these swaps as hedges for the application of hedge accounting since the main risk protectedthe variation of the exchange rateis satisfactorily mitigated by the offsetting results of exchange variation of the loan and the variation of the derivative's fair value. Consequently, the periodic variations of the fair value of the swaps are recorded as financial income or expense in the same period in which they occur. On September 30, 2010, the Company recognized a financial income of R$ 31 related to the variation in the fair value of these swaps between June 30, 2010 and September 30, 2010.

**(i.b) Interest rate swaps related to prepayments of exports**

The Company and its subsidiaries Braskem Inc. and Braskem América held on September 30, 2010 seventeen interest rate swap contracts with a nominal value totaling US$ 1,046,147,000 relative to export prepayment debts contracted in U.S. dollars and at floating interest rates (Libor basis) in October/2008, April/2009, and June/2010 maturing in October/2013, July/2014, and March and April/2015 (Note 15(b)). In these swaps the Company receives floating rates (LIBOR) and pays fixed rates, periodically, coinciding with the cash flow of the prepayment debt. The purpose of these swaps is to mitigate the variation of future debt costs caused by fluctuations in the LIBOR rate. The periods, amounts, settlement dates, and floating interest rates match the financing terms. The Company intends to maintain these swaps until the settlement of the loans.

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For hedge accounting purposes these swaps were designated as cash flow hedges of the risk of fluctuations in LIBOR on the specified debts. The periodic variation of the fair value of the derivatives designated as cash flow hedges that are highly effective in offsetting the variations in cash flow of the item hedged are recognized in the shareholders equity as "Carrying value adjustments" until the date on which the respective variation of the hedged item impacts the result. The impacts of LIBOR on the hedged item are expected to affect the results of the Company and its subsidiary in each period of appropriation of the interest on the debt, beginning on the date of disbursement until its maturity.

The Company tests the effectiveness of these hedges at each reporting date by the cumulative monetary offset method. Under this method the hedge is considered effective if the cash flow variation of the derivative is between 80% and 125% of the hedged item caused by the risk that is being covered. The test of effectiveness as of September 30, 2010, showed that derivatives were effective in offsetting variations of the hedged item caused by fluctuations in LIBOR from the time of contracting the derivatives until the end of the reporting period, and that all other conditions for qualification of these instruments for hedge accounting are met. Consequently, the effective portion of variation in fair value of the derivatives, amounting to R$ 28,654 (Note 22, f.3 (iii)), was recorded as "Carrying value adjustments". The Company reclassified the amount of R$ 39,488 from carrying value adjustments to financial expenses. These figures refer to the portion of the offsetting effect of the derivatives on the hedged item relative to the period ended September 30, 2010. The characteristics of each swap transaction are listed below, by company:

- Braskem Inc.:

| | **Nominal value** | | | **Fair value** | |
|---|---|---|---|---|---|
| **Identification** | **US$ 000s** | **Interest rate** | **Maturity date** | **Sep/2010** | **Jun/2010** |
| Swap EPP V | 50,000 | 3.3050 | Oct/13 | 6,457 | 5,642 |

| | | | | | |
|---|---|---|---|---|---|
| Swap EPP VI | 100,000 | 3.5800 | Oct/13 | 14,342 | 12,695 |
| Swap EPP VII | 50,000 | 3.3150 | Oct/13 | 6,483 | 5,670 |
| Swap EPP VIII | 100,000 | 3.5250 | Oct/13 | 14,057 | 12,435 |
| Swap EPP IX | 100,000 | 3.5850 | Oct/13 | 14,368 | 12,716 |
| Subtotal | 400,000 | | | 55,707 | 49,158 |
| Pre-settled in 3Q10 | | | | | |
| Swap EPP I | 100,000 | 3.9100 | Oct/13 | | 12,830 |
| Swap EPP II | 100,000 | 3.9100 | Oct/13 | | 12,830 |
| Swap EPP IV | 25,000 | 3.8800 | Oct/13 | | 3,174 |
| Total | 625,000 | | | 55,707 | 77,992 |
| | | | | | |
| In current liabilities | | | | 20,982 | 37,139 |
| In non-current liabilities | | | | 34,725 | 40,853 |
| Total | | | | 55,707 | 77,992 |

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Braskem S.A.

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- Braskem S.A.:

| | Nominal value | | | Fair value | |
|---|---|---|---|---|---|
| **Identification** | **US$ 000s** | **Interest rate** | **Maturity date** | **Sep/2010** | **Jun/2010** |
| Swap EPP X | 35,000 | 2.5040 | Mar/14 | 2,036 | 2,087 |
| Swap EPP XI | 57,500 | 1.9500 | Jul/14 | 2,177 | 1,524 |
| Swap EPP XII | 100,000 | 2.1200 | Nov/13 | 5,869 | 4,264 |
| Swap EPP XIII | 50,000 | 2.1500 | Nov/13 | 3,000 | 2,201 |
| Swap EPP XIV | 50,000 | 2.6400 | Apr/14 | 5,389 | 4,030 |
| Swap EPP XV | 100,000 | 2.6200 | Apr/14 | 10,690 | 7,966 |
| Swap EPP XVI | 33,646 | 1.6700 | Jun/13 | 842 | 632 |
| Swap EPP XVII | 75,000 | 2.1975 | Mar/15 | 4,974 | 2,375 |
| Swap EPP XIX | 25,000 | 2.1700 | Mar/15 | 1,615 | 2,997 |
| Subtotal | 526,146 | | | 36,592 | 28,076 |
| Pre-settled in 3Q10 | | | | | |
| Swap EPP XVIII | 75,000 | 2.1850 | Mar/15 | | 2,317 |
| Swap EPP XX | 70,000 | 2.1675 | Mar/15 | | 2,087 |
| Total | 671,146 | | | 36,592 | 32,480 |
| | | | | | |
| In current liabilities | | | | 14,270 | 13,213 |
| In non-current liabilities | | | | 22,322 | 19,267 |
| Total | | | | 36,592 | 32,480 |

- Braskem America Inc.:

| | Nominal value | | | Fair value | |
|---|---|---|---|---|---|
| **Identification** | **US$ 000s** | **Interest rate** | **Maturity date** | **Sep/2010** | **Jun/2010** |
| Swap EPP XXI | 70,000 | 1.7865 | Apr/15 | 3,082 | 606 |

| | | | | | |
|---|---|---|---|---|---|
| Swap EPP XXII | 70,000 | 1.8500 | Apr/15 | 3,458 | 990 |
| Swap EPP XXIII | 70,000 | 1.8475 | Apr/15 | 3,447 | 1,004 |
| Total | 210,000 | | | 9,987 | 2,600 |
| | | | | | |
| In current liabilities | | | | 4,418 | 2,552 |
| In non-current liabilities | | | | 5,569 | 48 |
| Total | | | | 9,987 | 2,600 |

The "Interest Rate" column shows the contractual fixed rate that the Company pays in exchange for receiving LIBOR.



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**(i.c) Loan-related interest rate swaps**

On September 30, 2010, the Company had an interest rate swap, designated as a hedge for accounting purposes with a total nominal value of US$ 41,908,000, contracted in September 2010 and relative to a fixed-rate credit line in reais, maturing in September 2012. In these swaps the Company periodically receives a fixed rate and pays a percentage of CDI, according to the debt's cash flow. The purpose of these swap contracts is to match the debt's financial cost to the indebtedness exposure, pursuant to the Company's financial management policy.

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| | Nominal value | | | Fair value | |
|---|---|---|---|---|---|
| **Identification** | **US$ 000s** | **Interest rate** | **Maturity date** | **Sep/2010** | **Jun/2010** |
| NCA I Swap | 41,908 | 100.70% of CDI | Sep/2012 | 83 | |
| Total | 41,908 | | | 83 | |

This contract may require that the Company make guarantee deposits under certain conditions. On September 30, 2010 there was no guarantee deposit placed by the Company with respect to this derivative. The counterparties in these operations are banks with a credit rating of A or better according to Moody's, Standard & Poors, or Fitch, which is consistent with the discount rates used to reflect the credit risk of the counterparties.

The amount at risk from the derivatives held by the Company on September 30, 2010, defined as the highest loss that could result in one month and in 95% of cases, under normal market conditions, was estimated by the Company at US$ 25,120 thousand for the EPP swaps and R$ 6,251 for the NEXI swaps.

**(ii) Exposure by counterparty**

The Company's exposure to risk of default of counterparties to derivative financial instruments is listed in the table below, considering the market values of the derivatives together with guarantees:

| Counterparty | Principal | Exposure Sep/2010 |
|---|---|---|
| Barclays | 57,003 | (842) |
| BES | 423,550 | (19,559) |
| Caixa Geral | 127,065 | (4,974) |
| Calyon | 84,710 | (6,457) |
| Citibank | 210,880 | (16,177) |
| Deutsche Bank | 186,362 | (9,041) |
| HSBC | 334,605 | (9,081) |
| JP Morgan | 226,820 | (11,469) |
| Santander | 434,090 | (35,533) |
| | 2,085,085 | (113,133) |

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In order to manage the credit risk, the Company takes into account the rating and market prices for Credit Default Swaps referring to the counterparties in derivatives, as well as entering into netting contracts that minimize the total credit risk arising from the various financial transactions entered into between the parties.

### (iii) Components of carrying value adjustments account due to hedging

The Company designated certain derivatives as cash flow hedges resulting in balances on the carrying value adjustments account (Note 20(c)). The appropriations of interest are allocated to interest costs in the group of financial expenses. The summary of changes in the account is as follows:

| | **Balance on Jun/2010** | **Appropriation of interest** | **Change in fair value** | **Bala on Sep/20** |
|---|---|---|---|---|
| Swaps EPP Braskem Inc. | (70,186) | 25,429 | (5,543) | (50,3 |
| Swaps EPP Braskem S.A. | (30,329) | 14,080 | (16,068) | (32,3 |
| Swaps EPP Braskem Americas | (2,578) | (21) | (7,387) | (9,9 |
| Swap Sale Price Braskem PP America | | | 344 | |
| | **(103,093)** | **39,488** | **(28,654)** | **(92,2** |

### (g) Sensitivity analysis

The financial instruments, including derivatives, may be subject to changes in fair value, as a result of fluctuations in commodity prices, foreign exchange rates, interest rates, share prices and share indexes, price indexes and other variables. The analysis of the sensitivity of derivative and non-derivative financial instruments to these variables is as follows:

**(i) Risk selection**

The Company selected three market risks that may affect the value of its financial instruments: a) U.S. dollar-Real exchange rate; b) Japanese Yen-Real exchange rate; c) Libor floating interest rate.

For the risk sensitivity analysis, the Company reports exposures to currencies as if they were independent, i.e., without reflecting in the exchange rate exposure the risks of changes in other exchange rates that could be indirectly influenced thereby.

**(ii) Selection of scenarios**

In accordance with CVM Instruction 475/08, the Company includes three scenarios in the sensitivity analysis, one probable scenario and two scenarios that may represent adverse effects for the Company. When preparing the adverse scenarios, the Company only took into account the impact of the variables on financial instruments, including derivatives, and on the items covered by hedge operations. No account was given to the global impact on the Company’s operations, due to revaluation of inventories and future revenues and costs. Considering that the Company manages its exchange exposure on a net basis, the adverse effects arising from the appreciation of the U.S. dollar against the Brazilian Real may be mitigated by opposite effects in Braskem’s results of operations.

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The probable scenario considered was the FOCUS study published by the Brazilian Central Bank on September 24, 2010. Concerning interest rate variables not included in FOCUS, the probable scenario considered was the same percentage variation as the CDI and, as to exchange rate variables not included in FOCUS, the probable scenario considered was the same percentage variation of the U.S. dollar-Real.

A 25% increase in the U.S. dollar-Real exchange rate was considered in the possible adverse scenario and 50% in the extreme scenario compared with the closing U.S. dollar-Real rate at September 30, 2010.

A 25% increase in the Japanese Yen-Real exchange rate was considered in the possible adverse scenario and 50% in the extreme scenario compared with the closing Japanese Yen-Real exchange rate at September 30, 2010.

A 25% decrease in the Libor interest rate was considered in the possible adverse scenario and 50% in the extreme scenario compared with the rate quoted at September 30, 2010.

The sensitivity amounts in the tables below are variations in the value of financial instruments according to each scenario, except for table (v), which shows the future cash flow variations.

**(iii) Sensitivity to U.S. dollar-Real exchange rate**

The sensitivity of each financial instrument, including derivatives and the items covered by them, to the U.S. dollar-Real exchange rate variation is as follows:

| **Instrument** | **Probable** | **Possible adverse scenario (25%)** | **Extreme adverse scenario (50%)** |
|---|---|---|---|
| BNDES | (4,659) | (51,848) | (99,037) |
| Eurobonds | (99,748) | (1,110,076) | (2,120,404) |
| Working capital/structured operations | (8,319) | (92,576) | (176,834) |
| Raw materials financing | (402) | (4,480) | (8,558) |
| Investment funds in foreign currency | 953 | 10,610 | 20,267 |
| Medium-Term Notes | (10,957) | (121,933) | (232,910) |
| Export prepayments | (144,977) | (1,613,418) | (3,081,858) |
| Time deposits | 5,156 | 57,383 | 109,609 |
| U.S. treasury bills | 6,476 | 70,071 | 137,666 |
| Export prepayments debt, plus hedge, of which: | | | |
| Prepayment debt | (42,174) | (551,682) | (1,061,190) |
| Swap EPP(see f.3, i.b) | (2,159) | (28,250) | (54,341) |

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**(iv) Sensitivity to Japanese Yen-Real exchange rate**

The sensitivity of each financial instrument, including derivatives and the items covered by them, to the Japanese Yen-Real exchange rate variation is as follows:

| Instrument | Probable | Possible adverse scenario (25%) | Extreme adverse scenario (50%) |
|---|---|---|---|
| Project finance (NEXI), plus swaps, of which: | | | |
| Debt (NEXI) | (1,582) | (21,509) | (41,435) |
| Swaps (NEXI) (see f.3 (i.a)) | 1,598 | 21,718 | 41,839 |

**(v) Sensitivity of future cash flows to Libor floating interest rates**

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

| Instrument | Probable | Possible adverse scenario (25%) | Extreme adverse scenario (50%) |
|---|---|---|---|
| Working capital/structured operations | (318) | (5,978) | (11,845) |
| Raw materials financing | (1) | (17) | (34) |
| Export prepayments | (2) | (33) | (65) |
| Export prepayment debt, plus hedge, of which: | | | |

| | | | |
|---|---|---|---|
| Prepayment debt | (212) | (4,006) | (7,983) |
| Swap EPP (see f.3(i.b)) | 212 | 4,006 | 7,983 |

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## 23 Financial result

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | Sep/2010 | Sep/2009 | Sep/2010 | Sep/2009 |
| **Financial income** | | | | | |
| Interest income | | 164,285 | 143,178 | 204,818 | 149,988 |
| Monetary variations | | 75,419 | 46,923 | 76,105 | 45,914 |
| Exchange variations | | 7,818 | (461,913) | 22,953 | (649,268) |
| Gains on derivative operations | | | 82,453 | 10,077 | 83,789 |
| Other | | 8,150 | 8,911 | 14,721 | 13,351 |
| | | 255,672 | (180,448) | 328,674 | (356,226) |
| **Financial expenses** | | | | | |
| Interest expenses | | (630,494) | (543,761) | (762,729) | (486,248) |
| Monetary variations | | (143,716) | (164,219) | (258,440) | (156,203) |
| Exchange variations | | 337,510 | 2,644,396 | 336,120 | 2,746,647 |
| Losses on derivative operations | | | (41,334) | | (41,334) |
| Interest on tax debts – SELIC | (i) | (255,416) | (178,762) | (256,284) | (178,785) |
| Tax expenses on financial operations | | (14,159) | (26,902) | (25,640) | (28,559) |
| Discounts granted | | (14,215) | (57,096) | (28,366) | (121,076) |
| Transaction costs of borrowing – amortization | | (13,213) | (4,010) | (38,386) | (9,469) |
| Present value adjustment– appropriation | | (117,033) | (71,352) | (132,360) | (104,778) |
| Restatement of labor agreement (Note 21.a) | | (79,460) | | (90,631) | |
| Other | | (25,543) | (30,614) | (99,119) | (36,888) |
| | | (955,739) | 1,526,346 | (1,355,835) | 1,583,307 |
| **Net financial result** | | (700,067) | 1,345,898 | (1,027,161) | 1,227,081 |

(i) Includes interest on tax debts enrolled in the installment programs. (Note 17(ii))

## 24 Other operating income (expenses), Net

In the first half of 2009, the Company recognized the amount of R$96,562 resulting from the successful outcome in a lawsuit filed by merged company Copesul questioning the expansion of the PIS and COFINS calculation basis enacted by Law No. 9,718/98.

## 25 Insurance coverage

Braskem and its subsidiaries, according to the policy approved by the Board of Directors, maintain a broad risk and insurance management program. In the third quarter of 2010, as mentioned in the previous report, during the process of renewing the insurance programs of Quattor and Riopol, it was possible to apply the improvements obtained in the insurance and risk program of Braskem over the last years, thus increasing coverage and optimizing costs, whether through replication or simple inclusion of assets/operations in the current program.

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Specifically in the risk management area, the risk assessment practices and procedures have been extended to the units of Quattor and Riopol, following the principles adopted by Braskem.

Also in the third quarter of 2010, an insurance program was established for the PP Américas operation in the United States of America, associated with the Companys insurance and risk policy.

The all-risk insurance policies of Braskem, which includes the assets of Quattor, Riopol and PP Américas have maximum indemnity limits established based on the amounts of maximum possible loss, deemed as sufficient to cover eventual losses, in view of the nature of the Companys activities and advice of its insurance consultants.

Braskems insurance policy, which includes Quattor, is effective for 18 months, ending on October 8, 2011. For Riopol, the insurance policy is effective for 12 months starting on March 30, 2010, and at the end of this period, its assets could be included in Braskems insurance policy.

Limits and volume of assets insured in the all-risk insurance policies:

| | Maximum Indemnity Limits Insurance | Total Amount Insured (Property damage + Loss of profit) |
|---|---|---|
| | US$ million | US$ million |
| Braskem & Quattor | 2,000 | 16,673<br>6,521 |
| | **2,000** | **23,194** |

| | | |
|---|---|---|
| Braskem Américas | 500 | 1,296 |
| Riopol | 1,700 | 1,674 |
| Quantiq | 65 | 99 |
| **Total** | **4,265** | **26,263** |

In addition, the Company takes out civil liability, transportation, sundry risks and vehicle insurance. The risk assumptions adopted are not subject to review by our independent accountants.

## 26 Private pension plans

The actuarial commitments with retirement and pension benefit plans are evaluated according to CVM Resolution No.371/2000.

### (a) ODEPREV

The Company maintains a defined contribution scheme for its employees managed by ODEPREV, a private pension plan entity founded by Odebrecht S.A. ODEPREV offers to participants of the sponsoring companies, the defined contribution optional plan, in which an individual retirement savings fund is opened and accumulates the monthly and periodic participant contributions, as well as monthly and annual sponsor contributions.

On September 30, 2010, ODEPREV participants comprise 3,399 active individuals (Sep/09  2,971). Company contributions from January to September 2010 were R$ 5,981 (Jan to Sep 2009 - R$ 5,030) and participant contributions amounted to R$ 19,278 (Jan to Sep 2009 - R$ 14,982).

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**(b) PETROS - Fundação PETROBRAS de Seguridade Social (PETROS)**

- **PETROS Copesul Plan**

Braskem and some employees of the merged Copesul contribute to PETROS under defined retirement and pension benefit plans.

Company contributions up to September 30, 2010 were R$ 2,481 and participant contributions amounted to R$ 1,703 (in September 2009, contributions of the Company and participants totaled R$ 3,299 and R$ 2,715, respectively).

As provided in PETROS bylaws and pertinent legislation, if significant and insufficient technical reserves occur, the sponsors and participants will contribute with additional funds or plan benefits will be adjusted to the resources available. The plan's technical balance is ensured through the increase in contributions by the company and the employees at rates computed actuarially that guarantee the necessary flow of resources for the maintenance thereof.

In line with the decision made upon the formation of the plan in 2002, in an attempt to offer an alternative pension plan for all participants, Braskem has started the formalities to withdraw its sponsorship of this plan by December 31, 2010.

**(c) COPESULPREV  Copesul Supplementary Private Pension Plan**

This Defined Contribution plan was created in May 2003 for the employees of subsidiary Copesul that were not included in the Petros plan. In August 2009, Braskem withdrew its sponsorship of this plan, which is independently managed by Petros and unconnected to any other pension plan currently managed by Petros, pursuant to Supplementary Law No. 109/2001.

Contributions by the Company and employees from January to August 2009 amounted to R$ 1,011 and R$ 816 respectively.

**(d) Fundação Francisco Martins Bastos – (“Fundação Martins Bastos”)**

Following the merger of IPQ on September 30, 2008, the Company became a sponsor of the Martins Bastos Foundation, a private pension entity whose purpose is to manage and execute a defined benefit pension plan for the employees of that subsidiary. Subsidiaries QuantiQ, Isatec and IQAG are also sponsors of the same Foundation.

In June 2009, Braskem and these subsidiaries formally requested withdrawal of the sponsorship of the plan and related addenda, pursuant to the provisions in that foundation's bylaws. In November 2009 the reserves of the participants that were lower than the plan's assets were calculated. Still in November, all documents for the withdrawal of the sponsorship were filed with the Secretariat of Supplementary Pension Plans of the Social Security Ministry, the authority in charge of approving this process.

As the Company is no longer a sponsor of the plan, no contributions were made in 2010. The last contributions made by the Company, in the first half of 2009, amounted to R$ 1,619, while participants contributed R$ 502.

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**(e) Triunfo Vida**

The Company, due to the merger of Triunfo (Note 1 (f.1)), sponsors Triunfo Vida, a supplementary private pension entity, which administers and executes the defined contribution private pension plan for Petroquímica Triunfos employees. On September 30, 2010, this plan included 118 active individuals. Company and participants contributions in 2010 were R$ 126 and R$ 197, respectively (R$ 311 and R$ 460 in 2009, respectively).

**(f) Quattor Prev**

Quattor Prev is a supplementary private pension plan maintained by Quattor and its subsidiaries for their employees. The defined contribution plan is managed by BrasilPrev Seguros e Previdência S.A.

On September 30, 2010, participants consist of 1,590 active individuals. The contributions of these subsidiaries up until September 2010 were R$ 4,827 and participant contributions amounted to R$ 5,911.

**27 Subsequent events**

In October 2010, subsidiary Braskem Finance completed the issuance of US$ 450 million in bonds, paying coupon and an effective return rate of 7.375% p.a., and maturing in October 2015. These resources will be allocated to the refinancing of the Company's debt.

Also in October 2010, the Company completed the negotiations to change the covenants of the Medium-Term Notes (Note 15.g). Among the changes is the removal of the cap for the payment of dividends, that used to be restricted to twice the minimum dividends provided for in the Company's Bylaws, and limit for the Company's indebtedness expressed as a net-debt-to-Ebitda ratio.

# 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: November 26, 2010

**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 offuture 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.