

BRASKEM SA  
Form 6-K  
February 14, 2014

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

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**FORM 6-K**

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

**For the month of February, 2014**  
**(Commission File No. 1-14862 )**

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**BRASKEM S.A.**

*(Exact Name as Specified in its Charter)*

**N/A**

*(Translation of registrant's name into English)*

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

*(Address of principal executive offices)*

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

Form 20-F  Form 40-F

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

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

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

Yes  No

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

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**PRESENTATION OF FINANCIAL STATEMENTS**

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**(a) Management's report on internal controls over financial reporting**

The management of Braskem S.A. ("Braskem" or the "Company"), including the CEO and CFO, is responsible for establishing and maintaining adequate internal controls over financial reporting, as defined on article 13a-15 (f) according "Exchange Act" of United States of America.

The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards - "IFRS" issued by International Accounting Standards Board - "IASB". The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, and that the degree of compliance with the policies or procedures may deteriorate.

Braskem's management has assessed the effectiveness of the Company's internal controls over financial reporting as of December 31, 2013 based on the criteria established in Internal Control – "Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO" 1992) and, based on such criteria, Braskem's management has concluded that, as of December 31, 2013, the Company's internal control over financial reporting is effective.

**(b) Attestation report of the registered public accounting firm.**

The effectiveness of the Company's internal control over financial reporting as of December 31, 2013 has been audited by PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, as stated in their report which appears herein.

February 13, 2014

**By: /s/ Carlos Jose Fadigas de Souza Filho**

Name: Carlos José Fadigas de Souza Filho

Title: Chief Executive Officer

**/s/ Mario Augusto da Silva**

Name: Mario Augusto da Silva

Title: Chief Financial Officer

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**Report of Independent Registered**

**Public Accounting Firm**

To the Board of Directors and Shareholders of

Braskem S.A.

In our opinion, the accompanying consolidated balance sheets and the related statements of income and comprehensive income, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Braskem S.A. and its subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, 2012 and 2011 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Report on Internal Control over Financial Reporting". Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Salvador, February 13, 2014

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" BA

Fábio Cajazeira Mendes

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

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**Braskem S.A.**

**Balance sheet at December 31**

**All amounts in thousands of reais**

<b>Assets</b>	<b>Note</b>	<b>2013</b>	<b>2012</b>
	2.1.1(a)		<b>Revised</b>

**Current assets**

Cash and cash equivalents	7	4,335,859	3,287,622
Financial investments	8	86,719	172,146
Trade accounts receivable	9	2,810,520	2,326,480
Inventories	10	5,033,593	4,102,055
Taxes recoverable	12	2,237,213	1,476,211
Dividends and interest on capital		150	2,645
Prepaid expenses		62,997	54,013
Related parties	11	124,487	13,912
Insurance claims	14	27,691	160,981
Other receivables	15	240,218	818,434
		<b>14,959,447</b>	<b>12,414,499</b>

**Non-current assets held for sale**

	1(b)(xxxix);		
	2.1.1(b)	37,681	277,828
		<b>14,997,128</b>	<b>12,692,327</b>

**Non-current assets**

Financial investments	8	20,779	34,489
Trade accounts receivable	9	61,875	37,742
Advances to suppliers	10	116,714	
Taxes recoverable	12	1,285,990	1,527,134
Deferred income tax and social contribution	23	2,653,606	2,062,009
Judicial deposits	13	209,910	179,618
Related parties	11	133,649	127,627
Insurance claims	14	139,497	47,255
Other receivables	15	278,871	218,279
Investments in subsidiaries and jointly-controlled investments	16	115,385	118,787
Other investments		6,501	6,948
Property, plant and equipment	17	25,413,548	21,176,785
Intangible assets	18	2,912,630	2,940,966
		<b>33,348,955</b>	<b>28,477,639</b>

**Total assets****48,346,083 41,169,966**

The Management notes are an integral part of the financial statements.



**Braskem S.A.****Balance sheet at December 31****All amounts in thousands of reais****Continued**

<b>Liabilities and shareholders' equity</b>	<b>Note</b>	<b>2013</b>	<b>2012</b>
			<b>Revised</b>
<b>Current liabilities</b>	2.1.1(a)		
Trade payables		10,421,687	8,897,597
Borrowings	19	1,248,804	1,836,028
Project finance	20	25,745	
Derivatives operations	21.2	95,123	293,378
Payroll and related charges		490,816	349,176
Taxes payable	22	445,424	342,789
Dividends and interest on capital		131,799	5,369
Advances from customers	27	297,403	237,504
Sundry provisions	24	105,856	52,264
Post-employment benefits	26	158,137	147,175
Other payables	28	174,007	385,577
		<b>13,594,801</b>	<b>12,546,857</b>
Non-current liabilities held for sale	2.1.1(b)		109,770
		<b>13,594,801</b>	<b>12,656,627</b>
<b>Non-current liabilities</b>			
Borrowings	19	17,353,687	15,675,610
Project finance	20	4,705,661	
Derivatives operations	21.2	396,040	
Taxes payable	22	902,875	1,164,753
Long-term incentives	25	9,274	10,405
Deferred income tax and social contribution	23	2,393,698	2,138,622
Post-employment benefits	26	44,054	36,602
Advances from customers		152,635	204,989
Sundry provisions	24	449,694	363,411
Other payables	28	662,330	266,963
		<b>27,069,948</b>	<b>19,861,355</b>
<b>Shareholders' equity</b>	30		
Capital		8,043,222	8,043,222
Capital reserve		232,430	797,979
Revenue reserves		410,149	
Other comprehensive income		(1,092,691)	337,411

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Treasury shares		(48,892)	(48,892)
Accumulated loss			(565,549)
Total attributable to the Company's shareholders		7,544,218	8,564,171
Non-controlling interest	2.1.2	137,116	87,813
		<b>7,681,334</b>	<b>8,651,984</b>
<b>Total liabilities and shareholders' equity</b>		<b>48,346,083</b>	<b>41,169,966</b>

The Management notes are an integral part of the financial statements.

**Braskem S.A.****Statement of operations****Years ended December 31****All amounts in thousands of reais**

	Note	2013	2012	2011
	2.1.1(b)		Revised	Revised
<b>Continued operations</b>				
<b>Net sales revenue</b>	32	<b>40,969,490</b>	<b>36,160,327</b>	<b>33,086,506</b>
Cost of products sold		(35,820,761)	(32,709,068)	(29,264,970)
<b>Gross profit</b>		<b>5,148,729</b>	<b>3,451,259</b>	<b>3,821,536</b>
<b>Income (expenses)</b>				
Selling and distribution		(1,000,749)	(990,365)	(820,015)
General and administrative		(1,077,934)	(1,071,029)	(1,008,067)
Research and development		(115,812)	(106,197)	(99,083)
Results from equity investments	16(c)	(3,223)	(25,807)	(1,043)
Results from business combination				30,045
Other operating income (expenses), net	34	(211,090)	333,457	2,861
<b>Operating profit</b>		<b>2,739,921</b>	<b>1,591,318</b>	<b>1,926,234</b>
<b>Financial results</b>				
Financial expenses	35	(2,549,111)	(3,926,209)	(3,560,533)
Financial income		773,138	531,928	759,078
		<b>(1,775,973)</b>	<b>(3,394,281)</b>	<b>(2,801,455)</b>
<b>Profit (loss) before income tax and social contribution</b>		<b>963,948</b>	<b>(1,802,963)</b>	<b>(875,221)</b>
Current and deferred income tax and social contribution	23	(456,910)	783,111	359,505
		<b>(456,910)</b>	<b>783,111</b>	<b>359,505</b>
<b>Profit (loss) for the period of continued operations</b>		<b>507,038</b>	<b>(1,019,852)</b>	<b>(515,716)</b>
<b>Discontinued operations results</b>				
Profit from discontinued operations	5		424,860	28,280
Current and deferred income tax and social contribution			(143,313)	(711)
			<b>281,547</b>	<b>27,569</b>

<b>Profit (loss) for the year</b>		<b>507,038</b>	<b>(738,305)</b>	<b>(488,147)</b>
<b>Attributable to:</b>				
Company's shareholders		509,697	(731,143)	(496,450)
Non-controlling interest	2.1.2	(2,659)	(7,162)	8,303
<b>Profit (loss) for the year</b>		<b>507,038</b>	<b>(738,305)</b>	<b>(488,147)</b>

The Management notes are an integral part of the financial statements.

## Braskem S.A.

## Statement of comprehensive income

## Years ended December 31

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

Continued

	Note	2013	2012	2011
	2.1.1(b)		Revised	Revised
<b>Profit (loss) for the year</b>		<b>507,038</b>	<b>(738,305)</b>	<b>(488,147)</b>
<b>Other comprehensive income or loss:</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Fair value of cash flow hedge		(127,520)	16,238	45,034
Income tax and social contribution		40,120	(5,522)	(2,458)
		(87,400)	10,716	42,576
Exchange variation of foreign sales hedge	21.2.1(b.iii)	(2,303,540)		
Income tax and social contribution		783,204		
		(1,520,336)		
Foreign currency translation adjustment		221,270	78,780	56,809
<b>Total</b>		<b>(1,386,466)</b>	<b>89,496</b>	<b>99,385</b>
<b>Items that will not be reclassified to profit or loss</b>				
Deemed cost of jointly-controlled investment				22,079
Defined benefit plan actuarial (loss) gain		169	(18,204)	
Income tax and social contribution			6,388	
<b>Total</b>		<b>169</b>	<b>(11,816)</b>	<b>22,079</b>
<b>Total other comprehensive income (loss)</b>		<b>(1,386,297)</b>	<b>77,680</b>	<b>121,464</b>

<b>Total comprehensive income (loss) for the year</b>	<b>(879,259)</b>	<b>(660,625)</b>	<b>(366,683)</b>
<b>Attributable to:</b>			
Company's shareholders - continued operations	(890,241)	(952,128)	(404,733)
Company's shareholders - discontinued operations		281,547	27,569
Non-controlling interest	10,982	9,956	10,481
<b>Total comprehensive income (loss) for the year</b>	<b>(879,259)</b>	<b>(660,625)</b>	<b>(366,683)</b>

		<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>Note</b>	<b>Basic and diluted</b>	<b>Basic and diluted Revised</b>	<b>Basic and diluted Revised</b>
<b>Profit (loss) per share attributable to the shareholders of the Company of continued operations at the end of the year (R\$)</b>	2.1.1(b)			
	31			
Earnings per share - common		0.6403	(1.2718)	(0.6566)
Earnings per share - preferred shares class "A"		0.6403	(1.2718)	(0.6566)
Earnings per share - preferred shares class "B"		0.6062		
<b>Profit (loss) per share attributable to the shareholders of the Company of discontinued operations at the end of the year (R\$)</b>	5			
Earnings per share - common			0.3536	0.0346
Earnings per share - preferred shares class "A"			0.3536	0.0346
<b>Profit (loss) per share attributable to the shareholders of the Company at the end of the year (R\$)</b>				
Earnings per share - common		0.6403	(0.9182)	(0.6220)
Earnings per share - preferred shares class "A"		0.6403	(0.9182)	(0.6220)
Earnings per share - preferred shares class "B"		0.6062		

The Management notes are an integral part of the financial statements.



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

All amounts in thousands of reais

					Revenue reserves		Attributed to shareholders		
	Note	Capital reserve	Legal reserve	Tax incentives	Unrealized profit reserve	Additional dividends proposed	Other comprehensive income	Treasury shares	
<b>At December 31, 2010</b>		<b>8,043,222</b>	<b>845,998</b>	<b>87,710</b>	<b>5,347</b>	<b>995,505</b>	<b>250,346</b>	<b>221,350</b>	<b>(59,271)</b>
Comprehensive income for the period:									
Loss for the period									
Fair value of cash flow hedge, net of taxes							42,576		
Foreign currency translation adjustment							54,631		
							97,207		
Equity valuation adjustments:									
Deemed cost of jointly-controlled investment, net							22,079		
Realization of deemed cost of jointly-controlled investment, net of taxes							(920)		
Realization of additional property, plant and equipment price-level							(27,236)		



restatement, net of taxes								(6,077)	
Contributions and distributions to shareholders:									
Capital increase from non-controlling interest									
Payment of additional dividends proposed						(250,346)			
Tax incentives				(800)					
Gain (loss) on interest in subsidiary								3,106	
Acquisition of non-controlling interest - Cetrel									
Expired dividends / other									
Absorption of losses					(496,455)				
Additional dividends proposed					(482,593)	482,593			
Repurchase of treasury shares				(800)	(979,048)	232,247		3,106	(946)
									(946)
<b>At December 31, 2011</b>	<b>8,043,222</b>	<b>845,998</b>	<b>87,710</b>	<b>4,547</b>	<b>16,457</b>	<b>482,593</b>		<b>315,586</b>	<b>(60,217)</b>
Comprehensive income for the period:									
Loss for the period									
Fair value of cash flow hedge, net of taxes								10,716	
Foreign currency translation adjustment								61,662	
								72,378	
Equity valuation adjustments									

Realization of deemed cost of jointly-controlled investment, net of taxes						(952)	
Realization of additional property, plant and equipment price-level restatement, net of taxes						(27,236)	
Actuarial loss with post-employment benefits, net of taxes						(11,816)	(40,004)
Contributions and distributions to shareholders:							
Additional dividends approved at Shareholders' Meeting				(482,593)			
Capital loss from non-controlling interest							
Write-off non-controlling by investments sale							
Loss on interest in subsidiary						(5,917)	
Write-off gain on interest in subsidiary by sale						(4,632)	
Repurchase of treasury shares							(36,694)
Cancellation of shares	(48,019)						48,019
Absorption of losses		(87,710)	(4,547)	(16,457)			
	(48,019)	(87,710)	(4,547)	(16,457)	(482,593)	(10,549)	11,325
<b>At December 31, 2012 (Revised)</b>	<b>2.1.1(a)</b>	<b>8,043,222</b>	<b>797,979</b>			<b>337,411</b>	<b>(48,892)</b>

The Management notes are an integral part of the financial statements.

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

All amounts in thousands of reais

	Note	Capital	Capital reserve	Legal reserve	Retained earnings	Attributed to shareholders' interest			
						Revenue reserves Additional dividends proposed	Other comprehensive income	Treasury shares	Accumulated loss
<b>At December 31, 2012 (Revised)</b>	2.1.1(a)	<b>8,043,222</b>	<b>797,979</b>			<b>337,411</b>	<b>(48,892)</b>	<b>(565,549)</b>	
Comprehensive income for the period:									
Profit for the period									509,697
Exchange variation of foreign sales hedge, net of taxes						(1,520,336)			
Fair value of cash flow hedge, net of taxes						(85,020)			
Foreign currency translation adjustment						205,249			
						(1,400,107)			509,697
Equity valuation adjustments									
Realization of deemed cost of jointly-controlled investment, net of taxes						(27,236)			27,236
Realization of additional property, plant						(967)			967

and equipment price-level restatement, net of taxes								
Actuarial loss with post-employment benefits, net of taxes						169	(28,034)	28,203
Contributions and distributions to shareholders:								
Absorption of losses	30	(565,549)						565,549
Capital loss from non-controlling interest								
Loss on interest in subsidiary						(1,961)		
Legal reserve			26,895					(26,895)
Mandatory minimum dividends								(127,751)
Additional dividends proposed								(354,842)
Retained earnings		(565,549)	26,895	28,412	354,842	(1,961)		27,649
<b>At December 31, 2013</b>	<b>8,043,222</b>	<b>232,430</b>	<b>26,895</b>	<b>28,412</b>	<b>354,842</b>	<b>(1,092,691)</b>	<b>(48,892)</b>	

The Management notes are an integral part of the financial statements.

**Braskem S.A.****Statement of cash flows****Years ended December 31****All amounts in thousands of reais**

	<b>Note</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
			<b>Revised</b>	<b>Revised</b>
Profit (loss) before income tax and social contribution and after of discontinued operations results	2.1.1(b)	963,948	(1,378,103)	(846,941)
Adjustments for reconciliation of profit (loss)				
Depreciation, amortization and depletion		2,056,088	1,924,265	1,723,420
Results from equity investments	16(c)	3,223	25,807	1,043
Interest and monetary and exchange variations, net		1,341,770	2,442,973	2,292,498
Other		9,175	294,199	2,678
		<b>4,374,204</b>	<b>3,309,141</b>	<b>3,142,653</b>
Changes in operating working capital				
Held-for-trading financial investments		97,693	16,716	90,953
Trade accounts receivable		(492,851)	(625,130)	365,901
Inventories		(927,435)	(566,025)	(382,465)
Taxes recoverable		(448,378)	(458,763)	(311,021)
Prepaid expenses		(8,915)	49,707	(62,531)
Other receivables		(27,019)	(529,103)	(356,253)
Trade payables		742,649	2,165,530	1,325,977
Taxes payable		(127,443)	(430,789)	(52,134)
Long-term incentives		(1,131)	(4,808)	771
Advances from customers		6,344	206,044	187,306
Sundry provisions		139,858	94,382	(74,402)
Other payables		308,734	389,032	(212,133)
<b>Cash from operations</b>		<b>3,636,310</b>	<b>3,615,934</b>	<b>3,662,622</b>
Interest paid		(1,123,691)	(1,006,840)	(802,427)
Income tax and social contribution paid		(54,828)	(37,283)	(82,695)
<b>Net cash generated by operating activities</b>		<b>2,457,791</b>	<b>2,571,811</b>	<b>2,777,500</b>
Proceeds from the sale of fixed assets		2,576	115,846	23,958
Proceeds from the sale of investments		689,868		
Cash effect of discontinued operations		9,985	(141,348)	

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Acquisitions of investments in subsidiaries and associates	(86)		(619,207)
Acquisitions to property, plant and equipment	(5,656,440)	(2,792,853)	(2,252,491)
Acquisitions of intangible assets	(25,748)	(15,734)	(11,474)
Held-for-maturity financial investments	25,645	(218)	(13,856)
<b>Net cash used in investing activities</b>	<b>(4,954,200)</b>	<b>(2,834,307)</b>	<b>(2,866,470)</b>
Short-term and long-term debt			
Obtained borrowings	6,317,022	6,665,938	7,122,632
Payment of borrowings	(7,300,718)	(5,493,015)	(6,042,644)
Project finance	20		
Obtained funds	4,562,343		
Dividends paid	(35)	(482,051)	(664,851)
Non-controlling interests in subsidiaries	35,628	(20,295)	76,406
Repurchase of treasury shares		(36,694)	(946)
Other			4,147
<b>Net cash provided by financing activities</b>	<b>3,614,240</b>	<b>633,883</b>	<b>494,744</b>
Exchange variation on cash of foreign subsidiaries	(69,594)	(36,037)	(117,030)
<b>Increase in cash and cash equivalents</b>	<b>1,048,237</b>	<b>335,350</b>	<b>288,744</b>
Represented by			
Cash and cash equivalents at the beginning for the period	3,287,622	2,952,272	2,698,075
Cash and cash equivalents at the end for the period	4,335,859	3,287,622	2,986,819
<b>Increase in cash and cash equivalents</b>	<b>1,048,237</b>	<b>335,350</b>	<b>288,744</b>

The Management notes are an integral part of the financial statements.

**Braskem S.A.**

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

**1 Operations**

Braskem S.A. together with its subsidiaries (hereinafter “Braskem” or “Company”) is a public corporation headquartered in Camaçari,, Bahia (“BA”), which jointly with its subsidiaries (hereinafter “Braskem” or “Company”), operates 36 industrial units, 29 of which in the Brazilian states of Alagoas (“AL”), BA, Rio de Janeiro (“RJ”), Rio Grande do Sul (“RS”) and São Paulo (“SP”), 5 are located in the United States, in the states of Pennsylvania, Texas and West Virginia and 2 are located in Germany. These units produce thermoplastic resins – polyethylene (“PE”), polypropylene (“PP”) and polyvinyl chloride (“PVC”), as well as basic petrochemicals - such as ethylene, propylene butadiene, toluene, xylene and benzene, as well as gasoline, diesel and LPG (Liquefied Petroleum Gas), and other petroleum derivatives.

Additionally, Braskem is also engaged in the import and export of chemicals, petrochemicals and fuels, the production, supply and sale of utilities such as steam, water, compressed air, industrial gases, as well as the provision of industrial services and the production, supply and sale of electric energy for its own use and use by other companies. Braskem also invests in other companies, either as a partner or as shareholder.

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.

The issue of these financial statements was authorized by the Company’s Board of Directors on February 12, 2014.

**(a) Significant operating events**

**(i)** In 2012, Sunoco Chemicals, Inc. (“Sunoco”) formally informed the Management of Braskem America, Inc. (“Braskem America”) of its alternative plan to supply feedstock to the PP plant in Pennsylvania, after having announced in December 2011 the definitive shutdown of operations of its refinery. The definitive termination of the supply



agreement occurred on June 8, 2012, upon payment of the respective compensation set forth in the contract, in the amount of R\$235,962 (Note 34).

Despite the termination of the supply agreement, operations at the unit were maintained through other propylene supply sources.

Another important and fundamental step in maintaining the operations at the plant was the acquisition of a propylene splitter unit from Sunoco on June 29, 2012. This unit transforms refinery-grade propylene into polymer-grade propylene. With the acquisition, Braskem America expanded its supply sources, since the supply of refinery-grade propylene is more abundant in the U.S. market. This acquisition does not represent a business combination, since it does not meet the definitions required by IFRS 3.

**(ii)** On August 17, 2012, the Company inaugurated, in Marechal Deodoro, Alagoas, a new plant with annual production capacity of 200 kton of PVC\*, which expanded Braskem's total installed capacity to 710 kton\*. Total investment in the plant was approximately R\$1 billion.

**(iii)** On September 13, 2012, the Company inaugurated, in the Triunfo Petrochemical Complex in the state of RS, a new plant with annual production capacity of 103 kton of butadiene\*, which expanded Braskem's total installed capacity to 477 kton\*. Total investment was approximately R\$300 million.

**Braskem S.A.****Notes to the Consolidation Financial Statements****December 31, 2013, 2012 and 2011****All amounts in thousands of Brazilian reais unless otherwise stated****(b) Corporate events**

(i) On May 25, 2011, the Company entered into a private instrument for the purchase and sale of quotas by means of which all the quotas of the subsidiary ISATEC – Pesquisa, Desenvolvimento e Análises Ltda. (“ISATEC”) were sold for R\$1,100.

(ii) On July 7, 2011 the company Braskem America Finance Company (“Braskem America Finance”), a wholly-owned subsidiary of Braskem America, was incorporated for the purposes of raising funds in the international financial market.

(iii) On July 29, 2011, Braskem increased the capital of many subsidiaries. The breakdown of the increases that were fully subscribed and paid up by Braskem is presented below:

	<b>Capital Increase</b>	<b>Number of share / quotas issued</b>
Braskem Participações S.A. (“Braskem Participações”)	53	without the issue of new shares
Ideom Tecnologia Ltda. (“Ideom”)	23,701	23,700,974
Politeno Empreendimentos Ltda. (“Politeno Empreendimentos”)	35	18
IQ Soluções & Química S.A.(“Quantiq”)	61,100	without the issue of new shares
Rio Polímeros S.A. (“Riopol”)	14,108	without the issue of new shares
	<b>98,997</b>	

**(iv)** On August 25, 2011, Braskem Europe GmbH (“Braskem Alemanha”), a wholly-owned subsidiary of Braskem Netherlands B.V. (“Braskem Holanda”), was incorporated for the purpose of producing, trading, distributing, importing and exporting, research and development of chemical and petrochemical products, among other things. The assets acquired in the business combination of The Dow Chemical (“Dow Chemical”) in Germany were recorded in this subsidiary in October 2011 (Note 6).

**(v)** On September 27, 2011, Braskem increased the capital of its subsidiary Braskem Holanda by R\$415,168 (US\$230 million) through the issue of 84,465,660 shares. A portion of this amount was used in the incorporation of Braskem Alemanha.

**(vi)** On January 27, 2012, the controlling shareholder of Braskem, at the time, BRK Investimentos Petroquímicos S.A. (“BRK”) was proportionally spun-off. In the spin-off, a part of the shares issued by Braskem that were held by BRK was delivered to Petróleo Brasileiro S.A. – Petrobras (“Petrobras”). With the spin-off, BRK became a wholly-owned subsidiary of Odebrecht Serviços e Participações (“OSP”) and maintained ownership of shares corresponding to 50.11% and 28.23% of the voting and total capital of Braskem, respectively. On the same date, the merger of Petrobras Química S.A. – Petroquisa (“Petroquisa”) into Petrobras was approved and Petrobras became the holder of 47.03% and 35.95% of the voting and total capital of Braskem, respectively.

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

**(viii)** On February 28, 2012, the Extraordinary Shareholders’ Meeting (“ESM”) of the Braskem S.A. approved the merger of the subsidiary Ideom Tecnologia Ltda. (“Ideom”), based on its net book value as of December 31, 2011, in the amount of R\$20,762, pursuant to the terms and conditions set forth in the protocol and justification dated February 6, 2012.

**Braskem S.A.**

**Notes to the Consolidation Financial Statements**

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- (ix) On April 30, 2012, the capital stock of the subsidiaries Braskem Petroquímica S.A. (“Braskem Petroquímica”) and Rio Polímeros S.A. (“Riopol”) was increased in the amounts of R\$649,639 and R\$738,799, respectively, without the issue of new shares. The increases occurred through utilization of the balances recorded under advance for future capital increase.
- (x) On June 27, 2012, Braskem Áustria incorporated Braskem Petroquímica Ibérica, S.L. (“Braskem Espanha”), which has capital of R\$8 (EUR\$3 thousand). The purpose of this subsidiary is to hold equity interests in other companies.
- (xi) On June 30, 2012, BRK was merged into its parent company OSP, which changed its interest to 50.11% and 38.11% of the voting and total capital of the Braskem S.A., respectively, held directly and indirectly.
- (xii) On August 27, 2012, Braskem Áustria incorporated Braskem Áustria Finance GmbH (“Braskem Áustria Finance”), which has paid up capital of R\$47 (EUR\$18 thousand). The subsidiary’s purpose is to raise funds in international financial markets.
- (xiii) On September 3, 2012, a capital increase at the subsidiary Braskem Distribuidora Ltda. (“Braskem Distribuidora”) was approved, with the transfer of the facilities comprising the Water Treatment Unit (WTU) of the Basic Petrochemicals Unit at the Camaçari Petrochemical Complex (BA), in the amount of R\$75,024, which corresponds to the residual book value of the assets in this unit, along with the change in the type of company to a corporation operating under the new corporate name of Braskem Distribuidora S.A.
- (xiv) On November 5, 2012, in an ESM, approval was given for the increase in the capital stock of the subsidiary Braskem Idesa S.A.P.I. (“Braskem Idesa”), in the amount of R\$41,573 (MXN\$266.666 thousand), through the issue of 86,052 Class “A” shares, which was fully paid in by the Braskem S.A.. Subsequently, part of the capital was returned to the non-controlling shareholder, which resulted in an increase in the interest held by the Braskem S.A. in the capital stock of Braskem Idesa, from 65% to 75%.

(xv) On November 9, 2012, the ESM approved the change in the company name of Braskem Distribuidora to Distribuidora de Águas Camaçari S.A. (“Braskem Distribuidora”).

(xvi) On December 11, 2012, through a series of corporate decisions, the subsidiary Braskem America became a wholly owned subsidiary of Braskem Europe GmbH (“Braskem Alemanha”).

(xvii) On December 17, 2012, the ESM approved the change in the type of company of Braskem Petroquímica S.A. to a limited liability company, with the new corporate name Braskem Petroquímica Ltda. (“Braskem Petroquímica”).

(xviii) On December 28, 2012, Braskem S.A. and Braskem Participações S.A. (“Braskem Participações”) entered into a private instrument for the purchase and sale of shares through which it sold all shares of the subsidiary Braskem Distribuidora (Note 5).

(xix) On December 28, 2012, Braskem S.A. entered into a private instrument for the purchase and sale of shares through which it sold its interest in the subsidiary Cetrel S.A. (“Cetrel”) (Note 5).

(xx) Braskem and Petroquímica de Venezuela S.A. (“Pequiven”) decided to concentrate their estimated investments in Venezuela in the jointly-controlled company Polipropileno Del Sur (“Propilsur”). As a result of this decision, the shareholders meeting held in 2012 decided to withdraw the interest held by Braskem in the jointly-controlled company Polietilenos de America (“Polimerica”).

**Braskem S.A.**

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(xxi) On January 24, 2013, Braskem Participações acquired from Braskem Chile Ltda. (“Braskem Chile”), 215,552 common shares issued by Braskem Argentina S.A. (“Braskem Argentina”) for CLP\$21,667 thousand.

(xxii) On May 15, 2013 the ESM approved the increase in the capital stock of the subsidiary Braskem Idesa, without the issue of new shares, in the amount of R\$141,620 (MXN\$850,061 thousand), through capital injection of R\$106,214 (MXN\$637,546 thousand) by the Braskem S.A. and R\$35,406 (MXN\$212,515 thousand) by the non-controlling shareholder.

(xxiii) On July 1, 2013, Braskem S.A. 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, OCE was classified as a jointly-controlled investment.

(xxiv) On August 30, 2013, the ESM approved the merger of Riopol with Braskem Qpar S.A. (“Braskem Qpar”) and the increase in its capital from R\$4,252,353 to R\$7,131,165, through the issue of 293,604,915 common shares.

(xxv) On September 19, 2013, the Braskem S.A. and Braskem Austria acquired the shares issued by Braskem Mexico and held by Braskem Participações and Braskem Importação e Exportação Ltda. (“Braskem Importação”) for R\$1,803 and R\$1, respectively.

(xxvi) On November 1, 2013, approval was given to increase the capital of the subsidiary Distribuidora de Águas Triunfo S.A. (“DAT”) through the transfer of assets of the WTU at the Basic Petrochemicals Unit in the Triunfo Petrochemical Complex in RS, amounting to R\$37,561, after which the capital increased from R\$5 to R\$37,566.

**(xxvii)** On November 21, 2013, Braskem Mexico constituted Braskem Mexico Servicios S. de R. L. de C.V. (“Braskem Mexico Servicios”), whose capital amounts to MXN\$3 thousand. The purpose of this subsidiary is to provide services to Braskem Mexico.

**(xxviii)** On November 27, 2013, Common Industries Ltd. (“Common”) repurchased 49,995 of its shares held by Braskem Qpar for US\$2,591 thousand. On the same date, Braskem Incorporated Limited (“Braskem Inc”) acquired 5 common shares of Common, also held by Braskem Qpar, for US\$259. Furthermore, on the same date Common canceled the shares and Braskem Inc. became the sole shareholder.

**(xxix)** On December 17, 2013, the Braskem S.A. entered into a share sales agreement (“Agreement”) with Solvay Argentina S.A. (“Solvay Argentina”), through which it committed to acquire, upon the fulfillment of certain conditions provided for in the Agreement (“Acquisition”), shares representing 70.59% of the total and voting capital of Solvay Indupa S.A.I.C. (“Solvay Indupa”).

Solvay Indupa, which produces PVC and caustic soda, has two integrated production sites located in: (i) Santo André, (SP), with the capacity to produce 300 kton of PVC\* and 170 kton of caustic soda\*; and (ii) Bahía Blanca in the Province of Buenos Aires, Argentina, with the capacity to produce 240 kton of PVC\* and 180 kton of caustic soda\*.

The Agreement provides for the acquisition by Braskem of 292,453,490 shares representing 70.59% of the total and voting capital of Solvay Indupa that are held by Solvay Argentina, at the price of US\$ 0.085, to be paid upon the settlement of the acquisition. The acquisition price is based on the Enterprise Value of US\$290 million.

**Braskem S.A.**

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Meanwhile, Solvay Indupa holds, as of December 31, 2013, (i) 158,534,671 shares in Solvay Indupa do Brasil S.A. (“Indupa Brasil”) representing 99.99% of the total and voting capital of Indupa Brasil; and (ii) 1,010,638 shares in Solalban Energía S.A. (“Solalban”) representing 58.00% of the total and voting capital of Solalban. As a result of the Acquisition, Braskem will become an indirect shareholder of Indupa Brasil and of Solalban.

As a result of the Acquisition, Braskem carried out a public tender offer on December 18, 2013 for shares representing 29.41% of the capital of Solvay Indupa traded on the Buenos Aires Stock Exchange - BCBA, pursuant to governing legislation, and also plans to cancel the registration of Solvay Indupa at the Securities and Exchange Commission of Brazil (“CVM”).

The conclusion and effective implementation of the acquisition is subject to, among other operational conditions, approval by Brazil’s antitrust agency CADE (Administrative Council for Economic Defense).

(xxx) On December 30, 2013, Quantiq changed its corporate type to limited liability company, with its new name being Quantiq Distribuidora Ltda.

(xxxi) On December 31, 2013, the Braskem S.A. entered into a share sales agreement with Odebrecht Ambiental (“OA”), through which it sold its interest in the subsidiary DAT for R\$315 million, to be received during 2014.

The DAT assets are shown in the balance sheet as “non-current assets held for sale.” DAT did not register results or hold liabilities in the year ended on December 31, 2013.

The change of administration with the consequent transfer of management of the DAT operations will only occur in 2014.

\* *Unaudited*



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

The Company is exposed to foreign exchange variation on the balances and transactions made in currencies other than its functional currencies, particularly in U.S. dollar, such as financial investments, trade accounts receivable, trade payables, borrowings and sales. In addition to the exchange effect of the U.S. dollar in relation to the Brazilian real, Braskem is exposed to the U.S. dollar through its subsidiaries abroad, particularly in Euros and Mexican pesos. 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 of each operation.

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

**Effect of foreign exchange variation****End of period rate**

U.S. dollar - Brazilian real, 2013	2.3426	U.S. dollar - Mexican peso, 2013	13.1005	U.S. dollar - Euro, 2013	0.7261
U.S. dollar - Brazilian real, 2012	2.0435	U.S. dollar - Mexican peso, 2012	13.0327	U.S. dollar - Euro, 2012	0.7582
Appreciation of the U.S. dollar in relation to the Brazilian real	14.64%	Appreciation of the U.S. dollar in relation to the Mexican peso	0.52%	Devaluation of the U.S. dollar in relation to the euro	-4.23%

**Average rate**

U.S. dollar - Brazilian real, 2013	2.3455	U.S. dollar - Mexican peso, 2013	13.0088	U.S. dollar - Euro, 2013	0.7296
U.S. dollar - Brazilian real, 2012	2.0778	U.S. dollar - Mexican peso, 2012	12.8647	U.S. dollar - Euro, 2012	0.7619
Appreciation of the U.S. dollar in relation to the Brazilian real	12.88%	Appreciation of the U.S. dollar in relation to the Mexican peso	1.12%	Devaluation of the U.S. dollar in relation to the euro	-4.24%

**Braskem S.A.**

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### **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are described below. These policies have been consistently applied to the years presented, with the exception of the cases mentioned in Note 2.1.1.

#### **2.1 Basis of preparation and presentation of the financial statements**

The financial statements have been prepared under the historical cost convention and were adjusted, when necessary, to reflect the fair value of assets and liabilities.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

##### **2.1.1 Revised**

The financial statements of 2012 was retrospectively revised to reflect (a) the effects of the retroactive application of CPC 33 (R1) and IAS 19. The income statements for 2012 and 2011 were also retrospectively revised to reclassify (b) the results from discontinued operations to continuing operations of IQ Soluções & Química S.A. ("Quantiq") and IQAG Armazéns Gerais Ltda. ("IQAG") resulting from the Company's decision to not sell assets previously held for sale.

In addition, the Company revised the “Other comprehensive income or loss” at the statement of operations separating the items between “Items that will be reclassified subsequently to profit or loss” and “Items that will not be reclassified to profit and loss”.

**(a) Post-employment benefits plans**

Until 2012, actuarial gains and losses arising from actuarial remeasurement were not recognized if they were lower than 10% (a) of the present value of the defined benefit obligation; and (b) of the fair value of any assets of the plan. The accounting practice adopted in accordance with IAS 19 is in note 2.19.

**Braskem S.A.****Notes to the Consolidation Financial Statements****December 31, 2013, 2012 and 2011****All amounts in thousands of Brazilian reais unless otherwise stated****(b) Held-for-sale assets**

The Management of the Company decided to maintain the investments in Quantiq and IQAG. Hence, the Company is consolidating the effects of the income statements with retroactive effect from 2011. The Company recorded charges of R\$7,300 related to amortization and depreciation in 2013. The effect of those expenses for prior year is immaterial as the decision to classify these investments as held for sale occurred on December 07, 2012.

The assets and liabilities of this company in 2012 are presented at the under "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale".

The consolidated information of balance sheets for Quantiq and IQAG are demonstrated below:

	<b>2012</b>
Assets	
Cash and cash equivalents	9,985
Trade accounts receivable	17,897
Inventories	106,386
Property, plant and equipment	56,727
Intangible assets	13,246
Other	73,587
Total assets	<b>277,828</b>
Liabilities	

Trade payables	101,893
Borrowings	1,095
Payroll and related charges	5,232
Other	1,550
<b>Total liabilities</b>	<b>109,770</b>

Braskem S.A.

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The effects of the revision of items (a) and (b) are demonstrated below:

Balance sheet

		(a) Post- employment benefits	2012 Revised
Assets	Published		
<b>Current assets and non-current assets held for sale</b>	<b>12,692,327</b>		<b>12,692,327</b>
<b>Non-current</b>			
Deferred income tax and social contribution	2,055,621	6,388	2,062,009
Investments in subsidiaries and jointly-controlled investments	86,842		86,842
Other non-current assets	26,328,788		26,328,788
	<b>28,471,251</b>	<b>6,388</b>	<b>28,477,639</b>
<b>Total assets</b>	<b>41,163,578</b>	<b>6,388</b>	<b>41,169,966</b>
<b>Liabilities</b>			
<b>Current liabilities and non-current liabilities held for sale</b>	<b>12,656,627</b>		<b>12,656,627</b>
<b>Non-current</b>			
Deferred income tax and social contribution	2,138,622		2,138,622
Other non-current liabilities	17,704,529	18,204	17,722,733
	<b>19,843,151</b>	<b>18,204</b>	<b>19,861,355</b>
<b>Equity</b>			

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Other comprehensive income	349,227	(11,816)	337,411
Other equity	8,226,760		8,226,760
Total attributable to the Company's shareholders	<b>8,575,987</b>	<b>(11,816)</b>	<b>8,564,171</b>
Non-controlling interest	<b>87,813</b>		<b>87,813</b>
	<b>8,663,800</b>	<b>(11,816)</b>	<b>8,651,984</b>
<b>Total liabilities and equity</b>	<b>41,163,578</b>	<b>6,388</b>	<b>41,169,966</b>

## Braskem S.A.

## Notes to the Consolidation Financial Statements

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## Statement of operations

			2012			
	Published	Reclassification (b) Assets held for sale	Revised	Published	Reclassification (b) Assets held for sale	Revised
<b>Continued operations</b>						
<b>Net sales revenue</b>	<b>35,513,397</b>	<b>646,930</b>	<b>36,160,327</b>	<b>32,497,075</b>	<b>589,431</b>	<b>33,086,506</b>
Cost of products sold	(32,209,958)	(499,110)	(32,709,068)	(28,819,369)	(445,601)	(29,264,670)
<b>Gross profit</b>	<b>3,303,439</b>	<b>147,820</b>	<b>3,451,259</b>	<b>3,677,706</b>	<b>143,830</b>	<b>3,821,836</b>
<b>Income (expenses)</b>						
Selling and distribution	(968,337)	(22,028)	(990,365)	(799,772)	(20,243)	(820,615)
General and administrative	(998,261)	(72,768)	(1,071,029)	(934,779)	(73,288)	(1,044,317)
Research and development	(106,198)	1	(106,197)	(99,083)		(99,082)
Results from equity investments	(25,807)		(25,807)	(1,665)	622	(1,043)
Other operating income (expenses), net	333,767	(310)	333,457	26,433	6,473	340,163
<b>Operating profit</b>	<b>1,538,603</b>	<b>52,715</b>	<b>1,591,318</b>	<b>1,868,840</b>	<b>57,394</b>	<b>1,926,234</b>
<b>Financial results</b>						
Financial expenses	(3,902,499)	(23,710)	(3,926,209)	(3,551,717)	(8,816)	(3,564,525)
Financial income	530,182	1,746	531,928	765,025	(5,947)	525,981