

BRASKEM SA
Form 6-K
November 12, 2013

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of November, 2013
(Commission File No. 1-14862)

BRASKEM S.A.

(Exact Name as Specified in its Charter)

N/A

(Translation of registrant's name into English)

Rua Eteno, 1561, Polo Petroquimico de Camacari
Camacari, Bahia - CEP 42810-000 Brazil

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

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

Braskem S.A.

Consolidated Financial Statements at

September 30, 2013 and 2012

and Independent Auditors' Report Review

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders

Braskem S.A.

We have reviewed the accompanying condensed consolidated balance sheet of Braskem S.A. and its subsidiaries as of September 30, 2013, and the related condensed consolidated statements of income, comprehensive income, and shareholders' equity for the nine month periods ended September 30, 2013, and September 30, 2012 and the condensed consolidated statement of cash flows for the nine month periods ended September 30, 2013 and September 30, 2012. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial statements for them to be in conformity with IAS 34 — Interim Financial Reporting issued by the International Accounting Standard Board (IASB).

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of income, comprehensive income, and shareholders' equity, and of cash flows for the year then ended (not presented herein), and in our report dated February 7, 2013, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2012, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers Auditores Independientes

Salvador-Bahia,

November 7, de 2013

Braskem S.A.**Balance sheet****At September 30, 2013****All amounts in thousands of reais**

| Assets | Note | Sep/2013 | Dec/2012 Revised |
|--|-------------|-------------------|-----------------------------|
| | 2.2.1 | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 3,854,933 | 3,287,622 |
| Financial investments | 5 | 61,968 | 172,146 |
| Trade accounts receivable | 6 | 2,633,775 | 2,326,480 |
| Inventories | 7 | 4,897,296 | 4,102,055 |
| Taxes recoverable | 9 | 1,709,696 | 1,476,211 |
| Dividends and interest on capital | | 439 | 2,645 |
| Prepaid expenses | | 94,843 | 54,013 |
| Related parties | 8 | 31,750 | 13,912 |
| Insurance claims | | 147,025 | 160,981 |
| Other receivables | | 558,597 | 818,434 |
| | | 13,990,322 | 12,414,499 |
| Non-current assets held for sale | 3(a) | 277,828 | 277,828 |
| | | 14,268,150 | 12,692,327 |
| Non-current assets | | | |
| Financial investments | 5 | 31,592 | 34,489 |
| Trade accounts receivable | 6 | 103,393 | 37,742 |
| Taxes recoverable | 9 | 1,394,606 | 1,527,134 |
| Deferred income tax and social contribution | 16(b) | 2,480,208 | 2,062,009 |
| Judicial deposits | | 183,015 | 179,618 |
| Related parties | 8 | 132,479 | 127,627 |
| Insurance claims | | 67,470 | 47,255 |
| Other receivables | | 279,281 | 218,279 |
| Investments in subsidiaries and jointly-controlled investments | 10 | 113,297 | 118,787 |
| Other investments | | 6,499 | 6,948 |
| Property, plant and equipment | 11 | 23,815,257 | 21,176,785 |
| Intangible assets | 12 | 2,910,171 | 2,940,966 |
| | | 31,517,268 | 28,477,639 |

| | | |
|---------------------|-------------------|-------------------|
| Total assets | 45,785,418 | 41,169,966 |
|---------------------|-------------------|-------------------|

The Management notes are an integral part of the financial statements

Braskem S.A.**Balance sheet****At September 30,
2013****All amounts in thousands of reais****Continued**

| Liabilities and shareholders' equity | Note | Sep/2013 | Dec/2012 Revised |
|---|-------------|-------------------|-----------------------------|
| Current liabilities | 2.2.1 | | |
| Trade payables | | 9,715,114 | 8,897,597 |
| Borrowings | 13 | 2,492,015 | 1,836,028 |
| Project finance | 14 | 15,847 | |
| Derivatives operations | 20.2 | 116,288 | 293,378 |
| Payroll and related charges | | 458,815 | 349,176 |
| Taxes payable | 15 | 398,289 | 342,789 |
| Dividends and interest on capital | | 4,050 | 5,369 |
| Advances from customers | | 274,216 | 237,504 |
| Sundry provisions | 17 | 52,150 | 52,264 |
| Post-employment benefits | 18 | 187,662 | 147,175 |
| Other payables | | 115,158 | 385,577 |
| | | 13,829,604 | 12,546,857 |
| Non-current liabilities held for sale | 3(a) | 109,770 | 109,770 |
| | | 13,939,374 | 12,656,627 |
| Non-current liabilities | | | |
| Borrowings | 13 | 15,671,336 | 15,675,610 |
| Project finance | 14 | 3,284,212 | |
| Derivatives operations | 20.2 | 359,229 | |
| Taxes payable | 15 | 1,006,065 | 1,164,753 |
| Long-term incentives | | 9,575 | 10,405 |
| Deferred income tax and social contribution | 16(b) | 2,254,591 | 2,138,622 |
| Post-employment benefits | 18 | 40,393 | 36,602 |
| Advances from customers | | 163,069 | 204,989 |
| Sundry provisions | 17 | 378,097 | 363,411 |
| Other payables | | 504,692 | 266,963 |

| | | | |
|---|-----|-------------------|-------------------|
| | | 23,671,259 | 19,861,355 |
| Shareholders' equity | 21 | | |
| Capital | | 8,043,222 | 8,043,222 |
| Capital reserve | | 232,430 | 797,979 |
| Other comprehensive income | | (685,336) | 337,411 |
| Treasury shares | | (48,892) | (48,892) |
| Profit (loss) accumulated | | 506,753 | (565,549) |
| Total attributable to the Company's shareholders | | 8,048,177 | 8,564,171 |
| Non-controlling interest | 2.4 | 126,608 | 87,813 |
| | | 8,174,785 | 8,651,984 |
| Total liabilities and shareholders' equity | | 45,785,418 | 41,169,966 |

The Management notes are an integral part of the financial statements

Braskem S.A.

**Statement of operations and statement of comprehensive income for the period
at September 30, 2013**

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

| | Note | Sep/2013 | Sep/2012 Revised |
|--|-------|--------------------|---------------------|
| Continued operations | 3(b) | | |
| Net sales revenue | 23 | 29,523,643 | 26,281,860 |
| Cost of products sold | | (25,792,392) | (23,900,876) |
| Gross profit | | 3,731,251 | 2,380,984 |
| Income (expenses) | | | |
| Selling | | (728,717) | (692,565) |
| General and administrative | | (736,791) | (743,062) |
| Research and development | | (79,146) | (79,692) |
| Results from equity investments | 10(c) | (1,701) | (32,747) |
| Other operating income (expenses), net | | (100,057) | 288,181 |
| Operating profit | | 2,084,839 | 1,121,099 |
| Financial results | 24 | | |
| Financial expenses | | (1,799,481) | (3,129,522) |
| Financial income | | 490,938 | 353,100 |
| | | (1,308,543) | (2,776,422) |
| Profit (loss) before income tax and social contribution | | 776,296 | (1,655,323) |
| Current and deferred income tax and social contribution | 16(a) | (283,899) | 682,693 |
| | | (283,899) | 682,693 |
| Profit (loss) for the period of continued operations | | 492,397 | (972,630) |
| Discontinued operations results | 3(b) | | |
| Profit from discontinued operations | | | (20,028) |
| Current and deferred income tax and social contribution | | | (12,570) |
| | | | (32,598) |

| | | | |
|--|-----|--------------------|--------------------|
| Profit (loss) for the period | | 492,397 | (1,005,228) |
| Attributable to: | | | |
| Company's shareholders | | 485,601 | (1,011,464) |
| Non-controlling interest | 2.4 | 6,796 | 6,236 |
| Profit (loss) for the period | | 492,397 | (1,005,228) |
| Other comprehensive income or loss: | | | |
| Fair value of cash flow hedge | | (130,375) | 16,238 |
| Income tax and social contribution | | 28,810 | (5,522) |
| | | (101,565) | 10,716 |
| Exchange variation of foreign sales hedge | | (1,542,676) | |
| Income tax and social contribution | | 524,510 | |
| | | (1,018,166) | |
| Foreign currency translation adjustment | | 116,691 | 66,446 |
| Total other comprehensive income or loss | | (1,003,040) | 77,162 |
| Total comprehensive income or loss for the period | | (510,643) | (928,066) |
| Attributable to: | | | |
| Company's shareholders - continued operations | | (514,033) | (919,961) |
| Company's shareholders - discontinued operations | | | (32,598) |
| Non-controlling interest | | 3,390 | 24,493 |
| Total comprehensive income or loss for the period | | (510,643) | (928,066) |

The Management notes are an integral part of the financial statements

Braskem S.A.

Statement of operations and statement of comprehensive income for the period**at September 30,
2013****All amounts in thousands of reais, except earnings (loss) per share****Continued**

| | Note | Sep/2013 | Sep/2012 |
|--|------|----------|----------|
| Profit (loss) per share attributable to the shareholders of the Company of continued operations at the end of the period (R\$) | 22 | | |
| Basic earnings per share - common | | 0.6100 | (1.2289) |
| Basic earnings per share - preferred | | 0.6100 | (1.2289) |
| Diluted earnings per share - common | | 0.6102 | (1.2285) |
| Diluted earnings per share - preferred | | 0.6102 | (1.2285) |
| Profit (loss) per share attributable to the shareholders of the Company of discontinued operations at the end of the period (R\$) | 3(b) | | |
| Basic earnings per share - common | | | (0.0409) |
| Basic earnings per share - preferred | | | (0.0409) |
| Diluted earnings per share - common | | | (0.0409) |
| Diluted earnings per share - preferred | | | (0.0409) |
| Profit (loss) per share attributable to the shareholders of the Company at the end of the period (R\$) | | | |
| Basic earnings per share - common | | 0.6100 | (1.2698) |
| Basic earnings per share - preferred | | 0.6100 | (1.2698) |
| Diluted earnings per share - common | | 0.6102 | (1.2694) |
| Diluted earnings per share - preferred | | 0.6102 | (1.2694) |

The Management notes are an integral part of the financial statements

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

All amounts in thousands of reais

| | Note | Capital | Capital reserve | Legal reserve | Tax incentives | Revenue reserves Unrealized profit reserve | Additional dividends proposed | Attributed to shareholders' Other comprehensive income | Treasury shares | Retained earnings |
|---|------|------------------|-----------------|---------------|----------------|---|-------------------------------|---|-----------------|-------------------|
| At December 31, 2011 | | 8,043,222 | 845,998 | 87,710 | 4,547 | 16,457 | 482,593 | 315,586 | (60,217) | |
| Comprehensive income for the period: | | | | | | | | | | |
| Loss for the period | | | | | | | | | | (1,000,000) |
| Fair value of cash flow hedge, net of taxes | | | | | | | | 10,716 | | |
| Foreign currency translation adjustment | | | | | | | | 48,189 | | |
| | | | | | | | | 58,905 | | (1,000,000) |
| Equity valuation adjustments | | | | | | | | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | | | | | (710) | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | | | | | | (20,427) | | |

(21,137)

Contributions and
distributions to
shareholders:

Additional
dividends

approved at
Shareholders'
Meeting

(482,593)

Capital increase
of non-controlling
shareholders

Gain on interest
in subsidiary

1,982

Repurchase of
treasury shares

(36,694)

(482,593)

1,982 (36,694)

**At September
30, 2012**

8,043,222**845,998****87,710****4,547****16,457****355,336 (96,911)****(9)**

**At December 31,
2012 (revised)**

2.2.1

8,043,222**797,979****337,411 (48,892)****(5)**

Comprehensive
income for the
period:

Profit for the
period

Exchange
variation of
foreign sales

hedge, net of
taxes

(1,018,166)

Fair value of cash
flow hedge, net of
taxes

(90,155)

Foreign currency
translation
adjustment

108,687
(999,634)

Equity valuation
adjustments

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

(20,427)

| | | | | |
|---|-------|--------------------------|------------------|-----------------|
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | (725) | |
| | | | (21,152) | |
| Contributions and distributions to shareholders: | | | | |
| Absorption of losses | 21(d) | (565,549) | | |
| Capital increase of non-controlling shareholders | | | | |
| Loss on interest in subsidiary | | | (1,961) | |
| | | (565,549) | (1,961) | |
| At September 30, 2013 | | 8,043,222 232,430 | (685,336) | (48,892) |

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of cash flows****at September 30, 2013****All amounts in thousands of reais**

| | Note | Sep/2013 | Sep/2012 |
|---|-------------|------------------|------------------|
| Profit (loss) before income tax and social contribution and after of discontinued operations results | | 776,296 | (1,675,351) |
| Adjustments for reconciliation of loss | | | |
| Depreciation, amortization and depletion | | 1,511,544 | 1,436,596 |
| Results from equity investments | | 1,701 | 32,747 |
| Interest and monetary and exchange variations, net | | 858,224 | 2,014,083 |
| Other | | 10,989 | (13,271) |
| | | 3,158,754 | 1,794,804 |
| Changes in operating working capital | | | |
| Held-for-trading financial investments | | 118,922 | (46,819) |
| Trade accounts receivable | | (374,766) | (700,603) |
| Inventories | | (771,260) | (291,830) |
| Taxes recoverable | | (56,933) | (495,471) |
| Prepaid expenses | | (40,830) | 46,935 |
| Other receivables | | (93,869) | (71,765) |
| Trade payables | | 387,054 | 2,177,544 |
| Taxes payable | | (135,998) | (278,425) |
| Long-term incentives | | (830) | (5,169) |
| Advances from customers | | (5,208) | 85,507 |
| Sundry provisions | | 14,572 | 17,257 |
| Other payables | | 102,098 | 341,467 |
| Cash from operations | | 2,301,706 | 2,573,432 |
| Interest paid | | (752,013) | (525,356) |
| Transactions costs paid | 14 | (33,165) | |
| Income tax and social contribution paid | | (44,024) | (29,429) |
| Net cash generated by operating activities | | 1,472,504 | 2,018,647 |

| | | | |
|---|----|--------------------|--------------------|
| Proceeds from the sale of fixed assets | | 1,820 | 6,026 |
| Proceeds from the sale of investments | | 387,036 | |
| Acquisitions of investments in subsidiaries and associates | | (31) | |
| Acquisitions to property, plant and equipment | | (3,921,867) | (1,850,714) |
| Acquisitions of intangible assets | | (12,425) | (8,130) |
| Held-for-trading and available for sale financial investments | | 10,037 | (6,626) |
| Net cash used in investing activities | | (3,535,430) | (1,859,444) |
| Short-term and long-term debt | | | |
| Obtained borrowings | | 5,416,263 | 5,596,279 |
| Payment of borrowings | | (6,175,992) | (5,085,521) |
| Project finance | 14 | | |
| Obtained borrowings | | 3,316,211 | |
| Dividends paid | | (33) | (19) |
| Non-controlling interests in subsidiaries | | 32,712 | 17,426 |
| Repurchase of treasury shares | | | (36,694) |
| Net cash provided by financing activities | | 2,589,161 | 491,471 |
| Exchange variation on cash of foreign subsidiaries | | 41,076 | (34,076) |
| Increase in cash and cash equivalents | | 567,311 | 616,598 |
| Represented by | | | |
| Cash and cash equivalents at the beginning for the period | | 3,287,622 | 2,952,272 |
| Cash and cash equivalents at the end for the period | | 3,854,933 | 3,568,870 |
| Increase in cash and cash equivalents | | 567,311 | 616,598 |

The Management notes are an integral part of the financial statements

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

1. Operations

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

The Company is controlled by Odebrecht S.A. (“Odebrecht”), which directly and indirectly holds interests of 50.11% and 38.32% in its voting and total capital, respectively.

(a) Significant operating and corporate events

(a.1) On August 17, 2012, the Company inaugurated, in Marechal Deodoro, Alagoas, a new plant with annual production capacity of 200 kton of polyvinyl chloride (“PVC”). With the plant’s opening, Braskem’s annual PVC production capacity increased to 710 kton (unaudited).

(a.2) On September 13, 2012, the Company inaugurated, in the Triunfo Petrochemical Complex in the state of Rio Grande do Sul, a new plant with annual production capacity of 103 kton (unaudited) of butadiene. The new plant is already operating at full production capacity.

(a.3) In the last quarter of 2012, the ownership interests held in Cetrel and Braskem Distribuidora were divested, for R\$208,100 and R\$444,000, respectively. Braskem held 54.2% of the total and voting capital of Cetrel and 100% of the capital of Braskem Distribuidora.

(a.4) On May 15, 2013, the Extraordinary Shareholders Meeting approved the increase in the capital stock of the subsidiary Braskem Idesa S.A.P.I. (“Braskem Idesa”), without the issue of new shares, in the amount of R\$141,620 (Mex\$850,061 thousand), through capital injection of R\$106,214 (Mex\$637,546 thousand) by Braskem and R\$35,406 (Mex\$212,515 thousand) by the non-controlling shareholder.

(a.5) On July 1, 2013, the Braskem acquired 2 thousand common shares of Odebrecht Comercializadora de Energia S.A. (“OCE”), equivalent to 20% of the capital of that company, whose main corporate purpose is to buy and sell energy in the spot market. Due to the provisions in the shareholders' agreement, this investment was classified as a jointly-controlled investment.

(a.6) On August 30, 2013, the Extraordinary Shareholders' Meeting approved the merger of Rio Polímeros S.A. (“Riopol”) with Braskem Qpar S.A. (“Braskem Qpar”) and the increase in its capital from R\$4,252,353 to R\$7,131,165. There is no impact to the consolidated information with this change, as this transaction occurred between controlled subsidiaries.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(b) Effect of foreign exchange variation**

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

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

U.S. dollar, end of period

| | |
|---|-----------|
| September 2013 | R\$2.2300 |
| December 2012 | R\$2.0435 |
| Appreciation of the U.S. dollar in relation to the Brazilian real | 9.13% |

Average U.S. dollar rate

| | |
|---|-----------|
| Nine-month period ended September 30, 2013 | R\$2.1223 |
| Nine-month period ended September 30, 2012 | R\$1.9213 |
| Appreciation of the U.S. dollar in relation to the Brazilian real | 10.46% |

2. Summary of significant accounting policies**2.1. Basis of preparation**

This report should be read together with the financial statements of Braskem as of December 31, 2012, which were prepared and presented in accordance with accounting practices adopted in Brazil in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of this financial statement requires the use of certain critical accounting estimates. It also requires the Management of the Company to exercise its judgment in the process of applying its accounting policies. There were no changes in the assumptions and judgments made by the Company's management in the use of estimates for the preparation of this report in relation to those used in the December 31, 2012 financial statements.

The statement of operations and statement of comprehensive income for the period ended September 30, 2012, as well as their respective Notes for the period ended September 30, 2012 were revised (Note 2.2.1) to reflect as discontinued operations of Cetrel S.A. ("Cetrel") and Distribuidora de Água Camaçari S.A. ("Braskem Distribuidora") resulting from their divestments and IQ Soluções & Química S.A. ("Quantiq") and IQAG Armazéns Gerais Ltda resulting from the decision to divest ("IQAG") (Note 3).

The balance sheet and statement of changes in shareholders' equity as on December 31, 2012, were revised to reflect the effects of the retroactive application of IAS 19, as explained in Note 18.

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

2.2. Accounting policies

There were no changes in the accounting practices used in the preparation of this report in relation to those presented in the December 31, 2012 financial statements, except as presented in Notes 2.2.1, and 2.2.2.

2.2.1 Revised - Post-employment benefits

The post-employment benefits are financed by contributions to pension funds and the use of actuarial assumptions is necessary to measure the liability and the expenses of the plans, as well as the existence of actuarial gains and losses.

The liability recognized in respect of these plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets, adjusted by actuarial gains or losses and past-service costs.

The cost components of post-employment benefits are recognized as follows:

- (i) actuarial gains and losses from the actuarial remeasurement are recognized under “other comprehensive income”;
- (ii) costs of past services are recognized as profit or loss as they are incurred; and

(iii) the net amount of interest on the assets and liabilities of the plan are recorded in the financial results of the period.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated**

Until 2012, item (i) above was not recognized if lower than 10% (a) of the amount of the current defined benefit obligation; and (b) of the fair value of any plan assets. As of 2013, the amount must be recognized at the moment it is determined. The effects of this change are described in the table below:

| | | | Dec/2012 |
|--|-------------------|---------------------------------|-------------------|
| Assets | Published | Post-employment benefits | Revised |
| Current assets and non-current assets held for sale | 12,692,327 | | 12,692,327 |
| Non-current | | | |
| Deferred income tax and social contribution | 2,055,621 | 6,388 | 2,062,009 |
| Other non-current assets | 26,415,630 | | 26,415,630 |
| | 28,471,251 | 6,388 | 28,477,639 |
| Total assets | 41,163,578 | 6,388 | 41,169,966 |
| Liabilities | | | |
| Current liabilities and non-current liabilities held for sale | 12,656,627 | | 12,656,627 |
| Non-current | | | |
| Deferred income tax and social contribution | 2,138,622 | | 2,138,622 |
| Other non-current liabilities | 17,704,529 | 18,204 | 17,722,733 |
| | 19,843,151 | 18,204 | 19,861,355 |
| Equity | | | |
| Other comprehensive income | 349,227 | (11,816) | 337,411 |
| Other equity | 8,226,760 | | 8,226,760 |

| | | | |
|--|-------------------|-----------------|-------------------|
| Total attributable to the Company's shareholders | 8,575,987 | (11,816) | 8,564,171 |
| Non-controlling interest | 87,813 | | 87,813 |
| | 8,663,800 | (11,816) | 8,651,984 |
| Total liabilities and equity | 41,163,578 | 6,388 | 41,169,966 |

2.2.2 Non derivative instruments and hedge operations

Management designated non-derivative financial instruments as hedges for the flow of highly probable future exports.

The effective portion of the foreign exchange variation on financial liabilities designated and qualified as hedges for the flow of exports is recognized in "other comprehensive income". These amounts are transferred to the "financial result" in the periods when the item covered by hedge affects the result. The not effective portion is immediately booked at the statement of operations as "financial result".

When a hedge instrument expires, is sold, or no longer meets the criteria for hedge accounting, it is discontinued prospectively and all the accumulated gain or loss in shareholders' equity remains there and is recognized in the profit or loss of the year when the hedged item or transaction impacts the result. If the hedged item or transaction is settled in advance or discontinued or is not expected to occur, the accumulated gain or loss in shareholders' equity is immediately transferred to "financial results".

Cash flow hedge operations held by the Company are described in Note 20.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****2.3. Consolidated information**

The consolidated financial statements comprise the financial statements of Braskem S.A. and the following subsidiaries:

| | | | Total interest - % | |
|--|-----------------------------------|-----------------|---------------------------|-----------------|
| | Headquarters (Country) | Sep/2013 | Dec/2012 | Sep/2012 |
| Direct and Indirect subsidiaries | | | | |
| Braskem America, Inc. ("Braskem America") | USA | 100.00 | 100.00 | 100.00 |
| Braskem America Finance Company ("Braskem America Finance") | USA | 100.00 | 100.00 | 100.00 |
| Braskem Argentina S.A. ("Braskem Argentina") | Argentina | 100.00 | 100.00 | 100.00 |
| Braskem Austria Finance GmbH (i) ("Braskem Austria Finance") | Austria | 100.00 | 100.00 | |
| Braskem Chile Ltda. ("Braskem Chile") | Chile | 100.00 | 100.00 | 100.00 |
| Braskem Europe GmbH ("Braskem Alemanha") | Germany | 100.00 | 100.00 | 100.00 |
| Braskem Finance Limited ("Braskem Finance") | Cayman Islands | 100.00 | 100.00 | 100.00 |
| Braskem Idesa S.A.P.I ("Braskem Idesa") | Mexico | 75.00 | 75.00 | 65.00 |
| Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços") | Mexico | 75.00 | 75.00 | 65.00 |
| Braskem Importação e Exportação Ltda. ("Braskem Importação") | Brazil | 100.00 | 100.00 | 100.00 |
| Braskem Incorporated Limited ("Braskem Inc") | Cayman Islands | 100.00 | 100.00 | 100.00 |
| Braskem International GmbH ("Braskem Austria") | Austria | 100.00 | 100.00 | 100.00 |
| Braskem Netherlands B.V ("Braskem Holanda") | Netherlands | 100.00 | 100.00 | 100.00 |

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| | | | | | |
|---|-------|------------------------|--------|--------|--------|
| Braskem México, S de RL de CV ("Braskem México") | | Mexico | 100.00 | 100.00 | 100.00 |
| Braskem Participações S.A. ("Braskem Participações") | | Brazil | 100.00 | 100.00 | 100.00 |
| Braskem Petroquímica Ltda. ("Braskem Petroquímica") | | Brazil | 100.00 | 100.00 | 100.00 |
| Braskem Petroquímica Chile Ltda. ("Petroquímica Chile") | | Chile | 100.00 | 100.00 | 100.00 |
| Braskem Petroquímica Ibérica, S.L. ("Braskem Espanha") | | Spain | 100.00 | 100.00 | 100.00 |
| Braskem Qpar S.A. ("Braskem Qpar") | | Brazil | 100.00 | 100.00 | 100.00 |
| Cetrel | (ii) | Brazil | | | 53.91 |
| Common Industries Ltd. ("Common") | | British Virgin Islands | 100.00 | 100.00 | 100.00 |
| Braskem Distribuidora | (ii) | Brazil | | | 100.00 |
| Quantiq | (iii) | Brazil | | | 100.00 |
| IQAG | (iii) | Brazil | | | 100.00 |
| Lantana Trading Co. Inc. ("Lantana") | | Bahamas | 100.00 | 100.00 | 100.00 |
| Norfolk Trading S.A. ("Norfolk") | | Uruguay | 100.00 | 100.00 | 100.00 |
| Politeno Empreendimentos Ltda. ("Politeno Empreendimentos") | | Brazil | 100.00 | 100.00 | 100.00 |
| Riopol | (iv) | Brazil | | 100.00 | 100.00 |
| Specific Purpose Entity ("SPE") | | | | | |
| Fundo de Investimento Multimercado Crédito Privado Sol ("FIM Sol") | | Brazil | 100.00 | 100.00 | 100.00 |

- (i) Company merged in August 2012.
(ii) Disinvestments in December 2012.
(iii) Investments classified as non-current assets held for sale and presented in consolidated assets and liabilities in specific lines.
(iv) Company incorporated in August 2013.

2.4. Non-controlling interest in the equity and results of operations of the Company's subsidiaries

| | Shareholders' equity | | Profit (loss) for the period | |
|---------------|----------------------|---------------|------------------------------|--------------|
| | Sep/2013 | Dec/2012 | Sep/2013 | Sep/2012 |
| Braskem Idesa | 126,608 | 87,813 | 6,796 | (1,885) |
| Cetrel | | | | 8,121 |
| Total | 126,608 | 87,813 | 6,796 | 6,236 |

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

3. Held-for-sale assets and discontinued operations

(a) Assets held for sale - Quantiq and IQAG

These investments are in the process of sale and the Management of the Company estimates that the negotiations will be concluded in 2013.

The operating profits or losses of Quantiq and IQAG were presented in the segment information as operating segment “Chemical distribution” (Note 26). The operating profits or losses of this segment in the period ended September 30, 2012 were R\$38,589.

The profits and losses of Quantiq and IQAG in 2012 are recorded under “profit or loss from discontinued operations” in the statement of operations, and further detailed in item (b) of this Note. The assets and liabilities of these companies on December 31, 2012 are presented under “held-for-sale assets” and “held-for-sale liabilities”, respectively. These amounts are assessed at their book value as of December 31, 2012 since it is lower than the fair value, and will be kept as such until the sale or eventual withdrawal from the divestment.

Profit or loss from discontinued operations includes only transactions with third parties.

(b) Discontinued operations – Cetrel, Braskem Distribuidora, Quantiq and IQAG

The results from investments available-for-sale (Note 3(a)) and investments of Cetrel and Braskem Distribuidora, which were sold in December 2012 (Note 1(a.3)). The Company has received, until September 30, 2013, the amount

of R\$387,036.

The statements of cash flow for January 2012 to September 2012 include the results from discontinued operations.

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

(b.1) Profit (Loss) from discontinued operations

| | Sep/2012 |
|---|-----------------|
| Net sales revenue | 535,142 |
| Cost of products sold | (470,550) |
| Gross profit | 64,592 |
| Selling, General and administrative expenses | (86,704) |
| Other operating income, net | 3,229 |
| Operating loss | (18,883) |
| Financial results | (1,145) |
| Loss before income tax and social contribution | (20,028) |
| Current and deferred income tax and social contribution | (12,570) |
| Discontinued operations loss | (32,598) |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(b.2) Cash flow information from discontinued operations**

| | Sep/2012 |
|--|-----------------|
| Loss before income tax and social contribution | (20,028) |
| Adjustments for reconciliation of profit | |
| Depreciation, amortization and depletion | 12,276 |
| Interest and monetary and exchange variations, net | 2,612 |
| Other adjustments | 3,428 |
| | (1,712) |
| Changes in operating working capital | 32,128 |
| Net cash generated by operating activities | 30,416 |
| Acquisitions to property, plant and equipment | (16,009) |
| Acquisitions of intangible assets | (475) |
| Net cash used in investing activities | (16,484) |
| Short-term and long-term debt | |
| Payment of borrowings | (8,126) |
| Net cash used in financing activities | (8,126) |
| Increase in cash and cash equivalents | 5,806 |
| Represented by | |
| Cash and cash equivalents at the beginning of the period | 148,909 |
| Cash and cash equivalents at the end of the period | 154,715 |

Increase in cash and cash equivalents

5,806

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****4. Cash and cash equivalents**

| | | Sep/2013 | Dec/2012 |
|-------------------|-----------------|------------------|------------------|
| Cash and banks | | 562,134 | 398,142 |
| Cash equivalents: | | | |
| | Domestic market | 1,735,019 | 1,293,164 |
| | Foreign market | 1,557,780 | 1,596,316 |
| Total | | 3,854,933 | 3,287,622 |

This table was presented in the 2012 annual financial statements of the Company, in Note 7.

5. Financial investments

| | | Sep/2013 | Dec/2012 |
|------------------------------|---|-----------------|-----------------|
| Held-for-trading | | | |
| | Investments in FIM Sol | 41,285 | 50,803 |
| | Investments in foreign currency | 3,914 | 5,256 |
| | Shares | 1,170 | 3,023 |
| Loans and receivables | | | |
| | Investments in FIM Sol | | 77,469 |
| | Investments in local currency | | 513 |
| Held-to-maturity | | | |
| | Quotas of investment funds in credit rights | (i) 31,590 | 52,559 |
| | Restricted deposits | 15,567 | 1,281 |
| | Time deposit investment | 34 | 15,731 |
| | Investments in foreign currency | (ii) 559,035 | 307,639 |
| | Compensation of investments in foreign currency | (ii) (559,035) | (307,639) |

| | | |
|-----------------------|---------------|----------------|
| Total | 93,560 | 206,635 |
| In current assets | 61,968 | 172,146 |
| In non-current assets | 31,592 | 34,489 |
| Total | 93,560 | 206,635 |

This table was presented in the 2012 annual financial statements of the Company, in Note 8.

(i) On September 30, 2013, Braskem held junior subordinated shares issued by receivables-backed investment funds. These shares are measured by their redemption value and are held until the conclusion of operations of said funds. The funds issue two other types of shares that enjoy priority in compensation over the junior subordinated shares. The risk related to the operations of these funds is limited to the value of the shares held by the Braskem.

(ii) On September 30, 2013, Braskem Holanda had a financial investments held-to-maturity that was irrevocably offset by an export prepayment agreement of the Braskem, in the amount of US\$250 million, as provided for in the credit assignment agreement entered into between these two companies and Banco Bradesco (Note 13). This accounting offset was carried out in accordance with IAS 32, which provides for the possibility of offsetting financial instruments when there is intent and rightfully executable right to realize an asset and settle a liability simultaneously.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****6. Trade accounts receivable**

| | Sep/2013 | Dec/2012 |
|---------------------------------|------------------|------------------|
| Consumers | | |
| Domestic market | 1,567,170 | 1,038,673 |
| Foreign market | 1,459,870 | 1,582,433 |
| Allowance for doubtful accounts | (289,872) | (256,884) |
| Total | 2,737,168 | 2,364,222 |
| In current assets | 2,633,775 | 2,326,480 |
| In non-current assets | 103,393 | 37,742 |
| Total | 2,737,168 | 2,364,222 |

This table was presented in the 2012 annual financial statements of the Company, in Note 9.

The Company realizes part of its trade accounts receivable through the sale of trade notes to funds that acquire receivables. These operations are not entitled to recourse, for which reason the trade notes are written-off at the moment of the operation.

7. Inventories

| | Sep/2013 | Dec/2012 |
|--|-----------------|-----------------|
| Finished goods | 3,465,273 | 2,622,736 |
| Raw materials, production inputs and packaging | 1,091,939 | 1,175,451 |
| Maintenance materials | 224,609 | 211,517 |

| | | |
|------------------------------|------------------|------------------|
| Advances to suppliers | 49,719 | 61,385 |
| Imports in transit and other | 65,756 | 30,966 |
| Total | 4,897,296 | 4,102,055 |

This table was presented in the 2012 annual financial statements of the Company, in Note 10.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****8. Related parties**

The information concerning related parties was presented in the 2012 annual financial statements of the Company, in Note 11.

| | Balances at September 30, 2013 | | | | | | |
|---------------------------------------|--|---|---------------|-----------------------------|--|------------------------------|---------------|
| | | | | | Assets | | |
| | Trade accounts receivable | Related parties Receivable notes | | Other receivable | Current Total | Non-current Total | |
| | | | | | Related parties Loan agreements | Other receivable | |
| Jointly-controlled investments | | | | | | | |
| RPR | | | | 439 (i) | 439 | | |
| | | | | 439 | 439 | | |
| Associated companies | | | | | | | |
| Borealis | 19,278 | 187 | | | 19,465 | | |
| | 19,278 | 187 | | | 19,465 | | |
| Related companies | | | | | | | |
| Odebrecht and subsidiaries | 429 | | | 321,332 (ii) | 321,761 | | |
| Petrobras and subsidiaries | 126,081 | | 31,563 | | 157,644 | 66,178 | 66,301 |
| Other | 14,526 | | | | 14,526 | | |
| | 141,036 | | 31,563 | 321,332 | 493,931 | 66,178 | 66,301 |
| Total | 160,314 | 187 | 31,563 | 321,771 | 513,835 | 66,178 | 66,301 |

(i) Amount under “dividends and interest on capital receivable”

(ii) Amounts under “other accounts receivable”

| Income statement transactions from January to September 30, 2013 | | | | |
|---|--------------------|-----------------------|----------------------|---------------------------|
| | Sales | Purchases of | Financial | Cost of |
| | of products | raw materials, | income | production/general |
| | | services and | (expenses) | and administrative |
| | | utilities | and | and administrative |
| | | | shareholder's | expenses |
| | | | equity | |
| Jointly-controlled investments | | | | |
| RPR | 13,886 | 21,908 | | |
| | 13,886 | 21,908 | | |
| Associated companies | | | | |
| Borealis | 232,489 | | | |
| | 232,489 | | | |
| Related companies | | | | |
| Odebrecht and subsidiaries | 18,593 | 161,760 | | |
| Petrobras and subsidiaries | 909,028 | 11,563,130 | 3,355 | |
| Other | 25,454 | 4,468 | | |
| | 953,075 | 11,729,358 | 3,355 | |
| Post employment benefit plan | | | | |
| Odeprev | | | | 13,282 |
| | | | | 13,282 |
| Total | 1,199,450 | 11,751,266 | 3,355 | 13,282 |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated**

| | Balances at December 31, 2013 | | | | | | |
|---------------------------------------|--|--|---------------|----------------|--|------------------------------|---------------|
| | | | | | Assets | | |
| | Trade accounts receivable | Related parties Receivable notes receivable | | Other | Current Total | Non-current Total | |
| | | Other receivable | | | Related parties Loan agreements | Other receivable | |
| Jointly-controlled investments | | | | | | | |
| RPR | | | | 2,645 (i) | 2,645 | | |
| | | | | 2,645 | 2,645 | | |
| Associated companies | | | | | | | |
| Borealis | 1,017 | 187 | | | 1,204 | | |
| | 1,017 | 187 | | | 1,204 | | |
| Related companies | | | | | | | |
| Odebrecht and subsidiaries | | | | 652,100 (ii) | 652,100 | | |
| Petrobras and subsidiaries | 95,462 | | 13,725 | | 109,187 | 62,822 | 64,805 |
| Sansuy | 15,640 | | | | 15,640 | | |
| | 111,102 | | 13,725 | 652,100 | 776,927 | 62,822 | 64,805 |
| Total | 112,119 | 187 | 13,725 | 654,745 | 780,776 | 62,822 | 64,805 |

(i) Amount under "dividends and interest on capital receivable"

(ii) Amounts under “other accounts receivable”

| Income statement transactions from January to September 30, 2012 | | | | |
|---|--------------------|---|---|---|
| | Sales | Purchases of raw materials, services and utilities | Financial income (expenses) and shareholder's equity | Cost of production/general and administrative expenses |
| | of products | | | |
| Jointly-controlled investments | | | | |
| RPR | 11,500 | 30,725 | 743 | |
| | 11,500 | 30,725 | 743 | |
| Associated companies | | | | |
| Borealis | 88,245 | | | |
| | 88,245 | | | |
| Related companies | | | | |
| Odebrecht and subsidiaries | | 259,225 | | |
| Petrobras and subsidiaries | 815,327 | 12,438,717 | 3,488 | |
| Sansuy | 20,961 | 11,050 | | |
| Other | 3,150 | 232,010 | | |
| | 839,438 | 12,941,002 | 3,488 | |
| Post employment benefit plan | | | | |
| Odeprev | | | | 18,565 |
| | | | | 18,565 |
| Total | 939,183 | 12,971,727 | 4,231 | 18,565 |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(a) Key management personnel**

The Company considered as “Key management personnel” the members of the Board of Directors and Board of Executive Officers, composed of the Chief Executive Officer and vice-presidents. Not all members of the Board of Executive Officers are members of the Statutory Board of Executive Officers.

| Non-current liabilities | Sep/2013 | Dec/2012 |
|--------------------------------|-----------------|-----------------|
| Long-term incentives | 2,619 | 2,897 |
| Total | 2,619 | 2,897 |

| Income statement transactions | Sep/2013 | Sep/2012 |
|---|-----------------|-----------------|
| Remuneration | | |
| Short-term benefits to employees and managers | 28,232 | 29,771 |
| Post-employment benefit | 206 | 156 |
| Long-term incentives | 52 | 308 |
| Total | 28,490 | 30,235 |

9. Taxes recoverable

| | Note | Sep/2013 | Dec/2012 |
|--|-------------|-----------------|-----------------|
| Brazil | | | |
| IPI | | 35,790 | 32,734 |
| Value-added tax on sales and services (ICMS) - normal operations | | 692,374 | 845,045 |

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| | | | |
|--|-----|------------------|------------------|
| ICMS - credits from PP&E | | 120,358 | 178,920 |
| Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations | (a) | 436,421 | 484,692 |
| PIS and COFINS - credits from PP&E | | 261,150 | 273,693 |
| PIS and COFINS - Law 12,859/13 | (a) | 220,933 | |
| PIS and COFINS - Law 9,718/98 | | 128,066 | 171,140 |
| PIS - Decree-Law 2,445 and 2,449/88 | | 99,062 | 104,256 |
| Income tax and social contribution (IR and CSL) | | 509,942 | 452,867 |
| REINTEGRA program | (b) | 237,748 | 217,775 |
| Other | | 172,059 | 150,980 |
| Other countries | | | |
| Value-added tax | (c) | 187,342 | 90,301 |
| Income tax | | 1,829 | 177 |
| Other | | 1,228 | 765 |
| Total | | 3,104,302 | 3,003,345 |
| Current assets | | 1,709,696 | 1,476,211 |
| Non-current assets | | 1,394,606 | 1,527,134 |
| Total | | 3,104,302 | 3,003,345 |

The information related to taxes recoverable was presented in the 2012 annual financial statements of the Company, in Note 12.

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

(a) PIS and COFINS – Law 12,859/13

Law 12,859 was published on September 10, 2013, converting Provisional Presidential Decree No. 613 of May 8, 2013, which, among others, reduced the PIS and COFINS social contributions on imports and sales in the domestic market of certain inputs manufactured by domestic manufacturers, and also offers fresh credit to the chemical and petrochemical production chain. The realizations of credits occur in two ways: (i) offset of overdue or falling due liabilities related to taxes levied by the Federal Revenue Service; or (ii) cash reimbursement.

(b) REINTEGRA Program

In the period ended September 30, 2013, the Company recognized credits in the amount of R\$170,144 and offset the amount of R\$150,171.

(c) Value added tax (“VAT”)

On September 30, 2013, this line included:

(i) R\$18,934 from sales by Braskem Germany to other countries. These credits are refunded in cash by the local government; and

(ii) R\$168,408 from purchases of machinery and equipment for the Ethylene XXI Project (Note 14). These credits may be refunded, in cash, by the local government or offset with VAT due from the start of operations of the project.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****10. Investments**

The information related to investments was presented in the Company's 2012 annual financial statements, in Note 16.

(a) Information on investments

| | Interest in total capital (%) - Sep/2013 | | Adjusted net profit (loss) for the period | | | Adjusted |
|--|---|---------------------|---|----------|----------|--------------------|
| | Direct | Direct and Indirect | Sep/2013 | Sep/2012 | Sep/2013 | equity Dec/2012 |
| Jointly-controlled investments | | | | | | |
| RPR | 33.20 | 33.20 | 8,400 | 12,858 | 118,715 | 128,591 |
| OCE | (i) 20.00 | 20.00 | 291 | | 303 | |
| Polimerica | (ii) | | | (53,805) | | |
| Propilsur | 49.00 | 49.00 | (2,593) | (859) | 107,869 | 109,695 |
| Associates | | | | | | |
| Borealis | 20.00 | 20.00 | 5,492 | 16,102 | 166,746 | 165,459 |
| Companhia de Desenvolvimento Rio Verde ("Codeverde") | 35.97 | 35.97 | (406) | (596) | 45,671 | 46,342 |

(i) Shares acquired in July 2013. (Note 1(a.5))

(ii) Withdrawal of the interest in this investment in November 2012

(b) Changes in investments

| | Balance at Dec/2012 | Capital increase | Equity in results | Provision for loss on investment | Interest gain | Currency translation adjustments | Balance at Sep/2013 |
|---------------------------------------|--------------------------------|-----------------------------|------------------------------|---|--------------------------|---|--------------------------------|
| Jointly-controlled investments | | | | | | | |
| OCE | | 2 | 25 | | 33 | | 60 |
| Propilur | 44,145 | | 692 | | | (4,368) | 40,469 |
| RPR | 42,698 | | (3,279) | | | | 39,419 |
| | 86,843 | 2 | (2,562) | | 33 | (4,368) | 79,948 |
| Associates | | | | | | | |
| Borealis | 31,944 | | 1,405 | | | | 33,349 |
| Nitrocolor | | 38 | | (38) | | | |
| | 31,944 | 38 | 1,405 | (38) | | | 33,349 |
| Total | 118,787 | 40 | (1,157) | (38) | 33 | (4,368) | 113,297 |

(c) **Breakdown of equity accounting results**

| | Sep/2013 | Sep/2012 |
|---|-----------------|-----------------|
| Equity in results of subsidiaries, associate and jointly-controlled | (1,701) | (24,549) |
| Provision for losses on investments | | (9,931) |
| Other | | 1,733 |
| | (1,701) | (32,747) |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****11. Property, plant and equipment**

| | Sep/2013 | | | Dec/2012 | | |
|---|-------------------|--|-------------------|-------------------|--|-------------------|
| | Cost | Accumulated depreciation/ depletion | Net | Cost | Accumulated depreciation/ depletion | Net |
| Land | 421,330 | | 421,330 | 417,077 | | 417,077 |
| Buildings and improvements | 1,788,244 | (754,516) | 1,033,728 | 1,749,193 | (699,935) | 1,049,258 |
| Machinery, equipment and installations | 25,157,534 | (10,601,063) | 14,556,471 | 24,514,118 | (9,296,148) | 15,217,970 |
| Projects in progress | 7,326,740 | | 7,326,740 | 4,057,731 | | 4,057,731 |
| Other | 905,915 | (428,927) | 476,988 | 805,160 | (370,411) | 434,749 |
| Total | 35,599,763 | (11,784,506) | 23,815,257 | 31,543,279 | (10,366,494) | 21,176,785 |

This table was presented in the Company's 2012 annual financial statements, in Note 17.

Impairment test for property, plant and equipment

There were no significant events or circumstances in the period ended September 30, 2013 that indicate the need for impairment testing on the property, plant and equipment.

12. Intangible assets

| | Sep/2013 | Dec/2012 |
|--|--------------------|--------------------|
| | Accumulated | Accumulated |

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| | Cost | amortization | Net | Cost | amortization | Net |
|--|------------------|---------------------|------------------|------------------|---------------------|------------------|
| Goodwill based on future profitability | 3,187,722 | (1,128,804) | 2,058,918 | 3,187,722 | (1,128,804) | 2,058,918 |
| Trademarks and patents | 208,074 | (80,016) | 128,058 | 199,367 | (71,141) | 128,226 |
| Software and use rights | 441,432 | (223,897) | 217,535 | 402,396 | (183,908) | 218,488 |
| Contracts with customers and suppliers | 703,151 | (197,491) | 505,660 | 685,890 | (150,556) | 535,334 |
| Total | 4,540,379 | (1,630,208) | 2,910,171 | 4,475,375 | (1,534,409) | 2,940,966 |

This table was presented in the 2012 annual financial statements of the Company, in Note 18.

Impairment testing of intangible assets with definite and indefinite useful life

There were no significant events or circumstances in the period ended September 30, 2013 that indicated the need to update the impairment test performed in October 2012 on intangible assets with indefinite useful life.

There were no significant events or circumstances in the period ended September 30, 2013 that indicate the need for impairment testing on the intangible assets with definite useful life.

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

13. Borrowings

| | Annual financial charges | Average interest (unless otherwise stated) | Sep/2013 | Dec/2012 |
|-----------------------------------|-------------------------------|--|-------------------|-------------------|
| | Monetary restatement | | | |
| <u>Foreign currency</u> | | | | |
| Bonds and Medium term notes (MTN) | Note 13 (a) | Note 13 (a) | 9,987,588 | 9,278,759 |
| Advances on exchange contracts | US dollar exchange variation | 1.54% | | 173,939 |
| Export prepayments | Note 13 (b) | Note 13 (b) | 654,752 | 513,610 |
| BNDES (i) | Note 13 (c) | Note 13 (c) | 492,912 | 495,260 |
| Export credit notes | Note 13 (d) | Note 13 (d) | 805,547 | 787,687 |
| Working capital | | 1.77% | | |
| | US dollar exchange variation | above Libor | 602,535 | 917,283 |
| Other | | 4.00% | | |
| | US dollar exchange variation | above Libor | 1,192 | |
| Other | Exchange variation (UMBNDDES) | 6.06% | | 768 |
| Transactions costs, net | | | (81,865) | (60,285) |
| <u>Local currency</u> | | | | |
| Export credit notes | Note 13 (d) | Note 13 (d) | 2,852,290 | 2,384,414 |
| BNDES | (i) Note 13 (c) | Note 13 (c) | 2,213,658 | 2,381,892 |
| BNB/ FINAME/ FINEP/ FUNDES | (i) | 6.87% | 616,762 | 605,273 |
| BNB/ FINAME/ FINEP/ FUNDES | (i) TJLP | 0.32% | 17,980 | 25,746 |
| Other | TJLP | 2.87% | | 7,292 |
| Total | | | 18,163,351 | 17,511,638 |
| Current liabilities | | | 2,492,015 | 1,836,028 |
| Non-current liabilities | | | 15,671,336 | 15,675,610 |
| Total | | | 18,163,351 | 17,511,638 |

(i) Governmental financial companies

The information related to borrowings was presented in the 2012 annual financial statements of the Company, in Note 19.

(a) **Bonds and MTN**

| Issue date | Issue amount (US\$ in thousands) | Maturity | Interest (% per year) | Sep/2013 | Dec/2012 |
|-------------------|---|------------------|----------------------------------|------------------|------------------|
| July 1997 | 250,000 | June 2015 | 9.38 | 148,378 | 134,175 |
| January 2004 | 250,000 | January 2014 | 11.75 | 165,543 | 169,609 |
| September 2006 | 275,000 | January 2017 | 8.00 | 284,731 | 275,270 |
| June 2008 | 500,000 | June 2018 | 7.25 | 969,465 | 1,026,894 |
| May 2010 | 400,000 | May 2020 | 7.00 | 911,073 | 820,621 |
| May 2010 | 350,000 | May 2020 | 7.00 | 802,202 | 722,596 |
| October 2010 | 450,000 | no maturity date | 7.38 | 1,021,180 | 935,776 |
| April 2011 | 750,000 | April 2021 | 5.75 | 1,710,855 | 1,545,798 |
| July 2011 | 500,000 | July 2041 | 7.13 | 1,130,006 | 1,053,701 |
| February 2012 | 250,000 | April 2021 | 5.75 | 572,192 | 516,995 |
| February 2012 | 250,000 | no maturity date | 7.38 | 567,322 | 519,876 |
| May 2012 | 500,000 | May 2022 | 5.38 | 1,139,638 | 1,030,598 |
| July 2012 | 250,000 | July 2041 | 7.13 | 565,003 | 526,850 |
| Total | 4,975,000 | | | 9,987,588 | 9,278,759 |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(b) Export prepayments (“EPP”)**

| Issue date | Initial amount of the transaction (US\$ thousand) | Maturity Charges (% per year) | Sep/2013 |
|-------------------|--|--|-----------------|
| May 2010 (i) | 150,000 | May-2015 US dollar exchange variation + semiannual Libor + 2.40 | |
| December 2010 | 100,000 | December-2017 US dollar exchange variation + semiannual Libor + 2.47 | 228,864 |
| January 2013 | 200,000 | November-2022 US dollar exchange variation + semiannual Libor + 1.10 | 425,888 |
| Total | 450,000 | | 654,752 |

(i) Financing offset by a financial investment in September 2013 (Note 5).

(c) BNDES borrowings

| Projects | Issue date | Maturity Charges (% per year) | Sep/2013 | Dec |
|--------------------------------|-------------------|--|-----------------|------------|
| <u>Foreign currency</u> | | | | |
| Other | 2006 | October-2016 US dollar exchange variation + 6.44 | 6,766 | |
| Other | 2006 | January-2013 Monetary variation (UMBNDDES) + 5.46 | | |
| Limit of credit UNIB-South | 2006 | July-2014 US dollar exchange variation + 5.46 to 5.66 | 5,611 | 1 |
| Braskem Qpar expansion | 2006/2007/2008 | April-2016 US dollar exchange variation + 6.14 to 6.44 | 15,612 | 2 |
| Braskem Qpar expansion | 2006/2007/2008 | January-2015 Monetary variation (UMBNDDES) + 6.29 | 1,479 | |
| Limit of credit I | 2007 | April-2015 US dollar exchange variation + 4.96 to 5.85 | 29,668 | 4 |
| Green PE | 2009 | July-2017 US dollar exchange variation + 6.22 | 40,561 | 4 |
| Limit of credit II | 2009 | January-2017 US dollar exchange variation + 6.22 | 83,165 | 9 |
| New plant PVC Alagoas | 2010 | January-2020 US dollar exchange variation + 6.22 | 114,032 | 10 |
| Limit of credit III | 2011 | October-2018 US dollar exchange variation + 6.06 to 6.09 | 156,131 | 14 |
| Butadiene | 2011 | January-2021 US dollar exchange variation + 6.09 | 39,887 | 2 |
| | | | 492,912 | 49 |

Local currency

| | | | | |
|----------------------------|----------------|------------------------------------|------------------|-------------|
| Other | 2006 | September-2016 TJLP + 2.80 | 53,764 | 6 |
| Limit of credit UNIB-South | 2006 | Mai-2014 TJLP + 2.02 to 2.32 | 17,084 | 4 |
| Braskem Qpar expansion | 2006/2007/2008 | February-2014 TJLP + 1.00 to 3.30 | 129,973 | 19 |
| Limit of credit I | 2007 | April-2015 TJLP + 1.81 to 2.32 | 108,046 | 17 |
| Green PE | 2008/2009 | June-2017 TJLP + 0.00 to 4.78 | 344,070 | 41 |
| Limit of credit II | 2009 | January-2017 TJLP + 2.58 to 3.58 | 260,393 | 31 |
| Limit of credit II | 2009 | January-2017 4.50 | 11,634 | 1 |
| New plant PVC Alagoas | 2010 | December-2019 TJLP + 0.00 to 3.58 | 367,001 | 35 |
| New plant PVC Alagoas | 2010 | December-2019 5.50 | 41,756 | 4 |
| Limit of credit III | 2011 | September-2018 TJLP + 0.00 to 3.45 | 637,795 | 58 |
| Limit of credit III | 2011 | July-2018 4.00 to 5.50 | 102,969 | 6 |
| Butadiene | 2011 | December-2020 TJLP + 0.00 to 3.45 | 139,173 | 11 |
| | | | 2,213,658 | 2,38 |
| Total | | | 2,706,570 | 2,87 |

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

(d) Export credit notes ("NCE")

| Issue date | | Initial amount of the transaction | Maturity Charges (% per year) | Sep/2013 | Dec/2012 |
|-------------------------|-------|--------------------------------------|---|----------------|----------------|
| Foreign currency | | | | | |
| November 2006 | | 167,014 | May 2018 Us dollar exchange variation + 8.10 | 179,537 | 161,150 |
| April 2007 | | 101,605 | March 2018 Us dollar exchange variation + 7.87 | 115,741 | 104,029 |
| May 2007 | | 146,010 | May 2019 Us dollar exchange variation + 7.85 | 171,699 | 154,298 |
| January 2008 | | 266,430 | February 2020 Us dollar exchange variation + 7.30 | 338,570 | 315,973 |
| March 2008 | (i) | 41,750 | March 2016 Us dollar exchange variation + 7.50 | | 52,237 |
| | | 722,809 | | 805,547 | 787,687 |
| Local currency | | | | | |
| April 2010 | (ii) | 50,000 | March 2014 100% of CDI | 69,371 | 65,678 |
| June 2010 | (ii) | 200,000 | June 2014 100% of CDI | 270,891 | 256,471 |
| February 2011 | (ii) | 200,000 | February 2014 99% of CDI | 251,189 | 297,434 |
| April 2011 | (iii) | 450,000 | April 2019 112.5% of CDI | 458,707 | 456,876 |
| June 2011 | (ii) | 80,000 | June 2014 98.5% of CDI | 96,632 | 91,563 |
| August 2011 | (iii) | 400,000 | August 2019 112.5% of CDI | 403,298 | 402,527 |
| January 2012 | (iv) | 200,000 | December 2013 103% of CDI | | 217,320 |
| June 2012 | (ii) | 100,000 | June 2014 103% of CDI | 109,836 | 103,818 |
| September 2012 | (ii) | 300,000 | September 2015 103% of CDI | 323,402 | 305,684 |
| October 2012 | (ii) | 85,000 | September 2014 98.5% of CDI | 91,204 | 86,419 |
| November 2012 | (v) | 100,000 | November 2013 106% of CDI | | 100,624 |
| February 2013 | (vi) | 100,000 | February 2016 8.00 | 101,183 | |
| February 2013 | (vi) | 50,000 | February 2016 7.50 | 50,494 | |
| February 2013 | (vi) | 100,000 | February 2016 8.00 | 100,967 | |
| February 2013 | (vi) | 50,000 | February 2016 8.00 | 50,440 | |
| February 2013 | (vi) | 100,000 | February 2016 8.00 | 100,902 | |
| March 2013 | (vi) | 50,000 | March 2016 8.00 | 50,246 | |
| March 2013 | (vi) | 17,500 | March 2016 8.00 | 17,579 | |
| August 2013 | (vi) | 10,000 | August 2016 8.00 | 10,127 | |
| August 2013 | | 6,909 | October 2013 105.5% of CDI | 6,962 | |
| August 2013 | | 163,469 | February 2014 106.75% of CDI | 165,197 | |

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| | | | |
|----------------|------------------|----------------------------|----------------------------|
| August 2013 | 26,023 | February 2014 106% of CDI | 26,366 |
| September 2013 | 94,449 | October 2013 106.5% of CDI | 94,963 |
| September 2013 | 2,320 | October 2013 107.8% of CDI | 2,334 |
| Total | 2,935,670 | | 2,852,290 2,384,414 |

- (i) Financing paid in advance in September 2013.
- (ii) Maturities and charges on these operations were renegotiated in October 2013 (Note 27(b)).
- (iii) The Company enters into swap transactions for these NCE contracts in order to offset the variation in the Interbank Certificate of Deposit (CDI) rate.
- (iv) Financing paid in advance in March 2013.
- (v) Financing paid in advance in January 2013.
- (vi) The Company enters into swap transactions for these NCE contracts (from 77.52% to 92.70% of CDI).

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(e) Payment schedule**

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

| | Sep/2013 | Dec/2012 |
|---------------------|-------------------|-------------------|
| 2014 | 209,378 | 1,759,551 |
| 2015 | 1,626,728 | 1,515,498 |
| 2016 | 1,762,062 | 1,092,519 |
| 2017 | 833,999 | 715,362 |
| 2018 | 1,548,962 | 1,512,383 |
| 2019 | 1,223,289 | 1,146,166 |
| 2020 | 2,110,226 | 1,884,761 |
| 2021 | 2,294,511 | 2,059,513 |
| 2022 and thereafter | 4,062,181 | 3,989,857 |
| Total | 15,671,336 | 15,675,610 |

(f) Capitalized financial charges

The Company capitalized financial charges in the period ended September 30, 2013 in the amount of R\$209,459 (R\$121,723 in the period ended September 30, 2012), including monetary variation and part of the exchange variation. The average rate of these charges applied on ongoing projects was 7.10% p.a. (7.16% p.a. in the period ended September 30, 2012).

(g) Guarantees

Braskem gave collateral for part of its borrowings as follows:

| Loans | Maturity | Total debt Sep/2013 | Total guaranteed | Guarantees |
|--------------|-----------------|------------------------------------|-----------------------------|--|
| BNB | December 2022 | 290,274 | 290,274 | Mortgage of plants, pledge of machinery and equipment |
| BNDES | January 2021 | 2,706,570 | 2,706,570 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FUNDES | June 2020 | 215,646 | 215,646 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FINEP | January 2022 | 125,818 | 125,818 | Bank surety |
| FINAME | February 2022 | 3,004 | 3,004 | Pledge of equipment |
| Total | | 3,341,312 | 3,341,312 | |

14. Project finance

Braskem Idesa is constructing a plant in Mexico (Ethylene XXI Project), with capacity to produce around 750 kton of high-density polyethylene and 300 kton of low-density polyethylene using ethane as feedstock. The raw material will be supplied through an agreement with PEMEX-Gás for delivery of 66,000 barrels of ethane per day for 20 years.

In line with the Company's financial policy, the investment is being financed under the Project Finance mode, whereby the project loan must be paid exclusively with the cash generated by the project itself and shareholders provide limited guarantees (limited recourse project finance). Thus, this financing has the usual guarantees of this type of operation such as assets, receivables, cash generation and other rights from the project, as well commitments by shareholders to inject a limited amount of capital to provide for eventual additional costs thereof.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated**

The financing structure was concluded in December 2012, at the ratio of 70% debt and 30% equity. The total financing contracted to meet construction expenses and start project operation was US\$3,193,095 thousand. The first tranche of R\$3,316,211 (US\$1,483,896 thousand) was received on July 24, 2013. A portion of these funds was used to settle the amounts lent by shareholders Braskem (without impact to the consolidated information) and Grupo Idesa, totaling R\$1,449,826 (US\$648,750 thousand) and R\$483,276 (US\$216,250 thousand), respectively. The release of the second tranche is expected to occur at November 6, 2013, amounting to US\$545,331 thousand.

Braskem Idesa capitalized the financial charges incurred on this financing, since its funding through September 30, 2013, in the amount of R\$26,262 (MXN\$147,835 thousand). The average interest rate was 4.88% p.a.

The breakdown of charges and maturities is as follows:

| Identification | Contract value | Value received | Maturity Charges (% per year) | |
|-----------------------|-----------------------|-----------------------|--------------------------------------|---|
| | US\$ thousands | US\$ thousands | | |
| Project finance I | 700,000 | 375,766 | February-2027 | Us dollar exchange variation + quarterly Libor + 3.25 |
| Project finance II | 210,000 | 24,054 | February-2027 | Us dollar exchange variation + 6.17 |
| Project finance III | 600,000 | 131,360 | February-2029 | Us dollar exchange variation + 4.33 |
| Project finance IV | 660,000 | 442,971 | February-2029 | Us dollar exchange variation + quarterly Libor + 3.88 |
| Project finance V | 400,000 | 214,723 | February-2029 | Us dollar exchange variation + quarterly Libor + 4.65 |
| Project finance VI | 90,000 | 8,852 | February-2029 | Us dollar exchange variation + quarterly Libor + 2.73 |
| Project finance VII | 533,095 | 286,170 | February-2029 | Us dollar exchange variation + quarterly Libor + 4.64 |
| Transactions costs | | | | |
| Total | 3,193,095 | 1,483,896 | | |

Current liabilities

Non-current liabilities

Total

The maturity profile of this long-term financing, by year of maturity, is as follows:

| | Sep/2013 | Dec/2012 |
|---------------------|------------------|----------|
| 2016 | 195,788 | |
| 2017 | 265,027 | |
| 2018 | 265,027 | |
| 2019 | 265,027 | |
| 2020 | 265,027 | |
| 2021 | 265,027 | |
| 2022 and thereafter | 1,763,289 | |
| Total | 3,284,212 | |

In accordance with the Company's risk management strategy and based on its financial policy, the Management contracted and designated derivative operations under hedge accounting (Note 20.2.1 (b.ii)) in order to offset the change in future debt-related financial expenses caused by the fluctuation of the Libor rate.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****15. Taxes payable**

| | Sep/2013 | Dec/2012 |
|---|------------------|------------------|
| Brazil | | |
| IPI | 81,520 | 71,440 |
| PIS and COFINS | | 5,764 |
| Income tax and social contribution | 82,036 | 54,987 |
| ICMS | 102,032 | 72,435 |
| Federal tax payment program - Law 11,941/09 | 1,083,397 | 1,237,156 |
| Other | 54,770 | 59,630 |
| Other countries | | |
| Value-added tax | | 2,538 |
| Income tax | | 2,132 |
| Other | 599 | 1,460 |
| Total | 1,404,354 | 1,507,542 |
| Current liabilities | 398,289 | 342,789 |
| Non-current liabilities | 1,006,065 | 1,164,753 |
| Total | 1,404,354 | 1,507,542 |

The information related to taxes payable was presented in the Company's 2012 annual financial statements, in Note 21.

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

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

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

| | Sep/2013 | Sep/2012 |
|--|------------------|--------------------|
| Income (loss) before IR and CSL and after discontinued operations | 776,296 | (1,675,351) |
| IR and CSL at the rate of 34% | (263,941) | 569,620 |
| Permanent adjustments to the IR and CSL calculation basis | | |
| IR and CSL on equity in results of investees | (578) | (8,347) |
| Effects from pre-payment of taxes | 5,864 | 27,374 |
| Tax incentives | 501 | 436 |
| Other permanent adjustments | (25,745) | 81,040 |
| Effect of IR and CSL on results of operations | (283,899) | 670,123 |
| Breakdown of IR and CSL: | | |
| Current IR and CSL / continued operations | (62,089) | (12,522) |
| Current IR and CSL / discontinued operations | | (12,441) |
| Current IR and CSL | (62,089) | (24,963) |
| Deferred IR and CSL / continued operations | (221,810) | 695,215 |
| Deferred IR and CSL / discontinued operations | | (129) |
| Deferred IR and CSL | (221,810) | 695,086 |
| Total IR and CSL on income statement | (283,899) | 670,123 |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(b) Breakdown of deferred income tax and social contribution**

| Non-current assets | Sep/2013 | Dec/2012 |
|--|------------------|------------------|
| Tax losses (IR) and negative base (CSL) | 957,748 | 1,099,345 |
| Goodwill amortized | 12,810 | 31,432 |
| Exchange variations | 625,266 | 215,545 |
| Temporary adjustments | 546,391 | 362,198 |
| Business combination | 230,699 | 243,517 |
| Pension plan | 63,800 | 49,912 |
| Deferred charges - write-off | 43,494 | 60,060 |
| | 2,480,208 | 2,062,009 |
| Non-current liabilities | | |
| Amortization of goodwill based on future profitability | 629,046 | 586,857 |
| Tax depreciation | 497,625 | 391,224 |
| Temporary differences | 335,093 | 327,500 |
| Business combination | 595,153 | 624,817 |
| Write-off negative goodwill of incorporated subsidiaries | 1,336 | 1,781 |
| Additional indexation PP&E | 143,665 | 154,189 |
| Other | 52,673 | 52,254 |
| | 2,254,591 | 2,138,622 |

(c) Offset of deferred income and social contribution tax assets and liabilities

| Headquarters (Country) | IR-CSL Asset | Sep/2013 IR-CS Liability |
|-----------------------------------|---------------------|---|
|-----------------------------------|---------------------|---|

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| | | | |
|----------------------|-----------|------------------|--------------------|
| Braskem S.A. | Brazil | 1,528,332 | (1,073,689) |
| Braskem Argentina | Argentina | 4,511 | |
| Braskem Alemanha | Germany | 45,572 | (10,275) |
| Braskem Idesa | Mexico | 111,623 | |
| Braskem Petroquímica | Brazil | 207,628 | (113,384) |
| Petroquímica Chile | Chile | 238 | (105) |
| Braskem Qpar | Brazil | 582,304 | (744,867) |
| Braskem America | USA | | (312,271) |
| | | 2,480,208 | (2,254,591) |

| | Headquarters (Country) | IR-CSL Asset | Dec/2012 IR-CS Liability |
|----------------------|---------------------------|------------------|--------------------------------|
| Braskem S.A. | Brazil | 1,100,611 | (1,015,743) |
| Braskem Argentina | Argentina | 3,251 | |
| Braskem Alemanha | Germany | 17,448 | (9,176) |
| Braskem Idesa | Mexico | 24,677 | |
| Braskem Petroquímica | Brazil | 214,430 | (93,256) |
| Petroquímica Chile | Chile | 169 | |
| Braskem Qpar | Brazil | 459,914 | (626,807) |
| Riopol | Brazil | 237,944 | (88,201) |
| Braskem America | USA | 3,565 | (305,439) |
| | | 2,062,009 | (2,138,622) |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(d) Realization of deferred income tax and social contribution**

In the period ended September 30, 2013, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

The information related to income tax and social contribution was presented in the 2012 annual financial statements of the Company, in Note 22.

17. Sundry provisions

| | Sep/2013 | Dec/2012 |
|---|-----------------|-----------------|
| Provision for customers bonus | 37,673 | 40,666 |
| Provision for recovery of environmental damages | 80,846 | 32,944 |
| Judicial and administrative provisions | 302,094 | 333,218 |
| Other | 9,634 | 8,847 |
| Total | 430,247 | 415,675 |
| Current liabilities | 52,150 | 52,264 |
| Non-current liabilities | 378,097 | 363,411 |
| Total | 430,247 | 415,675 |

The composition of provisions for judicial and administrative suits is as follows:

| Sep/2013 | Dec/2012 |
|-----------------|-----------------|
|-----------------|-----------------|

| | | | |
|------------------------------------|-----|----------------|----------------|
| Labor claims | | 88,222 | 75,697 |
| Tax claims | | | |
| Income tax and social contribution | | 31,615 | 29,980 |
| PIS and COFINS | | 34,820 | 32,929 |
| ICMS - interstate purchases | | 84,263 | 79,688 |
| ICMS - other | (i) | 11,171 | 56,974 |
| Other | | 44,143 | 50,744 |
| Corporate claims and other | | 7,860 | 7,206 |
| | | 302,094 | 333,218 |

(i) Payment of R\$47,746 was made with the advantages of the Special Installment Program implemented by the São Paulo State Government.

This table and the information on provisions were presented in the 2012 annual financial statements of the Company, in Note 23.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****18. Post-employment benefits**

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

| | | Sep/2013 | Dec/2012 |
|--------------------------|-----|-----------------|-----------------|
| Petros Copesul | | 187,662 | 147,175 |
| Novamont Braskem America | (i) | 10,501 | 10,381 |
| Braskem Alemanha | (i) | 29,892 | 26,221 |
| | | 228,055 | 183,777 |
| Current liabilities | | 187,662 | 147,175 |
| Non-current liabilities | | 40,393 | 36,602 |
| Total | | 228,055 | 183,777 |

(i) With the adoption of IAS 19, the actuarial losses previously unrecognized in these two plans in the amount of R\$18,204 (R\$11,816, net of income tax) were recognized retroactively, at December 31, 2012, under "other comprehensive income (loss)". The balance sheet on that date was restated to reflect the changes to the item "post-employment benefits". For comparison purposes, the information for December 31, 2011 was not restated in the statement of changes in shareholders' equity, since the amounts are immaterial.

19. Contingencies

The Company has contingent liabilities related to lawsuits and administrative proceedings arising from the normal course of its business. These contingencies are of a labor and social security, tax, civil and corporate nature and involve risks of losses that are classified by the Company's management as possible. A provision for the lawsuits for which the risk of loss is classified as probable is recognized and is presented in Note 17 of this report.

The balance of contingencies not accounted for at September 30, 2013:

| | Sep/2013 | Dec/2012 |
|----------------|------------------|------------------|
| Tax claims | 2,962,456 | 2,967,799 |
| Other lawsuits | 336,292 | 411,324 |
| Total | 3,298,748 | 3,379,123 |

The description of the main contingent liabilities of the Company was presented in the 2012 annual financial statements, in Note 28.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****20. Financial instruments**

The information related to financial instruments was presented in the 2012 financial statements of the Company, in Note 20.

20.1. Non-derivative financial instruments – measured at fair value

| | Note | Classification by category | Fair value hierarchy | Book value | | Fair value | |
|---------------------------------------|------|-------------------------------|----------------------------|------------------|------------------|------------------|------------------|
| | | | | Sep/2013 | Dec/2012 | Sep/2013 | Dec/2012 |
| Cash and cash equivalents | 4 | | | | | | |
| Cash and banks | | Loans and receivables | | 562,134 | 398,142 | 562,134 | 398,142 |
| Financial investments in Brazil | | Held-for-trading | Level 2 | 521,246 | 393,348 | 521,246 | 393,348 |
| Financial investments in Brazil | | Loans and receivables | | 1,213,773 | 899,816 | 1,213,773 | 899,816 |
| Financial investments abroad | | Held-for-trading | Level 2 | 1,557,780 | 1,596,316 | 1,557,780 | 1,596,316 |
| | | | | 3,854,933 | 3,287,622 | 3,854,933 | 3,287,622 |
| Financial investments | 5 | | | | | | |
| FIM Sol investments | | Held-for-trading | Level 2 | 41,285 | 50,803 | 41,285 | 50,803 |
| Investments in foreign currency | | Held-for-trading | Level 2 | 3,914 | 5,256 | 3,914 | 5,256 |
| Investments in foreign currency | | Held-to-maturity | | 34 | 15,731 | 34 | 15,731 |
| Shares | | Held-for-trading | Level 1 | 1,170 | 3,023 | 1,170 | 3,023 |
| FIM Sol investments | | Loans and receivables | | | 77,469 | | 77,469 |
| Investments in national currency | | Loans and receivables | | | 513 | | 513 |
| Quotas of receivables investment fund | | Held-to-maturity | | 31,590 | 52,559 | 31,590 | 52,559 |

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| | | | | | | |
|--|----|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| Restricted deposits | | Held-to-maturity | 15,567 | 1,281 | 15,567 | 1,281 |
| | | | 93,560 | 206,635 | 93,560 | 206,635 |
| Trade accounts receivable | 6 | Loans and receivables | 2,737,168 | 2,364,222 | 2,737,168 | 2,364,222 |
| Related parties credits | 8 | Loans and receivables | 164,229 | 141,539 | 164,229 | 141,539 |
| Other receivables | | | | | | |
| Disposal of shareholdings | | Loans and receivables | 265,064 | 652,100 | 265,064 | 652,100 |
| Trade payables | | Other financial liabilities | 9,715,114 | 8,897,597 | 9,715,114 | 8,897,597 |
| Borrowings | 13 | | | | | |
| Foreign currency - Bond | | Other financial liabilities | 9,987,588 | 9,278,759 | 9,845,365 | 10,032,553 |
| | | Level 1 | | | | |
| Foreign currency - other borrowings | | Other financial liabilities | 2,556,938 | 2,887,779 | 2,556,938 | 2,887,779 |
| Local currency | | Other financial liabilities | 5,700,690 | 5,404,617 | 5,700,690 | 5,405,688 |
| | | | 18,245,216 | 17,571,155 | 18,102,993 | 18,326,020 |
| Project finance | 14 | Other financial liabilities | 3,331,541 | | 3,331,541 | |
| Other payables | | | | | | |
| Creditors for the acquisitions of shares | | Other financial liabilities | 270,636 | 256,030 | 270,636 | 256,030 |
| Accounts payable to non-controlling | | Other financial liabilities | 216,843 | 260,649 | 216,843 | 260,649 |
| | | | 487,479 | 516,679 | 487,479 | 516,679 |

Fair value hierarchy

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

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

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****20.2. Financial instruments designated and not designated for hedge accounting**

| Identification | Note | Fair value hierarchy | Operation characteristics | | Dec/2012 | Change in fair value |
|--|----------------|-----------------------------|----------------------------------|--------------------|-----------------|-----------------------------|
| | | | Principal exposure | Derivatives | | |
| <u>Non-hedge accounting transactions</u> | | | | | | |
| Non-deliverable forward ("NDF") - ethanol | | Level 2 | Real | Dollar | 1,791 | 52 |
| Commodity swap - Naphtha | 20.2.1 (a.i) | Level 2 | Fixed price | Variable price | | 56 |
| Commodity swap - Naphtha | 20.2.1 (a.i) | Level 2 | Fixed price | Variable price | | (2,408) |
| Contract for the future purchase - ethanol | | Level 1 | Fixed price | Variable price | 2 | |
| Exchange swap | | Level 2 | Dollar | CDI | 4,968 | (1,688) |
| Interest rate swaps | 20.2.1 (a.ii) | Level 2 | Fixed rate | CDI | | 20,300 |
| Deliverable Forward | 20.2.1 (a.iii) | Level 2 | Mexican peso | Dollar | | 69,932 |
| Deliverable Forward | 20.2.1 (a.iv) | Level 2 | Euro | Dollar | | (2,739) |
| | | | | | 6,761 | 83,505 |
| <u>Hedge accounting transactions</u> | | | | | | |
| Exchange swap | 20.2.1 (b.i) | Level 2 | CDI | Dollar | 286,617 | 41,085 |
| Interest rate swaps | 20.2.1 (b.ii) | Level 2 | Libor | Dollar | | (70,368) |
| | | | | | 286,617 | (29,283) |
| Current assets (other receivables) | | | | | | |
| Non current assets (other receivables) | | | | | | |
| Current liabilities (derivatives operations) | | | | | 293,378 | |
| Non current liabilities (derivatives operations) | | | | | | |
| | | | | | 293,378 | |

20.2.1. Existing operations on September 30, 2013**(a) Non-hedge accounting transactions**

The regular changes in the fair value of swaps are recorded as financial income or expenses in the same period in which they occur. Braskem recognized a financial expense of R\$83,505 related to the change in the fair value of these swaps for the period ended September 30, 2013.

(a.i) Commodity swap - Naphtha

The parent company made a single operation of resin at a fixed price sale to a final customer. With the goal of preserving its margin, potentially affected by the fluctuation in the price of naphtha, were made four future purchase contracts at a fixed price of this raw material, as shown below:

| Identification | Nominal | Fixed price - | Maturity | Fair value | |
|------------------------------------|------------------|----------------------|-----------------|-------------------|-----------------|
| | value | | | US\$/Ton | Sep/2013 |
| | US\$ | (hedge) | | | |
| | thousands | | | | |
| Commodity swap - naphtha | 477 | 830,000 | February-2014 | (50) | |
| Commodity swap - naphtha | 477 | 830,000 | March-2014 | (38) | |
| Commodity swap - naphtha | 477 | 830,000 | April-2014 | (26) | |
| Commodity swap - naphtha | 425 | 830,000 | May-2014 | (13) | |
| Total | 1,857 | | | (127) | |
| Current assets (other receivables) | | | | (127) | |
| Total | | | | (127) | |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated**

Braskem Inc. signed a contract for the purchase of naphtha at a fixed price with the supplier. To preserve its margin, potentially affected by the fluctuation in resin prices, it contracted a swap operation that also makes variable the cost of this raw material, as follows:

| Identification | Nominal value US\$ thousands | Fixed price - US\$/Ton (hedge) | Maturity | Fair value | |
|------------------------------------|---|---|-----------------|-------------------|-----------------|
| | | | | Sep/2013 | Dec/2012 |
| Commodity swap - naphtha | 35,483 | 959.000 | October-2013 | (2,408) | |
| Total | 35,483 | | | (2,408) | |
| Current assets (other receivables) | | | | (2,408) | |
| Total | | | | (2,408) | |

(a.ii) Interest rate swap linked to NCE

Braskem has contracted financing facilities in the form of export credit note (NCE) (Note 13(d)) with fixed interest payments. Considering that the cash in Brazilian real is largely invested in the overnight rate (CDI)-indexed investments, the Company contracted swaps to match financial charges with cash yields.

| Identification | Nominal value | Interest rate (hedge) | Maturity | Fair value | |
|-----------------------|--------------------------|----------------------------------|-----------------|-------------------|-----------------|
| | | | | Sep/2013 | Dec/2012 |
| Swap NCE I | 100,000 | 90.65% CDI | February-2016 | 4,811 | |
| Swap NCE II | 50,000 | 88.20% CDI | February-2016 | 2,573 | |
| Swap NCE III | 100,000 | 92.64% CDI | February-2016 | 4,998 | |
| Swap NCE IV | 50,000 | 92.70% CDI | February-2016 | 2,544 | |
| Swap NCE V | 100,000 | 91.92% CDI | February-2016 | 4,890 | |
| Swap NCE VI | 50,000 | 92.25% CDI | March-2016 | 2,314 | |
| Swap NCE VII | 17,500 | 91.10% CDI | March-2016 | 758 | |

| | | |
|--|----------------|---------------|
| Total | 467,500 | 22,888 |
| Current liabilities (derivatives operations) | | 22,888 |
| Total | | 22,888 |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(a.iii) Currency futures contract– Mexican Peso**

Braskem Idesa contracted currency purchase transactions through futures contracts to hedge its future obligations in Mexican peso (local trade payables, payroll, taxes and etc.). Since the cash of this subsidiary is maintained in U.S. dollar, these operations were contracted to ensure cash flow balance.

| Identification | Nominal | Foreign exchange | Maturity | Fair value | |
|-----------------------|------------------|-------------------------|-----------------|-------------------|-----------------|
| | value | | | Sep/2013 | Dec/2012 |
| | US\$ | (hedge) | | | |
| | thousands | | | | |
| Deliverable Forward | 30,811 | 12.4196 | October-2013 | 4,108 | |
| Deliverable Forward | 31,517 | 12.4493 | December-2013 | 4,191 | |
| Deliverable Forward | 32,291 | 12.4763 | December-2013 | 4,300 | |
| Deliverable Forward | 35,315 | 12.5052 | January-2014 | 4,698 | |
| Deliverable Forward | 35,232 | 12.5343 | February-2014 | 4,659 | |
| Deliverable Forward | 37,938 | 12.5662 | March-2014 | 4,995 | |
| Deliverable Forward | 36,920 | 12.6458 | April-2014 | 4,558 | |
| Deliverable Forward | 32,410 | 12.6792 | June-2014 | 4,009 | |
| Deliverable Forward | 36,844 | 12.7075 | June-2014 | 4,557 | |
| Deliverable Forward | 36,839 | 12.7388 | July-2014 | 4,537 | |
| Deliverable Forward | 33,627 | 12.7722 | September-2014 | 4,115 | |
| Deliverable Forward | 30,750 | 12.8005 | September-2014 | 3,743 | |
| Deliverable Forward | 30,079 | 12.8318 | October-2014 | 3,645 | |
| Deliverable Forward | 27,843 | 12.8631 | December-2014 | 3,361 | |
| Deliverable Forward | 24,091 | 12.8933 | December-2014 | 2,899 | |
| Deliverable Forward | 22,522 | 12.9276 | February-2015 | 2,701 | |
| Deliverable Forward | 18,209 | 12.9548 | March-2015 | 2,179 | |
| Deliverable Forward | 15,394 | 12.9841 | March-2015 | 1,838 | |
| Deliverable Forward | 9,703 | 13.0148 | April-2015 | 1,155 | |
| Deliverable Forward | 5,299 | 13.0497 | June-2015 | 627 | |
| Deliverable Forward | 3,191 | 13.0812 | June-2015 | 376 | |

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| | | | | |
|--|----------------|---------|---------------|---------------|
| Deliverable Forward | 1,769 | 13.1149 | July-2015 | 207 |
| Deliverable Forward | 1,840 | 13.1486 | August-2015 | 214 |
| Deliverable Forward | 5,448 | 13.1838 | October-2013 | 24 |
| Deliverable Forward | 10,593 | 13.2190 | December-2013 | 35 |
| Deliverable Forward | 8,654 | 13.2487 | December-2013 | 29 |
| Deliverable Forward | 5,706 | 13.2791 | January-2014 | 19 |
| Deliverable Forward | 220 | 13.3068 | February-2014 | 1 |
| Deliverable Forward | 1,267 | 13.3375 | March-2014 | 4 |
| Deliverable Forward | 5,471 | 13.3669 | April-2014 | 16 |
| Total | 607,791 | | | 71,800 |
| Current liabilities (derivatives operations) | | | | 71,800 |
| Total | | | | 71,800 |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(a.iv) Currency futures contract - Euro**

Braskem Idesa contracted currency purchase transactions through futures contracts to hedge its future obligations in euro (trade payables). Since the cash of this subsidiary is maintained in U.S. dollar, these operations were contracted to ensure cash flow balance.

| Identification | Nominal value US\$ thousands | Foreign exchange (hedge) | Maturity | Fair value | |
|------------------------------------|---|-------------------------------------|-----------------|-------------------|-----------------|
| | | | | Sep/2013 | Dec/2012 |
| Deliverable Forward | 9,780 | 1.3041 | December-2013 | (782) | |
| Deliverable Forward | 8,485 | 1.3053 | January-2014 | (660) | |
| Deliverable Forward | 7,839 | 1.3066 | March-2014 | (594) | |
| Deliverable Forward | 10,444 | 1.3050 | December-2013 | (799) | |
| Deliverable Forward | 6,096 | 1.3059 | January-2014 | (457) | |
| Deliverable Forward | 3,287 | 1.3068 | March-2014 | (241) | |
| Deliverable Forward | 6,501 | 1.3079 | June-2014 | (465) | |
| Deliverable Forward | 6,555 | 1.3089 | July-2014 | (464) | |
| Total | 58,987 | | | (4,462) | |
| Current assets (other receivables) | | | | (4,462) | |
| Total | | | | (4,462) | |

(b) Hedge accounting transactions**(b.i) Swaps related to export credit notes (NCE)**

In line with the Company's risk management strategy and based on its financial policy, the Management contracted swap operations to offset the interest rate and currency risks arising from the financings mentioned in Note 13, by maintaining its exposure to long-term financial liabilities in the U.S. dollar.

| Identification | Nominal | | Interest rate | | Fair value | |
|--|----------------|----------------|---------------|-------------|----------------|----------------|
| | value | US\$ mil | (hedge) | Maturity | Sep/2013 | Dec/2012 |
| Swap NCE I | 200,000 | 122,100 | 5.44% | August 2019 | 93,639 | 82,812 |
| Swap NCE II | 100,000 | 60,187 | 5.40% | August 2019 | 44,343 | 39,008 |
| Swap NCE III | 100,000 | 59,588 | 5.37% | August 2019 | 42,614 | 37,333 |
| Swap NCE IV | 100,000 | 56,205 | 5.50% | April 2019 | 34,971 | 29,904 |
| Swap NCE V | 100,000 | 56,180 | 5.50% | April 2019 | 34,907 | 29,250 |
| Swap NCE VI | 150,000 | 82,372 | 5.43% | April 2019 | 46,844 | 38,585 |
| Swap NCE VII | 100,000 | 58,089 | 4.93% | April 2019 | 35,734 | 29,725 |
| Total | 850,000 | 494,721 | | | 333,052 | 286,617 |
| Current assets (other receivables) | | | | | (26,177) | |
| Current liabilities (derivatives operations) | | | | | | 286,617 |
| Non Current liabilities (derivatives operations) | | | | | 359,229 | |
| Total | | | | | 333,052 | 286,617 |

Prior to designating these swaps as hedge accounting, on May 1, 2013, the Company had recognized financial income of R\$43,651 as profit for the period. After the recognition of this designation, an expense of R\$84,736, relating to changes in the fair value of these swaps since the designation until September 30, 2013, was recognized.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(b.ii) Interest rate swap linked to Libor**

On September 30, 2013, Braskem Idesa held six interest rate swap contracts for a nominal value of US\$1,312,892 thousand, contracted on the future disbursements of the financing line (Note 14) contracted in U.S. dollar at floating rates (based on Libor). In these swaps, Braskem Idesa receives floating rates (Libor) and pays fixed rates periodically, coinciding with the financing cash flows. The objective of these swaps is to offset the changes in the future financial expenses from debt caused by changes in the Libor rate. The term, amount, settlement dates and floating interest rates coincide with the terms of the financing line.

| Identification | Nominal value US\$ thousands | Interest rate (hedge) | Maturity | Fair value | |
|--|---|----------------------------------|-----------------|-------------------|-----------------|
| | | | | Sep/2013 | Dec/2012 |
| Swap Libor I | 299,996 | 1.9825% | May-2025 | (16,478) | |
| Swap Libor II | 299,996 | 1.9825% | May-2025 | (16,478) | |
| Swap Libor III | 299,996 | 1.9825% | May-2025 | (16,478) | |
| Swap Libor IV | 129,976 | 1.9825% | May-2025 | (7,139) | |
| Swap Libor V | 132,996 | 1.9825% | May-2025 | (7,305) | |
| Swap Libor VI | 149,932 | 1.9825% | May-2025 | (8,236) | |
| Total | 1,312,892 | | | (72,114) | |
| Non-Current assets (other receivables) | | | | (93,714) | |
| Current liabilities (derivatives operations) | | | | 21,600 | |
| Total | | | | (72,114) | |

Before designating these swap operations as hedge accounting, on September 1, 2013, the Company recognized financial income of R\$116,007 as profit in the period. After recognizing such designation, in shareholders' equity, the Company recognized financial expense of R\$45,639 relating to changes in the fair value of these swaps since the designation through September 30, 2013.

(b.iii) Non-derivative liabilities designated for export hedge accounting

On May 1, 2013, Braskem S.A. designated non-derivative financial instrument liabilities, denominated in U.S. dollars, as hedge for the flow of its highly probable future exports. Thus, the impact of exchange rates on future cash flows in dollars derived from these exports will be offset by the foreign exchange variation on the designated liabilities, partly eliminating the volatility of results.

The Company considers the flow covered as highly probable based, on the following factors:

- Historically, annual export volumes represent three to four times the annual amount covered; In the past 5 years, Braskem recorded average exports of US\$2,4 billion annual, supporting the export amounts underlying the hedge; and
- The flow covered varies between 15% and 30% of the export flows planned by the Company;

The Company designated longer export flows than the financial liabilities that hedge them, to analyze the effectiveness of the operations, the export flows will be considered only until the date of maturity of the underlying debt. Nevertheless, to ensure continuity of the relation and strategy of the proposed hedge, the Company plans to refinance and/or substitute these hedging instruments according to their maturity, in accordance IAS 39.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated**

Braskem selected the hedge instruments with subsidiaries abroad observing the guarantees at those companies whose counterparty is external to that of Braskem. As such, non-derivative financial liabilities in which the foreign subsidiary acted as an intermediary in the operations were selected, which effectively maintained the essence of the transactions.

On September 30, the following non-derivative financial liabilities were designated as guarantee for the hedge, considering the scope of the balance sheet:

| Identification | Maturity | Hedge | Nominal value US\$ thousands | Balance at Sep/2013 | Balance at Dec/2012 |
|--|-----------------|--------------|---|--------------------------------|--------------------------------|
| <u>Operations designated for hedge accounting</u> | | | | | |
| Bond | 2016 | Dollar | 78,890 | 175,928 | |
| Trade payables | 2016 | Dollar | 760,554 | 1,696,036 | |
| Bond | 2017 | Dollar | 213,220 | 475,481 | |
| Trade payables | 2017 | Dollar | 616,465 | 1,374,717 | |
| Bond | 2018 | Dollar | 340,455 | 759,215 | |
| Trade payables | 2018 | Dollar | 447,439 | 997,788 | |
| Bond | 2019 | Dollar | 315,483 | 703,528 | |
| Trade payables | 2019 | Dollar | 418,497 | 933,248 | |
| Bond | 2020 | Dollar | 460,001 | 1,025,802 | |
| Foreign currency borrowings | 2020 | Dollar | 39,923 | 89,027 | |
| Trade payables | 2020 | Dollar | 110,076 | 245,470 | |
| Export prepayments | 2020 | Dollar | 114,000 | 254,220 | |
| Bond | 2021 | Dollar | 480,001 | 1,070,402 | |
| Foreign currency borrowings | 2021 | Dollar | 99,999 | 222,997 | |
| Export prepayments | 2021 | Dollar | 136,001 | 303,282 | |
| Bond | 2022 | Dollar | 363,656 | 810,954 | |
| Credit note export | 2022 | Dollar | 353,000 | 787,190 | |
| Export prepayments | 2022 | Dollar | 2,344 | 5,226 | |
| Bond | 2023 | Dollar | 698,372 | 1,557,369 | |
| Export prepayments | 2023 | Dollar | 20,000 | 44,600 | |
| Bond | 2024 | Dollar | 681,199 | 1,519,073 | |

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| | | | | |
|--------------------|------|--------|------------------|-------------------|
| Export prepayments | 2024 | Dollar | 7,656 | 17,072 |
| | | | 6,757,231 | 15,068,625 |

The amounts of the operations designated for hedge accounting booked in shareholders' equity are shown below:

| | Balance at Dec/2012 | Addition | Reversion | Balance at Sep/2013 |
|---|--------------------------------|------------------|------------------|--------------------------------|
| Exchange variation of foreign sales hedge | | 1,542,676 | | 1,542,676 |
| Income tax and social contribution on foreign sales hedge | | (524,510) | | (524,510) |
| Fair value of cash flow hedges, net of taxes | | 1,018,166 | | 1,018,166 |

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

(c) Estimated maximum loss

The amount at risk of the derivatives held by Braskem on September 30, 2013, which is defined as the highest loss that could result in one month and in 95% of the cases under normal market conditions, was estimated by the Company at US\$45,824 thousand for the NCE swaps, and US\$49,158 thousand for fixed rate / CDI swaps.

20.3. Credit quality of financial assets

(a) Trade accounts receivable

Only a few of the Company's customers have risk ratings assigned by credit rating agencies. For this reason, the Company developed its own credit rating system for all accounts receivable from domestic customers and for part of the accounts receivable from foreign customers. The Company does not apply this rating to all of its foreign customers because most accounts receivable from them are covered by an insurance policy or letters of credit issued by banks. On September 30, 2013, the credit ratings were as follows:

| | | Percentage |
|---|--------------------|-------------------|
| 1 | Minimum risk | 26.27% |
| 2 | Low risk | 27.98% |
| 3 | Moderate risk | 21.83% |
| 4 | High risk | 22.89% |
| 5 | Very high risk (i) | 1.03% |

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

Default indicators for the periods ended:

| | | |
|--------------------|-------|-------|
| September 30, 2013 | 0.29% | 0.15% |
| September 30, 2012 | 0.35% | 0.25% |
| December 31, 2012 | 0.28% | 0.37% |
| December 31, 2011 | 0.18% | 0.43% |

LTM – last 12 months

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(b) Other financial assets**

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

| | | Sep/2013 | Dec/2012 |
|---|-------|------------------|------------------|
| Financial assets with risk assessment | | | |
| AAA | | 3,429,192 | 2,484,788 |
| AA+ | | 1 | 190,660 |
| AA | | 16,830 | 5 |
| AA- | | | 449,555 |
| A+ | | | 120,123 |
| A | | 463,988 | 19 |
| A- | | 1,070 | 80,231 |
| | | 3,911,081 | 3,325,381 |
| Financial assets without risk assessment | | | |
| Quotas of investment funds in credit rights | (i) | 31,590 | 103,359 |
| Sundry funds | (ii) | 3,914 | 60,356 |
| Restricted deposits | (iii) | | 1,281 |
| Other financial assets with no risk assessment | | 1,908 | 3,880 |
| | | 37,412 | 168,876 |
| Total | | 3,948,493 | 3,494,257 |

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

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

(iii) Risk-free financial assets

Braskem's financial policy determines "A-" as the minimum rating for financial investments.

20.4. Sensitivity analysis

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

(a) Selection of risks

On September 30, 2013, the main risks that can affect the value of the Company's financial instruments are:

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

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

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

(b) Selection of scenarios

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

(b.1) Probable scenario

The Market Readout published by the Central Bank of Brazil on September 27, 2013 was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate and the CDI interest rate, using the reference date of December 31, 2013. The *Market Readout* presents a consensus of market expectations based on a survey of the forecasts made by various financial and non-financial institutions.

The Market Readout does not publish forecasts for the interest rates LIBOR and TJLP. Therefore, the Company considered the expectations for the CDI interest rate for determining the probable scenario for those rates, given their correspondence. The probable scenario for the TJLP is an increase of 0.5% from the current rate of 5%, in line with the size of the government's most recent decisions to increase or decrease the rate, and accompanying the forecast for the cumulative increase in the CDI rate by end-2013 of 0.75%.

(b.2) Possible and extreme adverse scenarios

For the Brazilian real/U.S. dollar and Mexican peso/U.S. dollar exchange rates, a positive change of 25% was considered for the possible adverse scenario and of 50% for the extreme scenario based on the exchange rate on September 30, 2013.

For the U.S. dollar/Euro exchange rate, a decrease of 25% was considered for the possible adverse scenario and of 50% for the extreme scenario based on the exchange rate on September 30, 2013.

For the Libor and CDI interest rates, a positive change of 25% was considered for the possible adverse scenario and of 50% for the extreme scenario based on the respective interest rate on September 30, 2013.

For the TJLP interest rate, an increase of 1% was considered for the possible adverse scenario and of 1.5% for the extreme scenario based on its rate on September 30, 2013, in accordance with the upward or downward adjustments made by the government in the rate, in this order of scale.

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

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(c) Sensitivity to the Brazilian real/U.S. dollar exchange rate**

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

| Instrument | Probable | Possible adverse (25%) | Extreme adverse (50%) |
|---|-----------------|-----------------------------------|----------------------------------|
| Bonds and MTN | (313,512) | (2,496,897) | (4,993,794) |
| BNDES | (44,200) | (352,020) | (704,041) |
| Working capital / structured operations | (37) | (298) | (595) |
| Raw material financing | (20,446) | (162,836) | (325,672) |
| Export prepayments | 56,893 | 453,110 | 906,220 |
| Financial investments abroad | (39,360) | (311,323) | (622,646) |

(d) Sensitivity to the U.S. dollar/Mexican peso exchange rate

The sensitivity of each financial instrument, including derivatives and items covered by them, to the variation in the U.S. dollar/Mexican peso exchange rate is presented in the table below:

| Instrument | Probable | Possible adverse (25%) | Extreme adverse (50%) |
|---------------------|-----------------|-----------------------------------|----------------------------------|
| Project finance | 19,623 | (369,962) | (739,923) |
| Deliverable Forward | 7,082 | (113,388) | (189,327) |

(e) Sensitivity to the U.S. dollar/Euro exchange rate

The sensitivity of each financial instrument, including derivatives and items covered by them, to the variation in the U.S. dollar/Euro exchange rate is presented in the table below:

| Instrument | Probable | Possible adverse (25%) | Extreme adverse (50%) |
|---------------------|-----------------|-----------------------------------|----------------------------------|
| Deliverable Forward | (1,378) | (5,894) | (15,379) |

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

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

| Instrument | Probable | Possible adverse (25%) | Extreme adverse (50%) |
|--------------------|-----------------|-----------------------------------|----------------------------------|
| Borrowings | (2,068) | (6,082) | (12,163) |
| Export prepayments | (5,414) | (15,924) | (31,848) |
| Swaps | 30,561 | (89,885) | (179,770) |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(g) Sensitivity of future cash flows to the CDI interest rate**

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

| Instrument | Probable | Possible adverse (25%) | Extreme adverse (50%) |
|---|-----------------|-----------------------------------|----------------------------------|
| Export credit notes | (7,571) | (22,210) | (42,982) |
| Agricultural credit note | (7,117) | (21,084) | (41,391) |
| Financial investments in local currency | 9,799 | 29,392 | 58,767 |

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

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

| Instrument | Probable 5.5% | Possible adverse 6.0% | Extreme adverse 6.5% |
|---------------------------|--------------------------|----------------------------------|---------------------------------|
| BNDES | (34,979) | (69,203) | (102,690) |
| FINEP | (147) | (291) | (433) |
| Other governmental agents | (32) | (63) | (94) |

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****21. Shareholders' Equity**

The information related to the Company's shareholders' equity was presented in its 2012 annual financial statements, in Note 29.

(a) Capital

On September 30, 2013, the Company's subscribed and paid up capital stock amounted to R\$8,043,222 and comprised 797,265,348 shares with no par value divided into 451,668,652 common shares, 345,002,878 class A preferred shares, and 593,818 class B preferred shares, distributed as follows:

| | Common shares | % | Preferred shares class A | % | Preferred shares class B | % | Total | % |
|---|--------------------------|----------------|---|----------------|---|----------------|--------------------|----------------|
| OSP e Odebrecht | 226,334,623 | 50.11% | 79,182,498 | 22.96% | | | 305,517,121 | 38.32% |
| Petrobras | 212,426,951 | 47.03% | 75,792,589 | 21.97% | | | 288,219,540 | 36.15% |
| BNDESPAR | | | 41,313,037 | 11.97% | | | 41,313,037 | 5.18% |
| ADR | (i) | | 34,199,944 | 9.91% | | | 34,199,944 | 4.29% |
| Other | 12,907,078 | 2.86% | 113,360,052 | 32.86% | 593,818 | 100.00% | 126,860,948 | 15.91% |
| Total | 451,668,652 | 100.00% | 343,848,120 | 99.67% | 593,818 | 100.00% | 796,110,590 | 99.86% |
| Braskem shares owned by subsidiary of Braskem | | | | | | | | |
| Petroquímica | (ii) | | 1,154,758 | 0.33% | | | 1,154,758 | 0.14% |
| Total | 451,668,652 | 100.00% | 345,002,878 | 100.00% | 593,818 | 100.00% | 797,265,348 | 100.00% |

(i) American Depository Receipt, negotiated in the New York stock market (USA).

(ii) These shares are treated as "treasury shares" in consolidated Equity.

(b) Ongoing share repurchase programs

(b.1) 4th Share repurchase program

On August 13, 2012, Braskem's Board of Directors approved the 4th program for the repurchase of shares effective between August 29, 2012 and August 28, 2013, through which the Company, or financial institutions hired for such purpose were allowed to acquire up to 13,376,161 class A preferred shares at market price.

Until November 2012, the financial institutions had acquired 262,300 shares for R\$3,489 at an average price of R\$13.30 (minimum of R\$12.66 and maximum of R\$14.07).

On November 12, 2012, the Company acquired these shares and received R\$71, related to the swap connected to the repurchase, net of withholding income tax of R\$29.

The shares repurchased were canceled in December 2012.

No purchases were made under this program in 2013.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****(c) Other comprehensive income - shareholders' equity**

| | Additional indexation of PP&E price-level (i) | Deemed cost of jointly-controlled investments (i) | Defined benefit plan actuarial loss (ii) | Fair value of cash flow derivatives (iii) | Fore curre translat adjustm |
|---|--|--|---|--|--|
| As of December 31, 2011 | 326,541 | 21,159 | | (10,716) | (24,5 |
| Additional indexation | | | | | |
| Realization by depreciation or write-off assets | (30,951) | | | | |
| Income tax and social contribution on realization | 10,524 | | | | |
| Deemed cost of Jointly-controlled investments | | | | | |
| Realization by depreciation or write-off assets | | (1,075) | | | |
| Income tax and social contribution on realization | | 365 | | | |
| Cash flow derivatives | | | | | |
| Change in fair value | | | | 1,948 | |
| Transfer to result | | | | 14,290 | |
| Tax on fair value gains | | | | (5,522) | |
| Gain on interest in subsidiary | | | | | |
| Foreign currency translation adjustment | | | | | 48, |
| As of September 30, 2012 | 306,114 | 20,449 | | | 23, |
| As of December 31, 2012 | 299,305 | 20,207 | (11,816) | | 37, |
| Additional indexation | | | | | |
| Realization by depreciation or write-off assets | (30,951) | | | | |
| Income tax and social contribution on realization | 10,524 | | | | |

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| | | | | | |
|---|--|----------------|---------------|-----------------|--------------------|
| Deemed cost of Jointly-controlled investments | | | | | |
| Realization by depreciation or write-off assets | | (1,098) | | | |
| Income tax and social contribution on realization | | 373 | | | |
| Fair value foreign sales hedge | | | | | |
| Change in fair value | | | | (1,542,676) | |
| Tax on fair value gains | | | | 524,510 | |
| Cash flow derivatives | | | | | |
| Change in fair value | | | | (75,996) | |
| Transfer to result | | | | (42,969) | |
| Tax on fair value gains | | | | 28,810 | |
| Loss on interest in subsidiary | | | | | |
| Foreign currency translation adjustment | | | | | 108, |
| As of September 30, 2013 | | 278,878 | 19,482 | (11,816) | (1,108,321) |
| | | | | | 145, |

- (i) Realization under retained earnings (accumulated losses) as the asset is depreciated or written-off;
- (ii) Realization under retained earnings (accumulated losses) upon extinction of the plan;
- (iii) Realization under profit or loss upon maturity, prepayment or loss of efficacy for hedge accounting;
- (iv) Realization under profit or loss upon write-off of subsidiary abroad; and
- (v) Realization under profit or loss upon divestment or transfer of control of subsidiary.

(d) Absorption of accumulated losses

On April 2, 2013, the Annual Shareholders' Meeting approved the absorption of the balance under the "accumulated losses" account at December 31, 2012, in the amount of R\$565,549, by using a portion of the "capital reserve" account.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****22. Earnings per share**

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

| | 3(b) | Basic | Sep/2013 Diluted | Basic Revised | Se D R |
|--|------|---------|---------------------|------------------|--------------|
| Profit (loss) for the period attributed to Company's shareholders of continued operations | | 485,601 | 485,601 | (978,866) | (97 |
| Distribution of dividends attributable to priority: | | | | | |
| Preferred shares class "A" | | 208,437 | 208,515 | | |
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") | | | 180 | | |
| Preferred shares class "B" | | 360 | | | |
| | | 208,797 | 208,695 | | |
| Distribution of 6% of unit value of common shares | | 273,796 | 273,898 | | |
| Distribution of plus income, by class | | | | | |
| Common shares | | 1,708 | 1,708 | | |
| Preferred shares class "A" | | 1,300 | 1,300 | | |
| | | 3,008 | 3,008 | | |
| Reconciliation of income available for distribution, by class (numerator): | | | | | |
| Common shares | | 275,504 | 275,606 | (555,068) | (55 |
| Preferred shares class "A" | | 209,737 | 209,815 | (423,798) | (42 |
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") | | | 180 | | |
| | | 485,241 | 485,601 | (978,866) | (97 |

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

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Common shares | 451,668,652 | 451,668,652 | 451,668,652 | 451,668,652 |
| Preferred shares class "A" (i) | 343,848,120 | 343,848,120 | 344,851,898 | 344,848,120 |
| Preferred share class "A" potentially convertible (the ratio of 2 shares class "B" for each share class "A") | | 296,909 | | 296,909 |
| | 795,516,772 | 795,813,681 | 796,520,550 | 796,813,681 |

Profit (loss) per share (in R\$)

| | | | | |
|----------------------------|--------|--------|----------|----------|
| Common shares | 0.6100 | 0.6102 | (1.2289) | (1.2289) |
| Preferred shares class "A" | 0.6100 | 0.6102 | (1.2289) | (1.2289) |

The information related to the earnings per share of the Company was presented in its 2012 annual financial statements, in Note 30.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****23. Net sales revenues**

| | 3(b) | Sep/2013 | Sep/2012 Revised |
|--------------------------|------|-------------------|-----------------------------|
| Sales revenue | | | |
| Domestic market | | 21,672,345 | 19,587,380 |
| Foreign market | | 12,732,048 | 11,603,540 |
| | | 34,404,393 | 31,190,920 |
| Sales deductions | | | |
| Taxes | | (4,621,192) | (4,664,983) |
| Sales returns and other | | (259,558) | (244,077) |
| | | (4,880,750) | (4,909,060) |
| Net sales revenue | | 29,523,643 | 26,281,860 |

This table was presented in the 2012 annual financial statements of the Company, in Note 31.

24. Financial results

| | 3(b) | Sep/2013 | Sep/2012 Revised |
|---------------------------|------|-----------------|-----------------------------|
| Financial income | | | |
| Interest income | | 199,388 | 147,731 |
| Monetary variations | | 13,820 | 29,598 |
| Exchange rate variations | | 178,049 | 151,721 |
| Other | | 99,681 | 24,050 |
| | | 490,938 | 353,100 |
| Financial expenses | | | |
| Interest expenses | | (830,940) | (745,445) |

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| | | |
|---|--------------------|--------------------|
| Monetary variations | (229,588) | (191,384) |
| Exchange rate variations | 39,375 | (1,618,728) |
| Inflation adjustments on fiscal debts | (138,793) | (159,527) |
| Tax expenses on financial operations | (20,996) | (12,439) |
| Discounts granted | (58,994) | (36,586) |
| Loans transaction costs - amortization | (4,506) | (25,771) |
| Adjustment to present value - appropriation | (445,821) | (212,818) |
| Other | (109,218) | (126,824) |
| | (1,799,481) | (3,129,522) |
| Total | (1,308,543) | (2,776,422) |

| | 3(b) | Sep/2013 | Sep/2012 Revised |
|-------------------------------|------|----------------|---------------------|
| Interest income | | | |
| Held for sale | | 8,498 | 4,282 |
| Loans and receivables | | 64,726 | 88,451 |
| Held-to-maturity | | 18,954 | 10,501 |
| | | 92,178 | 103,234 |
| Other assets not classifiable | | 107,210 | 44,497 |
| Total | | 199,388 | 147,731 |

This table was presented in the 2012 annual financial statements of the Company, in Note 34.

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

25. Expenses by nature

| | 3(b) | Sep/2013 | Sep/2012 Revised |
|--|------|---------------------|---------------------|
| Classification by nature: | | | |
| Raw materials other inputs | | (21,927,407) | (20,369,793) |
| Personnel expenses | | (1,354,497) | (1,272,825) |
| Outsourced services | | (1,125,809) | (1,147,225) |
| Tax expenses | | (5,418) | (39,079) |
| Depreciation, amortization and depletion | | (1,463,021) | (1,336,217) |
| Freights | | (1,097,267) | (927,167) |
| Other expenses | | (363,627) | (323,889) |
| Total | | (27,337,046) | (25,416,195) |
| Classification by function: | | | |
| Cost of products sold | | (25,792,392) | (23,900,876) |
| Selling and distribution | | (728,717) | (692,565) |
| General and administrative | | (736,791) | (743,062) |
| Research and development | | (79,146) | (79,692) |
| Total | | (27,337,046) | (25,416,195) |

This table was presented in the 2012 annual financial statements of the Company, in Note 35.

Braskem S.A.**Notes to the financial statements****at September 30, 2013****All amounts in thousands of reais unless otherwise stated****26. Segment information**

| | Basic petrochemicals | Polyolefins | Reporting segments Vinyls | USA and Europe | Total reportable segments | Other segment |
|--|---------------------------------|--------------------|--------------------------------------|---------------------------|--|--------------------------|
| Net sales revenue | 18,882,333 | 12,435,806 | 1,903,417 | 4,902,613 | 38,124,169 | 83,979 |
| Cost of products sold | (17,094,887) | (10,702,956) | (1,739,310) | (4,656,147) | (34,193,300) | (90,642) |
| Gross profit | 1,787,446 | 1,732,850 | 164,107 | 246,466 | 3,930,869 | (6,663) |
| Operating expenses | | | | | | |
| Selling, general and distribution expenses | (379,231) | (619,142) | (124,599) | (197,443) | (1,320,415) | (65,897) |
| Results from equity investments | | | | | | |
| Other operating income (expenses), net | (16,599) | (3,397) | 1,256 | (557) | (19,297) | 1,011 |
| | (395,830) | (622,539) | (123,343) | (198,000) | (1,339,712) | (64,879) |
| Operating profit (loss) | 1,391,616 | 1,110,311 | 40,764 | 48,466 | 2,591,157 | (71,542) |

3(b)

| | Basic petrochemicals | Polyolefins | Reporting segments Vinyls | USA and Europe | Total reportable segments | Other segment |
|--|---------------------------------|--------------------|--------------------------------------|---------------------------|--|--------------------------|
| Net sales revenue | 17,598,910 | 10,736,517 | 1,469,094 | 4,047,942 | 33,852,463 | 57,831 |
| Cost of products sold | (16,249,645) | (9,833,626) | (1,437,676) | (3,937,188) | (31,458,135) | (70,517) |
| Gross profit | 1,349,265 | 902,891 | 31,418 | 110,754 | 2,394,328 | (12,680) |
| Operating expenses | | | | | | |
| Selling, general and distribution expenses | (355,122) | (657,023) | (96,850) | (182,838) | (1,291,833) | (17,015) |
| Results from equity investments | | | | | | |
| Other operating income (expenses), net | (38,469) | (8,861) | (2,641) | 260,869 | 210,898 | (99,041) |

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| | | | | | | |
|-------------------------|-----------|-----------|----------|---------|-------------|-----------|
| | (393,591) | (665,884) | (99,491) | 78,031 | (1,080,935) | (116,056) |
| Operating profit (loss) | 955,674 | 237,007 | (68,073) | 188,785 | 1,313,393 | (128,736) |

The segment "United States and Europe" was presented in December 2012 as "International Business".

The information related to the presentation of information by segment was presented in the 2012 annual financial statements, in Note 36.

Braskem S.A.

Notes to the financial statements

at September 30, 2013

All amounts in thousands of reais unless otherwise stated

27. Subsequent events

(a) On October 14, 2013, Braskem announced the execution of a memorandum of understanding to assess the possibility of forming a joint venture in Brazil with Styrolution, a global leader in the styrenics. The joint venture will be responsible for analyzing the economic feasibility of installing a plant with annual production capacity of 100 kton styrenics specialties and the copolymers acrylonitrile butadiene styrene (ABS) and styrene acrylonitrile (SAN) to supply to clients in Brazil and all of South America.

The consummation of the joint venture is subject to approval by the regulatory and antitrust agencies. The plan is for Styrolution to be the majority shareholder, with 70% of the company and for Braskem to hold the other 30%. Subject to the conclusion of an agreement between the parties and the respective approvals from the government agencies, the plant construction is expected to begin in early 2015, with production most likely starting in 2017.

(b) On October 25, 2013, Braskem renegotiated its export credit note (NCE) financing of R\$1,015,000, extending the final maturity to October 2021, with interest of 105% of the overnight rate (CDI) (Note 13(d)). Principal will be repaid in 7 annual tranches from 2015.

28. Information related to guaranteed securities issued by subsidiaries

Braskem S.A. has fully and unconditionally guaranteed the debt securities issued by Braskem Finance, a 100-percent-owned finance subsidiary of Braskem. There are no significant restrictions on the ability of Braskem to obtain funds from Braskem Finance.

