

BRASKEM SA
Form 6-K
November 16, 2010

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

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

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

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

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

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

Form 20-F Form 40-F

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

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

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

Yes No

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

Net Income reaches R\$ 554 million in 3Q10

HIGHLIGHTS:

4 **Braskem's thermoplastic resin sales** of 934 ktons in the **domestic** market, **up 17%** from the prior quarter.

4 **Operating rate for the crackers** in the quarter was **over 90%** for the first time since the consolidation of the Quattor assets.

4 Start up of the **Green Ethylene plant** at the Triunfo petrochemical complex, which has annual production capacity of 200 ktons, which is used as feedstock for the production of Green Polyethylene, which led Braskem to become the **global leader in biopolymers**. With investment and schedule according to estimates, its product was specified in a record 24 hours.

4 **Braskem advanced its strategy** to become **a global leader in sustainable chemicals** and announced a **project to produce Green Polypropylene** at K Fair, one of the most important events in the plastic industry.

4 Braskem entered into an **agreement** with Laboratório Nacional de Biotecnologia (LNBio) located in Campinas to **develop technologies** for the **production of polymers** from **renewable** raw materials that are **competitive, cost-effective** and **efficiently** sequester carbon dioxide from the atmosphere.

4 In line with its commitment to **reduce leverage** and obtain an "investment grade" credit rating, Braskem's **net debt/EBITDA**¹ ratio reached **2.63x**, declining 7% from the prior quarter.

4 Braskem **concluded** another phase of its financial strategy in October by **raising US\$450 million** in perpetual bonds with a coupon of **7.375% p.a.**, lengthening its pro-forma average debt term to 11.9² years.

4 The Economic Oversight Department (SEAE) of the Ministry of Finance and the Economic Law Department (SDE) of the Ministry of Justice **recommended** to the Administrative Council of Economic Defense (CADE), Brazil's anti-trust authority, the **unqualified approval** of the acquisition of Quattor.

4 Seeking to **increase its proximity to Clients** and better understand their needs, Braskem expands its **global presence** by inaugurating a commercial office in **Colombia**. Braskem is also preparing to open new commercial offices in **Singapore** and **Peru**.

4 For the **second time**, Braskem received the **Guia Exame Sustainability award** by figuring among the 20 **most sustainable** companies in Brazil. The awards ceremony was held on November 10.

[1] EBITDA may be defined as earnings before the net financial result, income and social contribution taxes, depreciation, amortization and non-operating income. EBITDA is used by the Company's management as a measure of performance, but does not represent cash flow for the periods presented and should not be considered a substitute for net income or an indicator of liquidity. The Company believes that in addition to

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serving as a measure of operating performance, EBITDA allows for comparisons with other companies. Note however that EBITDA is not a measure established in accordance with Brazilian Corporation Law or U.S. Generally Accepted Accounting Principles (US GAAP), and may be defined and calculated differently by other companies.

² Includes bond issued in October and call in December 2010 of US\$ 150 million in perpetual bonds with coupon of 9.75%.

EXECUTIVE SUMMARY:

Despite the increased optimism of consumers in developed countries, tight credit markets and the slow recovery in the labor market continued to impact demand and growth rates, with repercussions for the recovery in the world economy.

In Brazil, the first 8 months of the year, the Brazilian economy expanded by 8.3% in comparison with the same period in 2009.

On the other hand, in August the international petrochemical market, which in the initial part of the quarter was marked by weakening global demand and the start up of new capacities, began to reverse the downward trend in prices. The key drivers of the price increases were: (i) the recovery in world demand, fueled by the rebuilding of inventories and better seasonality; (ii) the scheduled maintenance stoppages in the USA and Europe, which limited the supply of feedstock; (iii) the higher oil prices. Despite the recovery, international prices for resins³ and basic petrochemicals⁴ fell by approximately 5% in relation to 2Q10, which led to reductions in the prices practiced by Braskem.

Even in a scenario of downcycle in the petrochemical industry and appreciation of the Brazilian real, Company's cash generation capacity remained in line with the prior quarter at an EBITDA of R\$1,030 million. The strong growth in thermoplastic resin sales volume in the domestic and international markets and the continuous operational improvement in the Quattor assets partially offset the lower prices.

In this context, Braskem also decreased its net debt by 9% to R\$ 9.9 billion, reflecting its capacity to reduce gross debt and increase its cash balance in the quarter, in line with its commitment to reduce leverage and obtain an "investment grade" credit rating.

The synergies associated with the Quattor acquisition were estimated at R\$400 million in annual and recurring EBITDA to be captured by 2012. Until September 2010, initiatives were implemented in order to capture R\$235 million in annual and recurring EBITDA for 2011. The main gains were on the industrial front, which amounted to roughly R\$120 million, with the implementation of initiatives to improve planning at plants, such as the production and sale of aromatics, butadiene and gasoline; optimization of the use of additives and catalyzers; and the insurance programs.

Net income in 3Q10 was R\$554 million, growing substantially from 2Q10. In addition to the solid operational performance, the appreciation in the Brazilian real and the debt restructuring strategy had positive impacts on Braskem's results.

³ PE, PP and PVC (Asia reference)

⁴ Ethylene and propylene (Europe reference)

PERFORMANCE:

4 EBITDA

Braskem's consolidated EBITDA in 3Q10 was R\$1,030 million, virtually in line with the previous quarter. The solid growth of 22% in sales volume of resins was counterbalanced by a 9% drop in resin prices as a result of the decrease in international prices and the Real appreciation. In U.S. dollar terms, EBITDA in the quarter was US\$589 million. EBITDA margin stood at 14.2% in 3Q10, down 1.8 p.p. from 2Q10, which is explained by the compression in resin-naphtha spreads in the quarter and the non-recurring expenses from the Quattor and Braskem America transactions, and also extraordinary expenses with advertising. EBITDA margin excluding naphtha/condensate/oil resales was 15.6%.

This EBITDA includes: (i) the negative impact of R\$ 73 million on COGS from the litigation settlement signed with the Bahia State Union of Petrochemical, Chemical and Plastics Manufacturers, as announced in the Notice to the Market dated September 10; (ii) the positive variation of R\$ 93 million from PIS/COFINS tax credits, mainly on fixed assets, resulting from improvements in the credit analysis process; and (iii) the R\$35 million non-recurring expenses incurred in the quarter related to the Quattor and Braskem America transactions and advertising expenses, as explained earlier.

In relation to 3Q09, EBITDA fell 7%, reflecting the compression in resin-feedstock margins in the international market, which were in average US\$ 100/ton lower, and the Real appreciation between the periods.

In 9M10, EBITDA came to R\$ 2,981 million, up 24% on the same period last year, driven by higher production volume and sales, in addition to better prices.

Operational, economic and financial factors impacting EBITDA performance:**4 Polymers Performance**

The thermoplastic resin market⁵ in Brazil had the best performance ever, with demand growing by 16% from 2Q10 to 1,345 ktons. Meanwhile, Braskem sales reached 934 ktons, for growth of 17%. The key factors in this performance were the fact that the quarter is seasonally stronger, the solid performance of sectors related to agribusiness, food, construction and retailing, and the higher demand from the industrial sector.

Accompanying the higher demand in Brazil, import volumes reached approximately 346 ktons, or 25.9% of the total market, stable in relation to the prior quarter.

Domestic sales of PE and PP in 3Q10 presented solid growth of 22% and 14%, respectively, over the prior quarter, reflecting the continued recovery in capacity operating rates at Quattor and the scheduled maintenance shutdown at the PP plants in the second quarter.

PVC demand⁶ in Brazil was 290 ktons, up 6% from 2Q10, according to the Brazilian Chemical Manufacturers Association (Abiquim). Braskem sales increased 8% in the period, thanks to the higher production volume, which had been impacted in 2Q10 by the scheduled maintenance stoppage at Camaçari, and sales to the construction and infrastructure sectors.

In the first nine months, Brazil's thermoplastic resin market totaled 3.7 million tons, 16% higher than in 9M09. Braskem's sales to the domestic market rose 11%, affected by operational problems at Quattor in the period and by imports.

Performance (tons)	3Q10	2Q10	3Q09	Change%	Change%	9M10	9M09	Change%
Thermoplastic Resins								
CONSOLIDATED	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
Sales - Domestic Market								
PE's	475,227	390,365	390,442	22	22	1,250,056	1,103,986	13
PP	328,207	288,344	326,425	14	1	913,219	836,674	9
PVC	130,783	120,895	139,826	8	(6)	374,836	336,337	11
Total Resins	934,217	799,603	856,692	17	9	2,538,110	2,276,997	11
Sales - International Market								
PE's	241,935	177,232	204,104	37	19	606,149	710,674	(15)
PP	100,523	58,835	100,017	71	1	226,165	322,033	(30)
PP - Braskem America	227,954	202,441	194,882	13	17	630,642	617,437	2
PVC	48	73	300	(34)	(84)	121	40,113	(100)
Total Resins	570,460	438,580	499,303	30	14	1,463,077	1,690,257	(13)

Braskem's exports in 3Q10, which include Braskem America, totaled 570 ktons, up 30% from 2Q10. The key factors in this growth were the recovery in capacity utilization rates at the PP plants and the stronger demand for PE in Brazil and Europe.

Total thermoplastic resin production volume in 3Q10 was 1,454 ktons, up 10% from 2Q10. The highlight was the recovery in PP and PVC output, which reached a record in August and increased 13% in the period.

Performance (tons)	3Q10	2Q10	3Q09	Change%	Change%	9M10	9M09	Change%
Thermoplastic Resins								
CONSOLIDATED	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
Production								
PE's	676,819	630,398	635,100	7	7	1,897,596	1,772,350	7

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PP	651,679	578,457	621,450	13	5	1,797,123	1,719,569	5
PVC	125,170	110,466	127,963	13	(2)	358,250	347,326	3
Total Resins	1,453,668	1,319,320	1,384,513	10	5	4,052,969	3,839,246	6

⁵ Demand was measured based on the company's internal estimates, since Abiquim did not publish 3Q10 data for the Brazilian market of PE and PP.

⁶ Domestic sales + imports

4

All operating rates for Braskem main plants increased significantly as presented below:

* Excluding Quattor's new plant with capacity of 200 ktons

4 Basic Petrochemicals Performance

The higher operating rates of naphtha-based crackers, driven by stronger demand for ethylene and a slight and temporary drop in the competitiveness of gas-based players in 3Q10, increased the supply of co-products and consequently led to lower prices in the international market.

Ethylene and propylene sales in 3Q10 reached 236 ktons, down 8% from 2Q10, mainly due to (i) the lower propylene exports and (ii) the scheduled maintenance stoppages in 2nd generation ethylene clients.

The solid performance in the domestic market and the export opportunities increased butadiene sales in 3Q10 by 11% from the previous quarter.

In the case of the aromatics, total BTX sales posted growth of 5% in relation to 2Q10. Operational problems in the 2nd generation, which affected domestic consumption of benzene, were offset by exports.

Performance (tons)	3Q10	2Q10	3Q09	Change%	Change%	9M10	9M09	Change%
Basic Petrochemicals								
CONSOLIDATED	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
Sales - Domestic Market								
Ethylene	125,576	142,144	138,029	(12)	(9)	395,120	369,215	7
Propylene	63,668	62,468	63,002	2	1	193,684	166,093	17
Cumene	72,032	72,217	69,596	(0)	4	213,596	176,085	21
BTX*	144,047	155,588	145,515	(7)	(1)	465,179	441,945	5
Sales - Export Market								
Ethylene	6,079	-	-	-	-	6,079	-	-
Propylene	41,197	53,256	33,577	(23)	23	131,710	98,371	34
Cumene	-	-	-	-	-	-	-	-
BTX*	158,556	132,080	146,278	20	8	417,513	363,909	15

*BTX - Benzene, Toluene, Orthoxylene and Paraxylene

Braskem's crackers continued to operate at high operating rates, and the continued recovery in the operation of Quattor's assets increased the average operating rate to 91% in 3Q10. Ethylene production volume was 862 ktons, up 4% from 2Q10.

In 9M10, ethylene production volume was 2,485 ktons, for growth of 8% on 9M09. Total ethylene and propylene sales grew by 15% in the period.

Performance (tons)	3Q10	2Q10	3Q09	Change%	Change%	9M10	9M09	Change%
Basic Petrochemicals								
CONSOLIDATED	(A)	(B)	(C)	(A)/(B)	(A)/(C)	(D)	(E)	(D)/(E)
Production								
Ethylene	861,717	832,218	847,183	4	2	2,485,292	2,300,885	8
Propylene	399,689	389,790	398,761	3	0	1,166,947	1,054,206	11
Cumene	69,881	70,896	68,324	(1)	2	211,186	180,558	17
BTX*	346,678	338,212	346,617	3	0	1,018,098	932,221	9

*BTX - Benzene, Toluene, Orthoxylene and Paraxylene

4 Net Revenue

Braskem posted net revenue in 3Q10 of US\$4.2 billion, 14% higher than in the previous quarter. In Brazilian real, net revenue grew 11% to R\$7.3 billion.

The lower average prices were offset by higher sales of thermoplastic resin, as explained earlier.

Export revenue in the quarter was US\$1.2 billion (29% of net revenue), in line with 2Q10. This performance was primarily driven by the better opportunities in the export market, particularly for PP, whose supply increased with the higher operating rates in the quarter.

In relation to 3Q09, net revenue in U.S. dollar grew by 34%, or US\$1.1 billion, explained by (i) the higher prices of resins and basic petrochemicals, which accompanied the recovery in international prices, especially for butadiene and propylene, for which prices rose by 61% and 20%, respectively; and (ii) the opportunities seized to export resins and basic petrochemicals, such as PE and propylene, which registered sales volume growth of 19% and 23%, respectively. In Brazilian real, net revenue rose 26%.

In 9M10, consolidated net revenue was US\$11.3 billion or R\$20.1 billion, up 51% or 31% in relation to 9M09, respectively. This performance reflects the increased sales to the domestic market and the higher prices, which accompanied the upward trend in international prices, but were partially offset by the Brazilian real appreciation.

4 Cost of Goods Sold (COGS)

Cost of goods sold (COGS) was R\$6.1 billion in 3Q10, up 14% from 2Q10, reflecting the growth in resin sales volume, which was partially offset by the lower feedstock prices.

In relation to 3Q09, COGS increased 35%, reflecting the 10% upturn in average ARA naphtha prices and, especially, the higher resin sales volume.

The average ARA naphtha price in the quarter was US\$658/t, down 5% from 2Q10 (US\$692/t). The three-month moving average of the ARA naphtha price in 3Q10 decreased by 4% to US\$675/t. Braskem acquires the bulk of its naphtha feedstock from Petrobras, with the remainder imported directly from suppliers in Argentina, Venezuela and countries from northern Africa.

Regarding the average gas price, the price of Mont Belvieu (the reference for ethane) decreased by 12% from the previous quarter. In the case of USG propylene, the average price fell by 11% from 2Q10.

In 9M10, COGS was R\$16.8 billion, up 30% from R\$12.9 billion in the same period last year. The higher COGS is basically explained by the sharp increase in naphtha prices of 40% between the periods.

4 Selling, General and Administrative Expenses (SG&A)

In 3Q10, Selling, General and Administrative (SG&A) expenses were R\$453 million, up R\$30 million from 2Q10, of which R\$ 35 million were non recurring expenses as explained below. In relation to 3Q09, SG&A expenses were R\$84 million higher.

Selling expenses in 3Q10 totaled R\$186 million, R\$3 million lower than in the previous quarter, reflecting the higher quality of the credit granted and the lower expenses with traders' commissions, in view of the higher direct sales made by the Company in the export market. In comparison with 3Q09, selling expenses increased by 7%, or R\$12 million, impacted by the increase of R\$33 million in selling expenses at Quattor, stemming from the uniformity of accounting practices. In 9M10, selling expenses increased by 12%, also impacted by the standardization of accounting practices.

General and administrative expenses totaled R\$266 million in the quarter, R\$33 million higher than in 2Q10, basically reflecting non recurring expenses with advertising and extraordinary expenses, in the amount of R\$20 million, and advisory services, related to the Quattor and Braskem America transaction, in the amount of R\$15 million. In relation to 3Q09, general and administrative expenses grew R\$72 million. Besides the non recurring of R\$ 35 million explained before, the increase was mainly due to payroll adjustments and collective labor agreement, and the profit-sharing provision.

In 9M10, general and administrative expenses increased 24%, mainly due to the profit-sharing provision and the non recurring expenses related to the Quattor and Braskem America transactions in the amount of R\$ 52 million, plus non recurring expenses on advertising of R\$ 20 million.

4 Net Financial Result

In 3Q10, the net financial result was a gain of R\$193 million, versus a net financial expense of R\$575 million in 2Q10. This variation is chiefly due to the depreciation of 6%⁷ in the U.S. dollar against the real, which resulted in a gain of R\$638 million in 3Q10, compared with an expense of R\$104 million in the previous period. In relation to 3Q09, the net financial result decreased by R\$51 million, due to the depreciation of 9%⁷ in the U.S. dollar in that period.

Since Braskem holds net exposure to the U.S. dollar (more dollar-pegged liabilities than dollar-pegged assets), any shift in the path of the exchange rate has an impact on the accounting financial result. On September 30, 2010, this net exposure was formed by: 62% of debt and 79% of suppliers, which was partially offset by 39% of accounts receivable and 22% of cash. Given its heavily dollarized operational cash flow, the Company considers this exposure adequate. Practically 100% of the Company's revenue is directly or indirectly pegged to the variation in the U.S. dollar exchange rate, and most of its costs are also pegged to this currency.

It is important to note that foreign exchange variation has no direct effects on the Company's cash position in the short term. This amount represents foreign exchange accounting impacts, especially those on the Company's debt, with any expenditure occurring when the debt matures, which has an average term of 8.7 years. Considering only debt denominated in foreign currency, the average term is 12.2 years. The US\$450 million in bonds issued in October and the call of the 2005 perpetual bond in the amount of US\$150 million in December 2010, will increase the average term of the total debt to 11.9 years.

Excluding the effects from foreign exchange variation and monetary restatement on its balance-sheet accounts exposed to foreign currencies, the net financial result in 3Q10 was a net financial expense of R\$406 million, up R\$47 million in relation to 2Q10. This amount includes non recurring expenses in the amount of R\$140 million, as follows: R\$ 90 million, related to the agreement signed with the labor union in Bahia (*Other expenses*) and R\$50 million related to the pre-payment of debt during the period, with the interest rate swap reversion. For more details on the agreement, see note 21 to the Financial Statement in the Quarterly Interim Information (ITR). Excluding these non recurring items, the net financial result decreased by R\$ 42 million, reflecting the lower interest and bank charges due to the adjustment in the debt profile.

Considering the base described above, the net financial result in 9M10 was an expense of R\$ 1,271 million, increasing R\$ 310 million from 9M09. However, non recurring expenses of R\$417 million need to be excluded, including: the impact of R\$ 206 million from the participation in the Refis tax renegotiation program in 1Q10, the expense of R\$ 90 million from the agreement signed with the labor union in Bahia and R\$121 million related to the debt pre-payments described above. After the adjustment, a reduction of R\$ 108 million in the financial result can be observed as a consequence of the reduction and improvement of the Company's indebtedness.

The table below details the composition of Braskem's net financial result on a quarterly and nine-month basis.

⁷ Exchange rate at end of period

Million of R\$	3Q10	2Q10	3Q09	9M10	9M09
Financial Expenses	177	(771)	454	(1,606)	1,593
Interest Expenses	(251)	(258)	(207)	(688)	(685)
Monetary Variation (MV)	(70)	(138)	(201)	(366)	(411)
Foreign Exchange Variation (FX)	737	(171)	1,101	283	3,222
IOF/Income Tax/Banking Expenses	(12)	(10)	(6)	(26)	(28)
Net Interest on Fiscal Provisions	(57)	(42)	(129)	(387)	(179)
Others	(170)	(152)	(104)	(421)	(326)
Financial Revenue	15	196	(210)	343	(300)
Interest	64	93	53	207	200
Monetary Variation (MV)	30	25	(7)	76	40
Foreign Exchange Variation (FX)	(99)	67	(284)	16	(596)
Net Interest on Fiscal Credits	2	3	4	6	5
Others	18	7	25	38	51
Net Financial Result	193	(575)	244	(1,262)	1,294

Million of R\$	3Q10	2Q10	3Q09	9M10	9M09
Net Financial Result	193	(575)	244	(1,262)	1,294
Foreign Exchange Variation (FX)	638	(104)	816	299	2,626
Monetary Variation (MV)	(40)	(113)	(208)	(290)	(371)
Financial Result excluding FX and MV	(406)	(359)	(364)	(1,271)	(961)

4 Net Income

Braskem recorded net income of R\$ 554 million in 3Q10, reflecting the solid operational performance and the financial income of R\$ 193 million from the positive impact of the appreciation in the Brazilian real of 6%.

4 Capital Structure and Liquidity

On September 30, 2010, Braskem's gross debt stood at US\$7,919 million, down 1% from the balance on June 30, 2010. Meanwhile, the balance of dollar-denominated cash and financial investments increased by 7% to US\$2,069 million.

As a result, consolidated net debt stood at US\$ 5,850 million, down 3% from 2Q10. In Brazilian real, Braskem's net debt declined by 9%, also led by the depreciation in the U.S. dollar of 6% in the period.

The reduction in net debt in Brazilian real, combined with the maintenance of the EBITDA (R\$3.8 billion) registered in the last 12 months, led to a decrease in financial leverage, as measured by the ratio of net debt to EBITDA, from 2.84 times in the second quarter to 2.63 times in the third quarter, in line with the Company's objective of reducing leverage and achieving "investment grade". In U.S. dollar, net debt to EBITDA was 2.75 times, a 3% reduction.

On September 30, 2010, the average debt term was 8.7 years, lengthening from 8.2 years at the close of June 2010. This result was impacted by the US\$350 million issue in July of bonds due in 2020 with yield of 6.875% p.a., which is part of Braskem's strategy to adjust its debt profile following the acquisition of Quattor.

Braskem also issued in late October US\$450 million in perpetual bonds with interest coupon of 7.375% p.a. and yield similar to that of companies considered "investment grade". This marked the third issue this year and aimed to replace the perpetual bonds issued by Braskem in 2005 in the amount of US\$150 million callable in December 2010 and in 2006 in the amount of US\$200 million callable in 2011, with coupons of 9.75% and 9.00%, respectively. The bonds were assigned ratings of Ba1 from Moody's, BB+ from S&P and BB+ from Fitch.

On September 30, 2010, the percentage of debt pegged to the U.S. dollar was 62%, down from 64% in 2Q10, due to the depreciation in the U.S. dollar in the period.

The following charts show Braskem's gross debt by category and indexer.

The following chart shows the Company's consolidated amortization schedule on September 30, 2010.

Braskem's high liquidity ensures that its cash and cash equivalents cover the payment of obligations maturing over the next 27 months.

CAPITAL EXPENDITURE:

In line with its commitment to capital discipline and making investments with returns above their cost of capital, Braskem made operational investments of R\$1,011 million (excluding capitalized interest) in 9M10, of which R\$191 million were invested in Quattor and R\$12 million in Braskem America.

Of this total, the bulk was allocated to capacity expansions, with the Green Ethylene plant requiring R\$311 million in investment, excluding recoverable taxes. Considering that these taxes are deductible, investments totaled R\$259 million in the quarter. The new plant was inaugurated on September 24, for total investment so far of R\$461 million.

A total of R\$47 million has been invested this year in the Ethylene XXI project in Mexico, mainly in advancing the technical and feasibility studies.

Braskem also spent R\$175 million on scheduled maintenance shutdowns during the year, in keeping with its objective of maintaining its plants operating at high levels of operating reliability. In the third quarter, investments were mainly allocated to a shutdown at one of the polyethylene plants at the Triunfo petrochemical complex to interconnect the plant for the use of green ethylene, and to pre-shutdown expenses and services related to the preparation for the general maintenance shutdown at the ethylene cracker located in Camaçari, Bahia. The shutdown began in November and should last 40 days.

For 2011, capex is estimated at R\$1.6 billion, with approximately 30% destined to projects of capacity expansion, 20% to scheduled maintenance shutdowns, and the remaining to operational investments and spare parts.

11

QUATTOR:

The Economic Oversight Department (SEAE) of the Ministry of Finance published a report recommending to the Administrative Council of Economic Defense (CADE), Brazil's anti-trust and competition authority, the unqualified approval of the acquisition of Quattor. The next steps involve a report issued by one of the CADE board members and the vote by CADE. Braskem expects to conclude this process by 1H11.

4 Monitoring Synergies

Braskem remains focused on improving the operational efficiency of the assets acquired, and various initiatives have been initiated to capture the synergies from the transaction.

Until September 2010, synergies totaled R\$235 million in terms of annual and recurring EBITDA for 2011. As already mentioned, most of the synergies is concentrated in industrial and logistics initiatives. Examples of the initiatives implemented on the industrial front are refining the plan for the production and sale of various

cracker streams, such as aromatics and butadiene, and optimizing the use of additives and catalyzers. On the logistics front, a highlight was the gain in freight operations due to better planning for the internal, export, distribution and storage operations.

4 Quattor EBITDA evolution R\$ million

The normalization of raw material supply, the new management at the business and the implementation of practices similar to those adopted at Braskem led to a continuous increase in the Company's cash generation capacity, as the following chart shows.

BRASKEM AMERICA:

The 13% growth in sales volume, in line with the better demand in the North American market, combined with the recovery in PP-propylene spreads, led operational performance to improve in 3Q10. EBITDA increased 46% to US\$ 32 million, for EBITDA margin of 9.8%, up 2.7 p.p. from 2Q10.

PROJECT PIPELINE:

Braskem's medium- and long-term growth plan and the strategy to diversify its energy matrix focus on investments that boost its competitiveness in feedstock supplies, strengthen its presence in the Americas and provide competitive advantages in the biopolymers market.

4 PVC capacity expansion

The project to expand PVC capacity by 200 ktons/year, which will require total investment of US\$470 million (with a US\$450 million NPV) and become operational in early 2012, demand small disbursements during the quarter. The objective is to meet demand in Brazil's PVC market, which is already experiencing shortfalls.

Braskem made progress in the negotiations to finance this project, and approved a financing line of up to R\$525 million from the Brazilian Development Bank (BNDES) with a 9 year-term, of which 88% is denominated in Brazilian real, and a very competitive cost of TJLP+1.46%.

4 Mexico Project Ethylene XXI

The integrated project in Mexico in which Braskem and IDESA are participating jointly with interests of 65% and 35%, respectively, envisages annual production of 1 million tons of polyethylene resins using ethane as feedstock, with an ethane supply agreement with PEMEX-Gás for the supply of 66,000 barrels/day for 20 years. The fixed investment is estimated at US\$2.5 billion, with the debt portion financed under a project-finance model (70% debt/30% equity). The conclusion of works and the start up of units are slated for January 2015.

On November 09, Braskem announced a strategic partnership with Ineos in two out of its three polyethylene plants in the project. With a nominal capacity of 750 thousand tons/year, these units will produce resins of high density polyethylene. The main sectors to be supplied by these new plants are pipes, blown containers, molded parts, films and rotomolded tanks. The technology definition for the LDPE (low density polyethylene) plant is still under review.

The Mexican market consumes around 1.8 million tons of polyethylene, of which 70% is imported. Therefore, this project is extremely attractive and of great importance to the development of the local petrochemical industry.

Bank Sumitomo was contracted as the financial advisor of the project. We are currently structuring our participation in the project finance of ECAs and MLAs. The project has already received letters of interest from different institutions adding to more than US\$3.0 billion.

Braskem also has similar projects in less advanced phases in Peru and Venezuela.

4 Green Polypropylene Project

In October 2010, Braskem announced the conclusion of the conceptual phase for the construction of a Green Polypropylene plant integrated to the production of green propylene, a 100% renewable raw material. In 2011, the basic engineering studies will be concluded, and the project is expected to become operational in the second half of 2013, after obtaining the approvals needed, including the Board of Directors.

To produce Green Polypropylene, Braskem will adopt technology that has already been proven on an industrial scale and use as an input sugarcane ethanol, which is recognized as the world's best renewable energy source. The green polypropylene will have the same technical, processability and performance properties as polypropylene made using traditional production routes. Investments are estimated at US\$100 million, and the minimum annual production capacity is 30 ktons of green propylene.

Braskem considers this plant part of its strategy to develop biopolymers and is committed to expanding its portfolio and production capacity, enabling the growth and adoption of green plastic by a growing number of clients and applications, thereby increasing the product's benefits for the environment. Each ton of green polypropylene produced captures and fixes 2.3 t of CO₂.

4 Innovation Pipeline - Product Development

PVC Roofing

Braskem developed in partnership with Precon, a traditional manufacturer of roofing materials in Brazil, an innovative model for PVC roofing. PVC roofing is used in some developing countries, like China and Colombia. With technical performance compatible with the Brazilian market demands and economic feasibility, PVC roofing is an innovative and great option for replacing traditional materials. The project involved development of the PVC composite formula used to make the roofing tiles, aiming at guaranteeing the specific requirements such as resistance to the weather and processing. The first PVC roofing tiles will be sold in Brazil in January 2011.

The potential market for this product in Brazil is very strong and in the medium and long terms the additional PVC resin consumption is estimated at 100 ktons/year.

Polyethylene Manholes

Braskem, in partnership with Kapass, Asperbras, Brinquedos Bandeirantes and Fortlev, developed a polyethylene manhole to substitute the concrete manholes used in the basic sanitation sector. Polyethylene manholes reduce total costs, since they are easily installed, save labor costs, require less equipment and offer long durability. Over the long run, the project is also attractive due to its increased sustainability, given the much superior seal than the material currently used, which prevents leaks. This provides greater savings in sewage treatment, since seepage into the ground water from concrete manholes is one of the main factors responsible for the higher costs of sewage treatment. Foz do Brasil and Sabesp's unit located in São Bernardo do Campo have already begun using the new manholes, since they optimize the existing assets and reduce operational costs.

Today only around 50% of sewage is treated, which creates the potential for additional growth in Brazilian polyethylene consumption, which is estimated at 180 ktons/year over the long term. Braskem has operated together with other large sewage companies in Brazil, seeking to disseminate the culture and use of polyethylene manholes in the country. This technology is widely used in European countries, like France, Holland and Germany, and in South America by Colombia.

Polypropylene Paint Buckets

Unlike other markets, the paint market in Brazil has maintained its preference for metal packaging, in either gallon or 18-liter cans. However, plastic packaging is gaining space little by little, with our Clients eliminating the barriers imposed by paint manufacturers. The geometry of cans is a very important characteristic in this segment, since they optimize space usage during the transport and storage of the paints. With this in mind, Bomix, Quattor's Client, obtained from its mold supplier in Canada a new design that enabled buckets to come as close as possible to cans in this aspect. The rectangular buckets were developed with the support of our technology team, which sent the samples to the team for validation tests. The new packaging is already being used by paint manufacturers in Brazil's Northeast, particularly by Hidracor, which is the

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industry leader in the state of Ceará. In the South and Southeast regions, the packaging is being analyzed by an important local player and could be available soon in the market soon. The main reasons to substitute metal with plastic in this market are lower costs and the vast potential for innovation in packaging formats and attributes. The potential consumption in this market is 40 ktons of PP per year.

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OUTLOOK:

World economic growth in the last quarter of the year should be impacted by the slight deceleration in the Asian market combined with the moderate recovery in developing economies. The decision by China's central bank to raise interest rates for loans and deposits shows that authorities are comfortable with the current moderate rate of growth and more concerned with inflation and property prices.

The weaker markets worldwide and slower economic growth between quarters, however, should not affect the forecasts for Brazil's GDP growth, which remains above 7% p.a. In this scenario, Braskem believes domestic demand will grow around 15%.

The global petrochemical scenario is still marked by a low cycle. New capacity start ups continue to pressure industry spreads, and the expectations for 2011 continue to call for a scenario of oversupply. On the other hand, several factors continue to mitigate the impact of this new capacity, surprising on the upside: (i) operational instability and unscheduled shutdowns at these new plants; (ii) delays in commissioning; (iii) lack of qualified labor; (iv) problems in gas supply related to oil production; and (v) expectations of closures at uncompetitive plants.

In Brazil, demand should remain strong through November, and begin to seasonally wane in December, a month when companies usually reduce their purchase volumes in anticipation of the year-end holiday season, to drawdown inventories and for tax purposes.

Brazil remains one of the best-positioned countries in the current economic scenario, given its growth perspective and its financial solidity. In this context, Braskem and its management maintain their commitment to growth and sustainable development, and will continue to act proactively to pursue the best opportunities of expanding its business, seeking to create value for shareholders, without losing the focus in financial discipline and the short-term goal of becoming investment grade.

UPCOMING EVENTS:

IR TEAM:

Luciana Ferreira

Head of IR

Phone: +55 11 3576-9178

luciana.ferreira@braskem.com.br

Roberta Varella

IR Manager

Phone: +55 11 3576-9266

roberta.varella@braskem.com.br

Daniela Castro

IR Analyst

Phone: +55 11 3576-9615

daniela.castro@braskem.com.br

Marina Dalben

IR Analyst

Phone: +55 11 3576-9716

marina.dalben@braskem.com.br

Isabella Alves

IR Analyst

Phone: +55 11 3576-9010

isabella.alves@braskem.com.br

NOTE:

Braskem informs that with the acquisition of the control of Quattor Participações and Sunoco Chemicals in April 2010, this release is based on pro-forma consolidated information that includes 100% of the results from these new assets for all periods stated. In accordance with CVM Instruction 247, these figures consider the proportional consolidation of the interest in Cetrel S.A. - Empresa de Proteção Ambiental. The quarterly information was reviewed by independent external auditors.

On September 30, 2010, the Brazilian real/U.S. dollar exchange rate stood at R\$ 1.6942/US\$ 1.00.

EXHIBITS LIST:

EXHIBIT I:

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