

## IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, AS AMENDED (THE “SECURITIES ACT”)) OR (2) NON-US PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE U.S.

**IMPORTANT: You must read the following before continuing.** The following applies to the offering memorandum following this page, and you are advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. THE OFFERING MEMORANDUM AND THE OFFER OF THE NOTES ARE ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC) AND RELATED IMPLEMENTATION MEASURES IN MEMBER STATES (“QUALIFIED INVESTORS”). IN ADDITION, IN THE UNITED KINGDOM THE OFFERING MEMORANDUM IS ONLY BEING DISTRIBUTED TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AND OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER REFERRED TO AS “RELEVANT PERSONS”). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO (I) IN THE UNITED KINGDOM, RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OTHER THAN THE UNITED KINGDOM, QUALIFIED INVESTORS, AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. IN ADDITION, NO PERSON MAY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY, WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”), RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE NOTES OTHER THAN IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO US.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view this offering memorandum or make an investment decision with respect to the securities, investors must be either (1) QIBs or (2) non-US persons (within the meaning of Regulation S under the Securities Act) outside the U.S. This offering memorandum is being sent at your request and by accepting the e-mail and accessing this offering memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-US persons (within the meaning of Regulation S under the Securities Act) and that the electronic mail address that you gave us and to which this offering memorandum has been delivered is not located in the U.S., and (2) that you consent to delivery of such offering memorandum by electronic transmission.

You are reminded that this offering memorandum has been delivered to you on the basis that you are a person into whose possession this offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this offering memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer in such jurisdiction.

This offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the initial purchasers, nor any person who controls them nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between this offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.



US\$250,000,000

# Braskem America Finance Company

(Incorporated in the State of Delaware)

## 7.125% Notes due 2041

Unconditionally Guaranteed by

## Braskem S.A.

(Incorporated in the Federative Republic of Brazil)

Braskem America Finance Company, or Braskem America Finance, is offering US\$250 million in aggregate principal amount of its 7.125% Notes due 2041 pursuant to this offering, or the new notes. The new notes will be additional notes issued under the indenture, dated as of July 22, 2011, pursuant to which Braskem America Finance initially issued US\$500.0 million in aggregate principal amount of its 7.125% Notes due 2041, or the initial notes. The new notes will have identical terms and conditions as the initial notes, other than the issue date and issue price, and will constitute part of the same series as, and vote together as a single class with, the initial notes. The new notes and the initial notes will share the same CUSIP and ISIN numbers and be fungible, except that the new notes offered and sold in offshore transactions under Regulation S shall be issued and maintained under temporary CUSIP and ISIN numbers during a 40-day distribution compliance period commencing on the issue date of the new notes. References to the “notes” refer to the new notes and the initial notes collectively, unless the context otherwise requires.

The notes will bear interest at the rate of 7.125% per year. Interest on the new notes is payable on January 22 and July 22 of each year, beginning on January 22, 2013. The notes will mature on July 22, 2041.

Braskem America Finance or Braskem S.A., or Braskem, may, at its option, redeem the notes, in whole or in part, at any time prior to January 22, 2041 by paying a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the applicable “make-whole” amount, plus in each case, accrued interest and additional amounts, if any, to but excluding the date of redemption. Braskem America Finance or Braskem may, at its option, redeem the notes, in whole or in part, on or after January 22, 2041 by paying 100% of the principal amount of the notes plus accrued interest and additional amounts, if any, to but excluding the date of redemption. The notes may also be redeemed, in whole but not in part, at 100% of their principal amount plus accrued interest and additional amounts, if any, at any time upon the occurrence of specified events relating to Brazilian or U.S. tax law, as set forth in this offering memorandum. See “Description of the Notes—Redemption.”

If a specified Change of Control event as described herein occurs, unless Braskem America Finance has exercised its option to redeem the notes Braskem will be required to purchase the notes at the price described in this offering memorandum.

The notes will be senior unsecured obligations of Braskem America Finance, ranking equal in right of payment with all of its other existing and future senior unsecured debt. The guarantees will be senior unsecured obligations of Braskem, ranking equal in right of payment with all of its other existing and future senior unsecured debt.

We will apply to the Singapore Exchange Securities Trading Limited, or the SGX-ST, for permission to list the new notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the notes or our company.

**Investing in the notes involves risks. See “Risk Factors” beginning on page 4 of our annual report on Form 20-F for the year ended December 31, 2011, which is incorporated by reference in this offering memorandum, and “Risk Factors” beginning on page 15 of this offering memorandum.**

The notes and the guarantees have not been registered under the U.S. Securities Act of 1933, as amended, or the Securities Act, or any state securities laws and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act, or Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered and sold only to qualified institutional buyers in accordance with Rule 144A under the Securities Act, or Rule 144A, and outside the United States in accordance with Regulation S. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfer of the notes, see “Notice to Investors.”

The notes are being offered pursuant to an exemption from prospectus requirements under the Directive 2003/71/EC (as amended), or the Prospectus Directive, of the European Union, and this offering memorandum has not been approved by a competent authority within the meaning of that Directive.

**Price: 101.750% plus accrued interest from July 22, 2012.**

Purchasers of new notes will be required to pay accrued interest totaling US\$49,479.17, or US\$0.1980 per US\$1,000 principal amount of notes, which represents interest, from (and including) July 22, 2012 up to (but excluding) July 23, 2012, the date we expect to deliver the new notes.

Delivery of the new notes to purchasers in book-entry form through The Depository Trust Company, or DTC, and its direct and indirect participants, including Clearstream Banking, *société anonyme*, or Clearstream, and Euroclear Bank S.A./N.V., as operator of the Euroclear System, or Euroclear, is expected on or about July 23, 2012.

*Joint Bookrunners*

**BofA Merrill Lynch**

**HSBC**

**Morgan Stanley**

The date of this offering memorandum is July 12, 2012.

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**You should rely only on the information contained in this offering memorandum. We have not authorized anyone to provide you with different information. None of Braskem, Braskem America Finance or the initial purchasers is making an offer of the notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.**

Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to “our company,” “we,” “our,” “ours,” “us” or similar terms are to Braskem and its consolidated subsidiaries and jointly controlled companies.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the notes described in this offering memorandum. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire notes. Distribution of this offering memorandum to any person other than a prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure or any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum or any documents referred to in this offering memorandum.

Neither the initial purchasers nor any of their directors, affiliates, advisors or agents make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers or by any of their directors, affiliates, advisors or agents as to the past or future. We have furnished the information contained in this offering memorandum.

Neither the U.S. Securities and Exchange Commission, or the SEC, any state securities commission nor any other regulatory authority, has approved or disapproved the notes nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See “Plan of Distribution” and “Notice to Investors.”

In making an investment decision, prospective investors must rely on their own examination of our company and the terms of this offering, including the merits and risks involved. The contents of this offering memorandum are not, and prospective investors should not construe anything in this offering memorandum as, legal, business or tax advice. Each prospective investor should consult its own legal, tax or other advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the notes under applicable law.

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us or the initial purchasers.

#### **NOTICE TO PROSPECTIVE INVESTORS WITHIN BRAZIL**

**THE NOTES (AND RELATED GUARANTEES) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH THE BRAZILIAN SECURITIES COMMISSION (*COMISSÃO DE VALORES MOBILIÁRIOS*), OR THE CVM. THE NOTES MAY NOT BE OFFERED OR SOLD IN BRAZIL, EXCEPT IN CIRCUMSTANCES THAT DO NOT CONSTITUTE A PUBLIC OFFERING OR UNAUTHORIZED DISTRIBUTION UNDER BRAZILIAN LAWS AND REGULATIONS. THE NOTES (AND RELATED GUARANTEES) ARE NOT BEING OFFERED INTO BRAZIL. DOCUMENTS RELATING TO THE OFFERING OF THE NOTES, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN BRAZIL, NOR BE USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE OF THE NOTES TO THE PUBLIC IN BRAZIL.**

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATION OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

#### **INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE**

**PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET OUT HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES. TAXPAYERS**

**SHOULD SEEK ADVICE BASED ON THE TAXPAYER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

## INCORPORATION BY REFERENCE

We are incorporating by reference into this offering memorandum the following information contained in documents that we have filed with or furnished to the SEC:

- the following information contained in our annual report on Form 20-F for the year ended December 31, 2011, which we refer to as the Braskem Annual Report, and which we filed with the SEC on April 10, 2012:
  - the information under the caption “Presentation of Financial and Other Information” on pages ii and iii of the Braskem Annual Report;
  - the information contained in Part I on pages 1 through 182 of the Braskem Annual Report; and
  - the consolidated financial statements of our company, including the reports thereon, contained on pages F-1 through F-119 of the Braskem Annual Report; and
- our unaudited consolidated interim financial statements at March 31, 2012 and for the three-month periods ended March 31, 2012 and 2011 contained in a Form 6-K which we furnished to the SEC on May 17, 2012, which we refer to as the First Quarter Financial Statement Report; and
- our Management’s Discussion and Analysis of Financial Condition and Results of Operations for the first quarter of 2012 contained in a Form 6-K which we furnished to the SEC on May 23, 2012, which we refer to as the First Quarter MD&A Report.

Incorporation by reference of information contained in the Braskem Annual Report, the First Quarter Financial Statement Report and the First Quarter MD&A Report means that (1) this information is considered part of this offering memorandum, and (2) we can disclose important information to you by referring to the portions of the Braskem Annual Report that we incorporate by reference, the First Quarter Financial Statement Report and the First Quarter MD&A Report.

The portions of the Braskem Annual Report that we incorporate by reference, the First Quarter Financial Statement Report and the First Quarter MD&A Report contain important information about our company and our results of operations and financial condition and are an important part of this offering memorandum.

Any statement contained in the portions of the Braskem Annual Report that we incorporate by reference, the First Quarter Financial Statement Report and the First Quarter MD&A Report will be deemed to be modified or superseded for purposes of this offering memorandum to the extent that a statement contained herein modifies or supersedes that statement.

You should read “Available Information” for information on how to obtain the Braskem Annual Report, the First Quarter Financial Statement Report and the First Quarter MD&A Report or other information relating to our company.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references herein to the “*real*,” “*reais*” or “R\$” are to the Brazilian *real*, the official currency of Brazil. All references to “U.S. dollars,” “dollars” or “US\$” are to U.S. dollars.

On July 10, 2012, the exchange rate for *reais* into U.S. dollars was R\$2.033 to US\$1.00, based on the selling rate as reported by the Central Bank of Brazil (*Banco Central do Brasil*), or the Central Bank. The selling rate was R\$1.8221 to US\$1.00 at March 31, 2012, R\$1.6287 to US\$1.00 at March 31, 2011, R\$1.8758 to US\$1.00 at December 31, 2011, R\$1.6662 to US\$1.00 at December 31, 2010 and 1.7412 to US\$1.00 at December 31, 2009, in each case, as reported by the Central Bank. The *real*/U.S. dollar exchange rates fluctuate widely, and the selling rate at July 10, 2012 may not be indicative of future exchange rates. See “Exchange Rates” for information regarding exchange rates for the Brazilian currency since January 1, 2006.

Solely for the convenience of the reader, we have translated some amounts included in “Summary—Summary Historical Financial and Other Information,” “Capitalization” and elsewhere in this offering memorandum from *reais* into U.S. dollars using the selling rate as reported by the Central Bank at March 31, 2012 of R\$1.8221 to US\$1.00. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate. Such translations should not be construed as representations that the *real* amounts represent or have been or could be converted into U.S. dollars as of that or any other date.

### Financial Statements

#### *Braskem Financial Statements*

We maintain our books and records in *reais*. The financial information of Braskem contained in this offering memorandum has been derived from the records and financial statements of Braskem, and includes our unaudited consolidated interim financial statements at March 31, 2012 and for the three-month periods ended March 31, 2012 and 2011, which are incorporated into this offering memorandum by reference to the First Quarter Financial Statement Report, and our audited consolidated financial statements at December 31, 2011 and 2010 and for each of the years ended December 31, 2011, 2010 and 2009, which are incorporated into this offering memorandum by reference to the Braskem Annual Report.

We have prepared our consolidated financial statements at December 31, 2011 and 2010 and at March 31, 2012 and 2011 and for each of the years ended December 31, 2011, 2010 and 2009 and for each of the three-month periods ended March 31, 2012 and 2011, which are incorporated by reference into this offering memorandum, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, or IFRS.

Until December 31, 2009, we prepared our consolidated financial statements in accordance with accounting practices adopted in Brazil in effect on and prior to December 31, 2009, or Prior Brazilian GAAP, which are based on:

- Brazilian Law No. 6,404, dated December 15, 1976, as amended, or the Brazilian Corporation Law;
- the rules and regulations of the CVM; and
- the accounting standards issued by the CPC.

When preparing our 2010 consolidated financial statements under IFRS, management amended certain accounting, valuation and consolidation methods in the Prior Brazilian GAAP financial statements to comply with IFRS. The comparative figures in respect of 2009 have been restated to reflect these adjustments.

## ***Braskem America Finance Financial Statements***

We have not included any financial statements for Braskem America Finance in this offering memorandum. Braskem America Finance does not, and will not, publish financial statements, except for such financial statements which Braskem America Finance may be required under the laws of the United States or the State of Delaware to publish. In addition, Braskem America Finance will not furnish to the trustee or the holders of the notes any financial statements of, or other reports relating to, Braskem America Finance. Braskem America Finance does not have any operations independent from Braskem. Braskem America Finance's obligations under the notes will be fully and unconditionally guaranteed by Braskem. The financial statements of Braskem America Finance have been fully consolidated in the consolidated financial statements of Braskem for dates and periods ending after July 7, 2011 (the date of incorporation of Braskem America Finance).

## **Special Note Regarding Non-GAAP Financial Measures**

The body of generally accepted accounting principles is commonly referred to as GAAP. For this purpose, a non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure. From time to time, we may disclose so-called non-GAAP financial measures, primarily Adjusted EBITDA, which in our case comprises net income (loss) before income tax and social contribution, financial income (expenses), and expenses from depreciation and amortization, adjusted by the exclusion of the effect of results from equity investments, results from business combinations and results from disposal or impairment of property, plant and equipment, intangibles and investments. The non-GAAP financial measures described in this offering memorandum are not a substitute for the GAAP measures of earnings. Our determination of Adjusted EBITDA does not purport to be SEC or CVM-compliant. Other companies may calculate Adjusted EBITDA differently.

Our management believes that disclosure of Adjusted EBITDA provides useful information to investors, financial analysts and the public in their review of our operating performance and their comparison of our operating performance to the operating performance of other companies in the same industry and other industries.

## **Market Share and Other Information**

We make statements in this offering memorandum and in the Braskem Annual Report about our market share in the petrochemical industry in Brazil and our production capacity relative to that of other petrochemical producers in Brazil, Latin America, the United States and the world. We have made these statements on the basis of information obtained from third-party sources that we believe are reliable. We have calculated our Brazilian market shares with respect to specific products by dividing our domestic net sales volumes of these products by the total Brazilian domestic consumption of these products as estimated by the Brazilian Chemical Industry Association (*Associação Brasileira da Indústria Química*), or ABIQUIM. We derive information regarding the production capacity of other companies in the Brazilian petrochemical industry and the estimated total Brazilian domestic consumption of petrochemical products principally from reports published by ABIQUIM. We derive information regarding the production capacity of other companies in the global petrochemical industry, the United States petrochemical industry and the Latin American petrochemical industry, international market prices for petrochemicals products and per capita consumption in certain geographic regions, principally from reports published by IHS, Inc. We derive information regarding the size of the chemical distribution industry and our market share in this industry principally from reports published by the Brazilian Chemical and Petrochemical Distributors Association (*Associação Brasileira dos Distribuidores de Produtos Químicos e Petroquímicos*). We derive information relating to Brazilian imports and exports from the System for Analyzing International Trade (*Sistema de Análise das Informações de Comércio Exterior*), or ALICE-Web, produced by the Brazilian Secretary of International Trade (*Secretaria de Comércio Exterior*), and the Brazilian Secretary of Development, Industry and Trade (*Ministério do Desenvolvimento, Indústria e Comércio Exterior*).

We have no reason to believe that any of this information is inaccurate in any material respect. However, neither we nor the initial purchasers have independently verified the production capacity, market share, market size or similar data provided by third parties or derived from industry or general publications.

We provide information regarding domestic apparent consumption of some of our products, based on information available from ABIQUIM and our internal estimates. Domestic apparent consumption is equal to domestic production plus imports minus exports. Domestic apparent consumption for any period may differ from actual consumption because this measure does not give effect to variations of inventory levels in the petrochemical supply chain.

### **Production Capacity and Sales Volume**

As used in this offering memorandum:

- “production capacity” means the annual projected capacity for a particular facility, calculated based upon operations for 24 hours each day of a year and deducting scheduled downtime for regular maintenance; and
- “ton” means a metric ton, which is equal to 1,000 kilograms or 2,204.62 pounds.

### **Rounding**

We have made rounding adjustments to some of the amounts included in this offering memorandum. As a result, numerical figures shown as totals in some tables may not be arithmetic aggregations of the amounts that precede them.

## FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. Some of the matters discussed concerning our business operations and financial performance include forward-looking statements within the meaning of the Securities Act or the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act.

Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates” and similar expressions are forward-looking statements. Although we believe that these forward-looking statements are based upon reasonable assumptions, these statements are subject to several risks and uncertainties and are made in light of information currently available to us.

Our forward-looking statements may be influenced by numerous factors, including the following:

- general economic, political and business conditions in our company’s markets, both in Brazil and abroad, including demand and prices for petrochemical products;
- interest rate fluctuations, inflation and exchange rate movements of the *real* in relation to the U.S. dollar;
- the cyclical nature of the Brazilian and global petrochemical industries;
- competition in the Brazilian and global petrochemical industries;
- prices of naphtha and other raw materials;
- actions taken by our major shareholders;
- our ability to implement our financing strategy and to obtain financing on satisfactory terms;
- our progress in integrating the polypropylene business of the Dow Chemical Company, which we acquired on September 30, 2011 in a transaction we refer to as the Dow Polypropylene Acquisition, as well as the operations of companies or assets that we may acquire in the future, so as to achieve the anticipated benefits of these acquisitions;
- changes in laws and regulations, including, among others, Brazilian laws and regulations affecting tax and environmental matters and import tariffs in other markets in which we operate or to which we export our products;
- a continuation of the current worldwide economic downturn or deterioration in the Brazilian and world economies;
- decisions rendered in major pending or future tax, labor and other legal proceedings; and
- other factors identified or discussed under “Item 3. Key Information—Risk Factors” in the Braskem Annual Report and under “Risk Factors” in this offering memorandum.

Our forward-looking statements are not guarantees of future performance, and our actual results or other developments may differ materially from the expectations expressed in the forward-looking statements. As for forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainty of estimates, forecasts and projections. Because of these uncertainties, potential investors should not rely on these forward-looking statements.

Forward-looking statements speak only as of the date they are made, and neither we nor the initial purchasers undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

## SUMMARY

*This summary highlights information presented in greater detail elsewhere in this offering memorandum. This summary is not complete and does not contain all the information you should consider before investing in the notes. You should carefully read this entire offering memorandum and the Braskem Annual Report, the First Quarter Financial Statement Report and the First Quarter MD&A Report, which are incorporated by reference herein, including “Risk Factors” included herein and “Item 3. Key Information—Risk Factors” in the Braskem Annual Report, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the First Quarter MD&A Report, our unaudited consolidated interim financial statements included in the First Quarter Financial Statement Report, “Item 5: Operating and Financial Review and Prospects,” included in the Braskem Annual Report, and our consolidated financial statements included in the Braskem Annual Report, before investing. See “Presentation of Financial and Other Information” included herein and in the Braskem Annual Report for information regarding our consolidated financial statements, exchange rates, definitions of technical terms and other introductory matters.*

### **Braskem**

We are the largest producer of thermoplastic resins in the Americas, based on annual production capacity of our 28 plants in Brazil, five plants in the United States and two plants in Germany at March 31, 2012. We are the only producer of ethylene, polyethylene and polypropylene in Brazil. We produce a diversified portfolio of petrochemical and thermoplastic products and have a strategic focus on thermoplastic resins, including polyethylene, polypropylene and polyvinyl chloride, or PVC. We are also the third largest Brazilian-owned private sector industrial company, based on net sales revenue in 2010 (the latest year for which such information is available). We recorded net sales revenue of R\$8,232.5 million and net income of R\$152.1 million during the three-month period ended March 31, 2012, and net sales revenue of R\$33,176.2 million and a net loss of R\$516.8 million during the year ended December 31, 2011.

Following the realignment of our business units in April 2012, as described in “Recent Developments—Realignment of Business Units,” our business operations are organized into four production business units, one distribution business unit and our project development unit, which correspond to our principal production processes, products and services. Our business units are as follows:

- Basic Petrochemicals, which accounted for net sales revenue of R\$5,651.7 million, or 52.0% of the net sales revenue of all reportable segments, including net sales to our other business units, and had an operating margin of 4.4% during the three-month period ended March 31, 2012, and net sales revenue of R\$23,080.9 million, or 55.3% of the net sales revenue of all reportable segments, including net sales to our other business units, and had an operating margin of 7.1% during the year ended December 31, 2011;
- Polyolefins and Renewables, which accounted for net sales revenue of R\$3,267.5 million, or 30.1% of the net sales revenue of all reportable segments, including net sales to our other business units, and had a negative operating margin of 2.1% during the three-month period ended March 31, 2012, and accounted for net sales revenue of R\$12,710.7 million, or 30.5% of the net sales revenue of all reportable segments, including net sales to our other business units, and had an operating margin of 2.5% during the year ended December 31, 2011;
- United States and Europe, which accounted for net sales revenue of R\$1,301.5 million, or 12.0% of the net sales revenue of all reportable segments, including net sales to our other business units, and had an operating margin of 3.1% during the three-month period ended March 31, 2012, and net sales revenue of R\$3,427.5 million, or 8.2% of the net sales revenue of all reportable segments, including net sales to our other business units, and had a negative operating margin of 0.4% during the year ended December 31, 2011;
- Vinyls, which accounted for net sales revenue of R\$449.7 million, or 4.1% of the net sales revenue of all reportable segments, including net sales to our other business units, and had a negative operating margin of 5.7% during the three-month period ended March 31, 2012, and net sales revenue of R\$1,730.9 million, or

4.1% of the net sales revenue of all reportable segments, including net sales to our other business units, and had a negative operating margin of 3.2% during the year ended December 31, 2011;

- Chemical Distribution, which accounted for net sales revenue of R\$193.1 million, or 1.8% of the net sales revenue of all reportable segments, including net sales to our other business units, and had an operating margin of 3.3% during the three-month period ended March 31, 2012, and accounted for net sales revenue of R\$774.9 million, or 1.9% of the net sales revenue of all reportable segments, including net sales to our other business units, and had an operating margin of 7.3% during the year ended December 31, 2011; and
- Latin America, which had no sales revenue or operating income (loss) during the three-month period ended March 31, 2012 or the year ended December 31, 2011 given that the operation of the relevant facilities has not yet commenced.

### ***Basic Petrochemicals Unit***

Our Basic Petrochemicals Unit owns and operates the basic petrochemicals production facilities located in each of the petrochemical complexes in Brazil. Our Basic Petrochemicals Unit had one of the largest annual production capacities of all first generation producers in Latin America at March 31, 2012. This unit owns and operates the raw materials centers serving:

- the petrochemical complex located in Camaçari in the State of Bahia, or the Northeastern Complex, which had an annual ethylene production capacity of 1,280,000 tons at March 31, 2012;
- the petrochemical complex located in Triunfo in the State of Rio Grande do Sul, or the Southern Complex, which had an annual ethylene production capacity of 1,452,000 tons at March 31, 2012;
- the petrochemical complex located in Capuava in the State of São Paulo, or the São Paulo Complex, which had an annual ethylene production capacity of 700,000 tons at March 31, 2012; and
- the petrochemical complex located in Duque de Caxias in the State of Rio de Janeiro, or the Rio de Janeiro Complex, which had an annual ethylene production capacity of 520,000 tons at March 31, 2012.

Our raw materials centers produce:

- olefins, such as ethylene, polymer and chemical grade propylene, butadiene, isoprene and butene-1;
- aromatics, such as benzene, toluene, and xylenes (including para-xylene, ortho-xylene and mixed xylene), which we refer to as BTX products;
- fuels, such as automotive gasoline and liquefied petroleum gas, or LPG;
- intermediates, such as cumene; and
- ethyl tertiary butyl ether, or ETBE, solvent C9 and pyrolysis C9.

The basic petrochemicals products of our Basic Petrochemicals Unit are used primarily in the manufacture of intermediate second generation petrochemical products, including those manufactured by our Polyolefins and Renewables Unit and our Vinyls Unit.

### ***Polyolefins and Renewables Unit***

At March 31, 2012, our Polyolefins and Renewables Unit had polyolefins production facilities located in each of the petrochemicals complexes in Brazil, and had an annual polyethylene production capacity of 3,035,000 tons

and an annual polypropylene production capacity of 1,965,000 tons, the largest annual production capacities of all second generation producers in Latin America at that date.

Our Polyolefins and Renewables Unit produces:

- polyethylene, including low density polyethylene, or LDPE, linear low density polyethylene, or LLDPE (including LLDPE produced using “green” ethylene), high density polyethylene, or HDPE (including HDPE produced using “green” ethylene), ultra high molecular weight polyethylene, or UHMWPE;
- polypropylene; and
- ethyl vinyl acetate copolymer, or EVA.

### ***United States and Europe Unit***

Our United States and Europe Unit includes the operations of Braskem America Inc., or Braskem America, which operates our polypropylene plants in the United States that we acquired from Sunoco in April 2010, and Braskem Europe GmbH, which operates our polypropylene plants in Germany, or Braskem Europe, which we acquired from Dow Chemical Company, or Dow, in October 2011. At March 31, 2012, our United States and Europe Unit had five polypropylene plants in the United States and two polypropylene plants in Germany with an annual aggregate polypropylene production capacity of 1,970,000 tons.

### ***Vinyls Unit***

We are the leading producer of PVC in Brazil, based on sales volumes during the three-month period ended March 31, 2012. At March 31, 2012, our PVC production facilities had an annual PVC production capacity of 510,000 tons and an annual caustic soda production capacity of 539,000 tons. Our Vinyls Unit owns and operates plants located in the Northeastern Complex, and in Marechal Deodoro and Maceió in the State of Alagoas. In May 2012, we commenced production of PVC on a test basis at a new plant located in Alagoas, which is currently in the process of product specification and ramping up to its full annual production capacity of 200,000 tons.

Our Vinyls Unit is the only vertically integrated producer of PVC in Brazil. Our PVC production is integrated through our production of chlorine and other raw materials. Our Vinyls Unit also manufactures caustic soda, which is used by producers of aluminum and paper; ethylene dichloride, or EDC; and chlorine, which we use to manufacture EDC.

We had an approximate 48% and 43% share of the Brazilian PVC market during the three-month period ended March 31, 2012 and the year ended December 31, 2011, respectively, based on sales volumes of our Vinyls Unit.

### ***Chemical Distribution Unit***

Our Chemical Distribution Unit is the largest Brazilian distributor of chemical and petrochemical products, with a market share of approximately 10% during the year ended December 31, 2011. Our Chemical Distribution Unit distributes products manufactured by our Basic Petrochemicals Unit, as well as products from more than 90 domestic and international companies. Our Chemical Distribution Unit distributes products in a broad range of market segments, including: agrochemicals, rubber and general purpose chemicals; food and feed; flavor and fragrance; cosmetics and pharmaceuticals; household and other industrial segments; engineering plastics; and paints, resins, adhesives and civil construction.

### ***Latin America Unit***

Our Latin America Unit includes our businesses and projects in Latin America outside Brazil, including Project Ethylene XXI in Mexico and other projects in less advanced phases in Venezuela and Peru. Project Ethylene XXI, which is a joint venture with Grupo Idesa, S.A. de C.V., or Idesa, one of Mexico’s leading petrochemical groups, which we formed in April 2010, to develop, construct and operate an olefins complex to be located in the

Coatzacoalcos Petrochemical Complex in the Mexican state of Veracruz. The proposed complex is expected to include an ethylene cracker that would use ethane as its raw material, with an annual ethylene production capacity of 1.0 million tons, and three polyethylene plants with a combined annual production capacity of 1.0 million tons of HDPE and LDPE. The estimated total cost of this project to the joint venture company, Braskem Idesa S.A.P.I., is approximately US\$3.0 billion. We expect that construction of this project will begin in 2012 and that the complex will begin production in 2015.

At March 31, 2012, this unit was not a reporting segment and is included in the First Quarter Financial Statement Report and the First Quarter MD&A Report under the category “Other Segments.”

## Strategy

Our strategic goal is to be the world leader in the production of chemicals from renewable resources and/or using production processes that generate fewer emissions, which we refer to as sustainable chemistry, by 2020.

The key elements of our strategy include:

- ***Differentiation of Our Business***—we are seeking to establish close, long-term relationships with our customers, which foster customer loyalty during periods of lower demand, by providing technological support and solutions to our customers, and developing new products and applications.
- ***Acquisition of Traditional and Renewable Feedstocks at Competitive Prices***—we have ongoing programs to reduce operating costs by diversifying our sources of feedstocks and energy and negotiating more competitive terms for these raw materials in our production processes.
- ***Expansion in Selected International Markets***—we plan to expand the production capacity of our business units during the next several years through the acquisition of petrochemical producers outside Brazil that currently compete with us or produce complementary products, and by constructing new facilities outside Brazil independently or in conjunction with third parties.
- ***New Business Opportunities***—we are pursuing new business opportunities by developing new and specialized products, such as “green” polyethylene and polypropylene, specialized production processes for LLDPE and LDPE, and new applications for UHMWPE.
- ***Technological Development to Support Our Growth and Vision***—we are seeking to build a strong position in the technological development of sustainable chemistry by investing in research, development and technological innovation focused on transformative, emerging and conventional technologies.

## Principal Shareholder

Our controlling shareholder is Odebrecht Serviços e Participações S.A., or OSP, which is wholly-owned, directly or indirectly, by Odebrecht S.A., or Odebrecht. Odebrecht, directly or through its subsidiary OSP, owns 38.1% of our outstanding share capital, including 50.1% of our voting share capital. Prior to June 30, 2012, Odebrecht held this interest through BRK Investimentos Petroquímicos S.A., or BRK, a company that was wholly-owned by OSP. On June 30, 2012, BRK merged into OSP.

Odebrecht is a member of a group of companies controlled by the Odebrecht family, which we refer to as the Odebrecht Group. The Odebrecht Group is one of the 10 largest Brazilian-owned private sector conglomerates based on net sales revenue in 2010 (the latest year for which such information is available).

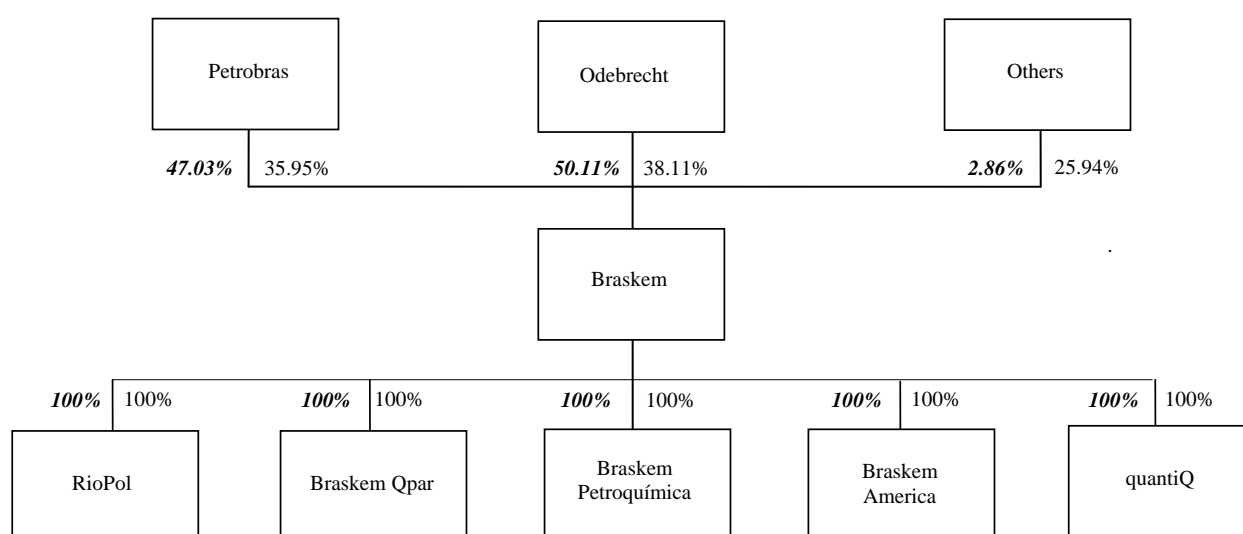
Our other principal shareholder is Petróleo Brasileiro S.A.—Petrobras, or Petrobras, which owns 36.0% of our outstanding share capital, including 47.0% of our voting share capital. Petrobras is a government-owned integrated oil and gas company that is the largest corporation in Brazil and one of the largest companies in Latin America in terms of revenues. Petrobras operates most of Brazil’s producing oil and gas fields, holds a large base of proved

reserves and a fully developed operational infrastructure, operates substantially all the refining capacity in Brazil, participates in most aspects of the Brazilian natural gas market and is active in 28 other countries.

Petrobras and the Odebrecht Group are parties to our primary shareholders' agreement, dated February 8, 2010, relating to, among other matters, the voting and transfer of our shares. The Odebrecht Group is also party to other shareholders' agreements and related contracts, as discussed in "Item 7. Major Shareholders and Related Party Transactions—Shareholders' Agreements" in the Braskem Annual Report.

## Our Corporate Structure

The following chart presents our ownership structure and the corporate structure of our principal subsidiaries on the date of this offering memorandum. The percentages in bold italics represent the direct or indirect percentage of the voting share capital owned by each entity, and the percentages not in bold italics represent the direct or indirect percentage of the total share capital owned by each entity.



## Braskem America Finance

Braskem America Finance is a direct wholly-owned subsidiary of Braskem America, and an indirect wholly-owned subsidiary of Braskem. Braskem America Finance is a corporation which was incorporated under the laws of the State of Delaware on July 7, 2011. The address of Braskem America Finance is 1735 Market Street, 28th Floor, Philadelphia, PA 19013.

The by-laws of Braskem America Finance provides for a board of directors composed of a minimum of three and a maximum of seven members. All directors of Braskem America Finance are appointed by Braskem America, a wholly-owned subsidiary of Braskem. The directors of Braskem America Finance are Gustavo Sampaio Valverde, Fernando Musa, Renato Bruno dos S. Monteiro, Bruce Rubin and Srivatsan S. Iyer. As directors of Braskem America Finance, subject to compliance with customary fiduciary duties of directors of Delaware corporations, they act in accordance with the interests of Braskem.

Under Braskem America Finance's Certificate of Incorporation, Braskem America Finance is permitted to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

As a Delaware corporation, Braskem America Finance is not required by Delaware or United States law to publish, and does not publish, financial statements for any period. However, if it publishes any financial statements

in the future, these financial statements will be made available free of charge at the office of the Singapore listing agent or sent to you upon request of Braskem America Finance or the trustee Braskem America Finance does not have subsidiaries or hold any equity investments.

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Our registered office is at Rua Eteno, 1561, Pólo Petroquímico, Camaçari, Bahia, CEP 42810-000, Brazil, and our telephone number at this address is 55-71-3413-2102. Our principal executive office is at Avenida das Nações Unidas, 8501, São Paulo, SP, CEP 05425-070, Brazil, and our telephone number at this address is 55-11-3576-9000.

## The Offering

*The following summary contains basic information about the notes and the guarantees and is not intended to be complete. It does not contain all of the information that is important to you. For a more complete understanding of the notes, please refer to the section of this offering memorandum entitled “Description of the Notes.”*

<b>Issuer</b> .....	Braskem America Finance Company.
<b>Guarantor</b> .....	Braskem S.A.
<b>New Notes offered</b> .....	US\$250 million in aggregate principal amount of 7.125% Notes due 2041. The new notes will be additional notes issued under the indenture, dated as of July 22, 2011, pursuant to which Braskem America Finance Company initially issued US\$500.0 million in aggregate principal amount of its 7.125% Notes due 2041. The new notes will have identical terms and conditions as the initial notes, other than the issue date and issue price, and will constitute part of the same series as, and vote together as a single class with, the initial notes. The new notes and the initial notes will share the same CUSIP and ISIN numbers and be fungible, except that the notes offered and sold in offshore transactions under Regulation S shall be issued and maintained under temporary CUSIP and ISIN numbers during a 40-day distribution compliance period commencing on the issue date of the new notes.
<b>Issue price</b> .....	101.750% plus accrued interest from (and including) July 22, 2012 to (but excluding) July 23, 2012.
<b>Maturity date</b> .....	July 22, 2041.
<b>Interest payment dates on new notes</b> .....	January 22 and July 22, beginning on January 22, 2013.
<b>Interest on new notes</b> .....	The new notes will bear interest from July 22, 2012 at the annual rate of 7.125%, payable semi-annually in arrears on each interest payment date.
<b>Ranking</b> .....	<p>The notes will be senior unsecured obligations of Braskem America Finance. At March 31, 2012, Braskem America Finance had outstanding debt in the amount US\$497.5 million.</p> <p>Braskem’s guarantees will be senior unsecured obligations of Braskem ranking:</p> <ul style="list-style-type: none"> <li>• equal in right of payment to other existing and future senior unsecured debt of Braskem;</li> <li>• senior in right of payment to Braskem’s subordinated debt; and</li> <li>• effectively subordinated to debt and other liabilities (including subordinated debt and trade payables) of Braskem’s subsidiaries (other than Braskem America Finance) and to secured debt of Braskem to the extent of such security.</li> </ul>

At March 31, 2012, Braskem had total consolidated debt, net of transaction costs, of R\$14,756.8 million (US\$8,098.8 million), of

which R\$3,670.8 million (US\$2,014.6 million) was unsecured debt of Braskem, R\$2,613.0 million (US\$1,434.1 million) was secured debt of Braskem, R\$7,547.1 million (US\$4,142.0 million) was debt of Braskem's subsidiaries and special purpose entities (other than Braskem America Finance), and R\$19.5 million (US\$10.7 million) was debt of Refinaria de Petróleo Rio-grandense S.A., or RPR, which we consolidate on a proportional basis as permitted by IFRS.

<b>Optional redemption .....</b>	Braskem America Finance or Braskem may, at its option, redeem the notes, in whole or in part, at any time prior to January 22, 2041 by paying a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the applicable "make-whole" amount, plus in each case, accrued and unpaid interest and additional amounts, if any, to but excluding the date of redemption. Braskem America Finance or Braskem may, at its option, redeem the notes, in whole or in part, on January 22, 2041 or at any time thereafter, by paying 100% of the principal amount of the notes plus accrued interest and additional amounts, if any, to the redemption date, see "Description of the Notes— Redemption."
<b>Tax redemption.....</b>	Braskem America Finance or Braskem may, at its option, redeem the notes, in whole but not in part, at 100% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, upon the occurrence of specified events relating to Brazilian or U.S. tax law. See "Description of the Notes— Redemption—Tax Redemption."
<b>Purchase of the notes upon Change of Control event .....</b>	<p>If a specified Change of Control event that results in a Ratings Decline occurs as described herein, unless Braskem America Finance has exercised its option to redeem the notes, Braskem will be required to offer to purchase the notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the purchase date.</p> <p>This requirement to offer to purchase the notes is contingent upon (i) the applicable downgrade of the rating or ratings assigned to the notes taking place within 90 days of the earlier of the date of a public notice of a Change of Control and the date on which Braskem or any other person publicly declares its intention to effect a Change of Control, and (ii) the applicable Ratings Agencies expressly stating that the downgrade was the result of the Change of Control. See "Description of the Notes—Purchase of Notes Upon Change of Control Event."</p>
<b>Additional amounts .....</b>	Payments of interest on the notes or payments on the guarantees will be made after withholding and deduction for any Brazilian or U.S. taxes as set forth under "Taxation." Braskem America Finance or Braskem will pay such additional amounts as will result in receipt by the holders of notes of such amounts as would have been received by them had no such withholding or deduction for Brazilian or U.S. taxes been required, subject to certain exceptions described under "Description of the Notes—Additional Amounts."
<b>Covenants of Braskem America Finance.....</b>	The indenture prohibits the incurrence of debt (other than the notes and other indebtedness ranking equally with or subordinated to the notes) by Braskem America Finance and imposes certain other limitations and restrictions on Braskem America Finance as described

	under “Description of the Notes—Additional Limitations on Braskem America Finance and Braskem.”
<b>Covenants of Braskem</b> .....	The indenture limits the creation of liens by Braskem and its significant subsidiaries and permits Braskem to consolidate or merge with, or transfer all or substantially all of its assets to, another person only if it complies with certain requirements. However, these covenants are subject to a number of important exceptions. See “Description of the Notes—Covenants.”
<b>Events of default</b> .....	The indenture sets forth the events of default applicable to the notes, including an event of default triggered by cross-acceleration of other debt of Braskem and its significant subsidiaries in a total amount of US\$100.0 million or more. See “Description of the Notes—Events of Default.”
<b>Further issuances</b> .....	We may, from time to time, without the consent of the holders of the notes, issue an unlimited principal amount of additional notes of the same series as the initial notes.
<b>Substitution of issuer</b> .....	Braskem America Finance may, without the consent of the holders of the notes and subject to certain conditions, be replaced and substituted by Braskem or any wholly-owned subsidiary of Braskem as principal debtor in respect of the notes. See “Description of the Notes—Substitution of the Issuer.”
<b>Form and denomination</b> .....	The notes will be issued in the form of global notes in fully registered form without interest coupons. The global notes will be exchangeable or transferable, as the case may be, for definitive certificated notes in fully registered form without interest coupons only in limited circumstances. The notes will be issued in registered form in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. See “Description of the Notes—Form, Denomination and Title” and “Form of the Notes.”
<b>Use of proceeds</b> .....	<p>We expect the net proceeds to Braskem America Finance from the sale of the new notes to be approximately US\$252.6 million, after deducting the fees and estimated expenses of the offering (excluding interest accrued on the new notes from July 22, 2012 to July 23, 2012).</p> <p>We intend to use the net proceeds of this offering to prepay a portion of our indebtedness (including short-term indebtedness) and for general corporate purposes.</p>
<b>Settlement</b> .....	The notes will be delivered in book-entry form only through the facilities of DTC for the accounts of its direct and indirect participants, including Euroclear and Clearstream.
<b>Notice to investors</b> .....	The notes have not been, and will not be, registered under the Securities Act and are subject to limitations on transfers, as described under “Notice to Investors.”
<b>Listing</b> .....	We will apply to the SGX-ST for permission to list the new notes on the SGX-ST. We cannot assure you that this listing will be accepted,

or if accepted, that the new notes will remain so listed. The notes will be traded on the SGX-ST in minimum board lot size of US\$200,000 for so long as the notes are listed on the SGX-ST.

If the listing of the notes on the SGX-ST would, in the future, require us to publish financial information either more regularly than we otherwise would be required to, or according to accounting principles which are materially different from the accounting principles which we would otherwise use to prepare our published financial information, we may seek an alternative admission to listing, trading and/or quotation for the notes by another listing authority, stock exchange and/or quotation system.

<b>Governing law</b> .....	The indenture, the notes and the guarantees are, and the new notes will be, governed by, and construed in accordance with, the laws of the State of New York.
<b>Trustee, registrar, paying agent and transfer agent</b> .....	The Bank of New York Mellon.
<b>Risk factors</b> .....	Prospective investors should carefully consider all of the information contained, or incorporated by reference, in this offering memorandum prior to investing in the notes. In particular, we urge prospective investors to carefully consider the information set forth under “Risk Factors” for a discussion of risks and uncertainties relating to us, our subsidiaries, our business, our equity holders and an investment in the notes.

## Summary Historical Financial and Other Information

The following summary financial information at December 31, 2011 and 2010 and for the three years ended December 31, 2011, 2010 and 2009 have been derived from our audited consolidated financial statements, prepared in accordance with IFRS, and included in the Braskem Annual Report. The following summary financial information at December 31, 2009 has been derived from our audited consolidated financial statements, which are not included in this offering memorandum or incorporated by reference herein. The following summary financial information at March 31, 2012 and for the three-month periods ended March 31, 2012 and 2011 has been derived from our unaudited consolidated financial statements included in the First Quarter Financial Statement Report. The results for the three months ended March 31, 2012 are not necessarily indicative of the results to be expected for the entire year ended December 31, 2012.

This financial information should be read in conjunction with (1) “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which is included in the First Quarter MD&A Report, (2) our unaudited consolidated interim financial information at March 31, 2012 and for the three-month periods ended March 31, 2012 and 2011 and the related notes thereto, which is included in the First Quarter Financial Statement Report, and (3) “Item 5: Operating and Financial Review and Prospects,” “Item 11: Quantitative and Qualitative Disclosures about Market Risk,” and our audited financial statements and the related notes thereto, each of which is included in the Braskem Annual Report.

	For the Three-Month Period Ended March 31,			For the Year Ended December 31,			
	2012(1)	2012	2011	2011(1)(2)	2011(2)	2010(3)	2009
	(in millions of US\$)	(in millions of reais)		(in millions of US\$)		(in millions of reais)	
<b>Statement of Operations Data:</b>							
Net sales revenue.....	US\$4,518.1	R\$8,232.5	R\$7,388.1	US\$18,207.7	R\$33,176.2	R\$25,494.8	R\$16,136.1
Cost of sales and services rendered....	(4,170.8)	(7,599.7)	(6,390.2)	(16,090.2)	(29,318.0)	(21,411.8)	(13,529.7)
Gross profit.....	347.3	632.8	997.9	2,117.5	3,858.2	4,083.0	2,606.4
Selling expenses.....	(54.2)	(98.7)	(82.8)	(188.6)	(343.7)	(383.5)	(298.8)
Distribution expenses.....	(71.3)	(130.0)	(119.7)	(263.7)	(480.5)	(335.5)	(300.7)
General and administrative expenses.....	(140.2)	(255.5)	(262.9)	(562.9)	(1,025.7)	(969.9)	(648.3)
Research and development expenses.....	(13.4)	(24.4)	(19.6)	(54.4)	(99.1)	(78.8)	(63.1)
Equity in results of investees .....	(1.2)	(2.1)	5.5	(0.8)	(1.4)	20.3	3.2
Gain from business combinations .....	—	—	—	—	—	975.3	102.1
Other operating (expenses) income, net .....	105.8	192.7	(12.5)	12.1	22.1	(96.0)	3.7
Operating profit before financial result .....	172.8	314.8	505.9	1,059.2	1,929.9	3,215.0	1,404.3
Financial expenses.....	(106.5)	(194.0)	(135.3)	(1,961.6)	(3,574.2)	(1,696.9)	685.4
Financial income .....	49.3	89.8	78.3	422.2	769.3	369.4	(331.3)
Profit (loss) before income tax and social contribution .....	115.6	210.6	448.9	(480.2)	(875.0)	1,887.4	1,758.4
Income tax and social contribution ....	(32.1)	(58.5)	(143.9)	196.6	358.2	2.0	(1,359.9)
Net income (loss) .....	US\$83.5	R\$152.1	R\$305.0	US\$(283.6)	R\$(516.8)	R\$1,889.5	R\$398.5

- (1) Translated for convenience only using the selling rate as reported by the Central Bank at March 31, 2012 for reais into U.S. dollars of R\$1.8221=US\$1.00.
- (2) Includes the operations of the polypropylene business of Dow in the United States and Germany that we acquired as from October 3, 2011.
- (3) Includes Braskem America as from April 1, 2010, Quattor Participações S.A., or Quattor (whose name was subsequently changed to Braskem Qpar S.A., or Braskem Qpar), and its consolidated subsidiaries as from May 1, 2010 and Unipar Comercial e Distribuidora S.A., or Unipar Comercial, and Polibutenos S.A. Indústrias Químicas, or Polibutenos, as from May 1, 2010.

	At March 31,		At December 31,			
	2012(1)	2012	2011(1)	2011	2010	2009
	(in millions of US\$)	(in millions of reais)	(in millions of US\$)	(in millions of reais)		
<b>Balance Sheet Data:</b>						
Cash and cash equivalents .....	US\$1,812.8	R\$3,303.1	US\$1,639.2	R\$2,986.8	R\$2,624.3	R\$2,683.1
Short-term financial investments(2) .....	158.7	289.1	93.5	170.4	236.3	435.5
Short-term trade accounts receivable.....	1,330.4	2,424.2	1,011.9	1,843.8	1,894.6	1,666.5
Inventories .....	2,151.9	3,920.9	1,988.6	3,623.5	3,015.7	1,721.8
Property, plant and equipment, net .....	11,524.0	20,997.9	11,321.1	20,628.2	19,366.3	10,947.7
Total assets .....	21,739.3	39,611.2	20,500.6	37,354.2	34,477.5	23,371.8
Short-term loans and financing (including current portion of long-term loans and financing) .....	682.5	1,243.6	763.8	1,391.8	1,206.4	1,890.5
Short-term debentures (including current portion of debentures) .....	—	—	—	—	517.7	316.7
Long-term loans and financing .....	7,406.6	13,495.6	7,547.9	13,753.0	11,004.3	7,434.9
Long-term debentures .....	9.7	17.6	10.5	19.1	—	500.0
Share capital .....	4,414.2	8,043.2	4,414.2	8,043.2	8,043.2	5,473.2
Shareholders' equity (including non-controlling interest) .....	5,535.0	10,085.4	5,461.4	9,951.2	10,408.3	4,978.6

- (1) Translated for convenience only using the selling rate as reported by the Central Bank at March 31, 2012 for *reais* into U.S. dollars of R\$1.8221=US\$1.00.
- (2) At December 31, 2011, 2010 and 2009, "short-term financial investments" includes financial investments classified as held-for-trading, loans and receivables, held-to-maturity and available-for-sale. For further information, see note 7 to our consolidated financial statements.

	At and For the Three-Month Period Ended March 31,			At and For the Year Ended December 31,			
	2012(1)	2012	2011	2011(1)(2)	2011(2)	2010(3)	2009
	(in millions of US\$, except as indicated)	(in millions of reais, except as indicated)		(in millions of US\$, except as indicated)	(in millions of reais, except as indicated)		
<b>Other Financial and Operating Information:</b>							
<b>Cash Flow Information:</b>							
Net cash provided by (used in):							
Operating activities.....	US\$788.7	R\$1,437.1	R\$153.3	US\$1,524.3	R\$2,777.5	R\$2,720.4	R\$598.7
Investing activities.....	(457.5)	(833.6)	(321.6)	(1,573.2)	(2,866.5)	(2,387.6)	(824.7)
Financing activities.....	(154.6)	(281.7)	(67.5)	271.5	494.7	(388.3)	495.3
<b>Other Information:</b>							
Capital expenditures:							
Property, plant and equipment.....	US\$457.1	R\$832.9	R\$313.0	US\$1,236.2	R\$2,252.5	R\$1,689.0	R\$811.7
Investments in other companies ...	—	—	—	339.8	619.2	939.4	(1.5)
<b>Adjusted EBITDA and ratios for twelve month periods</b>							
Adjusted EBITDA(4)(5)(6).....	1,981.3	3,610.4	4,011.9	2,053.9	3,742.4	3,825.8	2,337.1
Net debt to Adjusted EBITDA ratio(4)(6) .....	3.1x	3.1x	2.4x	3.2x	3.2x	2.6x	3.0x
Adjusted EBITDA to interest expense ratio(4)(6).....	4.3x	4.3x	6.1x	4.8x	4.8x	6.3x	5.5x
<b>Domestic Sales Volume Data (in thousands of tons):(7)</b>							
Ethylene.....		861.4	738.9		3,097.4	2,949.9	2,253.2
Propylene.....		299.0	270.6		1,123.1	1,212.1	994.6
Polyethylene.....		402.5	359.5		1,524.9	1,546.8	1,048.4
Polypropylene.....		307.5	289.8		1,149.8	1,086.9	698.5
Polyvinyl chloride (PVC).....		126.8	102.0		484.0	504.9	457.4

- (1) Translated for convenience only using the selling rate as reported by the Central Bank at March 31, 2012 for *reais* into U.S. dollars of R\$1.8221=US\$1.00.
- (2) Includes the operations of the polypropylene business of Dow in the United States and Germany that we acquired as from October 3, 2011.
- (3) Includes Braskem America as from April 1, 2010, Quattor and its consolidated subsidiaries as from May 1, 2010 and Unipar Comercial and Polibutenos as from May 1, 2010.
- (4) The indenture governing the notes does not have any financial covenants. See “Description of the Notes—Covenants.” We have included a calculation of our Adjusted EBITDA, our interest expense, our net debt to Adjusted EBITDA ratio and our Adjusted EBITDA to interest expense ratio as (1) our management uses such measures to measure our operating performance, and (2) we believe that information about these measures are important for investors to understand our liquidity.

We define (1) “Adjusted EBITDA” as net income (loss) before income tax and social contribution, financial income (expenses) and expenses from depreciation and amortization, adjusted by the exclusion of the effect of results from equity investments, results from business combinations and results from disposal or impairment of property, plant and equipment, intangibles and investments, (2) “total debt” as current and long-term loans and financing and debentures, (3) “interest expense” as the sum of derivative results, interest on outstanding loans and financing and interest on debentures, net of interest accrued on any deposit or bank account, (4) “net debt to Adjusted EBITDA ratio” as of any date as the ratio of (i) our total debt less cash and cash equivalents and financial investments to (ii) our Adjusted EBITDA for the then most recently concluded period of four consecutive fiscal quarters, and (5) “Adjusted EBITDA to interest expense ratio” as of any date as the ratio of our Adjusted EBITDA for the then most recently concluded period of four consecutive fiscal quarters to our interest expense for the then most recently concluded period of four consecutive fiscal quarters.

We define “net debt” as total debt, consisting of current and long-term loans and financing and debentures, less cash and cash equivalents and financial investments. Net debt is not recognized under IFRS or any other generally accepted accounting principles.

Other companies may calculate net debt and Adjusted EBITDA differently, and therefore this presentation of net debt and Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies.

Adjusted EBITDA is not recognized under IFRS or any other generally accepted accounting principles as a measure of financial performance and should not be considered as a substitute for net income or loss, cash flow from operations or other measures of operating performance or liquidity determined in accordance with IFRS. Adjusted EBITDA is not intended to represent funds available for dividends or other discretionary uses by us because those funds are required for debt service, capital expenditures, working capital and other commitments and contingencies. Adjusted EBITDA presents limitations that impair its use as a measure of our profitability since it does not take into consideration certain costs and expenses that result from our business that could have a significant effect on our net income, such as financial expenses, taxes, depreciation, capital expenses and other related charges.

- (5) The following table sets forth a reconciliation of our net income (loss) to our Adjusted EBITDA for the periods presented.

	At and For the Twelve-Month Period Ended March 31,			At and For the Year Ended December 31,			
	2012(a)	2012	2011	2011(a)	2011	2010	2009
	(in millions of US\$)	(in millions of reais)		(in millions of US\$)	(in millions of reais)		
Net income (loss) .....	US\$(367.5)	R\$(669.6)	R\$2,171.6	US\$(283.6)	R\$(516.8)	R\$1,889.5	R\$398.5
Financial expenses, net.....	1,565.2	2,852.0	942.2	1,539.4	2,804.9	1,327.5	(354.1)
Income tax and social contribution ....	(243.5)	(443.6)	124.4	(196.6)	(358.2)	(2.0)	1,359.9
Depreciation and amortization .....	958.9	1,747.2	1,764.9	944.7	1,721.4	1,606.4	1,038.1
Results from equity investments .....	4.9	9.0	(15.9)	0.8	1.4	(20.3)	(3.2)
Results from business combinations ..	—	—	(975.3)	—	—	(975.3)	(102.1)
Results from disposal of property, plant and equipment and investments .....	63.3	115.4	—	49.2	89.7	—	—
Adjusted EBITDA .....	<u>US\$1,981.3</u>	<u>R\$3,610.4</u>	<u>R\$4,011.9</u>	<u>US\$2,053.9</u>	<u>R\$3,742.4</u>	<u>R\$3,825.8</u>	<u>R\$2,337.1</u>

- (a) Translated for convenience only using the selling rate as reported by the Central Bank at March 31, 2012 for *reais* into U.S. dollars of R\$1.8221=US\$1.00.

- (6) The following table sets forth the calculation of our interest expense and the calculation of our net debt to Adjusted EBITDA ratio and our Adjusted EBITDA to interest expense ratio for periods presented.

	At and For the Twelve-Month Period Ended March 31,			At and For the Year Ended December 31,			
	2012(a)	2012	2011	2011(a)	2011	2010	2009
	(in millions of US\$)	(in millions of reais)		(in millions of US\$)	(in millions of reais)		
<b>Adjusted EBITDA .....</b>	<u>US\$1,981.3</u>	<u>R\$3,610.4</u>	<u>R\$4,011.9</u>	<u>US\$2,053.9</u>	<u>R\$3,742.4</u>	<u>R\$3,825.8</u>	<u>R\$2,337.1</u>
<b>Net Debt:</b>							
Total debt .....	US\$8,098.8	R\$14,756.8	R\$12,536.8	US\$8,322.2	R\$15,163.9	R\$12,728.4	R\$10,142.1
Cash and cash equivalents .....	(1,812.8)	(3,303.1)	(2,389.3)	(1,639.2)	(2,986.8)	(2,624.3)	(2,683.1)
Financial investments .....	(180.2)	(328.4)	(501.0)	(112.6)	(205.1)	(265.0)	(451.3)
Net debt .....	<u>US\$6,105.8</u>	<u>R\$11,125.3</u>	<u>R\$9,646.5</u>	<u>US\$6,570.4</u>	<u>R\$11,972.0</u>	<u>R\$9,839.1</u>	<u>R\$7,007.7</u>
<b>Interest Expenses:</b>							
Derivative results .....	US\$47.5	R\$86.5	R\$7.8	US\$33.5	R\$61.0	R\$(2.9)	R\$(35.0)
Interest on outstanding loans and financing .....	541.1	986.0	884.1	518.5	944.8	821.1	559.8
Interest on outstanding debentures .....	15.4	28.0	57.8	21.7	39.6	60.2	80.6
Interest accrued on any deposit or bank account .....	(146.9)	(267.7)	(292.5)	(147.1)	(268.0)	(267.4)	(182.4)
Interest expenses .....	<u>US\$457.1</u>	<u>R\$832.8</u>	<u>R\$657.2</u>	<u>US\$426.6</u>	<u>R\$777.4</u>	<u>R\$611.0</u>	<u>R\$423.0</u>
Net debt to Adjusted EBITDA ratio ..	3.1x	3.1x	2.4x	3.2x	3.2x	2.6x	3.0x
Adjusted EBITDA to interest expense ratio .....	4.3x	4.3x	6.1x	4.8x	4.8x	6.3x	5.5x

- (a) Translated for convenience only using the selling rate as reported by the Central Bank at March 31, 2012 for *reais* into U.S. dollars of R\$1.8221=US\$1.00.

- (7) Including intra-company sales within our company. Intra-company sales of ethylene totaled approximately 724,900 tons during the three-month period ended March 31, 2012, approximately 616,400 tons during the three-month period ended March 31, 2011, approximately 2,606,100 in 2011, approximately 2,511,500 tons in 2010 and approximately 1,928,300 tons in 2009. Intra-company sales of propylene totaled approximately 238,100 tons during the three-month period ended March 31, 2012, approximately 218,300 tons during the three-month period ended March 31, 2011, approximately 905,400 in 2011, approximately 926,300 tons in 2010 and approximately 628,800 tons in 2009.

## **RISK FACTORS**

*The Braskem Annual Report, which is incorporated by reference in this offering memorandum, includes extensive risk factors relating to our company, the petrochemical industry and Brazil. Prospective purchasers of notes should carefully consider the risks discussed below and in the Braskem Annual Report, as well as the other information included in or incorporated by reference into this offering memorandum, before deciding to purchase any notes. Our business, results of operations, financial condition or prospects could be negatively affected if any of these risks occurs, and as a result, the trading price of the notes could decline and you could lose all or part of your investment.*

*The risk factors discussed below and in the Braskem Annual Report are not the only risks that we face, but are the risks that we currently consider to be material. There may be additional risks that we currently consider immaterial or of which we are currently unaware, and any of these risks could have similar effects to those set forth below and in the Braskem Annual Report.*

### **Risks Relating to the Notes and the Guarantees**

***Because Braskem America Finance has no operations of its own, holders of the notes must depend on Braskem to provide Braskem America Finance with sufficient funds to make payments on the notes when due.***

Braskem America Finance, a wholly-owned indirect subsidiary of Braskem, has no operations other than the issuing and making payments on the notes and other indebtedness ranking equally with the notes, and using the proceeds therefrom as permitted by the documents governing these issuances, including lending the net proceeds of the notes and other indebtedness incurred by Braskem America Finance to Braskem and subsidiaries of Braskem. Accordingly, the ability of Braskem America Finance to pay principal, interest and other amounts due on the notes and other indebtedness will depend upon the financial condition and results of operations of Braskem and its subsidiaries that are creditors of Braskem America Finance. In the event of an adverse change in the financial condition or results of operations of Braskem and its subsidiaries that are creditors of Braskem America Finance, these entities may be unable to service their indebtedness to Braskem America Finance, which would result in the failure of Braskem America Finance to have sufficient funds to repay all amounts due on or with respect to the notes.

***Payments on Braskem's guarantees will be junior to Braskem's secured debt obligations and effectively junior to debt obligations of Braskem's subsidiaries and jointly controlled companies.***

The notes will be fully guaranteed by Braskem on an unsecured basis. The Braskem guarantees will constitute senior unsecured obligations of Braskem. The guarantees will rank equal in right of payment with all of Braskem's other existing and future senior unsecured indebtedness. Although the guarantees will provide the holders of the notes with a direct, but unsecured claim on Braskem's assets and property, payment on the guarantees will be subordinated to secured debt of Braskem to the extent of the assets and property securing such debt. Payment on the guarantees will also be structurally subordinated to the payment of secured and unsecured debt and other creditors of Braskem's subsidiaries and jointly controlled companies.

Upon any liquidation or reorganization of Braskem, any right of the holders of the notes, through enforcement of the guarantees, to participate in the assets of Braskem, including the capital stock of its subsidiaries and jointly controlled entities, will be subject to the prior claims of Braskem's secured creditors, and to participate in the assets of Braskem's subsidiaries and jointly controlled entities will be subject to the prior claims of the creditors of its subsidiaries and jointly controlled entities. The indenture relating to the notes includes a covenant limiting the ability of Braskem and its subsidiaries to create or suffer to exist liens, although this limitation is subject to significant exceptions.

At March 31, 2012, Braskem had total consolidated debt, net of transaction costs, of R\$14,756.8 million (US\$8,098.8 million), of which R\$3,670.8 million (US\$2,014.6 million) was unsecured debt of Braskem, R\$2,613.0 million (US\$1,434.1 million) was secured debt of Braskem, R\$7,547.1 million (US\$4,142.0 million) was debt of

Braskem's subsidiaries and special purpose entities (other than Braskem America Finance), and R\$19.5 million (US\$10.7 million) was debt of RPR, which we consolidate on a proportional basis as permitted by IFRS.

Braskem conducts a portion of its business operations through subsidiaries and jointly controlled companies, including Braskem Qpar S.A. (formerly known as Quattor Participações S.A.), or Quattor, Braskem Petroquímica (formerly Quattor Petroquímica S.A.), Rio Polímeros S.A., or RioPol, Braskem America and IQ Soluções & Química, or QuantiQ. In servicing payments to be made on its guarantees of the notes, Braskem will rely, in part, on cash flows from these subsidiaries and jointly controlled companies, mainly in the form of dividend payments and interest on shareholders' equity. The ability of these subsidiaries and jointly controlled entities to make dividend payments to Braskem will be affected by, among other factors, the obligations of these entities to their creditors, requirements of Brazilian corporate and other law, and restrictions contained in agreements entered into by or relating to these entities.

***Braskem's obligations under the guarantees are subordinated to certain statutory preferences.***

Under Brazilian law, Braskem's obligations under the guarantees are subordinated to certain statutory preferences. In the event of a liquidation, bankruptcy or judicial reorganization of Braskem, such statutory preferences, including post-petition claims, claims for salaries, wages, social security, taxes and court fees and expenses and claims secured by collateral, among others, will have preference over any other claims, including claims by any investor in respect of the guarantees. In such event, enforcement of the guarantees may be unsuccessful, and noteholders may be unable to collect amounts that they are due under the notes.

***Braskem may not be able to purchase the notes upon a specified Change of Control event.***

Upon the occurrence of a specified Change of Control event, Braskem will be required to offer to purchase each holder's notes at a price equal to 101% of their principal amount plus accrued and unpaid interest. At the time of any specified Change of Control event, Braskem may not have sufficient financial resources to purchase all of the notes that holders may tender in connection with any such change of control offer.

***We may incur additional indebtedness ranking equal to the notes and the guarantees, and secured indebtedness which would give such secured creditors a prior claim on our assets covered by their liens.***

The indenture will permit Braskem and its subsidiaries, including Braskem America Finance, to incur additional debt, including debt that ranks on an equal and ratable basis with the notes and the guarantees. If Braskem or any of its subsidiaries incur additional debt or provide guarantees that rank on an equal and ratable basis with the notes or the guarantees, as the case may be, the holders of that debt (and beneficiaries of those guarantees) would be entitled to share ratably with the holders of the notes in any proceeds that may be distributed upon Braskem's insolvency, liquidation, reorganization, dissolution or other winding up. This would likely reduce the amount of any liquidation proceeds that would be available to be paid to you.

In addition, Braskem may, in the future, grant additional liens to secure indebtedness without equally and ratably securing the notes or the guarantees, in the circumstances provided for in the indenture. See "Description of the Notes" for more information. If we become insolvent, liquidated, reorganized, dissolved, wound-up or default in the payment of these obligations, these secured creditors will be entitled to exercise the remedies available to them under applicable law.

***Developments in the international capital markets may adversely affect the market value of the notes.***

The market price of the notes may be adversely affected by declines in the international financial markets and world economic conditions. Brazilian securities markets are influenced, to varying degrees, by economic and market conditions in other countries, especially those in Latin America. Although economic conditions are different in each country, investors' reaction to developments in one country may affect the securities markets and the securities of issuers in other countries, including Brazil. The recent global economic and financial crisis has had a significant negative impact on the economies of countries around the world. Developed economies like the United States have sustained some of the most direct effects while some emerging economies like that of China and Brazil have

suffered substantial but comparatively milder effects. More recently, several European economies have revealed significant macroeconomic imbalances. We cannot assure you that the market for Brazilian securities will not continue to be affected negatively by events elsewhere, or that such developments will not have a negative impact on the market value of the notes.

***Restrictions on the movement of currency out of Brazil may impair the ability of holders of the notes to receive interest and other payments on the notes.***

The Brazilian government may impose temporary restrictions on the conversion of Brazilian currency into foreign currencies and on the remittance to foreign investors of proceeds of their investments in Brazil. Brazilian law permits the government to impose these restrictions whenever there is a serious imbalance in Brazil's balance of payments or there are reasons to foresee a serious imbalance.

The Brazilian government imposed remittance restrictions for approximately six months in 1990. Similar restrictions, if imposed in the future, would impair or prevent the conversion of interest payments on the notes from *reais* into U.S. dollars and the remittance of U.S. dollars abroad to holders of the notes. The Brazilian government may take similar measures in the future.

***The foreign exchange policy of Brazil may affect the ability of Braskem to make money remittances outside Brazil in respect of the guarantees.***

Under current Brazilian regulations, Brazilian companies are not required to obtain authorization from the Central Bank in order to make payments under guarantees in favor of foreign persons, such as the holders of the notes. We cannot assure you that these regulations will continue to be in force at the time Braskem is required to perform its payment obligations under the guarantees. If these regulations or their interpretation are modified and an authorization from the Central Bank is required, Braskem would need to seek an authorization from the Central Bank to transfer the amounts under the guarantees out of Brazil or, alternatively, make such payments with funds held by Braskem outside Brazil. We cannot assure you that such an authorization will be obtained or that such funds will be available. If such authorization is not obtained, we may be unable to make payments to noteholders in U.S. dollars. If we are unable to obtain the required approvals, if needed for the payment of amounts owed by Braskem through remittances from Brazil, we may have to seek other lawful mechanisms to effect payment of amounts due under the notes. However, we cannot assure you that other remittance mechanisms will be available in the future, and even if they are available in the future, we cannot assure you that payment on the notes would be possible through such mechanism.

***Judgments of Brazilian courts enforcing Braskem's obligations under the guarantees would be payable only in reais.***

If proceedings are brought in the courts of Brazil seeking to enforce Braskem's obligations under the guarantees, Braskem would not be required to discharge its obligations in a currency other than *reais*. Any judgment obtained against Braskem in Brazilian courts in respect of any payment obligations under the guarantees would be expressed in *reais*. We cannot assure you that this amount in *reais* will afford you full compensation of the amount sought in any such litigation.

***We cannot assure you that a judgment of a U.S. court for liabilities under U.S. securities laws would be enforceable in Brazil, or that an original action can be brought in Brazil against Braskem or its officers and directors for liabilities under U.S. securities laws.***

Braskem is a corporation organized under the laws of Brazil. All of the directors of and officers of Braskem and some of the advisors named herein reside in Brazil or elsewhere outside the United States, and all or a significant portion of the assets of such persons may be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States or other jurisdictions outside Brazil upon such persons, or to enforce against such persons judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions. In addition, it may not be possible to bring an original action in Brazil against Braskem for liabilities under applicable securities laws. Furthermore, as most of our assets are

located in Brazil, any action for enforceability of the guarantees would likely need to be validated by the courts of Brazil. We cannot assure you that such judicial validation would be obtained in a timely manner or at all. See “Enforcement of Civil Liabilities.”

***We cannot assure you that an active trading market for the notes will develop.***

The notes constitute a new issue of securities, for which there is no existing market. Although we will apply to list the notes on the SGX-ST, we cannot provide you with any assurances that the application will be accepted. We cannot provide you with any assurances regarding the future development of a market for the notes, the ability of holders of the notes to sell their notes, or the price at which such holders may be able to sell their notes. If such a market were to develop, the notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, our results of operations and financial condition, political and economic developments in and affecting Brazil and the market for similar securities. The initial purchasers of this offering have advised our company that they currently intend to make a market in the notes. However, the initial purchasers are not obligated to do so, and any market-making with respect to the notes may be discontinued at any time without notice.

***The notes are subject to transfer restrictions.***

The notes have not been, and will not be, registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Such exemptions include offers and sales that occur outside the United States in compliance with Regulation S and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A. For a discussion of certain restrictions on resale and transfer, see “Notice to Investors.”

In addition, we are relying upon an exemption from the Prospectus Directive to offer the notes to investors in member states of the EEA which have implemented the Prospectus Directive. Any future offer or sale of notes in any member state of the EEA which has implemented the Prospectus Directive must be for a minimum purchase price or a minimum consideration of at least €100,000 or the equivalent in other currency.

***Brazilian bankruptcy laws may be less favorable to you than bankruptcy and insolvency laws in other jurisdictions.***

If we are unable to pay our indebtedness, including our obligations under the guarantees, then we may become subject to bankruptcy proceedings in Brazil. The bankruptcy laws of Brazil currently in effect are significantly different from, and may be less favorable to creditors than, those of certain other jurisdictions. For example, noteholders may have limited voting rights at creditors’ meetings in the context of a court reorganization proceeding. In addition, any judgment obtained against us in Brazilian courts in respect of any payment obligations under the guarantees normally would be expressed in the *real* equivalent of the U.S. dollar amount of such sum at the exchange rate in effect (1) on the date of actual payment, (2) on the date on which such judgment is rendered, or (3) on the date on which collection or enforcement proceedings are started against us. Consequently, in the event of our bankruptcy, all of our debt obligations that are denominated in foreign currency, including the guarantees, will be converted into *reais* at the prevailing exchange rate on the date of declaration of our bankruptcy by the court. We cannot assure you that such rate of exchange will afford full compensation of the amount invested in the notes plus accrued interest.

## **USE OF PROCEEDS**

We expect the net proceeds to Braskem America Finance from the sale of the new notes to be approximately US\$252.6 million, after deducting the fees and estimated expenses of the offering (excluding interest accrued on the new notes from July 22, 2012 to July 23, 2012).

We intend to use the net proceeds of this offering to prepay a portion of our indebtedness (including short-term indebtedness) and for general corporate purposes.

## EXCHANGE RATES

The Brazilian foreign exchange system allows the purchase and sale of foreign currency and the international transfer of *reais* by any person or legal entity, regardless of the amount, subject to certain regulatory procedures.

Since 1999, the Central Bank has allowed the U.S. dollar-*real* exchange rate to float freely, and, since then, the U.S. dollar-*real* exchange rate has fluctuated considerably.

In the past, the Central Bank has intervened occasionally to control unstable movements in foreign exchange rates. We cannot predict whether the Central Bank or the Brazilian government will continue to permit the *real* to float freely or will intervene in the exchange rate market through the return of a currency band system or otherwise. The *real* may depreciate or appreciate against the U.S. dollar substantially. Furthermore, Brazilian law provides that, whenever there is a serious imbalance in Brazil's balance of payments or there are serious reasons to foresee a serious imbalance, temporary restrictions may be imposed on remittances of foreign capital abroad. We cannot assure you that such measures will not be taken by the Brazilian government in the future. See "Item 3. Key Information—Risk Factors—Risks Relating to Brazil—Brazilian government exchange control policies could increase the cost of servicing our foreign currency-denominated debt, adversely affect our ability to make payments under our foreign currency-denominated debt obligations and impair our liquidity" in the Braskem Annual Report, and "Risk Factors—Risks Relating to the Notes and the Guarantees—Restrictions on the movement of currency out of Brazil may impair the ability of holders of the notes to receive interest and other payments on the notes" and "Risk Factors—Risks Relating to the Notes and the Guarantees—The foreign exchange policy of Brazil may affect the ability of Braskem to make money remittances outside Brazil in respect of the guarantees."

The following table shows the selling rate for U.S. dollars for the periods and dates indicated. The information in the "Average" column represents the average of the exchange rates on the last day of each month during the periods presented.

Year	<i>Reais per U.S. Dollar</i>			
	High	Low	Average	Period End
2007 .....	R\$2.156	R\$1.733	R\$1.930	R\$1.771
2008 .....	2.500	1.559	1.834	2.337
2009 .....	2.422	1.702	1.990	1.741
2010 .....	1.881	1.655	1.759	1.666
2011 .....	1.902	1.535	1.675	1.876

Month	<i>Reais per U.S. Dollar</i>	
	High	Low
December 2011 .....	1.876	1.783
January 2012 .....	1.868	1.739
February 2012 .....	1.738	1.702
March 2012 .....	1.833	1.715
April 2012 .....	1.892	1.826
May 2012 .....	2.082	1.915
June 2012 .....	2.090	2.018
July 2012 (through July 10) .....	2.036	1.989

Source: Central Bank

## CAPITALIZATION

The following table sets forth our consolidated debt and capitalization at March 31, 2012, derived from our unaudited consolidated interim balance sheet at March 31, 2012 prepared in accordance with IFRS:

- on an actual historical basis;
- as adjusted for the following transactions subsequent to March 31, 2012:
  - the issuance in May 2012 of US\$500.0 million aggregate principal amount of our 5.375% Notes due 2022;
  - prepayment of R\$150.0 million in June 2012 under an export prepayment facility that we entered into in June 2010;
  - a loan disbursement of R\$100.0 million in June 2012 under a credit export note facility that we entered into with a Brazilian financial institution in June 2012; and
- as further adjusted for the sale of the new notes in this offering and the receipt of proceeds therefrom before deduction of commissions and expenses we must pay in connection with this offering, but not the application of such proceeds.

You should read this table in conjunction with (1) “Use of Proceeds” and “Summary Financial and Other Information,” each of which is included in this offering memorandum, and (2) “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which is included in the First Quarter MD&A Report, and (3) our unaudited consolidated interim financial statements and the related notes thereto, which is included in the First Quarter Financial Statement Report.

	At March 31, 2012					
	Historical		As Adjusted		As Further Adjusted(3)	
	(in millions of US\$(1))	(in millions of reais)	(in millions of US\$(1))	(in millions of reais)	(in millions of US\$(1))	(in millions of reais)
<b>Short-term debt (including accrued interest and current portion of long-term debt):</b>						
<i>Real</i> -denominated debt (including debentures):						
Secured(2) .....	US\$340.0	R\$619.5	US\$340.0	R\$619.5	US\$340.0	R\$619.5
Unsecured.....	112.0	204.1	112.0	204.1	112.0	204.1
	452.0	823.6	452.0	823.6	452.0	823.6
Foreign currency-denominated debt:						
Secured(2) .....	54.7	99.6	54.7	99.6	54.7	99.6
Unsecured.....	175.7	320.1	175.7	320.1	175.7	320.1
	230.4	419.7	230.4	419.7	230.4	419.7
Short-term debt of proportionally consolidated companies	0.2	0.3	0.2	0.3	0.2	0.3
Total short-term debt .....	US\$682.6	R\$1,243.6	US\$682.6	R\$1,243.6	US\$682.6	R\$1,243.6
<b>Long-term debt:</b>						
<i>Real</i> -denominated debt (including debentures):						
Secured(2) .....	US\$1,333.2	R\$2,429.3	US\$1,333.2	R\$2,429.3	US\$1,333.2	R\$2,429.3
Unsecured.....	952.2	1,735.0	1,007.1	1,835.0	1,007.1	1,835.0
	2,285.4	4,164.3	2,340.3	4,264.3	2,340.3	4,264.3
Foreign currency-denominated debt:						
Secured(2) .....	193.7	352.9	193.7	352.9	193.7	352.9
Unsecured:						
7.125% Notes due 2041 offered hereby .....	500.0	911.1	500.0	911.1	750.0	1,366.6
Other .....	4,426.5	8,065.6	4,776.5	8,703.3	4,776.5	8,703.3
	4,926.5	8,976.7	5,276.5	9,614.4	5,526.5	10,069.9
	5,120.2	9,329.6	5,470.2	9,967.3	5,720.2	10,422.8
Long-term debt of proportionally consolidated companies.....	10.6	19.3	10.6	19.3	10.6	19.3
Total long-term debt .....	7,416.2	13,513.2	7,821.1	14,250.9	8,071.1	14,706.4
<b>Equity attributable to the shareholders of Braskem .....</b>	<b>5,403.2</b>	<b>9,845.1</b>	<b>5,403.2</b>	<b>9,845.1</b>	<b>5,403.2</b>	<b>9,845.1</b>
Total capitalization (long-term debt plus equity attributable to the shareholders of Braskem) .....	US\$12,819.4	R\$23,358.3	US\$13,224.3	R\$24,096.0	US\$13,474.3	R\$24,551.5

(1) Translated for convenience only using the selling rate as reported by the Central Bank at March 31, 2012 for *reais* into U.S. dollars of R\$1.8221=US\$1.00.

(2) Our secured debt is secured by accounts receivable and certain of our property, plant and equipment.

(3) The "As Further Adjusted" columns include accrued interest from July 22, 2012 through July 23, 2012 on the new notes.

There has been no material change in our capitalization since March 31, 2012, except as disclosed above.

## RECENT DEVELOPMENTS

*The following discussion of developments since December 31, 2011 affecting our Company should be read in conjunction with the description of the Brazilian petrochemical industry, the history of our company and the description of our business and strategy set forth in “Item 4: Information on the Company” and “Item 8: Financial Information—Legal Proceedings” included in our 2011 Form 20-F.*

The following is a summary of major transactions entered into, and other developments affecting, our company since December 31, 2011.

### Financial Transactions

#### *Credit Export Note Facility*

In January 2012, we received proceeds under a credit export note facility that we entered into in December 2011 with a Brazilian financial institution in the aggregate amount of R\$200.0 million. The loan proceeds will be used for the acquisition of agricultural products directly from producers and their cooperatives. Interest is payable monthly. This loan bears interest at a floating rate based on 103% of CDI per annum and matures in December 2013.

#### *Reopening of 5.75% Notes due 2021*

In February 2012, we issued and sold US\$250.0 million aggregate principal amount of our 5.75% Notes due 2021. The notes were issued as a reopening of our US\$750.0 million 5.75% Notes due 2021, which were originally issued in April 2011. Interest on these notes is payable semi-annually in arrears in April and October of each year and the notes mature on April 15, 2021. We used the proceeds of such offering to prepay a portion of our short-term and long-term indebtedness.

#### *Reopening of 7.375% Perpetual Bonds*

In February 2012, we issued and sold US\$250.0 million aggregate principal amount of our 7.375% Perpetual Bonds. The bonds were issued as a reopening of our US\$450.0 million 7.375% Perpetual Bonds, which were originally issued in October 2010. Interest on these notes is payable quarterly in arrears in January, April, July and October of each year. We used the proceeds of such offering to prepay a portion of our short-term and long-term indebtedness.

#### *Credit Facility with Banco Nacional de Desenvolvimento Econômico e Social (BNDES)*

In March 2012, we received proceeds under a credit facility that we entered into in December 2011 with Banco Nacional de Desenvolvimento Econômico e Social, or BNDES. Under this credit facility, BNDES disbursed loans in aggregate principal amounts of R\$120.0 million and US\$15.5 million in ten tranches. The proceeds of the credit facility will be used to (1) modernize industrial plants in order to improve productivity and quality, (2) increase the level of operational security, (3) address health, safety and environmental legal parameters and (4) purchase certain equipment that is manufactured in Brazil. These tranches bear interest at different, including at a rate of *Cesta de Moedas* plus 2.45% and TJLP rate plus a margin of between 2.05% and 3.45% per annum. Interest is payable quarterly from January 2012 to January 2013 and monthly thereafter through maturity. The outstanding principal amount is payable in 60 equal, successive monthly installments beginning in February 2013.

#### *Issuance of 5.375% Notes due 2022*

In May 2012, we issued and sold US\$500.0 million aggregate principal amount of our 5.375% Notes due 2022. Interest on these notes is payable semi-annually in arrears in May and November of each year. We used the proceeds of such offering to prepay a portion of our short-term and long-term indebtedness.

### ***Credit Export Note Facility***

In June 2012, Braskem entered into a credit export note facility with a Brazilian financial institution in an aggregate principal amount of R\$100.0 million. The loan proceeds will be used for the acquisition of agricultural products directly from producers and their cooperatives. Principal on this loan is due upon maturity in June 2014. This loan bears interest at a floating rate equivalent to 103% of CDI and interest is payable on the principal payment date.

### **Split Off of Petroquisa's Interest in BRK and Merger of Petroquisa into Petrobras**

On January 27, 2012, OSP, Petrobras and Petroquisa approved a partial split off (*cisão*) in which BRK transferred a portion of its shares of our company to Petrobras and Petroquisa in proportion to the amount of their respective investments in BRK. The remaining shares were retained by BRK, which became a wholly-owned subsidiary of OSP.

On the same date, the shareholders of Petrobras voted to merge its subsidiary Petroquisa into Petrobras. This merger did not affect the level of Petrobras's direct and indirect ownership in Braskem.

### **Recent Changes to Brazilian Regulations Applicable to New Export Prepayment Financings**

On March 1, 2012, the Brazilian federal government introduced changes to the regulations applicable to new export prepayment financings. These regulations limit the tenor of new export prepayment financings to 360 days and exclude financial institutions as eligible lenders. Exporters may continue to obtain long-term financing from foreign financial institutions.

Although export prepayment facilities have historically accounted for an important part of our financing strategy (on March 31, 2012, the aggregate outstanding amount under our export prepayment facilities totaled R\$1,249.6 million), as of March 31, 2012, they accounted for only 8.5% of our outstanding indebtedness. While we continue to analyze the possibility of using export prepayments in the future, we do not believe that our future funding sources will be materially constrained by the new regulations, due to the availability of alternative financing sources.

### **Recent Changes to Brazilian Regulations Applicable to IOF Taxation**

On June 14, 2012, the Brazilian federal government made certain changes to the rules governing the Tax on Foreign Exchange Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos e Valores Mobiliários*), or "IOF/Exchange." As a result, foreign exchange transactions related to international loans having a minimum average term of less than 720 days are subject to the IOF/Exchange tax rate of 6%, while those related to international loans having a minimum average term greater than 720 days are subject to IOF/Exchange at the 0% rate. Previously this 6% tax rate applied only to international loans having minimum average term of less than five years. We do not expect these changes to materially adversely affect us.

### **Recent Changes to Brazilian Regulations Applicable to Tariffs on Imports**

Historically, tariffs on imports have been established by the federal government; see "Item 4. Information on the Company—Petrochemical Industry Overview—Brazilian Petrochemical Industry—Pricing and Tariffs" included in the Braskem Annual Report. However, in recent years, five Brazilian states have established tax benefits to attract imports at local ports in order to raise revenue and develop port infrastructure, primarily in the form of reductions of ICMS taxes that would otherwise be due to these states. Industry and union leaders have alleged that such legislation creates a subsidy for imported products, thereby harming local industry, and are disputing these incentives.

On April 26, 2012, the Brazilian Senate approved Resolution No. 13, which will standardize and reduce the interstate ICMS rate for imported goods. This legislation will take effect in January 2013, reducing the ICMS tax from a rate of 12% or 7% to 4% on interstate sales of imported raw materials and other goods that are not wholly or partially manufactured in Brazil. In addition to certain other limited exceptions, this tax reduction does not apply to

imported goods that do not have Brazilian-made substitutes. As a result, Brazilian states are not expected to continue to attempt to attract imports at local ports by offering tax benefits in the form of reduced ICMS tax rates.

### **Realignment of Business Units**

Prior to April 2012, we had four production business units and one distribution business unit, which correspond to our principal production processes, products and services. Our business units were as follows:

- *Basic Petrochemicals*—This unit included our basic petrochemicals operations at the Northeastern Complex, the Southern Complex, the São Paulo Complex and the Rio de Janeiro Complex and the related production of utilities for the use of second generation producers, including some producers owned or controlled by our company.
- *Polyolefins*—This unit included the polyethylene and polypropylene operations of our company in Brazil, excluding the production of “green” ethylene and polyethylene.
- *International Business*—This unit included (1) our polypropylene operations in the United States and Germany, and (2) our “green” ethylene and polyethylene operations in Brazil.
- *Vinyls*—This unit included our PVC, caustic soda and EDC operations.
- *Chemical Distribution*—This unit distributed petrochemical products manufactured by our company and other domestic and international companies.

In April 2012, we realigned our organizational structure to better reflect our business activities and to more closely correspond to our principal products and production processes. As a result of this realignment, we now have four production business units, one distribution business unit and one project development unit as follows:

- *Basic Petrochemicals*—This unit was not altered as part of the realignment of our organizational structure and continues to include our basic petrochemicals operations at the Northeastern Complex, the Southern Complex, the São Paulo Complex and the Rio de Janeiro Complex and the related production of utilities for the use of second generation producers, including some producers owned or controlled by our company.
- *Polyolefins and Renewables*—As part of the realignment of our business units, we have included in this unit our operations related to the production of “green” polyethylene in Brazil which are described under the caption “Item 4. Information on the Company—International Business Unit—Renewables Operations” in the Braskem Annual Report, and which were previously part of our International Business Unit. To reflect this realignment, we have renamed our Polyolefins Unit as the Polyolefins and Renewables Unit. This unit continues to include the polyethylene and polypropylene operations of our company in Brazil.
- *United States and Europe*—As part of the realignment of our business units, we no longer include in this unit our operations related to the production of “green” polyethylene in Brazil. To reflect this realignment, we have renamed our International Business Unit as the United States and Europe Unit.
- *Vinyls*—This unit was not altered as part of the realignment of our organizational structure and continues to include our PVC, caustic soda and EDC operations.
- *Chemical Distribution*—This unit was not altered as part of the realignment of our organizational structure and continues to distribute petrochemical products manufactured by our company and other domestic and international companies.
- *Latin America*—As part of the realignment of our business units, we have created a new unit which includes our businesses and projects in Latin America outside Brazil, particularly our projects in Mexico and Venezuela. This unit includes (1) our investment in Project Ethylene XXI which is described under the caption “Item 4. Information on the Company—Capital Expenditures—Joint Venture Projects—Project

Ethylene XXI” in the Braskem Annual Report, and (2) our investment in Propilsur which is described under the caption “Item 4. Information on the Company—Capital Expenditures—Joint Venture Projects—Propilsur Polypropylene Project” in the Braskem Annual Report.

### **Approval of Annual Dividend Payment**

At our annual shareholders’ meeting on April 27, 2012, our shareholders approved the payment of dividends in the amount of R\$482.6 million to be paid during the 2012 fiscal year.

### **Share Repurchase Program**

On August 26, 2011, we announced that our board of directors had authorized a share repurchase program under which we were authorized to repurchase up to 12,162,504 class A preferred shares at market prices over the Brazilian Securities, Commodities and Futures Exchange (BM&FBOVESPA S.A.—Bolsa de Valores, Mercadorias e Futuros), or the “BM&FBOVESPA,” at any time and from time to time prior to August 28, 2012. Shares that are repurchased will be held in treasury and may be resold or cancelled.

From August 26, 2011 to July 10, 2012, we repurchased 2,197,600 class A preferred shares in an aggregate amount of R\$28.7 million.

### **Commissioning of PVC Plant in Alagoas**

In May 2012, we commenced production of PVC on a test basis at a new plant located in Alagoas. This plant is still in the commissioning phase, during which it is ramping up its production. When the process of product specification and the plant is fully operational, this plant will have an annual production capacity of 200,000 tons of PVC and is expected to begin producing on an industrial scale beginning in the third quarter of 2012.

### **Acquisition of Marcus Hook Propylene Splitter**

In June 2012, we acquired the propylene splitter assets at Sunoco’s Marcus Hook refinery under an agreement that we had entered into in connection with our acquisition of the Marcus Hook polypropylene plant. We will utilize the splitter assets to convert refinery grade propylene to polymer grade propylene for use at our Marcus Hook polypropylene plant.

### **Changes to Board of Directors**

On April 27, 2012, our shareholders elected the following new members and alternate members to our board of directors: Luiz de Mendonça, José Alcides Santoro Martins, Roberto Zurli Machado, Mauro Motta Figueira (alternate) and Paulo Oliveira Lacerda de Melo (alternate). These board members were elected to fill two vacancies and to replace the following members and alternate members of our board of directors who resigned: Luciano Nitrini Guidolin, Eduardo Rath Fingerl, Paulo Roberto Costa (alternate) and Marcos Luiz Abreu de Lima. On June 12, 2012, our shareholders elected José Carlos Cosenza to our board of directors to replace Paulo Roberto Costa, who had resigned his position.

The following is a summary of the business experience, areas of expertise and principal outside business interests of our new directors and alternate directors that were elected on April 27, 2012 and June 12, 2012.

*Mr. José Carlos Cosenza.* Mr. Cosenza was elected to our board of directors as a nominee of Petrobras. He currently serves as the director of supply for Petrobras, a company which he joined in 1976. Mr. Cosenza has also served as a general manager of REPAR and REPLAN, a member of Petrobras Argentina and Petrobras Uruguay, vice president of the Pasadena refinery expansion project in the United States and on the executive management team of refining in Rio de Janeiro. Mr. Cosenza holds a degree in chemical engineering from the Federal University of Rio Grande do Sul.

*Luiz de Mendonça.* Mr. Mendonça was elected to our board of directors as a nominee of Odebrecht. He has been chief executive officer of ETH Bioenergia S.A. since March 2012. Mr. Mendonça joined our company in July 2002 as vice president responsible for our Polyolefins Business Unit, and he has since held various executive positions within our company and its subsidiaries and affiliates. In August 2008, he assumed control of our Basic Petrochemicals Unit and, in 2009, while acting as vice chief executive officer, he was placed in charge of our polymers operations. In January 2010, Mr. Mendonça became president of Braskem Petroquímica S.A. and Braskem QPar S.A. In March 2011, he became president of Braskem Finance and Braskem America and vice president responsible for our International Business Unit. He has also worked for the Rhodia/Rhône-Poulenc Group in France, China, the United States and Brazil, served as vice president of Rhodia USA and participated in the group's operating committee in 2001. Mr. Mendonça holds a bachelor's degree in production engineering from Escola Politécnica da Universidade de São Paulo and an MBA from INSEAD (France).

*José Alcides Santoro Martins.* Mr. Martins was elected to our board of directors as a nominee of Petrobras. He has served as chief gas and energy officer at Petrobras since February 2012 and has held various managerial positions within Petrobras during his 32 years with the company, in addition to serving on the board of directors of several of Petrobras' subsidiaries. He previously served as executive manager of operations and participations in energy for Petrobras since November 2008. Mr. Martins also served as chief technology officer for the Center for Gas and Renewable Energy Technologies (*Centro de Tecnologia do Gás e Energias Renováveis*), or CTGAS-ER, from February 2004 to May 2005 and petroleum, gas and biofuels officer for the Energy Research Company (*Empresa de Pesquisa Energética*), or EPE, from May 2005 to June 2006. Mr. Martins holds a bachelor's degree in civil engineering from Universidade de São Paulo and graduate degrees in geotechnical engineering from PUC-Rio and energy systems planning from Unicamp.

*Roberto Zurli Machado.* Mr. Machado was elected to our board of directors as a nominee of BNDES. He has served as director of infrastructure, project structuring and basic inputs at BNDES since June 2011. He has worked at BNDES since December 1984 and, from 1987 to 2006, he served as manager for the transportation, logistics and telecommunications departments and, from 2001 to 2006, as superintendent of basic inputs, involved in the mineral extraction, steel, chemical and petrochemical, paper and cellulose and petroleum and gas supply chain industries. Prior to joining BNDES, from 1980 to 1984, Mr. Machado worked as a technical consultant for transportation projects at Enefer Consultoria e Projetos Ltda. Mr. Machado has a degree in civil engineering and a master's degree in production engineering from Pontifícia Universidade Católica do Rio de Janeiro.

*Mauro Motta Figueira.* Mr. Figueira was elected as an alternate member to our board of directors as a nominee of Odebrecht. He is also the chief financial planning officer for Odebrecht, where he has worked since 2010. From 2008 to 2010, he served as senior manager of Monitor Group do Brasil Ltda., a global strategic consulting company, and, in 2007, he served as marketing controller for Janssen Cilag Farmacêutica Ltda., the pharmaceutical division of the Johnson & Johnson group. Mr. Figueira holds a bachelor's degree in production engineering from Escola Politécnica de São Paulo and an MBA from the Darden School of Business of the University of Virginia.

*Paulo Oliveira Lacerda de Melo.* Mr. Melo was elected as an alternate member to our board of directors as a nominee of Odebrecht. He has been the chief executive officer of CNO since 2009. Mr. Melo joined Odebrecht in 1973 as an intern and has served in various management roles for, including on the board of directors of, Odebrecht, its subsidiaries and its affiliates. Mr. Melo served as director superintendent of Odebrecht Angola from 1988 to 1992, director president of SLP-Engineering in the United Kingdom from 1992 to 1996, president of Tenenge from 1993 to 1996 and vice president of CNO from 1997 to 2009. Mr. Melo holds a bachelor's degree in civil engineering from Escola Politécnica de Pernambuco.

## DESCRIPTION OF THE NOTES

Braskem America Finance will issue the new notes offered in this offering, or the new notes, pursuant to the indenture, dated as of July 22, 2011, among Braskem America Finance, Braskem, as guarantor, and The Bank of New York Mellon, as trustee (which term includes any successor as trustee under the indenture), registrar, paying agent and transfer agent, under which Braskem America Finance initially issued US\$500.0 million aggregate in principal amount of its 7.125% Notes due 2041, or the initial notes. The new notes will have identical terms and conditions as the initial notes, other than the issue date and issue price, and will constitute part of the same series as, will vote together as a single class with, and be fungible with the initial notes. The new notes and the initial notes will share the same CUSIP and ISIN numbers and be fungible, except that the new notes offered and sold in offshore transactions under Regulation S shall be issued and maintained under temporary CUSIP and ISIN numbers during a 40-day distribution compliance period commencing on the issue date of the new notes. A copy of the indenture is available for inspection during normal business hours at the offices of the trustee and any of the other paying agents.

This description of the notes is a summary of the material provisions of the notes and the indenture. You should refer to the indenture for a complete description of the terms and conditions of the notes and the indenture, including the obligations of Braskem America Finance and Braskem and your rights.

You will find the definitions of capitalized terms used in this section under “—Certain Definitions.” For purposes of this section of this offering memorandum, references to “Braskem” refer only to Braskem S.A. and not to its subsidiaries. References to the “notes” refer to the new notes and the initial notes collectively, unless the context otherwise requires.

### General

The new notes:

- will be senior unsecured obligations of Braskem America Finance;
- will be issued in this offering in an aggregate principal amount of US\$250 million;
- will mature on July 22, 2041;
- will be subject to optional redemption or tax redemption as described under “—Redemption”;
- will be issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof;
- will be represented by one or more registered notes in global form and may be exchanged for notes in definitive form only in limited circumstances; and
- will be unconditionally guaranteed on a senior unsecured basis by Braskem.

Interest on the new notes:

- will accrue at the rate of 7.125% per annum;
- will accrue from July 22, 2012;
- will be payable in cash semi-annually in arrears on January 22 and July 22, beginning on January 22, 2013;

- will be payable to the holders of record on the January 7 and July 7 immediately preceding the related interest payment dates; and
- will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, premium, if any, interest and any additional amounts on the notes will be payable as set forth under “—Payments.” Transfer of notes will be registrable as set forth under “—Transfer of Notes” at the office of the transfer agent.

If any payment is due on a note on a day that is not a business day, payment will be made on the day that is the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original payment date. No interest will accrue on the postponed amount from the original payment date to the next day that is a business day.

Braskem America Finance may from time to time, without notice to or consent of the noteholders, create and issue an unlimited principal amount of additional notes having the same terms and conditions as the initial notes in all respects, except that the issue date, the issue price and the first payment of interest thereon may differ; *provided, however*, that such additional notes will either be (i) fungible with the initial notes for U.S. federal income tax purposes (including with respect to Sections 1471 and 1472 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) or (ii) are issued under a separate CUSIP number. Any such additional notes will form a single series and vote together with the previously outstanding notes for all purposes hereof.

### **Braskem Guarantee**

Braskem will unconditionally guarantee, on a senior unsecured basis, Braskem America Finance’s payment obligations under the notes and the indenture. The obligations of Braskem under the guarantees will rank:

- equal in right of payment to all other existing and future senior unsecured debt of Braskem subject to certain statutory preferences under applicable law, including labor and tax claims;
- senior in right of payment to Braskem’s subordinated debt; and
- effectively subordinated to the debt and other liabilities (including subordinated debt and trade payables) of Braskem’s subsidiaries (other than Braskem America Finance) and jointly controlled companies and to secured debt of Braskem to the extent of such security.

At March 31, 2012, Braskem had total consolidated debt, net of transaction costs, of R\$14,756.8 million (US\$8,098.8 million), of which R\$3,670.8 million (US\$2,014.6 million) was unsecured debt of Braskem, R\$2,613.0 million (US\$1,434.1 million) was secured debt of Braskem, R\$7,547.1 million (US\$4,142.0 million) was debt of Braskem’s subsidiaries and special purpose entities (other than Braskem America Finance), and R\$19.5 million (US\$10.7 million) was debt of RPR, which we consolidate on a proportional basis as permitted by IFRS.

Some of the operations of Braskem are conducted through subsidiaries and jointly controlled companies, which may have, or may issue, substantial debt.

### **Ranking**

The notes will constitute direct senior unsecured obligations of Braskem America Finance. The notes will rank at least *pari passu* in priority of payment with all other existing and future senior unsecured indebtedness of Braskem America Finance.

### **Redemption**

The notes will not be redeemable prior to maturity except as described below.

*Optional Redemption prior to January 22, 2041*

The notes will be redeemable, at the option of Braskem America Finance or Braskem, in whole or in part, at any time prior to January 22, 2041, at a redemption price equal to the greater of the following amounts, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date:

- 100% of the principal amount of the notes to be redeemed; and
- the sum of the present values of the remaining scheduled payments.

In determining the present values of the remaining scheduled payments, such payments will be discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using a discount rate equal to the treasury rate plus 0.50%.

The following terms are relevant to the determination of the redemption price for the notes:

**“Treasury rate”** means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated yield to maturity of the comparable treasury issue. In determining the treasury rate, the price for the comparable treasury issue (expressed as a percentage of its principal amount) will be assumed to be equal to the comparable treasury price for such redemption date.

**“Comparable treasury issue”** means the United States Treasury security selected by an independent investment banker as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

**“Independent investment banker”** means one of the reference treasury dealers appointed by us.

**“Comparable treasury price”** means (A) the arithmetic average of the reference treasury dealer quotations for such redemption date after excluding the highest and lowest reference treasury dealer quotations, or (B) if we obtain fewer than four reference treasury dealer quotations, the arithmetic average of all reference treasury dealer quotations for such redemption date.

**“Reference treasury dealer quotations”** means, with respect to each reference treasury dealer and any redemption date, the arithmetic average, as determined by us, of the bid and asked prices for the comparable treasury issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such reference treasury dealer by 3:30 p.m. (New York City time) on the third business day preceding such redemption date.

**“Reference treasury dealer”** means at least three primary U.S. government securities dealers in New York City, New York designated by Braskem America Finance not later than the fifth business day preceding such redemption date.

**“Remaining scheduled payments”** means the remaining scheduled payments of the principal and interest that would be due after the applicable redemption date but for such redemption; *provided, however*, that, if such redemption date is not an interest payment date, the amount of the next scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

#### *Optional Redemption on January 22, 2041 or thereafter*

The notes will be redeemable, at the option of Braskem America Finance or Braskem, in whole or in part, on January 22, 2041 or at any time thereafter, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date.

#### *Tax Redemption*

The notes will be redeemable, at the option of Braskem America Finance, Braskem or any successor, in whole, but not in part, at 100% of the principal amount thereof, plus accrued and unpaid interest thereon and additional amounts, if any, to, but excluding, the redemption date, only if (1) Braskem America Finance, Braskem or any successor has or will become obligated to pay additional amounts as discussed under “—Additional Amounts” with respect to the notes or the related guarantees (i) in excess of the additional amounts that Braskem America Finance, Braskem or any successor would pay if payments in respect of the notes or the related guarantees were subject to deduction or withholding for Brazilian Taxes (as defined under “—Additional Amounts”) at a rate of (A) 15% generally in case of any taxes imposed by Brazil, or (B) 25% in case of taxes imposed by Brazil on amounts paid to residents of countries which do not impose any income tax or which impose it at a maximum rate lower than 20% or where the laws of that country or location impose restrictions on the disclosure of (x) shareholding composition; (y) the ownership of the investment; or (z) the beneficial ownership of income paid to non-resident persons, pursuant to Law No. 9,779, dated January 19, 1999, as a result of any change in, or amendment to, the laws or regulations of Brazil (or the jurisdiction of any successor) or any political subdivision or governmental authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment occurs after the date of the indenture (or date of succession) (2) Braskem America Finance has or will become obligated to pay additional amounts as discussed under “—Additional Amounts” with respect to U.S. taxes as a result of any changes in, or amendments to, the laws or regulations of the United States or any change in the application or official interpretation of such laws or regulations, which change or amendment occurs after the date of this Indenture, *provided* in all cases such obligation cannot be avoided by Braskem America Finance, Braskem or any successor taking reasonable measures available to it; *provided, however*, that for this purpose reasonable measures will not include any change in Braskem America Finance’s, Braskem’s or any successor’s jurisdiction of incorporation or organization or location of its principal executive office or registered office. No such notice of redemption will be given earlier than 60 days prior to the earliest date on which Braskem America Finance, Braskem or any successor, as the case may be, would be obligated to pay such additional amounts if a payment in respect of such notes or the related guarantees were then due.

Prior to the publication or mailing of any notice of redemption of the notes, Braskem America Finance, Braskem or any successor must deliver to the trustee an officer’s certificate to the effect that the obligations of Braskem America Finance, Braskem or any successor, as the case may be, to pay additional amounts cannot be avoided by Braskem America Finance, Braskem or any successor taking reasonable measures available to it. Braskem America Finance, Braskem or any successor will also deliver an opinion of legal counsel of recognized standing stating that Braskem America Finance, Braskem or any successor, as the case may be, would be obligated to pay additional amounts due to the changes in tax laws or regulations. The trustee will accept this certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in clauses (1) and (2) above, in which event it will be conclusive and binding on the holders.

#### *General Provisions for Optional or Tax Redemption*

Braskem America Finance or Braskem will mail, or cause to be mailed, a notice of redemption to each holder and the trustee (which, in the case of global notes, will be DTC) by first-class mail, postage prepaid, at least five business days and not more than 60 days prior to the redemption date, to the address of each holder as it appears on the register maintained by the registrar. A notice of redemption will be irrevocable.

In the event that less than all of the notes are to be redeemed at any time, selection of notes for redemption will be made by the trustee in compliance with the requirements governing redemptions of the principal securities exchange, if any, on which notes are listed or if such securities exchange has no requirement governing redemption or the notes are not then listed on a securities exchange, on a *pro rata* basis or by lot (or, in the case of notes issued

in global form, based on the applicable procedures of DTC). If notes are redeemed in part, the remaining outstanding amount of any note must be at least equal to US\$200,000 and be an integral multiple of US\$1,000.

Unless Braskem America Finance or Braskem defaults in the payment of the redemption price, on and after the redemption date interest will cease to accrue on the notes called for redemption.

Braskem America Finance or Braskem may enter into an arrangement under which Braskem or a subsidiary of Braskem may, in lieu of redemption by Braskem America Finance or Braskem, purchase for a purchase price equal to the full redemption price any note to be redeemed pursuant to provisions described under “—Redemption.”

### **Purchase of Notes Upon Change of Control Event**

Not later than 30 days following a Change of Control that results in a Ratings Decline, Braskem, acting on behalf of Braskem America Finance, will make directly or by a Designated Affiliate, an Offer to Purchase all outstanding notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon and additional amounts, if any, to, but excluding, the purchase date.

An “**Offer to Purchase**” must be made by written offer (a copy of which shall be delivered to the trustee), which will specify the principal amount of notes subject to the offer and the purchase price. The offer must specify an expiration date (the “**Expiration Date**”) not less than 30 days or more than 60 days after the date of the offer and a settlement date for purchase (the “**Purchase Date**”) not more than five business days after the Expiration Date. The offer must include information concerning the business of Braskem and its subsidiaries which it believes will enable the holders to make an informed decision with respect to the Offer to Purchase. The offer will also contain instructions and materials necessary to enable holders to tender notes pursuant to the offer. Braskem will comply with Rule 14c-1 under the Exchange Act (to the extent applicable) and all other applicable laws in making any Offer to Purchase, and the above procedures will be deemed modified as necessary to permit such compliance.

A holder may tender all or any portion of its notes pursuant to an Offer to Purchase, subject to the requirement that if a holder tenders only a portion of its notes, the remaining notes must be no less than US\$200,000 in principal amount and in integral multiples of US\$1,000 in excess thereof. Holders shall be entitled to withdraw notes tendered up to the close of business on the Expiration Date. On the Purchase Date, the purchase price will become due and payable on each note accepted for purchase pursuant to the Offer to Purchase, and interest on notes purchased will cease to accrue on and after the Purchase Date.

Braskem will not be required to make an Offer to Purchase upon a Change of Control that results in a Ratings Decline if (1) a third party makes the Offer to Purchase in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to an Offer to Purchase made by Braskem and purchases all notes properly tendered and not withdrawn under the Offer to Purchase, or (2) a notice of redemption for all outstanding notes has been given pursuant to the indenture unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, an Offer to Purchase may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Offer to Purchase is made.

In the event that the holders of not less than 90% of the aggregate principal amount of the outstanding notes accept a Change of Control Offer and Braskem or a third party purchases all the notes held by such holders, Braskem America Finance and Braskem will have the right, on not less than 30 nor more than 60 days’ prior notice (with a copy to the trustee), given not more than 30 days following the purchase pursuant to the Change of Control Offer described above, to redeem all of the notes that remain outstanding following such purchase at the purchase price equal to that in the Change of Control Offer plus, to the extent not included in the Change of Control Offer payment, accrued and unpaid interest and additional amounts, if any, on the notes that remain outstanding, to the date of redemption.

**“Change of Control”** means:

(1) any “*person*” or “*group*” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders or a group that includes one or more Permitted Holders in which such Permitted Holder or Permitted Holders hold and have voting power over at least a majority of the Voting Stock of Braskem held by such group, is or becomes the “*beneficial owner*” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of Braskem, including as a result of any merger or consolidation transaction including Braskem; or

(2) the Permitted Holders, directly or indirectly, cease to have the power to direct or cause the direction of the management and policies of Braskem, whether through the ownership of voting securities, by contract or otherwise.

**“Designated Affiliate”** means, at any time, one or more Persons designated by Braskem to be the purchaser of notes under an Offer to Purchase.

**“Investment Grade”** means BBB– or higher by Standard & Poor’s, Baa3 or higher by Moody’s or BBB– or higher by Fitch, or the equivalent of such global ratings by Standard & Poor’s, Moody’s or Fitch.

**“Permitted Holder”** means each of (1) Odebrecht S.A. and its Affiliates and (2) Petróleo Brasileiro S.A. – Petrobras and its Subsidiaries.

**“Person”** means any corporation, partnership, joint venture, trust, limited liability company or unincorporated organization.

**“Rating Agency”** means each of (1) Standard & Poor’s, (2) Moody’s and (3) Fitch, or their respective successors.

**“Ratings Decline”** means that at any time within 90 days after the earlier of the date of public notice of a Change of Control and the date on which Braskem or any other Person publicly declares its intention to effect a Change of Control, (1) in the event the notes are assigned an Investment Grade rating by at least two of the Rating Agencies prior to such public notice or declaration, the rating assigned to the notes by at least two of the Rating Agencies is below an Investment Grade rating; or (2) in the event the ratings assigned to the notes by at least two of the Rating Agencies prior to such public notice or declaration are below an Investment Grade rating, the rating assigned to the notes by at least two of the Rating Agencies is decreased by one or more categories (*i.e.*, notches); *provided* that, in each case, any such Ratings Decline is expressly stated by the applicable Rating Agencies to have been the result of the Change of Control.

**“Voting Stock”** means, with respect to Braskem as of any date, the Capital Stock of Braskem that is at the time entitled to vote generally in the election of the Board of Directors of Braskem and in respect of other matters presented at shareholders’ meetings of Braskem.

## **Open Market Purchases**

Braskem America Finance, Braskem or any of their affiliates may at any time purchase notes in the open market or otherwise at any price. Any such purchased notes will not be resold, except in compliance with applicable requirements or exemptions under any relevant securities laws.

## **Payments**

Braskem America Finance and Braskem will make all payments on the notes and related guarantees exclusively in such coin or currency of the United States as at the time of payment will be legal tender for the payment of public and private debts.

Braskem America Finance will make payments of principal of and premium, if any, and interest on the notes to a paying agent, which will pass such funds to the trustee and the other paying agents or to the holders.

Upon any issuance of individual definitive notes, Braskem America Finance will appoint and maintain a paying agent in Singapore, for so long as the notes are listed on the SGX-ST and the rules of such exchange so require. In such event, an announcement will be made through the SGX-GT and will include all material information with respect to the delivery of the definitive notes, including details of the paying agent in Singapore. Upon any change in the paying agent or registrar, Braskem America Finance will publish a notice in a leading daily newspaper of general circulation in Singapore (which is expected to be *The Business Times* (Singapore Edition)), for so long as the notes are listed on the SGX-ST and the rules of such exchange so require. See “Form of the Notes—Individual Definitive Notes.”

Braskem America Finance will pay interest on the notes to the persons in whose name the notes are registered on the relevant record date and will pay principal and premium, if any, on the notes to the persons in whose name the notes are registered at the close of business on the fifth day before the due date for payment. Payments of principal, premium, if any, and interest in respect of each note in definitive form will be made by a paying agent by U.S. dollar check drawn on a bank in New York City and mailed to the person entitled thereto at its registered address. Upon written notice from a holder to the specified office of any paying agent not less than 15 business days before the due date for any payment in respect of a note, such payment may be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in New York City. Braskem America Finance will make payments of principal and premium, if any, upon surrender of the relevant notes at the specified office of the trustee or any of the paying agents.

Under the terms of the indenture, payment by Braskem America Finance of any amount payable under the notes to a paying agent in accordance with the indenture will satisfy the obligation of Braskem America Finance to make such payment; *provided, however*, that the liability of such paying agent will not exceed any amounts paid to it by Braskem America Finance, or held by it, on behalf of the holders under the indenture. Braskem America Finance will agree in the indenture to indemnify the holders in the event that there is subsequent failure by the trustee or any paying agent to pay any amount due in respect of the notes in accordance with the indenture.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions described under “—Additional Amounts.” No fees or expenses will be charged to the holders in respect of such payments.

Subject to applicable law, the trustee and the paying agents will pay to Braskem America Finance or Braskem upon written request and subject to any relevant unclaimed property laws and regulations any monies held by them for the payment of principal, premium, if any, or interest that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to Braskem America Finance or Braskem for payment as general creditors. After the return of such monies by the trustee or the paying agents to Braskem America Finance or Braskem, neither the trustee nor the paying agents will be liable to the holders in respect of such monies.

### **Form, Denomination and Title**

The notes will be issued in fully registered form without coupons attached in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Notes sold in offshore transactions in reliance on Regulation S will be represented by one or more permanent global notes in fully registered form without coupons deposited with a custodian for and registered in the name of a nominee of DTC for the accounts of Euroclear and Clearstream. Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in fully registered form without coupons deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream. Except in certain limited circumstances, definitive registered notes will not be issued in exchange for beneficial interests in the global notes. See “Form of the Notes—Global Notes.”

Title to the notes will pass by registration in the register. The holder of any note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any

notice of ownership, trust or any interest in it, writing on, or theft or loss of, the definitive note issued in respect of it) and no person will be liable for so treating the holder.

### **Transfer of Notes**

Notes may be transferred in whole or in part in an authorized denomination upon the surrender of the note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the registrar or the specified office of any transfer agent. Each new note to be issued upon exchange of notes or transfer of notes will, within three business days of the receipt of a request for exchange or form of transfer, be mailed at the risk of the holder entitled to the note to such address as may be specified in such request or form of transfer.

Notes will be subject to certain restrictions on transfer as more fully set out in the indenture. See “Notice to Investors.” Transfer of beneficial interests in the global notes will be effected only through records maintained by DTC and its participants. See “Form of the Notes.”

Transfer will be effected without charge by or on behalf of Braskem America Finance, the registrar or the transfer agents, but upon payment, or the giving of such indemnity as the registrar or the relevant transfer agent may require, in respect of any tax or other governmental charges which may be imposed in relation to it. Braskem America Finance is not required to transfer or exchange any note selected for redemption.

No holder may require the transfer of a note to be registered during the period of 15 days ending on the due date for any payment of principal, premium, if any, or interest on that note.

### **Additional Amounts**

All payments by Braskem America Finance and Braskem in respect of the notes or the related guarantees, as the case may be, will be made without withholding or deduction for or on account of, any present or future taxes, duties, assessments, fees or other governmental charges of whatever nature (and any fines, penalties or interest related thereto) imposed or levied by or on behalf of Brazil or any political subdivision or authority of or in Brazil having power to tax (“Brazilian Taxes”) or the United States or any political subdivision or authority therein having power to tax, unless such withholding or deduction is required by law. In that event, Braskem America Finance or Braskem, as the case may be, will pay to each holder such additional amounts as may be necessary in order that the net amount received by each holder of notes (excluding such additional amounts) after such withholding or deduction will equal the amount the holder would have received if such Brazilian Taxes or U.S. taxes had not been withheld or deducted. The foregoing obligation to pay additional amounts will not apply to or in respect of:

- (i) any tax, assessment or other governmental charge which would not have been imposed but for the existence of any present or former connection between a holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder, if such holder is an estate, a trust, a partnership or a corporation), on the one hand, and the United States or Brazil, on the other hand (including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein), other than the mere receipt of such payment or the ownership or holding of a note or the related guarantees;
- (ii) any tax, assessment or other governmental charge which would not have been so imposed but for the presentation by a holder for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (iii) any tax, duty, assessment or other governmental charge to the extent that such tax, duty, assessment or other governmental charge would not have been imposed but for the failure of a holder or beneficial owner to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with Brazil or the United States of such holder if, in the case of Brazilian Taxes (a) such compliance is required or imposed by law as a precondition to exemption from all or a part of

such tax, duty, assessment or other governmental charge and (b) at least 30 days prior to the date on which Braskem America Finance or Braskem, as the case may be, will apply this clause (iii), Braskem America Finance or Braskem, as the case may be, will have notified all holders of notes that some or all holders of notes will be required to comply with such requirement;

(iv) any estate, inheritance, gift, sales, transfer, excise or personal property or similar tax, assessment or governmental charge;

(v) any withholding or deduction imposed on a payment to an individual and that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings;

(vi) any tax, assessment or other governmental charge which would have been avoided by such holder presenting the relevant note (if presentation is required) or requesting that such payment be made to another paying agent in a member state of the European Union;

(vii) any tax, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of, premium, if any, or interest on a note;

(viii) any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as the actual or constructive owner of 10 per cent. or more of the total combined voting power of all classes of stock of Braskem America Finance entitled to vote;

(ix) any tax, assessment or other governmental charge imposed on interest received by a Bank or a controlled foreign corporation, as defined for US federal income tax purposes, each as described in Section 881(c)(3) of the Code (or any successor provision thereto);

(x) any tax, assessment or other governmental charge which is imposed by the United States pursuant to (a) section 1471(a) of the Code as a result of (1) the failure of a holder or beneficial owner that is a "*foreign financial institution*" within the meaning of section 1471(d)(4) of the Code to comply with the requirements of section 1471(b) of the Code, or (2) any note being held by a "*recalcitrant account holder*" of a foreign financial institution within the meaning of section 1471(d)(6) of the Code that otherwise complies with the requirements of section 1471(b) of the Code, or (b) section 1472(a) of the Code as a result of the failure of a holder or beneficial owner that is a "*non-financial foreign entity*" within the meaning of section 1472(d) of the Code to comply with the requirements of section 1472(b) of the Code; or

(xi) any combination of the above.

Braskem America Finance or Braskem, as the case may be, will also pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies which arise in any jurisdiction from the execution, delivery, registration or the making of payments in respect of the notes and the related guarantees, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside of Brazil other than those resulting from, or required to be paid in connection with, the enforcement of the notes and the related guarantees following the occurrence of any Default or Event of Default.

No additional amounts will be paid with respect to a payment on any note or the related guarantees to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or beneficial owner would not have been entitled to receive payment of the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of the note or the related guarantees.

Braskem America Finance or Braskem, as applicable, will provide the trustee with the official acknowledgment of the relevant taxing authority (or, if such acknowledgment is not available, other reasonable documentation) evidencing any payment of U.S. taxes or Brazilian Taxes in respect of which Braskem America Finance or Braskem

has paid any additional amounts. Copies of such documentation will be made available to the holders of the notes or the paying agents, as applicable, upon request therefor.

All references in this offering memorandum to principal of, premium, if any, and interest on the notes will include any additional amounts payable by Braskem America Finance or Braskem, as the case may be, in respect of such principal, such premium, if any, and such interest.

## **Covenants**

The indenture contains the following covenants:

### ***Limitation on Liens***

Braskem will not, and will not permit any Significant Subsidiary to, create or suffer to exist any Lien upon any of its property or assets now owned or hereafter acquired by it or on any Capital Stock of any Significant Subsidiary securing any Debt of Braskem or any Significant Subsidiary unless contemporaneously therewith effective provision is made to secure the notes equally and ratably with such obligation for so long as such obligation is so secured. The preceding sentence will not require Braskem or any Subsidiary to equally and ratably secure the notes if the Lien consists of the following:

(1) any Lien existing on the date of the indenture, and any extension, renewal or replacement thereof or of any Lien referred to in clauses (2), (3), (4) or (11) below; *provided, however*, that the aggregate principal amount of Debt so secured is not increased, other than any increase reflecting premiums, fees and expenses in connection with such extension, renewal or replacement;

(2) any Lien on any property or assets (including Capital Stock of any person) securing Debt incurred for purposes of financing the acquisition, construction or improvement of such property or assets including related transaction fees and expenses (or securing Debt incurred to refinance a bridge or other interim financing that is initially incurred for the purpose of financing such acquisition, construction or improvement of such property or assets including related transaction fees and expenses) after the date of the indenture; *provided* that (a) the aggregate principal amount of Debt secured by the Liens will not exceed (but may be less than) the cost (*i.e.*, purchase price) of the property or assets so acquired, constructed or improved and (b) the Lien is incurred before, or within 365 days after the completion of, such acquisition, construction or improvement and does not encumber any other property or assets of Braskem or any Significant Subsidiary; *provided further* that any Lien is permitted to be incurred on the Capital Stock of any person securing any Debt of that person that is (i) Non-Recourse Debt, and (ii) incurred for purposes of financing the acquisition, construction or improvement of any property or assets of such person;

(3) any Lien securing Debt for the purpose of financing all or part of the cost of the acquisition, construction or development of a project; *provided* that (a) the Lien in respect of such Debt is limited to assets (including Capital Stock of the project entity), rights and/or revenues of such project, (b) the aggregate principal amount of Debt secured by the Liens will not exceed (but may be less than) the cost (*i.e.*, purchase price) of the project, and (c) the Lien is incurred before, or within 365 days after the completion of, that acquisition, construction or development and does not apply to any other property or assets of Braskem or any Significant Subsidiary;

(4) any Lien existing on any property or assets of any person before that person's acquisition by, merger into or consolidation with Braskem or any Subsidiary after the date of the indenture; *provided* that (a) the Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation, (b) the Debt secured by the Liens may not exceed the Debt secured on the date of such acquisition, merger or consolidation, in each case, taking into account any accrued interest or monetary variation, (c) the Lien will not apply to any other property or assets of Braskem or any of its Subsidiaries and (d) the Lien will secure only the Debt that it secures on the date of such acquisition, merger or consolidation;

(5) any Lien imposed by law that was incurred in the ordinary course of business, including, without limitation, carriers', warehousemen's and mechanics' liens and other similar encumbrances arising in the ordinary course of business, in each case for sums not yet due or being contested in good faith by appropriate proceedings;

(6) any pledge or deposit made in connection with workers' compensation, unemployment insurance or other similar social security legislation, any deposit to secure appeal bonds in proceedings being contested in good faith to which Braskem or any Subsidiary is a party, good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which Braskem or any Subsidiary is a party or deposits for the payment of rent, in each case made in the ordinary course of business;

(7) any Lien in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of Braskem or any Subsidiary in the ordinary course of business;

(8) any Lien securing taxes, assessments and other governmental charges, the payment of which are not yet due or are being contested in good faith by appropriate proceedings and for which such reserves or other appropriate provisions, if any, have been established as required by GAAP;

(9) minor defects, easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, licenses, restrictions on the use of property or assets or minor imperfections in title that do not materially impair the value or use of the property or assets affected thereby, and any leases and subleases of real property that do not interfere with the ordinary conduct of the business of Braskem or any Subsidiary, and which are made on customary and usual terms applicable to similar properties;

(10) any rights of set-off of any person with respect to any deposit account of Braskem or any Subsidiary arising in the ordinary course of business and not constituting a financing transaction;

(11) any Lien granted to secure borrowings from, directly or indirectly, (a) Banco Nacional de Desenvolvimento Econômico e Social – BNDES, Banco do Nordeste do Brasil S.A. or any other Brazilian governmental development bank or credit agency or (b) any international or multilateral development bank, government-sponsored agency, export-import bank or agency, or official export-import credit insurer;

(12) Liens securing obligations under hedging agreements not for speculative purposes;

(13) any Lien on the inventory or receivables and related assets of Braskem or any Subsidiary securing the obligations of such person under any lines of credit or working capital facility or in connection with any structured export or import financing or other trade transaction; *provided* that the aggregate amount of receivables securing Debt will not exceed (a) with respect to transactions secured by receivables from export sales, 80% of Braskem's consolidated gross revenues from export sales for the most recently concluded period of four consecutive fiscal quarters; or (b) with respect to transactions secured by receivables from domestic sales, 80% of such Person's consolidated gross revenues from sales for the most recently concluded period of four consecutive fiscal quarters; *provided, further*, that Advance Transactions will not be deemed transactions secured by receivables for purpose of the above calculation;

(14) Liens securing obligations owed by any Restricted Subsidiary of Braskem to Braskem or one or more Restricted Subsidiaries of Braskem and/or by Braskem to one or more such Restricted Subsidiaries; and

(15) in addition to the foregoing Liens set forth in clauses (1) through (14) above or otherwise permitted by this covenant, Liens securing Debt of Braskem or any Subsidiary (including, without limitation, guarantees of Braskem or any Subsidiary) which do not in aggregate principal amount, at any time of determination, exceed 15.0% of Braskem's Consolidated Total Assets.

Solely for purposes of this "Limitation on Liens" covenant (but not the "Consolidated Total Assets" definition), and notwithstanding the "Subsidiary" definition, a corporation, association, partnership or other business entity that

constitutes a joint venture or similar entity between Braskem and/or one or more of its Subsidiaries, on the one hand, and one or more persons, on the other, and that would otherwise be a Subsidiary will not be deemed to be a Subsidiary (and, therefore, not subject to this covenant); *provided* that such joint venture or similar entity is not fully consolidated in the financial statements of Braskem (and instead is proportionately consolidated under CVM Instruction No. 247, as amended, or any successor provision because it is jointly controlled by Braskem and/or its Subsidiaries, on the one hand, and such other persons, on the other); and *provided, further*, that the Debt secured or to be secured by Liens is incurred to finance the business of such joint venture or similar entity or property or assets owned or hereafter acquired, directly or indirectly, by it.

For the avoidance of doubt, a Lien permitted by this “Limitation on Liens” covenant need not be permitted solely by reference to a single clause permitting such Lien, but may be permitted in part by such clause and in part by one or more other clauses of this covenant otherwise permitting such Lien.

#### ***Limitation on Consolidation, Merger or Transfer of Assets***

Braskem will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any person, unless:

(1) the resulting, surviving or transferee person (if not Braskem) will be a person organized and existing under the laws of Brazil, the United States of America, any State thereof or the District of Columbia, any other country that is a member country of the European Union or of the Organization for Economic Co-operation and Development on the date of the indenture, or any other country whose long-term foreign currency-denominated debt has an Investment Grade rating from either Standard & Poor’s or Moody’s as of the effective date of such transaction, and such person expressly assumes, by a supplemental indenture to the indenture, executed and delivered to the trustee, all the obligations of Braskem under the indenture, the notes and the guarantees, as applicable;

(2) the resulting, surviving or transferee person (if not Braskem), if not organized and existing under the laws of Brazil, undertakes, in such supplemental indenture, to pay such additional amounts in respect of principal and premium, if any, and interest as may be necessary in order that every net payment made in respect of the guarantees related to the notes after deduction or withholding for or on account of any present or future tax, penalty, fine, duty, assessment or other governmental charge imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal (and premium, if any) and interest then due and payable on the guarantees related to the notes, subject to the same exceptions set forth under clauses (i) through (viii) under “—Additional Amounts,” but replacing existing references in such clauses to Brazil and the United States with references to such other country;

(3) immediately after giving effect to such transaction, no Event of Default will have occurred and be continuing; and

(4) Braskem will have delivered to the trustee an officer’s certificate and an opinion of counsel, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, comply with the indenture.

The trustee will be entitled to conclusively rely on and will accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

#### ***Reporting Requirements***

Braskem will provide the trustee with the following reports for delivery to noteholders upon their written request thereof:

(1) an English language version of its annual audited consolidated financial statements prepared in accordance with GAAP, within 120 days after the close of its fiscal year;

(2) an English language version of its unaudited quarterly financial statements prepared in accordance with GAAP, within 60 days after the close of each fiscal quarter (other than the last fiscal quarter of its fiscal year);

(3) simultaneously with the delivery of each set of financial statements referred to in clause (1) above, an officer's certificate stating whether, to the knowledge of the officer executing such officer's certificate, a Default or Event of Default exists on the date of such certificate and, if a Default or Event of Default exists, setting forth the details thereof and the action which Braskem America Finance or Braskem, as the case may be, is taking or proposes to take with respect thereto; and

(4) within five business days after any director or executive officer of Braskem America Finance or Braskem, as the case may be, becomes aware of the existence of a Default or Event of Default, an officer's certificate setting forth the details thereof and the action which Braskem America Finance or Braskem, as the case may be, is taking or proposes to take with respect thereto.

The above reports may be delivered by Braskem to the trustee in physical or electronic form, as determined by Braskem. If Braskem files the reports described in clauses (1) or (2) with the U.S. Securities and Exchange Commission or makes such reports available on its website, it will be deemed to have satisfied the reporting requirement set forth in such applicable clause.

Delivery of the above reports to the trustee is for informational purposes only and the trustee's receipt of such reports will not constitute constructive notice of any information contained therein or determinable from information contained therein, including the compliance of Braskem America Finance or Braskem, as the case may be, with any of its covenants in the indenture (as to which the trustee is entitled to rely exclusively on officer's certificates).

#### **Additional Limitations on Braskem America Finance and Braskem**

The indenture contains the following covenants:

- Braskem America Finance will not engage in any business, or conduct any operations, other than to finance the operations of Braskem and its subsidiaries and activities that are reasonably ancillary thereto (including, without limitation, on-lending of funds, repurchases of Debt not prohibited by the indenture, entering into transactions involving Hedging Obligations relating to such Debt and investments not prohibited by the indenture);
- Braskem America Finance will not incur any Debt other than (1) the notes and (2) any other indebtedness which (i) ranks equally with the notes or (ii) is subordinated to the notes;
- Braskem America Finance will not redeem any of its shares; and
- Braskem America Finance will not incur any Liens on any of its assets, except for any Liens imposed by operation of law.

Braskem, as the sole shareholder of Braskem America Finance, and Braskem America Finance will also agree in the indenture that, for so long as any of the notes is outstanding neither Braskem nor Braskem America Finance will take any corporate action with respect to:

- the consolidation or merger of Braskem America Finance with or into any other person, except that Braskem America Finance may merge with Braskem or a Wholly-owned Subsidiary;
- the voluntary liquidation, wind-up or dissolution of Braskem America Finance while Braskem America Finance is the issuer of the notes, unless Braskem fully and unconditionally assumes all of the obligations of Braskem America Finance, including the notes; or

- the transfer or disposition by Braskem of Braskem America Finance to any person other than a Wholly-owned Subsidiary, except as permitted under “—Covenants—Limitation on Consolidation, Merger or Transfer of Assets.”

### **Substitution of the Issuer**

Braskem America Finance may, without the consent of any holder of the notes, be substituted by (a) Braskem or (b) any Wholly-owned Subsidiary of Braskem as principal debtor in respect of the notes (in that capacity, the “**Substituted Issuer**”); *provided* that the following conditions are satisfied:

(1) such documents will be executed by the Substituted Issuer, Braskem America Finance, Braskem and the trustee as may be necessary to give full effect to the substitution, including a supplemental indenture under which the Substituted Issuer assumes all of Braskem America Finance’s obligations under the indenture and the notes and, unless Braskem’s then existing guarantee remains in full force and effect, a substitute guarantee issued by Braskem in respect of the notes (collectively, the “Issuer Substitution Documents”);

(2) the Issuer Substitution Documents will contain covenants to indemnify each holder and beneficial owner of the notes against (a) all taxes or duties which arise by reason of a law or regulation in effect or contemplated on the effective date of the substitution, which may be incurred or levied against such holder or beneficial owner of the notes as a result of the substitution and which would not have been so incurred or levied had the substitution not been made, and (b) only if the Substituted Issuer is organized in a jurisdiction other than the United States of America, any State thereof or the District of Columbia, against all taxes or duties which are imposed on such holder or beneficial owner of the notes by any political subdivision or taxing authority of any country in which such holder or beneficial owner of the notes resides or is subject to any such tax or duty and which would not have been so imposed had the substitution not been made, in each case, subject to similar exceptions set forth under clauses (ii) through (xi) under “—Additional Amounts,” *mutatis mutandis*; *provided*, that any holder making a claim with respect to such tax indemnity shall provide Braskem America Finance with notice of such claim, along with supporting documentation, within four weeks of the announcement of the substitution of Braskem America Finance as issuer;

(3) Braskem America Finance will deliver, or cause the delivery, to the trustee opinions from internationally recognized counsel in the jurisdiction of organization of the Substituted Issuer and the United States as to the validity, legally binding effect and enforceability of the Issuer Substitution Documents and specified other legal matters, as well as an officer’s certificate as to compliance with the provisions described under this section;

(4) the Substituted Issuer will appoint a process agent in the Borough of Manhattan in The City of New York to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the notes, the indenture and the Issuer Substitution Documents;

(5) no Event of Default has occurred or is continuing; and

(6) the substitution will comply with all applicable requirements under the laws of the jurisdiction of organization of the Substitute Issuer, New York and Brazil.

Upon the execution of the Issuer Substitution Documents, any substitute guarantees and compliance with the other conditions in the indenture relating to the substitution, the Substituted Issuer will be deemed to be named in the notes as the principal debtor in place of Braskem America Finance and Braskem America Finance will be released from all of its obligations under the notes and the indenture, including, without limitation, compliance with the covenants described under “Additional Limitations on Braskem America Finance and Braskem.”

Not later than 10 business days after the execution of the Issuer Substitution Documents, the Substituted Issuer will give notice thereof to the holders of the notes.

Notwithstanding any other provision of the indenture, Braskem will (unless it is the Substituted Issuer) do or cause to be done all acts and things and promptly execute and deliver any documents or instruments, including any substitute guarantees and a legal opinion of internationally recognized Brazilian counsel, that may be required, or that the trustee may reasonably request, to ensure that Braskem's guarantees are in full force and effect for the benefit of the holders and beneficial owners of the notes following the substitution.

## Events of Default

An “**Event of Default**” occurs if:

(1) Braskem America Finance or Braskem defaults in any payment of interest (including any related additional amounts) on any note when the same becomes due and payable, and such default continues for a period of 30 days;

(2) Braskem America Finance or Braskem defaults in the payment of the principal (including premium, if any, and any related additional amounts) of any note when the same becomes due and payable upon its Stated Maturity, upon redemption, or otherwise;

(3) Braskem America Finance or Braskem fails to comply with any of its covenants or agreements in the notes or the indenture (other than those referred to in clauses (1) and (2) above), and such failure continues for 60 days after the notice specified below;

(4) Braskem or any Significant Subsidiary defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt for money borrowed by Braskem or any such Significant Subsidiary (or the payment of which is guaranteed by Braskem or any such Significant Subsidiary) whether such Debt or guarantee now exists, or is created after the date of the indenture, which default (a) is caused by failure to pay principal of or premium, if any, or interest on such Debt after giving effect to any grace period provided in such Debt on the date of such default (“Payment Default”) or (b) results in the acceleration of such Debt prior to its express maturity and, in each case, the principal amount of any such Debt or guarantee, as applicable, together with the principal amount of any other such Debt or guarantee under which there has been a Payment Default or the maturity of which has been so accelerated, totals US\$100.0 million (or the equivalent thereof at the time of determination) or more in the aggregate;

(5) one or more final judgments or decrees for the payment of money of US\$100.0 million (or the equivalent thereof at the time of determination) or more in the aggregate are rendered against Braskem or any Significant Subsidiary and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged (and otherwise not covered by an insurance policy or policies issued by reputable and credit-worthy insurance companies) and, in the case of each such judgment or decree, either (a) an enforcement proceeding has been commenced by any creditor upon such judgment or decree and is not dismissed within 90 days following commencement of such enforcement proceedings or (b) there is a period of 90 days following such judgment during which such judgment or decree is not discharged, waived or the execution thereof stayed; or

(6) certain events of bankruptcy or insolvency of Braskem or Significant Subsidiary.

A Default under clause (3) above will not constitute an Event of Default until the trustee or the holders of at least 25% in principal amount of the notes outstanding notify Braskem of the Default and Braskem does not cure such Default within the time specified after receipt of such notice.

The trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless either (i) an authorized officer or agent of the trustee with direct responsibility for the indenture has actual knowledge of such Default or Event of Default or (ii) written notice of such Default or Event of Default has been given to the trustee by Braskem America Finance, Braskem or any holder.

In the case of any Event of Default referred to in clauses 4(a) and/or 4(b) above, such Event of Default will be automatically rescinded or annulled if the Payment Default and/or the acceleration of the Debt referred to therein is remedied or cured by Braskem or such Significant Subsidiary or waived by the holders of such Debt within 60 days after the Payment Default and/or acceleration in respect of such Debt.

If an Event of Default (other than an Event of Default specified in clause (6) above) occurs and is continuing, the trustee or the holders of not less than 25% in principal amount of the notes then outstanding may declare all unpaid principal of and accrued interest on all notes to be due and payable immediately, by a notice in writing to Braskem America Finance, and upon any such declaration such amounts will become due and payable immediately. If an Event of Default specified in clause (6) above occurs and is continuing, then the principal of and accrued interest on all notes will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

Subject to the provisions of the indenture relating to the duties of the trustee in case an Event of Default will occur and be continuing, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders, unless such holders will have offered to the trustee indemnity satisfactory to the trustee. Subject to such provision for the indemnification of the trustee and certain other conditions set forth in the indenture, the holders of a majority in aggregate principal amount of the outstanding notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

## **Defeasance**

Braskem America Finance or Braskem, as the case may be, may at any time terminate all of its obligations with respect to the notes (“**defeasance**”), except for certain obligations, including those regarding any trust established for a defeasance and obligations to register the transfer or exchange of the notes, to replace mutilated, destroyed, lost or stolen notes and to maintain agencies in respect of notes. Braskem America Finance or Braskem, as the case may be, may at any time terminate its obligations under certain covenants set forth in the indenture, and any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to the notes issued under the indenture (“**covenant defeasance**”). In order to exercise either defeasance or covenant defeasance, Braskem America Finance or Braskem must irrevocably deposit in trust, for the benefit of the holders of the notes, with the trustee cash or U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants or investment bank expressed in a written certificate delivered to the trustee, without consideration of any reinvestment, to pay the principal of, the premium, if any, and interest on the notes to redemption or maturity and comply with certain other conditions, including, with respect to a defeasance, the delivery of an opinion of counsel as to certain tax matters.

## **Amendment, Supplement, Waiver**

Subject to certain exceptions, the indenture, the notes or the guarantees may be amended or supplemented with the written consent of the holders of at least a majority in principal amount of the notes then outstanding, and any Default or Event of Default and its consequences may be waived with the consent of the holders of at least a majority in principal amount of the notes then outstanding. However, without the consent of each holder of an outstanding note affected thereby, no amendment may:

- (1) reduce the rate of or extend the time for payment of interest on any note;
- (2) reduce the principal of or extend the Stated Maturity of any note;
- (3) reduce the amount payable upon redemption of any note or change the time at which any note may be redeemed;
- (4) change the currency or place of payment of principal of, premium, if any, or interest on, any note;
- (5) impair the right to institute suit for the enforcement of any payment on or with respect to any note;

(6) waive a Default or Event of Default in the payment of principal of, premium, if any, and interest on the notes;

(7) amend or modify any provisions of the payment obligations under guarantees in a manner that would materially and adversely affect the holders;

(8) reduce the principal amount of notes whose holders must consent to any amendment, supplement or waiver; or

(9) make any change in the amendment or waiver provisions which require each holder's consent.

The holders of the notes will receive prior notice as described under “—Notices” of any proposed amendment to the indenture, the notes or the guarantees described in this paragraph. After an amendment described in the preceding paragraph becomes effective, Braskem America Finance or Braskem is required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all holders of the notes, or any defect therein, will not impair or affect the validity of the amendment.

The consent of the holders of the notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Braskem America Finance, Braskem and the trustee may, without notice to or the consent or vote of any holder of the notes, amend or supplement the indenture, the notes or the guarantees for the following purposes:

(1) to cure any ambiguity, omission, defect or inconsistency (including, without limitation, any inconsistency between the text of the indenture, the notes or the guarantees and the description of the indenture, the notes or the guarantees contained in this offering memorandum);

(2) to comply with the covenant described under “—Covenants—Limitation on Consolidation, Merger or Transfer of Assets”;

(3) to add guarantees or collateral with respect to the notes;

(4) to add to the covenants of Braskem America Finance or Braskem for the benefit of holders of the notes;

(5) to surrender any right conferred by the indenture upon Braskem America Finance or Braskem;

(6) to evidence and provide for the acceptance of an appointment by a successor trustee;

(7) to comply with any requirements of the SEC in connection with any qualification of the indenture under the U.S. Trust Indenture Act of 1939, as amended;

(8) to provide for the issuance of additional notes; or

(9) to make any other change that does not materially and adversely affect the rights of any holder of the notes.

## **Notices**

For so long as notes in global form are outstanding, notices to be given to holders will be given to the depositary, in accordance with its applicable policies as in effect from time to time. If notes are issued in individual definitive form, notices to be given to holders will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the notes at their registered addresses as they appear in the trustee's records. In addition, so long as the notes are listed on the SGX-ST and the rules of such stock exchange so require, notices will also be published in a leading English language newspaper having general circulation in

Singapore (which is expected to be *The Business Times* (Singapore Edition)). Any such notice will be deemed to have been delivered on the date of first publication.

## **Trustee**

The Bank of New York Mellon is the trustee under the indenture.

The indenture contains provisions for the indemnification of the trustee and for its relief from responsibility. The obligations of the trustee to any holder are subject to such immunities and rights as are set forth in the indenture.

Except during the continuance of an Event of Default, the trustee need perform only those duties that are specifically set forth in the indenture and no others, and no implied covenants or obligations will be read into the indenture against the trustee. In case an Event of Default has occurred and is continuing, the trustee will exercise those rights and powers vested in it by the indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. No provision of the indenture will require the trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

Braskem and its affiliates may from time to time enter into normal banking and trustee relationships with the trustee and its affiliates.

The trustee may hold notes in its own name.

## **Governing Law and Submission to Jurisdiction**

The notes, the indenture and the guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

Each of the parties to the indenture will submit to the non-exclusive jurisdiction of the U.S. federal and New York state courts located in the Borough of Manhattan, The City of New York for purposes of all legal actions and proceedings instituted in connection with the notes and the indenture. Each of Braskem America Finance and Braskem has appointed National Corporate Research, Ltd., 10 East 40<sup>th</sup> Street, 10<sup>th</sup> Floor, New York, New York 10016, as its authorized agent upon which process may be served in any such action.

## **Currency Indemnity**

U.S. dollars are the sole currency of account and payment for all sums payable by Braskem America Finance or Braskem under or in connection with the notes, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of Braskem, Braskem America Finance or otherwise) by any holder of a note in respect of any sum expressed to be due to it from Braskem America Finance or Braskem will only constitute a discharge of Braskem America Finance or Braskem, as the case may be, to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any notes, Braskem America Finance or Braskem, as the case may be, will indemnify such holder against any loss sustained by it as a result; and if the amount of U.S. dollars so purchased is greater than the sum originally due to such holder, such holder will, by accepting notes, be deemed to have agreed to repay such excess. In any event, Braskem America Finance or Braskem as the case may be, will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the holder of notes to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of U.S. dollars been made with the amount so received in that other currency on the date of receipt or

recovery (or, if a purchase of U.S. dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of Braskem America Finance and Braskem, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of notes and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any notes.

## Certain Definitions

The following is a summary of certain defined terms used in the indenture. Reference is made to the indenture for the full definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

**“Advance Transaction”** means an advance from a financial institution involving either (a) a foreign exchange contract (ACC – *Adiantamento sobre Contrato de Câmbio*) or (b) an export contract (ACE – *Adiantamento sobre Contrato de Exportação*).

**“Affiliate”** means, with respect to any specified person, (a) any other person which, directly or indirectly, is in control of, is controlled by or is under common control with such specified person or (b) any other person who is a director or officer (i) of such specified person, (ii) of any subsidiary of such specified person or (iii) of any person described in clause (a) above. For purposes of this definition, control of a person means the power, direct or indirect, to direct or cause the direction of the management and policies of such person whether by contract or otherwise and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

**“Brazil”** means the Federative Republic of Brazil.

**“Capital Lease Obligations”** means, with respect to any person, any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such person prepared in accordance with GAAP; the amount of such obligation will be the capitalized amount thereof, determined in accordance with GAAP; and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

**“Capital Stock”** means, with respect to any person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting), such person’s equity including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

**“Consolidated Total Assets”** means the total amount of assets of Braskem and its Subsidiaries as set forth in the most recent financial statements delivered by Braskem to the trustee in accordance with “—Covenants—Reporting Requirements,” after giving *pro forma* effect to any acquisition or disposition of companies, divisions, lines of businesses, operations or assets by Braskem and its Subsidiaries subsequent to such date and on or prior to the date of determination.

**“CVM”** means the Brazilian Securities Commission (*Comissão de Valores Mobiliários*).

**“Debt”** means, with respect to any person (a **“Debtor”**), without duplication:

(a) the principal of and premium, if any, in respect of (i) indebtedness of such person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such person is responsible or liable (but excluding trade accounts payable or other short-term obligations to suppliers or customers payable within 360 days, in each case arising in the ordinary course of business);

(b) all Capital Lease Obligations of such person;

(c) all obligations of such person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such person and all obligations of such person under any title retention agreement (but excluding trade accounts payable or other short-term obligations to suppliers or customers payable within 360 days, in each case arising in the ordinary course of business);

(d) all obligations of such person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (a) through (c) above) entered into in the ordinary course of business of such person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth business day following receipt by such person of a demand for reimbursement following payment on the letter of credit);

(e) all Hedging Obligations;

(f) all obligations of the type referred to in clauses (a) through (d) above of other persons and all dividends of other persons for the payment of which, in either case, such person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other persons that are customers or suppliers of such person for which such person is or becomes so responsible or liable in the ordinary course of business to (but only to) the extent that such person does not, or is not required to, make payment in respect thereof); and

(g) all obligations of the type referred to in clauses (a) through (e) above of other persons secured by any Lien on any property or asset of such Debtor other than the Capital Stock of such other person (whether or not such obligation is assumed by such Debtor), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured;

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified person prepared in accordance with GAAP.

**“Default”** means any event which is, or after notice or passage of time or both would be, an Event of Default.

**“GAAP”** means, as elected from time to time by Braskem, (i) collectively, the accounting principles prescribed by Brazilian Corporate Law, the rules and regulations issued by the applicable regulators, including the CVM, as well as technical releases issued the Brazilian Institute of Accountants (*Instituto Brasileiro de Contadores*), (ii) International Financial Reporting Standards, or (iii) accounting practices generally accepted in the United States, in each case, as in effect from time to time.

**“guarantee”** means any obligation, contingent or otherwise, of any person directly or indirectly guaranteeing any Debt or other obligation of any person and any obligation, direct or indirect, contingent or otherwise, of such person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however*, that the term “*guarantee*” will not include endorsements for collection or deposit in the ordinary course of business. The term “*guarantee*” used as a verb has a corresponding meaning.

**“Hedging Obligations”** means, with respect to any person, the obligations of such person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option, forward or futures contract or other similar agreement or arrangement designed to protect such person against changes in interest rates or foreign exchange rates.

**“holder”** means the person in whose name a note is registered in the register.

**“investment”** means, with respect to any person, any loan or advance to, any acquisition of Capital Stock, equity interest, obligation or other security of, or capital contribution or other investment in, such person.

**“Lien”** means any mortgage, pledge, security interest, conditional sale or other title retention agreement or other similar lien.

**“Non-Recourse Debt”** means Debt (or any portion thereof) of a Subsidiary of Braskem (the **“Non-Recourse Debtor”**) used to finance (i) the creation, development, construction, improvement or acquisition of projects, properties or assets and any increases in or extensions, renewals or refinancings of such Debt or (ii) the operations of projects, properties or assets of such Non-Recourse Debtor or its Subsidiaries; *provided* that the recourse of the lender thereof (including any agent, trustee, receiver or other person acting on behalf of such entity) in respect of such Debt is limited (other than in respect of the Braskem Recourse Amount (as defined below)) to the Non-Recourse Debtor, any debt securities issued by the Non-Recourse Debtor, the Capital Stock of the Non-Recourse Debtor, and any assets, receivables, inventory, equipment, chattels, contracts, intangibles, rights and any other assets of such Non-Recourse Debtor and its Subsidiaries connected with the projects, properties or assets created, developed, constructed, improved, acquired or operated, as the case may be, in respect of which such Debt has been incurred; *provided, further*, that if such lender additionally has contractual recourse to Braskem or to any Subsidiary of Braskem (other than the Non-Recourse Debtor and its Subsidiaries) for the repayment of any portion of such Debt (such portion, the **“Braskem Recourse Amount”**), then the Braskem Recourse Amount will not constitute Non-Recourse Debt and Braskem will be deemed to have incurred Debt in an aggregate principal amount equal to the Braskem Recourse Amount.

**“Restricted Subsidiary”** means any Subsidiary that is not an Unrestricted Subsidiary.

**“Significant Subsidiary”** means any Restricted Subsidiary of Braskem which at the time of determination either (x) had assets which, as of the date of Braskem’s most recent quarterly consolidated balance sheet, constituted at least 10% of Braskem’s total assets on a consolidated basis as of such date, or (y) had revenues for the 12-month period ending on the date of Braskem’s most recent quarterly consolidated statement of operations which constituted at least 10% of Braskem’s total revenues on a consolidated basis for such period.

**“Stated Maturity”** means, with respect to any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

**“Subsidiary”** means any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (a) Braskem, (b) Braskem and one or more Subsidiaries or (c) one or more Subsidiaries.

**“Unrestricted Subsidiary”** means (i) Braskem Idesa S.A.P.I., Braskem Idesa Servicios S.A. de C.V., Polietilenos de America, S.A., Polipropileno de Sur, S.A., and any Subsidiary which as of the date of the indenture has consolidated assets not exceeding 1% of Braskem’s Consolidated Total Assets, and (ii) any corporation, association, partnership or other business entity that is not a Subsidiary as of the date of the indenture but which (a) becomes a Subsidiary following the date of the indenture and (b) at any time of determination has no Debt other than (x) Non-Recourse Debt, and (y) Braskem Recourse Amounts.

**“Wholly-owned Subsidiary”** means a Subsidiary of which at least 95% of the Capital Stock (other than directors’ qualifying shares) is owned by Braskem or another Wholly-owned Subsidiary.

## FORM OF THE NOTES

Notes sold in offshore transactions in reliance on Regulation S will be represented by a permanent global note or notes in fully registered form without interest coupons (the “Regulation S Global Note”) and will be registered in the name of a nominee of DTC and deposited with a custodian for DTC. Notes sold in reliance on Rule 144A will be represented by a permanent global note or notes in fully registered form without interest coupons (the “Restricted Global Note”) and, together with the Regulation S Global Note, the “global notes”) and will be deposited with a custodian for DTC and registered in the name of a nominee of DTC.

The notes will be subject to certain restrictions on transfer as described in “Notice to Investors.” A beneficial interest in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Restricted Global Note only upon receipt by the trustee or transfer agent of a written certification from the transferor (in the form provided in the indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes to be a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, or a “Restricted Global Note Certificate.” Beneficial interests in the Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note only upon receipt by the trustee or transfer agent of a written certification from the transferor (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S, or a “Regulation S Global Note Certificate.” Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in the other global note will, upon transfer, cease to be an interest in such global note and become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other global note for as long as it remains an interest.

Except in the limited circumstances described under “—Global Notes,” owners of the beneficial interests in global notes will not be entitled to receive physical delivery of individual definitive notes. The notes are not issuable in bearer form.

### Global Notes

Upon receipt of the Regulation S Global Note and the Restricted Global Note, DTC will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such global note to the accounts of persons who have accounts with DTC, or “DTC Participants.” Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a global note will be limited to DTC Participants or persons who hold interests through DTC Participants. Ownership of beneficial interests in the global notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

So long as DTC, or its nominee, is the registered owner or holder of a global note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global note for all purposes under the indenture and the notes. Unless DTC notifies Braskem America Finance that it is unwilling or unable to continue as depository for a global note, or ceases to be a “clearing agency” registered under the Exchange Act, or any of the notes becomes immediately due and payable in accordance with “Description of the Notes—Events of Default,” owners of beneficial interests in a global note will not be entitled to have any portions of such global note registered in their names, will not receive or be entitled to receive physical delivery of notes in individual definitive form and will not be considered the owners or holders of the global note (or any notes represented thereby) under the indenture or the notes. In addition, no beneficial owner of an interest in a global note will be able to transfer that interest except in accordance with DTC’s applicable procedures (in addition to those under the indenture and, if applicable, those of Euroclear and Clearstream).

Investors may hold interests in the Global Notes through Euroclear or Clearstream, if they are participants in such systems. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their account holders through customers’ securities accounts in their respective names on the books of their respective depositories, which, in turn, will hold such interests in the Global Notes in customers’ securities accounts in the depositories’ names on

the books of DTC. Investors may hold their interests in the Global Notes directly through DTC, if they are DTC Participants, or indirectly through organizations which are DTC Participants, including the depositaries for Euroclear and Clearstream.

Payments of the principal of and interest on global notes will be made to DTC or its nominee as the registered owner thereof. Neither Braskem America Finance nor Braskem, nor any initial purchaser, will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Braskem America Finance and Braskem anticipate that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a global note representing any notes held by its nominee, will immediately credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global note as shown on the records of DTC or its nominee. Braskem America Finance and Braskem also expect that payments by DTC Participants to owners of beneficial interests in such global note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a global note to such persons may be limited. Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in a global note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical individual definitive certificate in respect of such interest. Transfers between accountholders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described above, crossmarket transfers between DTC participants, on the one hand, and directly or indirectly through Euroclear or Clearstream account holders, on the other hand, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Euroclear and Clearstream account holders may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream account holder purchasing an interest in a global note from a DTC Participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and such credit of any transactions in interests in a global note settled during such processing day will be reported to the relevant Euroclear or Clearstream accountholder on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in a global note by or through a Euroclear or Clearstream account holder to a DTC Participant will be received for value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

DTC has advised that it will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange as described below) only at the direction of one or more DTC Participants to whose account or accounts with DTC interests in the global notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such DTC Participant or DTC Participants has or have given such direction. However, in the limited circumstances described above, DTC will exchange the global notes for individual definitive notes (in the case of notes represented by the Restricted Global Note, bearing a restrictive

legend), which will be distributed to its participants. Holders of indirect interests in the global notes through DTC Participants have no direct rights to enforce such interests while the notes are in global form.

The giving of notices and other communications by DTC to DTC Participants, by DTC Participants to persons who hold accounts with them and by such persons to holders of beneficial interests in a global note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “Clearing Agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for DTC Participants and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entry changes in accounts of DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include security brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (“indirect participants”).

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Regulation S Global Note and in the Restricted Global Note among participants and accountholders of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of Braskem America Finance, Braskem or any agent will have any responsibility for the performance of DTC, Euroclear or Clearstream or their respective participants, indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

### **Individual Definitive Notes**

If (1) DTC or any successor to DTC is at any time unwilling or unable to continue as a depository for the reasons described in “—Global Notes” and a successor depository is not appointed by Braskem America Finance or Braskem within 90 days, or (2) any of the notes has become immediately due and payable in accordance with “Description of the Notes—Events of Default,” Braskem America Finance will issue individual definitive notes in registered form in exchange for the Regulation S Global Note and the Restricted Global Note, as the case may be. Upon receipt of such notice from DTC or the paying agent, as the case may be, Braskem America Finance will use its best efforts to make arrangements with DTC for the exchange of interests in the global notes for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the registrar in sufficient quantities and authenticated by the registrar for delivery to holders. Persons exchanging interests in a global note for individual definitive notes will be required to provide the registrar with (a) written instruction and other information required by Braskem America Finance and the registrar to complete, execute and deliver such individual definitive notes, and (b) in the case of an exchange of an interest in a Restricted Global Note, certification that such interest is not being transferred or is being transferred only in compliance with Rule 144A. In all cases, individual definitive notes delivered in exchange for any global note or beneficial interests therein will be registered in the names, and issued in any authorized denominations, requested by DTC.

Upon the issue of individual definitive notes, we will appoint and maintain a paying agent in Singapore, for so long as the notes are listed on the SGX-ST and the rules of such exchange so require. In such event, an announcement shall be made through the SGX-GT and will include all material information with respect to the delivery of the definitive notes, including details of the paying agent in Singapore. Upon any change in the paying agent or registrar, Braskem America Finance will publish a notice in a leading daily newspaper of general circulation in Singapore (which is expected to be *The Business Times* (Singapore Edition)).

In the case of individual definitive notes issued in exchange for the Restricted Global Note, such individual definitive notes will bear, and be subject to, the legend described in “Notice to Investors” (unless Braskem America Finance determines otherwise in accordance with applicable law). The holder of a restricted individual definitive note may transfer such note, subject to compliance with the provisions of such legend, as provided in “Notice to Investors.” Upon the transfer, exchange or replacement of notes bearing the legend, or upon specific request for

removal of the legend on a note, Braskem America Finance will deliver only notes that bear such legend, or will refuse to remove such legend, as the case may be, unless (1) there is delivered to Braskem America Finance such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by Braskem America Finance that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act, and (2) Braskem America Finance or Braskem has directed that the legend be removed. Before any individual definitive note may be transferred to a person who takes delivery in the form of an interest in any global note, the transferor will be required to provide the paying agent with a Restricted Global Note Certificate or a Regulation S Global Note Certificate, as the case may be.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear, Clearstream or DTC.

## TAXATION

*The following discussion summarizes certain Brazilian and U.S. federal income tax considerations that may be relevant to you if you invest in the new notes. This summary is based on laws, regulations, rulings and decisions now in effect in Brazil and the United States, which, in each case, may change. Any change could apply retroactively and could affect the continued validity of this summary.*

*This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the new notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.*

### **Brazilian Taxation**

The following discussion is a general description of certain Brazilian tax aspects of the notes applicable to an individual, entity, trust or organization that is not resident or domiciled in Brazil for purposes of Brazilian taxation (“Non-Resident Holder”) and does not purport to be a comprehensive description of all the tax aspects of the notes and does not address all of the Brazilian tax considerations relating to the acquisition, ownership and disposition of the notes applicable to any Non-Resident Holder. Therefore, each Non-Resident Holder should consult its own tax advisor concerning the Brazilian tax consequences in respect of the notes.

Investors should note that, as to the discussion below, other income tax rates or treatment may be provided for in any applicable tax treaty between Brazil and the country where the Non-Resident Holder is domiciled. Investors should also note that there is no tax treaty between Brazil and the United States. This summary does not address any tax issues that affect solely our company, such as deductibility of expenses.

### ***Payments on the Notes Made by Braskem America Finance***

Generally, a Non-Resident Holder is taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition of assets located in Brazil. In this circumstance, other income tax rates may be provided for in an applicable tax treaty between Brazil and the country of residence of the beneficiary. There is some uncertainty regarding the applicable tax treatment to payments of the principal amount by Braskem as a guarantor to Non-Resident Holders.

Therefore, based on the fact that Braskem America Finance is not considered for tax purposes to be domiciled in Brazil, any income (including interest and original interest discount, or OID, if any) paid by it in respect of the notes to Non-Resident Holders will not be subject to withholding or deduction in respect of Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided that such payments are made with funds held by Braskem America Finance outside of Brazil.

### ***Sale or Other Taxable Disposition of Notes***

Generally, capital gains generated outside Brazil as a result of a transaction between two non-residents of Brazil with assets located in Brazil are subject to income tax in Brazil, according to Article 26 of Law No. 10,833, of December 29, 2003. Based on the fact that the notes are issued and registered abroad and, thus, will not fall within the definition of assets located in Brazil for purposes of Law No. 10,833, gains on the sale or the disposition of the notes made outside Brazil should not be subject to Brazilian taxes. However, given the general and unclear scope of this legislation and the absence of judicial guidance in respect thereof, we cannot assure prospective investors that such interpretation will prevail in the courts of Brazil.

As a result, gains recognized by a Non-Resident Holder from the sale or other disposition of the notes to (i) a non-resident in Brazil in case the notes are deemed to be located in Brazil or (ii) a resident in Brazil may be subject to income tax in Brazil at a rate of 15%, or 25% if such Non-Resident Holder is located in a country that does not impose any income tax or which imposes it at a maximum rate lower than 20% (“Low or Nil Tax Jurisdiction”) or in a country or location where the local legislation does not allow access to information related to the shareholding composition of legal entities, to their ownership or to the identity of the effective beneficiary of the income

attributed to non-residents, unless a lower rate is provided for in an applicable tax treaty between Brazil and the country where the Non-Resident Holder has its domicile.

### ***Favorable Tax Jurisdictions***

On June 4, 2010, Brazilian tax authorities enacted Normative Instruction No. 1,037 listing (1) the countries and jurisdictions considered as Low or Nil Tax Jurisdictions or where the local legislation does not allow access to information related to the shareholding composition of legal entities to their ownership or to the identity of the effective beneficiary of the income attributed to non-residents and (2) the “privileged tax regimes,” which definition is provided by Law No. 11,727, of June 23, 2008. Although we believe that the best interpretation of the current tax legislation could lead to the conclusion that the above mentioned “privileged tax regime” concept should apply solely for purposes of Brazilian transfer pricing and thin capitalization rules, we cannot assure you that subsequent legislation or interpretations by the Brazilian tax authorities regarding the definition of a “privileged tax regime” provided by Law No. 11,727 will also apply to a Non-Resident Holder on payments potentially made by a Brazilian source.

We recommend that you consult your own tax advisors from time to time to verify any possible tax consequences arising of Normative Ruling No. 1,037 and Law No. 11,727.

### ***Payments on the Notes Made by Braskem as Guarantor***

If Braskem is ever required, in its capacity as guarantor, to make any payment under the notes (including principal or interest) to a Non-Resident Holder, the Brazilian tax authorities could attempt to impose withholding income tax at the rate of 15% or 25% (depending on the nature of the payment and the location of the Non-Resident Holder).

In the event Braskem is required to withhold or deduct amounts for any taxes or other governmental charges imposed by Brazil, Braskem will pay such additional amounts as are necessary to ensure that the holders of the notes receive the same amount as such holders would have received without such withholding or deduction, subject to certain exceptions. See “Description of the Notes—Additional Amounts.”

### ***Other Brazilian Tax Considerations***

In addition to withholding income tax, Brazilian law imposes a Tax on Foreign Exchange Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos e Valores Mobiliários*), or “IOF/Exchange,” due on the conversion of *reais* into foreign currency and on the conversion of foreign currency into *reais*. Currently, the IOF/Exchange rate for almost all foreign currency exchange transactions, including foreign exchange transactions in connection with payments under the guarantees by Braskem to Non-Resident Holders, is 0.38%. The Brazilian government is permitted to increase this rate at any time up to 25%. Any such increase in rates may only apply to future foreign exchange transactions and not retroactively.

### ***Stamp, Transfer or Similar Taxes***

Generally, there are no stamp, transfer or other similar taxes in Brazil applicable to the transfer, assignment or sale of the notes outside Brazil, nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the notes, except for gift and inheritance taxes imposed in some states of Brazil on gifts and bequests by the Non-Resident Holder to individuals or entities domiciled or residing within such Brazilian states.

**The above description is not intended to constitute a complete analysis of all Brazilian tax consequences relating to the ownership of notes. Prospective purchasers of notes should consult their own tax advisors concerning the tax consequences of their particular situations.**

### ***U.S. Federal Income Taxation***

The following is a description of the principal U.S. federal income tax consequences of the acquisition, ownership, retirement or other disposition of notes by a holder thereof. This description addresses only holders that

purchase new notes in this offering and hold the new notes as capital assets, and does not address, except as set forth below, aspects of U.S. federal income taxation that may be applicable to holders that are subject to special tax rules, such as:

- financial institutions;
- insurance companies;
- real estate investment trusts;
- regulated investment companies;
- grantor trusts;
- tax-exempt organizations;
- persons that will own new notes through partnerships or other pass-through entities;
- dealers or traders in securities or currencies;
- certain former citizens or long-term residents of the United States;
- holders that will hold a new note as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes; or
- holders that have a functional currency other than the U.S. dollar.

Moreover, this description does not address the U.S. federal estate and gift tax or alternative minimum tax or Medicare tax consequences of the acquisition, ownership, retirement or other disposition of new notes. Each prospective purchaser should consult its tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, holding and disposing of new notes.

This description is based on the Internal Revenue Code of 1986, as amended, or the “Code,” existing and proposed U.S. Treasury Regulations, or the “Regulations,” administrative pronouncements and judicial decisions, each as available and in effect on the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations which could affect the tax consequences described herein.

For purposes of this description, a U.S. Holder is a beneficial owner of new notes who, for U.S. federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity that is treated as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States, any State thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (1) that has a valid election in effect to be treated as a U.S. person for U.S. federal income tax purposes or (2)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more U.S. persons have the authority to control.

A non-U.S. Holder is a beneficial owner of new notes that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership for U.S. federal income tax purposes).

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds new notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences.

### ***IRS Circular 230 Disclosure***

**Pursuant to IRS Circular 230, we hereby inform you that the description set out herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the Code. Such description was written to support the promotion or marketing of the new notes. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.**

### ***Qualified Reopening***

The new notes and the initial notes should constitute the same issue of notes for U.S. federal income tax purposes and the remainder of this discussion assumes such treatment. Accordingly, the new notes have the same issue date, issue price and adjusted issue price as the initial notes for U.S. federal income tax purposes. The issue price of the initial notes was 98.479%.

### ***Certain Contingent Payments***

Braskem America Finance may redeem all or part of the new notes at any time at a redemption price equal to 100% of the principal amount of new notes redeemed plus the applicable make-whole premium (see "Description of the New notes—Redemption"). Similarly, a holder may require Braskem America Finance to repurchase its new notes in the event of a Change of Control (see "Description of the New notes—Purchase of New notes Upon Change of Control Event"). Under the contingent payment debt instrument Regulations, or the "CPDI Regulations," the possibility of a contingent payment on a new note may be disregarded if the likelihood of the contingent payment, as of the issue date, is remote or incidental. Braskem America Finance believes that as of the expected issue date of the new notes, the likelihood of a Change of Control and/or a redemption of the new notes is for this purpose remote and, therefore, Braskem America Finance does not intend to treat the new notes as CPDIs. Braskem America Finance's determination, however, is not binding on the IRS, and if the IRS were to challenge this determination, a holder may be required to accrue income on the new notes that such holder owns in excess of stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of such new notes before the resolution of the contingency. In the event that such contingency were to occur, it would affect the amount and timing of the income that a holder recognizes. Holders are urged to consult their tax advisors regarding the potential application to the new notes of the contingent payment debt instrument rules and the consequences thereof. The remainder of this discussion assumes that the new notes will not be treated as CPDIs.

### ***Substitution of the Issuer***

Braskem America Finance may, subject to certain conditions, be replaced and substituted by Braskem or any wholly owned subsidiary of Braskem as principal debtor in respect of the new notes (see "Description of the New Notes—Substitution of the Issuer"), which may result in certain adverse tax consequences to holders. Holders are urged to consult their tax advisors regarding any potential adverse tax consequences that may result from a substitution of Braskem America Finance.

### ***Tax Consequences to U.S. Holders***

#### ***Interest***

Interest paid to a U.S. Holder on a new note, including any additional amounts with respect thereto as described under "Description of the New Notes—Additional Amounts," will be includible in such holder's gross income as ordinary interest income in accordance with such holder's usual method of tax accounting.

### *Pre-Issuance Accrued Interest*

A portion of the purchase price of the new notes will be attributable to the amount of interest accrued prior to the date the new notes are issued (“pre-issuance accrued interest”). Braskem America Finance intends to take the position that a portion of the first interest payment on the notes equal to the pre-issuance accrued interest will be treated as a return of the pre-issuance accrued interest rather than as an amount payable on the new notes. If the notes are so treated, the portion of the first interest payment on a new note that is equal to the pre issuance accrued interest will not be treated as taxable interest income and will reduce a U.S. Holder’s adjusted tax basis in the new note by a corresponding amount. U.S. Holders are urged to consult their own tax advisors regarding pre issuance accrued interest.

### *Bond Premium*

If, immediately after purchasing a new note, a U.S. Holder’s tax basis in the new note (taking into account any reduction in basis equal to the pre-issuance accrued interest) exceeds the sum of all amounts payable on the new note after the purchase date (excluding payments of stated interest), the new note will be treated as having been acquired with “bond premium.” For this purpose, in determining the amount payable on the new note after the purchase date, it will be assumed that Braskem America Finance will exercise its right to call the new notes at a premium in the manner that maximizes the U.S. Holder’s yield to maturity (which will have the effect of reducing or deferring a U.S. Holder’s amortization of bond premium). If, contrary to this assumption, Braskem America Finance does not exercise this call right with respect to the new notes, then, solely for the purposes of calculating a U.S. Holder’s bond premium on a new note, the new notes will be treated as retired and reacquired by the holder on the date on which the Braskem America Finance’s call right expired in an amount equal to the “adjusted acquisition price” of the new note as of that date, and the amount payable on the new note after the purchase date will be recalculated by reapplying the rules outlined above in this paragraph. A U.S. Holder’s adjusted acquisition price of a new note is the holder’s basis in the new note decreased by the amount of bond premium previously amortized with respect to the new note and the amount of any payment previously made on the new note other than a payment of qualified stated interest.

A U.S. Holder generally may elect to amortize such bond premium over the remaining term of the new note on a constant yield method, in which case the amount required to be included in such holder’s income each year with respect to interest on the new note will be reduced by the amount of amortizable bond premium allocable (based on the new note’s yield to maturity) to that year. If U.S. Holders elect to amortize such premium, such holders must reduce their tax basis in the new note by the amount of premium amortized during their holding period. Any election to amortize bond premium applies to all notes (other than notes the interest on which is excludible from gross income for U.S. federal income tax purposes) held by U.S. Holders at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holders, and is irrevocable without the consent of the IRS.

### *Sale, Exchange, Retirement or Other Disposition*

Upon the sale, exchange, retirement or other disposition of a new note, a U.S. Holder will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange, retirement or other disposition, other than accrued but unpaid interest which will be treated as a payment of interest, and such U.S. Holder’s adjusted tax basis in the new note. A U.S. Holder’s adjusted tax basis in a new note generally will equal the cost of the new note to such holder reduced by (1) any amounts attributable to pre-issuance accrued interest and (2) the amount of any amortizable bond premium applied to reduce interest on the new note as set forth above. Any such gain or loss will be capital gain or loss. If you are a non-corporate U.S. Holder, the maximum marginal U.S. federal income tax rate applicable to the gain generally will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder’s holding period for the new notes exceeds one year (*i.e.*, such gain is long-term capital gain). The deductibility of capital losses is subject to limitations.

### *U.S. Backup Withholding Tax and Information Reporting*

A backup withholding tax and information reporting requirements apply to certain payments of principal of, and interest on, an obligation and to proceeds of the sale or redemption of an obligation, to certain holders of new notes

that are U.S. persons. Information reporting generally will apply to payments of principal of, and interest on, new notes, and to proceeds from the sale or redemption of, new notes to a holder of new notes that is a U.S. person (other than an exempt recipient and certain other persons). The payor will be required to backup withhold on payments made on a new note to a holder of a new note that is a U.S. person, other than an exempt recipient, if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements.

Backup withholding is not an additional tax. A U.S. Holder generally will be entitled to credit any amounts withheld under the backup withholding rules against such holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided the required information is furnished to the IRS in a timely manner.

### ***Tax Consequences to Non-U.S. Holders***

#### ***Interest***

Subject to the discussion below under the heading "*Backup withholding and information reporting*," payments of interest on the new notes by us or any paying agent to any non-U.S. Holder will not be subject to U.S. federal withholding tax, provided that:

- the non-U.S. Holder is not a "10 percent shareholder" (within the meaning of section 871(h)(3)(B) of the Code) of Braskem America Finance;
- the non-U.S. Holder is not a bank whose receipt of interest on the new notes is in connection with an extension of credit made pursuant to a loan agreement entered into in the ordinary course of such holder's trade or business;
- the non-U.S. Holder is not a controlled foreign corporation related, directly or indirectly, to Braskem America Finance through stock ownership; and
- the non-U.S. Holder certifies on IRS Form W-8BEN (or the appropriate successor form), under penalties of perjury, that it is not a United States person.

Interest that does not satisfy the foregoing exception will be subject to U.S. federal withholding tax, currently at a rate of 30%, unless:

- such tax is eliminated or reduced under an applicable United States income tax treaty and the non-U.S. Holder provides a properly executed IRS Form W-8BEN establishing such reduction or exemption from withholding tax on interest; or
- such interest is effectively connected with a U.S. trade or business of the non-U.S. Holder and the non-U.S. Holder provides a properly executed IRS Form W-8ECI claiming an exemption from withholding tax on such interest.

#### ***Sale, Exchange or Retirement of the New Notes***

Subject to the discussion below under the heading "*Backup withholding and information reporting*," a non-U.S. Holder of a new note will not be subject to U.S. federal income tax on gain realized on the sale, exchange or retirement of such new note, unless:

- such gain is effectively connected with the conduct by the non-U.S. Holder of a trade or business in the United States; or
- in the case of any gain realized by an individual non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange or retirement and certain other conditions are met.

### *Income Effectively Connected with a United States Trade or Business*

If a non-U.S. Holder is engaged in a trade or business in the United States and income (including interest) or gain on a new note is effectively connected with the conduct of such trade or business, the non-U.S. Holder will generally be taxed in the same manner as a U.S. Holder (see “—*Tax Consequences to U.S. Holders*” above), subject to an applicable United States income tax treaty providing otherwise.

Non-U.S. Holders whose interest or gain from dispositions of new notes may be effectively connected with the conduct of a trade or business in the United States are urged to consult their own tax advisors with respect to the U.S. tax consequences of the acquisition, ownership and retirement of new notes, including, with respect to corporate non-U.S. Holders, the possible imposition of a branch profits tax, currently at a rate of 30% (or such lower rate provided by an applicable United States income tax treaty).

### *Backup Withholding and Information Reporting*

Information returns will be filed with the IRS in connection with payments on the new notes. Unless the non-U.S. Holder complies with certification procedures to establish that it is not a United States person, information returns may be filed with the IRS in connection with the proceeds from the sale, exchange or retirement of the new notes and the non-U.S. Holder may be subject to U.S. backup withholding on payments on the new notes or on the proceeds from a sale or other disposition of the new notes. Compliance with the certification procedures required to claim the exemption from withholding tax on interest described above will satisfy the certification requirements necessary to avoid backup withholding as well.

Backup withholding is not an additional tax. A non-U.S. Holder generally will be entitled to credit any amounts withheld under the backup withholding rules against such holder's U.S. federal income tax liability, if any, and may entitle the non-U.S. Holder to a refund, provided the required information is furnished to the IRS in a timely manner.

**The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership and disposition of the new notes. Prospective purchasers of new notes should consult their tax advisors concerning the tax consequences of their particular situations.**

## NOTICE TO INVESTORS

The notes (including the guarantees) have not been registered, and will not be registered, under the Securities Act or any other applicable securities laws, and the notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the notes are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 of Regulation S.

### **Purchasers' Representations and Restrictions on Resale and Transfer**

Each purchaser of notes (other than the initial purchasers in connection with the initial issuance and sale of notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

(1) It is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made in reliance on Rule 144A or (b) a non-U.S. person that is outside the United States;

(2) It acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(3) It understands and agrees that notes initially offered in the United States to qualified institutional buyers will be represented by one or more global notes and that notes offered outside the United States in reliance on Regulation S will also be represented by one or more global notes;

(4) It will not resell or otherwise transfer any of such notes except (a) to Braskem America Finance or Braskem, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A, (c) outside the United States in compliance with Rule 903 or 904 under the Securities Act, (d) pursuant to another applicable exemption from registration under the Securities Act (if available), or (e) pursuant to an effective registration statement under the Securities Act;

(5) It agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes;

(6) It acknowledges that prior to any proposed transfer of notes (other than pursuant to an effective registration statement or in respect of notes sold or transferred either pursuant to Rule 144A or Regulation S) the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the indenture;

(7) It acknowledges that the trustee, registrar or transfer agent for the notes will not be required to accept for registration of transfer any notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee, registrar or transfer agent that the restrictions set forth herein have been complied with; and

(8) It acknowledges that we, the initial purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the notes are no longer accurate, it will promptly notify us and the initial purchasers. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to

each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

## **Legends**

The following is the form of restrictive legend which will appear on the face of the Rule 144A global note, and which will be used to notify transferees of the foregoing restrictions on transfer:

**“This Note has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any other securities laws. The holder hereof, by purchasing this Note, agrees for the benefit of Braskem America Finance Company and Braskem S.A. that this Note or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (1) to Braskem America Finance Company or Braskem S.A., (2) so long as this Note is eligible for resale pursuant to Rule 144A under the Securities Act (“Rule 144A”), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (3) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (4) pursuant to another applicable exemption from registration under the Securities Act (if available), or (5) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. As a condition to the registration of transfer of this Note pursuant to clause (4) above, Braskem America Finance Company, Braskem S.A. or the Trustee may require delivery of any documentation or other evidence that it, in its sole discretion, deems necessary or appropriate to evidence compliance with the exemption referred to in such clause (4) and, in each case, in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. The holder hereof, by purchasing this Note, represents and agrees that it shall notify any purchaser of this Note from it of the resale restrictions referred to above.**

**This legend may be removed solely in the discretion and at the direction of Braskem America Finance Company or Braskem S.A.”**

The following is the form of restrictive legend which will appear on the face of the Regulation S Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

**“This Note has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any other securities laws. The holder hereof, by purchasing this Note, agrees that neither this Note nor any interest or participation herein may be offered, resold, pledged or otherwise transferred in the absence of such registration unless such transaction is exempt from, or not subject to, such registration.”**

For further discussion of the requirements (including the presentation of transfer certificates) under the indenture to effect exchanges or transfers of interest in global notes and certificated notes, see “Form of the Notes.”

## ENFORCEMENT OF CIVIL LIABILITIES

Braskem is a corporation organized under the laws of Brazil. All of the directors and officers of Braskem and some of the advisors named herein reside in Brazil or elsewhere outside the United States, and all or a significant portion of the assets of such persons may be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States or other jurisdictions outside Brazil upon such persons, or to enforce against such persons judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions.

In the indenture pursuant to which the notes will be issued, Braskem will (1) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, The City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the guarantees and, for such purposes, irrevocably submit to the non-exclusive jurisdiction of such courts, and (2) name an agent for service of process in the Borough of Manhattan, The City of New York. See “Description of the Notes.”

### Brazil

We have been advised by Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados, our Brazilian counsel, that judgments of non-Brazilian courts for the payment of money, including for civil liabilities predicated upon the laws of countries other than Brazil, including the U.S. securities laws, subject to certain requirements described below, may be enforced in Brazil. A judgment against either us or any other person described above obtained outside Brazil would be enforceable in Brazil against us or any such person without reconsideration of the merits, upon confirmation of that judgment by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*), or STJ. That confirmation, generally, will occur if the foreign judgment:

- fulfills all formalities required for its enforceability under the laws of the jurisdiction where the foreign judgment is granted;
- is issued by a competent court after proper service of process is made on the parties, which service must comply with Brazilian law if made in Brazil;
- is final and therefore not subject to appeal;
- is for a sum certain;
- is authenticated by a Brazilian consular office with jurisdiction over the location of the court that issued the foreign judgment and is accompanied by a sworn translation into Portuguese; and
- is not contrary to Brazilian national sovereignty, public policy or public morality.

The confirmation process may be time-consuming and may also give rise to difficulties in enforcing the foreign judgment in Brazil. Accordingly, we cannot assure you that confirmation would be obtained, that the confirmation process would be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the laws of countries other than Brazil, including the U.S. securities laws.

We have also been advised that:

- civil actions may be brought before Brazilian courts based on the federal securities laws of the United States and that, subject to applicable law, Brazilian courts may enforce such liabilities in such actions against us (provided that provisions of the federal securities laws of the United States do not contravene Brazilian public policy, good morals or national sovereignty, and provided further that Brazilian courts can assert jurisdiction over the particular action); and

- the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant in Brazil is governed and limited by provisions of Brazilian law.

A plaintiff (whether Brazilian or non-Brazilian) who resides outside Brazil during the course of litigation in Brazil must provide a bond to guarantee court costs and legal fees if the plaintiff owns no real property in Brazil that may ensure such payment. This bond must have a value sufficient to satisfy the payment of court fees and defendant's attorneys' fees, as determined by the Brazilian judge, except in the case of the enforcement of foreign judgments that have been duly confirmed by the STJ and in the case of claims for collection on a *título executivo extrajudicial* (an instrument which may be enforced in Brazilian courts without a review on the merits).

We have been advised that, if the notes or the indenture were to be declared void by a court applying the laws of the State of New York, a judgment obtained outside Brazil seeking to enforce the guarantees may not be ratified by the STJ in Brazil.

## PLAN OF DISTRIBUTION

HSBC Securities (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC are acting as joint lead managers for this offering. Subject to the terms and conditions stated in the purchase agreement dated the date of this offering memorandum, each initial purchaser named below has severally agreed to purchase, and Braskem America Finance has agreed to sell to that initial purchaser, the principal amount of the new notes set forth opposite the initial purchaser's name.

<u><b>Initial purchasers</b></u>	<u><b>Principal amount of new notes</b></u>
HSBC Securities (USA) Inc.....	US\$83,400,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	83,300,000
Morgan Stanley & Co. LLC.....	83,300,000
	<u>US\$250,000,000</u>

The purchase agreement provides that the obligations of the initial purchasers to purchase the new notes are subject to approval of legal matters by counsel and to other conditions. The initial purchasers must purchase all the new notes if they purchase any of the new notes.

We have been advised that the initial purchasers propose to resell the new notes at the offering price set forth on the cover page of this offering memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. See "Notice to Investors." The offering price at which the new notes are offered may be changed at any time without notice.

The notes (including the guarantees) have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Notice to Investors."

Each initial purchaser has agreed, in connection with sales of notes outside the United States, that, except as permitted by the purchase agreement and set forth in the "Notice to Investors," it will not offer or sell the notes within the United States or to, or for the account or benefit of, U.S. persons (1) as part of its distribution at any time, or (2) otherwise until 40 days after the later of the commencement of this offering and the closing date of this offering.

In addition, until 40 days after the commencement of this offering, an offer or sale of new notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

Each initial purchaser has also represented and agreed that it has not offered or sold, and will not offer or sell any notes in Brazil, except in circumstances that do not constitute a public offering or distribution under Brazilian laws and regulations. The notes and the guarantees have not been, and will not be, registered with the CVM or publicly offered in Brazil.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each a "Relevant Member State," with effect from and including the date on which the Prospectus

Directive is implemented in that Relevant Member State, or the “Relevant Implementation Date,” no offer of notes may be made to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representative or representatives nominated by us for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of notes shall require Braskem America Finance or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This offering memorandum has been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for Braskem America Finance or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither Braskem America Finance nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for Braskem America Finance or the initial purchasers to publish a prospectus for such offer.

For the purpose of the above provisions, (1) the expression “an offer to the public” in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State, (2) the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State, and (3) the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Each initial purchaser has represented, warranted and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000, as amended, or the FSMA) received by it in connection with the issue or sale of any notes included in this offering in circumstances in which Section 21(1) of the FSMA does not apply to Braskem or Braskem America Finance; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes included in this offering in, from or otherwise involving the United Kingdom.

This offering memorandum does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the notes will not be listed on the SIX Swiss Exchange. Therefore, this offering memorandum may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the notes with a view to distribution. Any such investors will be individually approached by the initial purchasers from time to time.

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong.

No person may offer or sell in Hong Kong, by means of any document, any notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the notes are offered by Braskem America Finance pursuant to exemptions invoked under Section 274 and Section 275 of the Securities and Futures Act, Chapter 289 of Singapore (“Securities and Futures Act”). Accordingly, each of the initial purchasers has represented and agreed that this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes will not be circulated or distributed, nor will the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 of the Securities and Futures Act except:

- (1) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1) or Section 275(1A) of the Securities and Futures Act respectively, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;
- (2) where no consideration is given for the transfer; or
- (3) by operation of law.

The notes will constitute a new class of securities with no established trading market. We will apply to the SGX-ST for permission to list the new notes on the SGX-ST. We cannot assure you that the prices at which the notes will sell in the market after this offering will not be lower than the offering price or that an active trading market for the notes will develop and continue after this offering. The initial purchasers have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the notes at any time without notice. In addition, market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you as to the liquidity of or the trading market for the notes.

In connection with this offering, the initial purchasers may purchase and sell notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Overallotment involves sales of notes in excess of the principal amount of notes to be purchased by the initial purchasers in this offering, which creates a short position for the initial purchasers. Covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while this offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time.

We expect to deliver the new notes against payment for the new notes on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be the seventh business day following the date of the pricing of the new notes. Because trades in the secondary market generally settle in three business days, purchasers who wish to trade new notes on the date of pricing or the three next succeeding business day will be required, by virtue of the fact that the new notes initially will settle in T+7, to specify alternative settlement arrangements to prevent a failed settlement.

Some of the initial purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The initial purchasers have advised us that if they or their affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. The initial purchasers have advised us that typically, they and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

Purchasers of any new notes sold outside the United States may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price paid by such purchasers for such new notes.

## **LEGAL MATTERS**

The validity of the notes and the guarantees will be passed upon for Braskem and Braskem America Finance by White & Case LLP, U.S. counsel to Braskem and Braskem America Finance, and for the initial purchasers by Clifford Chance US LLP, U.S. counsel to the initial purchasers.

Certain matters of Brazilian law relating to the guarantees will be passed upon for Braskem and Braskem America Finance by Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados, Brazilian counsel to Braskem and Braskem America Finance, and for the initial purchasers by Lobo & de Rizzo Advogados, Brazilian counsel to the initial purchasers.

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our consolidated financial statements at December 31, 2011 and 2010 and for each of the three years in the period ended December 31, 2011 incorporated by reference into this offering memorandum have been audited by PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, as stated in their report incorporated by reference herein.

With respect to our unaudited consolidated financial statements for the three-month period ended March 31, 2012 incorporated by reference into this offering memorandum, PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, have applied limited procedures in accordance with the standards of IBRACON and CFC for a review of such information. However, as stated in their report incorporated by reference herein, they did not audit and they do not express an opinion on those interim financial statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

## **AVAILABLE INFORMATION**

We are subject to the reporting requirements of the Exchange Act, in accordance with which we file annual reports on Form 20-F with the SEC. However, if at any time we cease to be a reporting company under Section 13 or Section 15(d) of the Exchange Act, or are not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, we will be required to furnish to any holder of a note which is a “restricted security” (within the meaning of Rule 144 under the Securities Act), or to any prospective purchaser thereof designated by such a holder, upon the request of such a holder or prospective purchaser, in connection with a transfer or proposed transfer of any such note pursuant to Rule 144A or otherwise, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

The Braskem Annual Report, the First Quarter Financial Statement Report, the First Quarter MD&A Report and any other materials we may file with the SEC may be inspected without charge at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. In addition, the SEC maintains an Internet web site at <http://www.sec.gov>, from which you can electronically access the Braskem Annual Report, the First Quarter Financial Statement Report, the First Quarter MD&A Report and any other materials we may file with the SEC.

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**PRINCIPAL EXECUTIVE OFFICES**

**BRASKEM S.A.**

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CEP 05425-070 São Paulo, SP  
Brazil

**BRASKEM AMERICA FINANCE**

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**TRUSTEE, REGISTRAR, PAYING AGENT AND TRANSFER AGENT**

**The Bank of New York Mellon**

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**LEGAL ADVISORS**

*To Braskem America Finance and Braskem S.A.  
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*To Braskem America Finance and Braskem S.A.  
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*To the Initial Purchasers  
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