BRASKEM SA
Form 6-K
April 15, 2009

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 April, 2009
(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 ___X___ Form 40-F ______

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

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

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

Yes ______ No ___X___

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

Introduction
Important Notice

Free translation of the original Valuation Report in Portuguese

Bradesco BBI S.A. (BBI) was engaged by Braskem S.A. (Braskem) in order to prepare an independent valuation report (Valuation Report) of the following assets: Braskem and Petroquímica Triunfo S.A. (Triunfo , and together with Braskem hereinafter referred to as Companies) related to a possible incorporation of Triunfo by Braskem (Transaction), under the terms of article 227 of Law nº 6404 of December 15th, 1976, as amended (Brazilian Corporation Law) and other laws and applicable rules. The information below is relevant and should be carefully and fully observed:

This Valuation Report can only be used under the terms of the Brazilian Corporation Law, of the Brazilian Securities Exchange Commission (Comissão de Valores Mobiliários or CVM) instructions or of other applicable rules in order to provide subsides to be used in the Operation and must only be used by Braskem management, your Board of Directors and your General Meeting of Shareholders under the scope of the Transaction, and shall not be used or used as reference by any person to whom this Valuation Report was not directly destined, as referred above, or for any purpose other than those described herein

The base date of this Valuation Report is December 31st 2008; this Valuation Report is based on (collectively denominated Information):
(i) public information, financial surveys analyses and research, as well as financial, economic and market criteria that we considered relevant
(ii) analysis of the consolidated financial reports: (a) of Braskem, which also includes Companhia Petroquímica do Sul S.A. (Copesul), iQ Soluções & Química S.A., previously denominated Ipiranga Química S.A. (quantiQ), Ipiranga Petroquímica S.A. (IPQ), Petroquímica Paulínia S.A. (PPSA), audited by KPMG Auditores Independentes (KPMG) for the years ended on December 31st 2006, 2007 and 2008; (b) quantiQ, audited by PricewaterhouseCoopers for the years ended on December 31st 2006, 2007 and 2008 and (c) of Triunfo, audited by KPMG Auditores Independentes for the years ended on December 31st 2006, 2007 and 2008
(iii) analysis of other information provided by Braskem, including the report prepared by Chemical Market Associates, Inc. (CMAI) with prices projections for the main products and raw materials commercialized by Braskem
(iv) verification on the Information s consistency and discussions with the management of Braskem about the business outlooks for the Companies

The Valuation Report did not include an independent verification of the data and the Information and we have assumed that all Information used in this Valuation Report is true, precise and complete in all the relevant matters, so this Valuation Report does not count as an audit according to the generally accepted accounting principles. No relevant information related to our scope of work was kept undisclosed to us. As for the portion of Information that embodies projections or estimates of future events, we have assumed that such Information reflects the best estimates currently available about the Companies future performance. Also, regarding our review of the Information, we have analyzed its consistency, but we have not independently checked any part of the Information, or conducted any investigation or evaluation of any of the Companies assets or liabilities (contingent or not), and we have not received any report on the subject. Although the analyses and results presented herein are based in future projections, this Valuation Report is not indicative, in any level or form, of any real future results which can be higher or lower from those presented herein. We were also not asked to conduct (and we did not conduct any) physical inspections of the Companies properties or facilities. Finally, we have not evaluated the Companies solvency or fair value considering the laws regarding bankruptcy, insolvency or of similar effect

As a result of the limitations mentioned above, we do not nor will make any expressed or implicit representation or declaration in relation with the truthfulness or integrity of any Information used in the preparation of this Valuation Report. Should any of the assumptions related above not be confirmed, or if anyhow, the Information proves incorrect, incomplete or inaccurate, our conclusions might differ materially

The preparation of a financial analysis is a complex process which involves several definitions related to the more appropriate and relevant financial analysis methodologies as well as to the application of such methodologies. We reached a final conclusion based on the results of the analysis made, considered as a whole, and we did not reach conclusions based on, or related to, any of the factors or methods of our analysis taken separately. Consequently, we believe our analysis must be considered as a whole and that any selection of parts of our analysis and specific factors, without considering our analysis and our conclusions as a whole, may result in an incomplete or incorrect understanding of the processes used for the purpose of our analyses and conclusions

This Valuation Report only indicates an estimate, following our own criteria, of the value derived from the application of the valuation methodologies (i) discounted free cash flow and (ii) comparable precedent transactions multiples, selected based on the level of information obtained. These methodologies are commonly used in financial valuations of companies, even in operations involving public companies, and does not analyze any other aspect or implication of the Transaction or any future contract or agreement reached in relation to the Transaction. We do not express any opinion related to the issuance price of the shares to be issued as a result of the Transaction or the value at which the shares of the Companies will be traded in the stock market at any time. Additionally, this Valuation Report is not and should not be used as (i) as a fairness opinion regarding the Transaction or (ii) a recommendation regarding any aspect of the Transaction. In addition, this Valuation Report does not discuss the strategic and commercial merit s of the Transaction or of the strategic decision that have led to the Transaction. The results presented in this Valuation Report relate solely to the Transaction and are not to be used or relied upon on the context of any transaction, current or future, regarding the Companies, the economic group they are part of, or the sector in which they operate

Our Valuation Report is necessarily based on Information that was provided to us on this date and considering market, economic and other conditions as they present themselves and as they may be assessed as of this date. Although future events and other developments may affect the conclusions presented in this Valuation Report, we do not have any obligation to update, review, rectify or revoke this Valuation Report, in whole or in part, as a result of any future development or for any reason whatsoever

This Valuation Report is exclusively addressed to Braskem and it is not intended to the commercial decision of the Companies in doing the Transaction nor as a recommendation to any shareholder or member of board of directors of the Companies on how to act or/and vote in any matter related to the Transaction. Each shareholder should take their own conclusions in respect of the convenience and acceptance of the Transaction

Our analyses does not differentiate classes or types of shares of each Companies, when and if applicable, and does not include operating, fiscal or any other nature of benefits or losses, including any eventual goodwill, or any synergy, incremental value and/or costs, in case they exist, resulting from the conclusion of the Transaction, should it occur, or any other operation. The valuation also does not take into consideration eventual operating and financial benefits or losses that may occur after the conclusion of the Transaction as a result of commercial changes in the existing businesses

Braskem and its management did not (i) interfere with, limit or difficult, in any manner whatsoever, our access, utilization or knowledge of working information, documents or methodologies relevant to the quality of the analysis presented in this Valuation Report, (ii) determine the methodologies used in the preparation of this Valuation Report, or (iii) restrict, in any manner whatsoever, our capacity to determine the conclusions presented in an independent manner in this Valuation Report

We provided, from time to time, in the past, investment banking, financial and banking services in general and other financial services to the Companies, for which we have been remunerated, and we may in the future provide such services to the Companies, for which we expect to be remunerated. We and our affiliates provide a variety of financial services and other services related to securities, brokerage and investment banking. In the course of these activities, we may acquire, hold or sell, acting for our proprietary interest and for the interests of our clients, shares, debt instruments and other securities and financial instruments (including bank loans and other obligations) of the Companies, as well as provide investment banking services and other financial services to these Companies, their controllers or controlled companies. Additionally, the professionals involved with securities research and other divisions of Bradesco Organization may base their analyses and publications on different operational and market assumptions, and in different analyses methodologies when compared with those employed in the preparation of this Valuation Report. Consequently, the research reports and other publication prepared by them may include results and conclusions different from those presented herein, considering that these analyses and the valuation reports were prepared by independent analysts without any connection with the professionals which participated in the preparation if this Valuation Report. We adopt policies and procedures to preserve the independence of our securities analysts, which may have different perceptions than those of our investment banking department. We also adopt policies and procedures to preserve the independence between our investment banking department and the other areas and departments of BBI and other companies of the Bradesco Organization including, but not limited to, the asset management department, proprietary stocks, debt instruments, securities and other financial instruments trading desks

We did not provide accounting, auditing, legal, tax or fiscal services related to this Valuation Report

This Valuation Report was prepared in Portuguese and English, but the Portuguese version shall always prevail. BBI does not assume any obligation and/or responsibility for updating, revising, or reassuring the result of this Valuation Report based on circumstances, development and/or events occurring after the date of its completion

The financial calculations presented in this Valuation Report might not always lead to precise results as a consequence of rounded numbers

São Paulo, March 31st 2009

Signatures:

Content

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Braskem, Petrobras S.A. (Petrobras), Petrobras Química S.A. (Petroquisa) and Odebrecht S.A. signed an agreement in 2007 to consolidate the Brazilian chemical industry by integrating petrochemical assets into Braskem

The following assets of Petrobras and Petroquisa were part of the agreement: Companhia Petroquímica do Sul (Copesul), Ipiranga Química, currently denominated iQ Soluções & Química (quantiQ), Ipiranga Petroquímica (IPQ), Petroquímica Paulínia (PPSA) and Triunfo; with the exception of Triunfo, the other interests were incorporated by Braskem in September 2008

Due to the operational differences, the petrochemical assets consolidated into Braskem (Copesul, IPQ, PPSA and Braskem, jointly denominated Braskem Operational) and the commercial operation of wholesale distribution of chemicals explored by quantiQ will be valuated separately; the sum of the values of Braskem Operational and quantiQ results in the value of Braskem

The discounted cash flow methodology (DCF) was applied to value Braskem Operational and Triunfo; quantiQ was valued using multiples of precedent transactions and comparable companies (EBITDA Multiples)

The DCF allows the analysis of the operational future results of Braskem Operational and Triunfo, and is the most appropriate methodology to determine the range of economic value for Braskem Operational and Triunfo. The DCF took into account the following items:

Operational forecasts prepared by Braskem

Projection period from 12/31/2008 to 12/31/2018

Macroeconomic projections from the Economic Research Department (DEPEC) of Bradesco as of 03/23/2009

US$ nominal discount rate of 11.69% for Braskem and 12.12% for Triunfo

Terminal value of Braskem Operational and Triunfo considering a nominal perpetuity growth in dollars of 2.5%

Industry studies, including CMAI report with the price projections of essential petrochemicals and products commercialized by the Companies and market information about comparable companies

In this report, BBI presents the valuation of the existing operations of Braskem and Triunfo, under the terms of CVM Instruction 319/99

Executive Summary
Valuation Summary

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The enterprise value of Braskem is in the range of R$ 17,155 million and R$ 18,972 million; considering the net debt and equivalents as of 12/31/2008, the value of equity (Equity Value) is in the range of R$ 8,584 million and R$ 9,488 million

The enterprise value of Triunfo is in the range of R$ 266 million and R$ 294 million; considering the net debt and equivalents as of 12/31/2008, the value of equity (Equity Value) is in the range of R$ 225 million and R$ 249 million

Company	Valuation Methodology	WACC (US$ nominal)	Enterprise Value (R$ million)[2]	Equity Value (R$ million)[2]	# Shares[4] (in million)	Share Price (R$)
Braskem Operational [1]	Discounted Cash Flow	11.69%	16,844 18,617	-	-	-
quantiQ	EBITDA Multiples	-	310 355	-	-	-
	Sum of the Parts [3]	-	17,155 18,972	8,584 9,488	507.5	16.91 18.69
	Discounted Cash Flow	12.12%	266 294	225 249	63.6	3.54 3.92

Notes: **(1) Does not include quantiQ**
(2) Range based on a 5% above and below the valuation average point, except quantiQ (see page 26)
(3) Braskem Operational plus quantiQ
(4) Information obtained from Braskem and Triunfo financial results at 12/31/2008

BBI Information Credentials

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BBI presents below its qualifications as financial advisor in merger, acquisition and tender offer transactions in the Brazilian market:

Year	Client	Country	Counterpart	Transaction	Industry
2009	Agra	Brazil	Abyara	Acquisition of a majority stake	Real state
2008	FIP Multi Setorial Plus	Brazil	Haztec	Acquisition of a minority stake	Environmental consulting
2008	Bertin	Brazil	Leco / Vigor	Tender Offer	Food
2008	Alesat	Brazil	Repsol Brasil	Acquisition of the company	Oil and gas
2008	Banco Bradesco S.A.	Brazil	Ágora Corretora de Valores Mobiliários	Acquisition of a majority stake	Financial services
2008	Alesat	Brazil	Polipetro	Acquisition of the company	Oil and gas
2008	Odebrecht Engenharia Ambiental	Brazil	Citágua - Águas de Cachoeiro S.A.	Acquisition of the company	Water and sewage
2008	Bovespa	Brazil	BM&F	Merger	Financial services
2008	American Banknote S.A.	Brazil	Interprint Ltda.	Acquisition of a majority stake	Financial services and printing
2008	AMC Têxtil Ltda	Brazil	Grupo TF Modas	Acquisition of the company	Textiles and luxury brands
2008	Odebrecht Engenharia Ambiental	Brazil	ECOSAMA	Acquisition of the company	Water and sewage
2008	Banco Bradesco S.A.	Brazil	Mediservice	Acquisition of a majority stake	Healthcare
2008	BR Petrobras	Brazil	Suzano Petroquímica S.A.	Tender Offer	Petrochemicals
2007	Ultrapar S.A.	Brazil	RIPI	Tender Offer	Petrochemicals

2007	Ultrapar S.A.	Brazil	Petróleo Ipiranga	Tender Offer	Petrochemicals
2007	Ultrapar S.A.	Brazil	DPPI	Tender Offer	Petrochemicals
2007	Brascan Shopping Center	Brazil	Grupo Victor Malzoni	Acquisition of a majority stake	Real state
2007	Cia Melhoramentos S.A.	Brazil	CCDI Camargo Correa	Acquisition of real state assets	Real state
2007	Controlling Shareholders	Brazil	Serasa	Sale of the company	Financial services
2007	CPM S.A.	Brazil	Braxis S.A.	Merger	IT
2007	Louis Dreyfus Commodities S.A.	Brazil	Grupo Tavares de Melo	Acquisition of sugar and ethanol business	Agribusiness

BBI Information **Free translation of the original**
Qualification of the Professionals Responsible for this Valuation Report **Valuation Report in Portuguese**

Bruno Boetger **Managing Director**	Mr. Bruno Boetger joined Bradesco BBI in 2007 and is a managing director in BBI s Investment Banking, where he is responsible for the oil and gas, steel and mining and chemical products sectors. Bruno has 13 years of Investment Banking experience, primarily in M&A. Between 2005 and 2006, Bruno used to be Head of M&A for Latin America at Citigroup in New York. He was also an Investment Banker at Salomon Smith Barney. He has a BA in Business from Fundação Getulio Vargas and MBA from Cornell University
Jaime Cardoso **Superintendent, M&A** **M&A**	Mr. Jaime Cardoso joined Bradesco BBI in April 2008. Previously, he worked at Citigroup Global Markets Inc. since August 2000, where he was vice president and then director of M&A. He was responsible for origination and execution of transactions in Latin America including Brazil. Coordinated advice to various industries and sectors, including industry, consumer, retail, energy, telecommunications and industrial. He worked at Salomon Smith Barney, where he executed multiple transactions of M&A, IPO and structuring of debts. Other experiences include working as an economist at the IMF
Antonio Rogério Ferreira **Superintendent, M&A**	Mr. Antonio Rogério is a Vice President at Bradesco BBI, where he is responsible for mergers, acquisitions, and corporate restructurings transactions. Mr. Ferreira joined Bradesco in 2003, his transactions included deals in the petrochemical, oil & gas, infrastructure, media, textile, pharmaceutical and agribusiness sectors. Rogério worked at the BBVA, Gerdau, KPMG and at Century. During this 15-year period, Rogério performed feasibility studies and valuation models. Additionally, he also worked as an advisor in the privatization program in the energy sector (CESP, Elektro, Tietê and Paranapanema), in the banking sector (BANEB), and in the water and sewage sector (Cosama). He has a BS in Mechanical Engineering FAAP and MBA emphasis in Finance - USP
Henrique Cantagesso **Analyst**	Mr. Henrique Cantagesso is an Analyst in the Bradesco BBI investment banking division, where he executes M&A, equity and project finance transactions. Mr. Cantagesso joined Bradesco in 2006. Mr. Cantagesso main deals include two M&A transaction and a project finance structure in sewage service sector. Currently, he is working in another M&A in the petrochemical sector. He has a BA in Business from Fundação Getulio Vargas

Under the terms of CVM Instruction N° 319 as of December 03rd 1999, BBI makes the following statements:

We do not hold or has under management any kind of participation in the Companies

We do not own any direct or indirect interest in the Companies or in the Transaction which may constitute a conflict of interest or which reduces our independence in preparing this Valuation Report

The controlling shareholders or the management of the Companies did not interfere with, limit or difficult, in any manner whatsoever, our access, utilization or knowledge of working information, goods, documents or methodologies relevant to the quality of the respective conclusions

The internal process of BBI to approve a valuation report involves the following steps:

(i) discussion among the members of the team involved in the Transaction over the methodology and assumptions to be adopted in the valuation of the Companies

(ii) after the report preparation and revision by the team involved in the Transaction, it is submitted to an internal committee for a revision and approval; this committee is formed by at least two investment bank directors and one representative of BBI legal department

Overview

Braskem is the leading Latin American company in the thermoplastic resins market and the third largest petrochemical company in the Americas. Its production capacity is approximately 11 million tons per year across 18 industrial complexes

Company operations are divided into three main units:

Basic Products: production, primarily, of ethylene and propylene (first generation petrochemicals)

Vinyls: production of PVC, Solvents, Soda and EDC

Polyolefin: production of polypropylene (PP) and polyethylene (PE)

Financial Highlights

R$ million	**2006**	**2007 [1]**	**2008 [1]**
Net Revenues	16,969	17,642	17,960
Growth %		4.0%	1.8%
EBITDA	3,023	2,896	2,418
EBITDA Margin %	17.8%	16.4%	13.5%
Net Income	117	622	(2,492)
Net Margin %	0.7%	3.5%	n.a
Total Assets	16,304	20,781	22,702
Shareholders Equity	4,312	5,679	3,680
Net (Cash) Debt and Equivalents	4,769	6,123	9,027

Source: Consolidated financial annual reports of Braskem

Notes: **(1) Consolidated financial annual reports of Braskem, including IPQ, quantiQ, PPSA and Copesul**
(2) Controlling shareholders
(3) Does not include condensate processing and quantiQ sales
(4) BTX - Benzene, Toluene, Ortoxylene and Paraxylene
Source: Braskem S.A.

Overview

quantiQ was founded in 1991 as part of the group Empresas Petróleo Ipiranga

quantiQ is the leading company in the distribution of chemical and petrochemical products in Brazil

The logistics structure of quantiQ is comprised of eight Distribution Centers in the states of São Paulo, Rio Grande do Sul, Paraná, Rio de Janeiro, Bahia and Pernambuco

Company operations are divided into three main units:

Lifescience: distribution of special chemicals to cosmetics, pharmaceutical, human and animal nutrition industries

Chemicals: distribution of oils, solvents, intermediary chemicals, additives for lubricants, polymers and special chemicals

Products and Services: storage and handling of chemical and petrochemical materials, blending, logistics for supply and distribution, laboratory analysis and application of products, environmental services and recovery of solvents

Braskem holds, direct or indirectly, 100% of quantiQ

Financial Highlights

R$ Million	**2006**	**2007**	**2008**
Net Revenues	450	500	602
Growth %	-	11.1%	20.4%
EBITDA	23	19	44
EBITDA Margin %	5.1%	3.8%	7.4%
Net Income	211	229	361
Net Margin %	46.9%	45.8%	60.0%
Total Assets	774	1,007	216
Shareholders Equity	589	818	96
Net (Cash) Debt	105	83	7

Source: Consolidated financial annual reports of quantiQ

Source: quantiQ

Overview

Petroquímica Triunfo was created in 1979 and it is located at the Pólo Petroquímico de Triunfo in the state of Rio Grande do Sul

The industrial plant consists of two units with polyolefins, EVA and petrochemical products and has an installed capacity of approximately 160 thousand tons per year

Since 2004 Triunfo has been under Petroquisa s (that belongs to Petrobras Group) control and has the private company Petroplastic Ltda. as a shareholder

Triunfo concentrates the majority of its sales to the transformation industry in the domestic market while the rest is exported to Mercosul and other countries

Financial Highlights

R$ Million	**2006**	**2007**	**2008**
Net Revenues	502	559	582
Growth %		11.2%	4.2%
EBITDA	33	75	70
EBITDA Margin %	6.6%	13.4%	12.0%
Net Income	38	50	35
Net Margin %	7.5%	8.9%	6.0%
Total Assets	167	187	213
Shareholders Equity	82	82	118
Net (Cash) Debt and Equivalents	14	15	43

Source: Consolidated financial annual reports of Triunfo

Note: (1) Does not consider treasury shares (0.34% of the total)
Source: Triunfo

Discounted Cash Flow and EBITDA Multiples

Braskem Operational (DCF) and quantiQ Soluções & Química (Multiples)

Discounted Cash Flow

Triunfo

Note: (1) Does not include quantiQ

Discounted Cash Flow
Valuation Macroeconomics Assumptions

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Macroeconomics Projections

	2006	2007	2008	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
Exchange Rate													
US$ End of Period	2.15	1.77	2.34	2.20	2.10	2.20	2.26	2.31	2.37	2.42	2.47	2.52	2.55
US$ Average of Period	2.18	1.95	1.87	2.33	2.15	2.15	2.23	2.29	2.35	2.40	2.44	2.49	2.54
Inflation Rate													
IPCA	3.1%	4.5%	5.9%	4.0%	4.5%	4.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	3.5%
IGP-M	3.8%	7.7%	9.8%	2.5%	4.5%	4.4%	4.0%	3.8%	3.8%	3.5%	3.5%	3.5%	3.5%
CPI	2.6%	4.1%	0.8%	-1.0%	2.5%	3.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
GDP													
Real Growth (%)	3.7%	5.7%	5.1%	0.6%	3.5%	3.1%	3.8%	4.3%	4.5%	4.5%	4.5%	4.5%	4.5%

Source: Bradesco s DEPEC projections as of 03/23/2009

Assumptions

Did not consider, conservatively, production capacity expansions

Domestic Market:

Polyolefins and PVC: projected sales volume based on the elasticity between the demand growth for resins and national GDP growth (Average of the 15 last years)

Vinyls (excludes PVC) and Basic Products: maintenance of the volume sold in 2008, considering the installed capacity and its utilization rate

External Market: difference between the production and volume sold in the domestic market, if any

Assumptions

Domestic market:

Polyolefins and PVC: prices calculated based on the CMAI projected data by product in the international market, adjusted by the historical performance of the domestic market, taking into account factors such as freight, insurance, service margin among others

Vinyls (excludes PVC) and Basic Petrochemicals: Considers the price by products in accordance with CMAI projected data for the international market, adjusted by local price, which is based on the Braskem historical price

External market: price calculation based on CMAI projected data, adjusted by the historical relationship between Braskem prices in the external market and the effective prices in the international market

Notes: (1) Does not consider quantiQ
(2) Weighted average price among the internal and external markets

Assumptions

Nafta average price (Braskem main raw material), was calculated based on CMAI projected data in the international market, adjusted by the price paid by Braskem and the effective average price in the international market

Other production costs were projected based on Braskem s historical data

Sales expenses calculated as a percentage of the net revenue and based on Braskem historical data (2008)

General and administrative expenses linked to the CPI

Notes: (1) Does not consider quantiQ
(2) Does not include depreciation

Braskem Operational Valuation
Free Cash Flow

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FCF¹ (US$ million)

	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
EBIT	383.9	380.1	302.1	491.4	747.8	971.8	1,240.8	1,083.2	782.4	649.5
(-) Taxes[2] on EBIT	(69.7)	(69.0)	(54.9)	(89.2)	(135.8)	(231.3)	(394.8)	(368.3)	(266.0)	(220.8)
NOPLAT	**314.2**	**311.0**	**247.3**	**402.1**	**612.0**	**740.5**	**845.9**	**714.9**	**516.4**	**428.6**
(+) Depreciation / Amortization	620.8	655.7	694.0	733.5	773.7	700.5	661.2	704.5	749.0	794.6
Gross Cash Flow	**935.0**	**966.8**	**941.3**	**1,135.6**	**1,385.7**	**1,441.0**	**1,507.1**	**1,419.4**	**1,265.3**	**1,223.2**
(-) CAPEX[3]	(323.3)	(374.2)	(392.4)	(396.5)	(407.6)	(417.7)	(426.9)	(439.2)	(450.4)	(461.9)
(-) Working Capital[4]	(285.4)	367.2	102.1	(68.8)	(0.9)	(39.3)	42.9	8.0	14.4	34.4
(=) FCL - Free Cash Flow	**326.4**	**959.7**	**651.1**	**670.3**	**977.2**	**984.0**	**1,123.1**	**988.2**	**829.3**	**795.7**

FCF¹ (R$ million[5])

	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
EBIT	895.9	815.5	650.8	1,096.7	1,711.8	2,279.5	2,974.6	2,648.3	1,950.8	1,647.0
(-) Taxes[2] on EBIT	(162.7)	(148.1)	(118.2)	(199.1)	(310.8)	(542.5)	(946.6)	(900.4)	(663.3)	(560.0)
NOPLAT	**733.2**	**667.4**	**532.6**	**897.5**	**1,401.0**	**1,736.9**	**2,028.0**	**1,747.9**	**1,287.5**	**1,087.0**
(+) Depreciation / Amortization	1,448.8	1,407.0	1,495.1	1,637.1	1,771.1	1,643.1	1,585.1	1,722.4	1,867.4	2,015.0
Gross Cash Flow	**2,182.0**	**2,074.5**	**2,027.7**	**2,534.6**	**3,172.0**	**3,380.1**	**3,613.1**	**3,470.3**	**3,155.0**	**3,102.0**
(-) CAPEX[3]	(754.4)	(803.0)	(845.2)	(885.0)	(933.0)	(979.7)	(1,023.4)	(1,073.7)	(1,123.0)	(1,171.3)
(-) Working Capital[4]	(665.9)	787.9	220.0	(153.5)	(2.0)	(92.2)	102.9	19.5	35.9	87.2
(=) FCL - Free Cash Flow	**761.7**	**2,059.3**	**1,402.5**	**1,496.1**	**2,237.0**	**2,308.2**	**2,692.6**	**2,416.0**	**2,067.8**	**2,017.9**

Notes: **(1) Does not consider quantiQ**
(2) Consider credits and fiscal benefits for income tax until 2013 and, conservatively, the payment of 9.0% of CSLL during the whole projection period
(3) Investments in CAPEX projected based on information obtained from Braskem to meet maintenance expenditures and maintenance shutdowns
(4) Consider the average turnover of the main working capital accounts for the past years
(5) Figures converted to US dollar using the average exchange rate for each year and based on DEPEC s projection (see page 19)

WACC Calculation

		Comments
Risk Free Rate - Rf	3.01%	Equal to the average yield of the US Treasury 10 years bond between 09/23/2008 - 03/23/2009
Adjusted Beta - ß	1.29	Betas for comparables companies were delevered, resulting in an unlevered beta of 0.82, relevered based on the target capital structure
USA - Market Risk Premium (%) - MRP	5.50%	Average annual spread between the S&P 500 and US T-Bond (last 55 years)
Brazil Risk - Z	4.45%	Equal to the average of Brazil country risk premium based on Emerging Market Bond Index between 09/23/2008 - 03/23/2009
Equity Cost = Ke	**14.58%**	**= Risk Free Rate + (Beta x USA - Mkt Risk Premium) + Country Risk**
Debt Cost in US$	11.64%	Braskem cost of debt based on the average yield of its Bond issued in may/2008 between 09/23/2008 - 03/23/2009
Effective Tax Rate[1]	29.97%	Consider the credits and fiscal benefits for the IR tax up to 2013 and CSLL of 9.00%
Nominal Debt Cost = Kd X (1 - T)	**8.15%**	**= Cost of Debt Net of IR/CS**
Equity Value / Firm Value = E	55.00%	Target Structure informed by Braskem
Net Value / Firm Value = D	45.00%	
Nominal WACC in US$	**11.69%**	**= (E x Ke) + (D x (Kd x (1 - T))**

Note: (1) Consider the average tax paid by Braskem on the projection period (2009 2018)
Source: Bloomberg as of 03/23/2009 and Ibbotson

Sensitivity Analysis[1] (US$ million)

		WACC Nominal in US$				
		12.09%	**11.89%**	**11.69%**	**11.49%**	**11.29%**
Perpetuity Growth (g)	**2.10%**	7,189	7,321	7,459	7,603	7,753
	2.30%	7,244	7,380	7,522	7,669	7,823
	2.50%	7,302	7,442	**7,587**	7,738	7,896
	2.70%	7,363	7,506	7,655	7,810	7,973
	2.90%	7,426	7,573	7,726	7,886	8,053

Sensitivity Analysis [1] (R$ million [2])

		Nominal WACC in US$				
		12.09%	**11.89%**	**11.69%**	**11.49%**	**11.29%**
Perpetuity Growth (g)	**2.10%**	16,800	17,110	17,433	17,769	18,118
	2.30%	16,930	17,248	17,579	17,923	18,282
	2.50%	17,066	17,391	**17,731**	18,084	18,453
	2.70%	17,207	17,541	17,890	18,253	18,633
	2.90%	17,355	17,698	18,056	18,430	18,820

Note: **(1) Does not consider quantiQ**
(2) Exchange rate of R$ 2.34 per dollar as of 12/31/2008

quantiQ Valuation
quantiQ Enterprise Value by EBITDA Multiples

Free translation of the original Valuation Report in Portuguese

Comparable Companies Multiples[1] (local currency in $ million)

Company	Country	Currency	Market Cap	Enterprise Value (EV)	EBITDA 2008	EV / EBITDA 2008
Genuine Parts	EUA	USD	4,825	5,326	889	6.0x
United Stationers	EUA	USD	650	1,302	236	5.5x
Pool Corp	EUA	USD	657	969	129	7.5x
Uni-Select	Canada	CAD	521	768	92	8.3x
Mean						**6.8x**

Comparable Transaction Multiples

Transaction Date	Target	Acquirer	Enterprise Value (EV) (US$ million)	EV / EBITDA LTM
Feb/2001	Ellis & Everard	Koninklijke Vopak	443	6.1x
Apr/2001	Int´l Mueller Chemical	NIB Capital Private Equity	173	8.8x
Apr/2007	Chemcentral Corporation	Univar USA, Inc	650	9.3x
Mean				**8.1x**

Valuation Summary (R$ million)

Valuation by EBITDA Multiples		
EBITDA 2008 quantiQ	44.3	
Range of Multiples	7.0x	8.0x
Enterprise Value	310.4	354.8

Notes: (1) Bloomberg as of 03/25/2009
(2) LTM = Last twelve months
Source: Bloomberg and Braskem

Braskem Valuation **Free translation of the original**
Braskem Valuation (Braskem Operational and quantiQ) **Valuation Report in Portuguese**

DCF Valuation Summary (US$ million)

	Min.	Average Point	Max.
Braskem Operational [1]	7,207.6	**7,587.0**	7,966.3
(+) quantiQ	132.8	**142.3**	151.8
`= Enterprise Value	**7,340.4**	**7,729.3**	**8,118.1**
(-) Net Debt (12/31/2008)[2]		**3,862.8**	
Equity Value [1]	**3,673.1**	**3,866.5**	**4,059.8**
Shares Outstanding (million)	507.5	507.5	507.5
Price per Share (US$)	**7.24**	**7.62**	**8.00**

Sensitivity Analysis [3] (US$ / share)

		Nominal WACC in US$				
		12.09%	**11.89%**	**11.69%**	**11.49%**	**11.29%**
Perpetuity Growth (g)	**2.10%**	6.83	7.09	7.37	7.65	7.94
	2.30%	6.94	7.21	7.49	7.78	8.08
	2.50%	7.06	7.33	7.62	7.92	8.23
	2.70%	7.18	7.46	7.75	8.06	8.38
	2.90%	7.30	7.59	7.89	8.21	8.54

DCF Valuation Summary (R$ million[4])

	Min.	Average Point	Max.
Braskem Operational [1]	16,844.2	**17,730.7**	18,617.3
(+) quantiQ	310.4	**332.6**	354.8
`= Enterprise Value	**17,154.6**	**18,063.3**	**18,972.0**
(-) Net Debt (12/31/2008)[2]		**9,027.4**	

Equity Value [1]	**8,584.1**	**9,035.9**	**9,487.7**
Shares Outstanding (million)	507.5	507.5	507.5
Price per Share (US$)	**16.91**	**17.80**	**18.69**

Sensitivity Analysis [3] (R$[4] / share)

		Nominal WACC in US$				
		12.09%	**11.89%**	**11.69%**	**11.49%**	**11.29%**
Perpetuity Growth (g)	**2.10%**	15.97	16.58	17.22	17.88	18.57
	2.30%	16.23	16.85	17.50	18.18	18.89
	2.50%	16.49	17.13	17.80	18.50	19.23
	2.70%	16.77	17.43	18.12	18.83	19.58
	2.90%	17.06	17.74	18.44	19.18	19.95

Notes: (1) Range based on a 5% above and below the valuation average value, except quantiQ
(2) Consolidated net debt (Includes Braskem Operational and quantiQ)
(3) The WAAC and perpetuity growth variation only affected the value of Braskem Operational and not the fixed mid point of quantiQ valuation (obtained by EBITDA multiples)
(4) Exchange rate of R$ 2.34 per dollar as of 12/31/2008

Assumptions

Does not consider, conservatively, production capacity expansion, based on the policies adopted by Triunfo as a consequence of the market economic and financial perspectives for the medium -term

Average installed capacity utilization of 96.0%

Domestic market: growth based on Triunfo volume assumptions obtained from Braskem

External market: the difference between the production and sales in the domestic market, if any

Assumptions

Domestic market: prices calculated based on the CMAI projected data by product in the international market, adjusted by the historical performance of the domestic market, taking into accounting factors such as freight, insurance, service margin among others

External market: prices calculated based on CMAI projected data, adjusted by historical relationship between Triunfo prices in the external market and the effective prices in the international market

Notes: (1) Weighted average price between the internal and external markets

Assumptions

Ethylene and Vinyl Acetate average prices (Triunfo main raw materials), were calculated based on CMAI projected data in the international market, adjusted by the price paid by Triunfo and the effective average price in the international market

Other production costs were projected based on Triunfo historic results

Sales expenses calculated as a percentage of the net revenue and based on Triunfo historic results (2008)

General and administrative expenses linked to CPI

Notes: (1) Does not include depreciation

Triunfo Valuation
Free Cash Flow

Free translation of the original
Valuation Report in Portuguese

FCF Calculation (US$ million)

	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
EBIT	13.5	16.0	17.2	19.7	22.4	26.6	28.2	29.3	23.4	28.9
(-) Taxes on EBIT	(4.6)	(5.4)	(5.9)	(6.7)	(7.6)	(9.1)	(9.6)	(10.0)	(8.0)	(9.8)
NOPLAT	**8.9**	**10.5**	**11.4**	**13.0**	**14.8**	**17.6**	**18.6**	**19.3**	**15.4**	**19.1**
(+) Depreciation / Amortization	7.3	5.3	1.5	1.9	2.3	2.7	3.1	3.6	4.1	4.5
Gross Cash Flow	**16.2**	**15.8**	**12.9**	**14.9**	**17.0**	**20.3**	**21.7**	**22.9**	**19.5**	**23.6**
(-) CAPEX[1]	(4.0)	(9.0)	(3.8)	(3.9)	(4.1)	(4.2)	(4.5)	(4.7)	(4.8)	(5.0)
(-) Working Capital[2]	11.6	(6.3)	(9.6)	(2.9)	(4.3)	(4.8)	(2.9)	(0.6)	0.5	(1.1)
(=) FCL - Free Cash Flow	**23.8**	**0.5**	**(0.5)**	**8.1**	**8.7**	**11.2**	**14.3**	**17.6**	**15.2**	**17.5**

FCF Calculation (R$ million[3])

	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
EBIT	31.4	34.2	37.1	44.0	51.2	62.5	67.5	71.6	58.4	73.3
(-) Taxes on EBIT	(10.7)	(11.6)	(12.6)	(15.0)	(17.4)	(21.2)	(23.0)	(24.4)	(19.8)	(24.9)
NOPLAT	**20.7**	**22.6**	**24.5**	**29.1**	**33.8**	**41.2**	**44.6**	**47.3**	**38.5**	**48.4**
(+) Depreciation / Amortization	17.1	11.3	3.2	4.2	5.2	6.3	7.5	8.8	10.1	11.5
Gross Cash Flow	**37.8**	**33.9**	**27.7**	**33.2**	**39.0**	**47.6**	**52.1**	**56.0**	**48.6**	**59.9**
(-) CAPEX[1]	(9.3)	(19.2)	(8.3)	(8.8)	(9.3)	(9.9)	(10.7)	(11.5)	(12.0)	(12.8)
(-) Working Capital[2]	27.0	(13.6)	(20.6)	(6.5)	(9.8)	(11.3)	(7.1)	(1.4)	1.4	(2.7)
(=) FCL - Free Cash Flow	**55.6**	**1.1**	**(1.2)**	**18.0**	**19.9**	**26.3**	**34.3**	**43.1**	**38.0**	**44.4**

Notes: **(1) Investments in CAPEX projected based on information obtained from Braskem to meet maintenance expenditures**
(2) Consider the average turnover of the main working capital accounts for 2008
(3) Figures converted to US dollar using the average exchange rate for each year and based on DEPEC s projection (see page 19)

WACC Calculation

		Comments
Risk Free Rate - Rf	3.01%	Equal to the average yield of the US Treasury 10 years bond between 09/23/2008 - 03/23/2009
Adjusted Beta - ß	1.05	Betas for comparables companies were delevered, resulting in an unlevered beta of 0.82, relevered based on the target capital structure
USA - Market Risk Premium (%) - MRP	5.50%	Average annual spread between the S&P 500 and US T-Bond (last 55 years)
Brazil Risk - Z	4.45%	Equal to the average of Brazil country risk premium based on Emerging Market Bond Index between 09/23/2008 - 03/23/2009
Equity Cost = Ke	**13.27%**	**= Risk Free Rate + (Beta x USA - Mkt Risk Premium) + Country Risk**
Debt Cost in USD	14.32%	Cost based on (i) spread between similar financing operations of Braskem and Triunfo and (ii) Braskem s weighted average cost of debt used on the WACC calculation (page 24)
Taxe Rate in Brazil	34.00%	Consider IR of 25.00% and CSLL of 9.00%
Nominal Debt Cost = Kd X (1 - T)	**9.45%**	**= Cost of Debt Net of IR/CS**
Equity Value / Firm Value = E	70.00%	Target Structure informed by Braskem
Net Value / Firm Value = D	30.00%	
Nominal WACC in USD	**12.12%**	**= (E x Ke) + (D x (Kd x (1 - T))**

Source: Bloomberg as of 03/23/2009 and Ibbotson

Sensitivity Analysis (US$ million)

		Nominal WACC in US$				
		12,52%	**12,32%**	**12,12%**	**11,92%**	**11,72%**
Perpetuity Growth (g)	**2,10%**	113	115	117	120	123
	2,30%	114	116	119	121	124
	2,50%	115	117	**120**	123	125
	2,70%	116	119	121	124	127
	2,90%	117	120	122	125	128

Sensitivity Analysis (R$ million [1])

		Nominal WACC in US$				
		12,52%	**12,32%**	**12,12%**	**11,92%**	**11,72%**
Perpetuity Growth (g)	**2,10%**	263	269	275	280	286
	2,30%	266	271	277	283	290
	2,50%	269	274	**280**	286	293
	2,70%	271	277	283	289	296
	2,90%	274	280	286	293	300

Note: (1) Exchange rate of R$ 2.34 per dollar as of 12/31/2008

Triunfo Valuation
Triunfo Valuation DCF Analysis

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DCF Valuation Summary (US$ million)

	Min.	Average Point	Max.
Enterprise Value [1]	**113.9**	**119.9**	**125.8**
(-) Net Debt (12/31/2008)		18.3	
Equity Value [1]	**96.5**	**101.5**	**106.6**
Shares Outstanding (million)	63.6	63.6	63.6
Price per Share (US$)	**1.52**	**1.60**	**1.68**

Sensitivity Analysis (US$ / share)

		WACC Nominal em US$				
		12.52%	**12.32%**	**12.12%**	**11.92%**	**11.72%**
Crescimento da Perpetuidade (g)	**2.10%**	1.48	1.52	1.56	1.60	1.64
	2.30%	1.50	1.54	1.58	1.62	1.66
	2.50%	1.52	1.56	**1.60**	1.64	1.68
	2.70%	1.54	1.58	1.62	1.66	1.70
	2.90%	1.55	1.59	1.64	1.68	1.73

DCF Valuation Summary (R$ million [2])

	Min.	Average Point	Max.
Enterprise Value [1]	**266.1**	**280.1**	**294.1**
(-) Net Debt (12/31/2008)		42.8	
Equity Value [1]	**225.5**	**237.3**	**249.2**
Shares Outstanding (million)	63.6	63.6	63.6

Price per Share (US$)	**3.54**	**3.73**	**3.92**

Sensitivity Analysis (R$[2] / share)

		Nominal WACC in US$				
		12.52%	**12.32%**	**12.12%**	**11.92%**	**11.72%**
Perpetuity Growth (g)	**2.10%**	3.47	3.55	3.64	3.73	3.83
	2.30%	3.51	3.59	3.69	3.78	3.88
	2.50%	3.55	3.64	**3.73**	3.83	3.93
	2.70%	3.59	3.68	3.78	3.88	3.98
	2.90%	3.63	3.73	3.83	3.93	4.04

Notes: (1) Range based on a 5% above and below the valuation average point
(2) Exchange rate of R$ 2.34 per dollar as of 12/31/2008

Glossary
Terms Used in this Valuation Report

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Term	**Definition**
Beta; ß	Measures the part of the asset's statistical variance that cannot be mitigated by the diversification provided by the portfolio of many risky assets, because it is correlated with tidth="13%" valign=bottom style='height:12.75pt; border-left-style:none; border-left-width:medium; padding-left:5.4pt; padding-right:5.4pt; padding-top:0in; padding-bottom:0in' colspan="2" nowrap>

	September 30,			
	2012		2011	
	Unaudited			
Raw materials	$	99,400	$	99,100
Work in process		291,500		255,400
Finished goods		720,500		718,700
	$	1,111,400	$	1,073,200

3. Capitalized Software

During fiscal 2010, the Company began capitalizing costs for internal test software development. The test programs are used to test the Company s products before the products are sold by the Company to end-users, and the test programs are never used by individuals outside of the Company. As of June 30, 2012, these capitalized software development costs aggregated to $513,800. Amortization expenses for the quarters ended June 30, 2012 and 2011 were $7,200 and $7,300, respectively. Amortization expenses for the nine months ended June 30, 2012 and 2011 were $21,700 and $14,500, respectively.

4. Shareholders Equity and Related Party Transactions

The Company issues options to purchase common stock to its employees, certain consultants, and certain of its board members. Options are generally granted with an exercise price equal to the closing market value of a common share at the date of grant, have five- to ten-year terms and typically vest over periods ranging from immediately to three years from the date of grant. As of June 30, 2012, there were 1,035,000 authorized shares remaining for granting of future options.

A summary of stock option activity for the nine months ended June 30, 2012 is as follows:

	Shares	Weighted Average Exercise Price		Weighted Average Contractual Term (Years)	Aggregate Intrinsic Value	
Outstanding at September 30, 2011	286,000	$	1.13			
Granted	85,000	$	0.19			
Exercised	-	$	-			
Forfeited	-	$	-			
Expired	(45,000)	$	2.24			
Outstanding at June 30, 2012	326,000	$	0.58	4.03	$	250.00

Options exercisable at June 30, 2012	282,250	$	0.77	3.23	$	62.50

The aggregate intrinsic value is calculated as the difference between the closing price of the Company s common stock quoted on the OTCQX market and the exercise price of the underlying stock options for the shares subject to options that were in-the-money as of June 30, 2012.

In calculating compensation related to stock option grants, the fair value of each stock option is estimated on the date of grant using the Black-Scholes option-pricing model and the following weighted average assumptions for the nine months ended June 30, 2012 and 2011:

	Fiscal 2012	**Fiscal 2011**
Dividend yield	None	None
Expected volatility	178.62%	128.60%
Expected annual forfeiture rate	10%	10%
Risk-free interest rate	0.50%	1.10%
Expected term (years)	4	4

The computation of expected volatility used in the Black-Scholes option-pricing model is based on the historical volatility of the Company s share price. The expected term is estimated based on a review of historical exercise behavior with respect to option grants.

7

The estimated fair value of equity-based awards, less expected forfeitures, is amortized over the award s vesting period on a straight-line, generally over three years. Share-based compensation expense recognized in the statements of operations for the nine months ended June 30, 2012 and 2011 related to common stock option grants was $9,000 (fair value of $0.18 per share) and $22,200 (fair value of $0.52 per share), respectively. There was no share-based compensation expense recognized in the quarter ended June 30, 2012 and 2011.

During the nine months ended June 30, 2012, the Company raised $450,000 through 12 private placements to the chairman of the Company s board of directors, and another board member, as detailed below:

	# of Shares	**Amount**	
To the chairman of the board, October 18, 2011	87,500	$	35,000
To a board member, December 1, 2011	192,308		25,000
To the chairman of the board, December 2, 2011	230,769		30,000
To a board member, December 7 2011	138,889		25,000
To the chairman of the board, December 23, 2011	200,000		30,000
To a board member, January 10, 2012	500,000		75,000
To a board member, February 7, 2012	272,727		60,000
To the chairman of the board, February 9, 2012	272,727		60,000
To a board member, April 30, 2012	125,000		25,000
To the chairman of the board, April 30, 2012	125,000		25,000
To the chairman of the board, May 11, 2012	136,364		30,000
To a board member, May 14, 2012	136,364		30,000
	2,417,648	$	450,000

These shares have not been registered with the SEC. However, the Company s chairman of the board and the board member received demand registration rights, subject to certain limitations, and unlimited piggyback registration rights, with respect to the shares. The Company is only obligated to use its best efforts to obtain an effective registration statement.

5. Working Capital

On February 25, 2011, the Company entered into an asset-based line of credit with Summit Financial Resources LP related to its accounts receivable. The Company may borrow up to 80% of domestic accounts receivable at a daily interest rate of prime plus 2%, plus a monthly management fee of 1.1% of the borrowed accounts. As of June 30, 2012, the Company owes $160,200 on the line of credit. Interest expense on these borrowings was $3,100 and $10,800 for the quarter and nine months ended June 30, 2012, respectively.

During the quarter and nine months ended June 30, 2012, the Company obtained working capital bridge loans from its president aggregating $90,000 and $639,000, respectively. These loans are non-interest bearing and due on demand, and are in addition to other outstanding loans that the Company has obtained from its president.

6. Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted average common shares outstanding during the period. Diluted earnings per share reflects the net incremental shares that would be issued if dilutive outstanding stock options were exercised, using the treasury stock method. In the case of a net loss, no incremental shares would be issued because they are antidilutive. Stock options with exercise prices above the average market price during the period are also antidilutive.

There were 266,000 and 258,000 common stock options outstanding at June 30, 2012 and 2011, respectively. No options were considered in calculating the diluted loss per share for the quarters and nine months ended June 30, 2012 and 2011, as their effect would have been antidilutive. As a result, for the quarters and nine months ended June 30, 2012 and 2011, the Company s basic loss per share and diluted loss per share are the same.

7. Subsequent Events

The Company raised $30,000 through two private placements for an aggregate of 207,143 shares sold. The shares were sold to the Company s chairman of the board on July 2, 2012 and July 17, 2012. These shares have not been registered with the SEC. However, the Company s chairman of the board received demand registration rights, subject to certain limitations, and unlimited piggyback registration rights, with respect to the shares. The Company is only obligated to use its best efforts to obtain an effective registration statement.

The Company obtained a working capital bridge loan of $100,000 from its president on August 7, 2012. This loan is non-interest bearing and due on demand, and is in addition to other outstanding loans that the Company has obtained from its president.

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Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with the accompanying unaudited interim financial statements and notes to those statements included elsewhere in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 and our audited consolidated financial statements for the year ended September 30, 2011 included in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission on December 29, 2011 and amended on January 30, 2012.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this report, the words expects, anticipates, suggests, believes, intends, estimates, plans, ongoing, potential, expect, predict, believe, intend, may, will, should, could, would and similar intended to identify forward-looking statements.

Forward-looking statements are subject to risks and uncertainties that could cause our actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to the risks described in our Annual Report on Form 10-K including risks related to: our operating results, new product introductions and sales, competitive conditions, customer demand, capital expenditures and resources, manufacturing capacity utilization, and intellectual property claims and defense. These forward-looking statements speak only as of the date hereof. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

Overview

We develop and market high-speed digital integrated circuits that perform high-density storage and signal/image processing functions. Our products enable high definition video display, transport, editing, composition, and special effects. We also provide solutions for digital filtering in television broadcast stations and image enhancement in medical diagnostic scanning and imaging equipment.

Our products are used in the broadcast, medical, military, and consumer electronics markets. Our products address storage and digital signal processing (DSP) requirements that involve high-performance arithmetic computation. We focus on developing proprietary catalog products to address specific functional application needs or performance levels that are not otherwise commercially available. We seek to provide related groups of circuits that original equipment manufacturers (OEMs) incorporate into high-performance electronic systems.

Results of Operations

For the quarter ended June 30, 2012, our net revenues of $393,300 were a 3% decrease from $406,400 in the same quarter of fiscal 2011. For the nine months ended June 30, 2012, our net revenues of $675,200 decreased 43% from $1,184,600 in the same period of fiscal 2011. These decreases are the result of older products continuing to decline while our newly introduced products have not begun to contribute any material revenues. More than half of the sales for the quarter and nine months ended June 30, 2012 were of older product previously considered obsolete.

Cost of revenues for the quarter ended June 30, 2012 were $241,900, a 111% increase from $114,600 in the same quarter of fiscal 2011. For the nine months ended June 30, 2012, our cost of revenues was $617,700 compared to $425,800 for the same period of fiscal 2011, a 45% increase. These increases are primarily the result of increased staffing in our manufacturing department to compensate for past staff reductions and the need to spend funds to produce older replacement parts for military programs. In 2011, our military sales were often shipped from existing zero-value finished goods inventories, while in 2012 we had to build new parts from zero-value raw materials in inventory. These increases coupled with the decrease in revenues resulted in a gross margin of $151,400 for the quarter ended June 30, 2012, a 48% decrease from a gross margin of $291,800 for the comparable period of fiscal 2011. The gross margin for the nine months ended June 30, 2012 was $57,500, a 92% decrease from a gross margin of $758,800 for the comparable period of fiscal 2011.

Research and development (R&D) expenses to enhance and develop products for the quarter ended June 30, 2012 decreased 30% to $124,300 from $176,600 for the same quarter of fiscal 2011. For the nine months ended June 30, 2012, R&D expenses decreased 36% to $344,200 from $537,300 for the same period of fiscal 2011. These decreases are the result of staffing reductions and less use of outside services.

Selling, general and administrative (SG&A) expenses for the quarter ended June 30, 2012 were $167,900, a 28% decrease from $232,100 for the same quarter of fiscal 2011. For the nine months ended June 30, 2012, SG&A expenses decreased 19% to $689,200 from $846,500 for the same period of fiscal 2011. These decreases were the result of reductions in staffing and other cost cutting measures where possible.

As a result of our decreased revenues not being fully offset by decreases in expenditures, our net loss for the quarter ended June 30, 2012 increased to $143,900 from $119,800 for the same quarter of fiscal 2011. Our net loss for the nine months ended June 30, 2012 increased to $987,600 from $630,800 for the same period of fiscal 2011.

Liquidity and Capital Resources

Cash Flows

Our net loss of $987,600 for the nine months ended June 30, 2012 contributed to our net cash used by operating activities of $961,500 because most of the net loss was from cash transactions. Our working capital has become very limited and dependent on private placements, our line of credit, and working capital loans to sustain operations. During the nine months ended June 30, 2012, we received $450,000 from private placements and $465,000 from working capital bridge loans, offset by repayments on bank borrowings of $324,900. We intend to continue to minimize our expenditures to the extent possible without disrupting our operations.

On February 25, 2011, we established an asset-based line of credit with Summit Financial Resources LP, pursuant to which we have borrowed a net amount of $160,200 through June 30, 2012. On March 11, 2011, we established an equity line of credit with Dutchess Opportunity Fund, II, LP, but have not yet drawn upon the equity line.

A net loss of $630,800 for the nine months ended June 30, 2011 resulted in our net cash used by operations being $701,100. We used $97,000 of cash to increase inventory for new products, $81,300 on prepaid expenses and deposits to vendors, and $33,200 to reduce accrued payroll and vacation. During the nine months ended June 30, 2011, we received a total of $653,900 from financing activities, including: $425,000 from private placements of our common stock, $717,600 from bank borrowings, and $55,000 from a related party note payable, offset by repayments of bank borrowings of $543,700. During the nine months ended June 30, 2011, we invested $70,200 and $108,700 for capital expenditures and capitalized test software development, respectively.

Working Capital

Historically, due to order scheduling by our customers, up to 60% of our quarterly revenues are often shipped in the last month of the quarter, so a large portion of shipments included in our quarter-end accounts receivable are not yet due per our net 30 day terms. As a result, quarter-end accounts receivable balances are typically at their highest level for the respective period.

As a fabless semiconductor company with products having longer than normal product life cycles, our investment in inventories has been, and will continue to be, significant. Although high levels of inventory impact liquidity, we believe these costs are a less expensive alternative to owning a wafer fabrication facility. Over the past few years, we have attempted to streamline our product offerings, in turn reducing our inventory levels. Going forward, we believe we will need to produce more inventory for new product offerings, while selling off our existing inventory. Therefore, our goal is to keep our inventory levels relatively consistent with their current state.

Financing

Prior to fiscal 2011, our cost reductions had allowed us to generate enough cash from operations to fund current operations and future capital expenditures. To date, however, such reductions have not returned us to a state of liquidity. As our older products continue to produce less revenue and we have multiple new products being introduced, our capital requirements have increased, and we believe cash on-hand and cash from operations is not sufficient to meet these increased demands. We are currently working month-to-month to maintain adequate cash to continue operations.

As such, our continuance of operations depends on raising additional working capital, and on the increase of revenues received from new product introductions. However, our revenues may not increase. Accordingly, these factors raise substantial doubt about our ability to continue as a going concern. In order to finance our operations, we have established and drawn upon a limited line of credit with a commercial finance company. We have also entered into an investment agreement with an investment fund for the establishment of an equity line, but have not yet drawn upon the facility. We have also received working capital bridge loans from our president. We believe our limited financing, cash on-hand and cash from operations may not be sufficient to meet the increased demands of our market.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As a smaller reporting company as defined by Rule 12-2 of the Exchange Act and in Item 10(f)(1) of Regulation S-K, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this Item.

Item 4. Controls and Procedures

Evaluation of Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, or the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. Additionally, in designing disclosure controls and procedures, our management was necessarily required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II OTHER INFORMATION

Item 1. Legal Proceedings

We may be involved from time to time in ordinary litigation, negotiation, and settlement matters that we believe will not have a material effect on our operations or finances. We are not aware of any pending or threatened litigation against us or our officers and directors in their capacity as such that could have a material impact on our operations or finances.

From time to time, we also may receive demands from various parties asserting patent infringement or other claims in the ordinary course of business. These demands are often not based on any specific knowledge of our products or operations. Because of the uncertainties inherent in litigation, the outcome of any such claim, including the cost of a defense against such a claim, could have a material adverse impact on our business.

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Item 1A. Risk Factors

There have been no other material changes to the risk factors disclosed in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011, as filed with the Securities and Exchange Commission on December 29, 2011 and amended on January 30, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

As of June 30, 2012, we have not utilized our equity line established under our investment agreement with Dutchess Opportunity Fund, II, LP.

Other than previously disclosed in prior filings with the Securities and Exchange Commission, we did not issue any unregistered equity securities during the quarter ended June 30, 2012. From July 1, 2012 through August 14, 2012, we raised $30,000 from two private placements to our chairman of the board for the sale of an aggregate of 207,143 shares of our common stock.

Date of Sale	**Purchaser**	**Price Per Share**	**Shares Sold**	**Aggregate Offering Price**
07/02/12	Howard L. Farks	$0.14	107,143	$15,000
07/17/12	Howard L. Farks	$0.15	100,000	$15,000

The proceeds from the private placements were used for working capital and to fund operations. The shares have not been registered with the Securities and Exchange Commission. However, the investors received demand registration rights, subject to certain limitations, and unlimited piggyback registration rights, with respect to the shares. We are only obligated to use our best efforts to obtain an effective registration statement.

With respect to the sale of our common stock described above, we relied on the Section 4(2) exemption from securities registration under the federal securities laws for transactions not involving any public offering. No advertising or general solicitation was employed in offering the shares. The shares were sold to accredited investors. The securities were offered for investment purposes only, and not for the purpose of resale or distribution, and the transfer thereof was appropriately restricted by us.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Number	Description of Exhibits
3.1	Restated Articles of Incorporation dated August 17, 1988 (included as Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2004, filed January 26, 2005, and incorporated herein by reference).
3.2	Bylaws, as amended (included as Exhibit 3.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed May 15, 2007, and incorporated herein by reference).
10.1	Lease, dated June 5, 2007, between Gahrahmat Family Limited Partnership I, LP and Registrant included as Exhibit 99.1 to the Current Report on Form 8-K, filed August 7, 2007, and incorporated herein by reference).
10.2	LOGIC Devices Incorporated Amended and Restated 1998 Director Stock Incentive Plan (included as Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, filed May 6, 2008, and incorporated herein by reference).
10.3	LOGIC Devices Incorporated 2007 Employee Stock Incentive Plan (included as Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, filed May 6, 2008, and incorporated herein by reference).
10.4	Stock Purchase Agreement dated September 17, 1998 by and between William J. Volz, BRT Partnership, and Registrant (included as Exhibit 10.18 to the Annual Report on Form 10-K for the transition period January 1, 1998 to September 30, 1998, filed January 13, 1999, and incorporated herein by reference).
10.5	Registration Rights Agreement dated September 30, 1998 by and between William J. Volz, BRT Partnership, and Registrant (included as Exhibit 10.19 to the Annual Report on Form 10-K for the transition period January 1, 1998 to September 30, 1998, filed January 13, 1999, and incorporated herein by reference).
10.6	Stock Purchase Agreement dated September 29, 2010 between William J. Volz and Registrant (included as Exhibit 10.5 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2010, filed December 27, 2010, and incorporated herein by reference).
10.7	Registration Rights Agreement dated September 29, 2010 between William J. Volz and Registrant (included as Exhibit 10.6 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2010, filed December 27, 2010, and incorporated herein by reference).
10.8	Stock Purchase Agreement dated November 9, 2010 between Howard L. Farkas and Registrant (included as Exhibit 10.5 to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2010, filed March 3, 2011, and incorporated herein by reference).
10.9	Registration Rights Agreement dated November 9, 2010 between Howard L. Farkas and Registrant (included as Exhibit 10.6 to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2010, filed March 3, 2011, and incorporated herein by reference).
10.10	Stock Purchase Agreement dated December 6, 2010 between William J. Volz and Registrant (included as Exhibit 10.7 to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2010, filed March 3, 2011, and incorporated herein by reference).
10.11	Registration Rights Agreement dated December 6, 2010 between William J. Volz and Registrant (included as Exhibit 10.8 to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2010, filed March 3, 2011, and incorporated herein by reference).
10.12	Stock Purchase Agreement dated December 9, 2010 between Howard L. Farkas and Registrant (included as Exhibit 10.9 to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2010, filed March 3, 2011, and incorporated herein by reference).
10.13	Registration Rights Agreement dated December 9, 2010 between Howard L. Farkas and Registrant (included as Exhibit 10.10 to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2010, filed March 3, 2011, and incorporated herein by reference).
10.14	

Stock Purchase Agreement dated December 27, 2010 between William J. Volz and Registrant (included as Exhibit 10.11 to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2010, filed March 3, 2011, and incorporated herein by reference).

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10.15	Registration Rights Agreement dated December 27, 2010 between William J. Volz and Registrant (included as Exhibit 10.12 to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2010, filed March 3, 2011, and incorporated herein by reference).
10.16	Stock Purchase Agreement dated January 13, 2011 between William J. Volz and Registrant (included as Exhibit 10.16 to the Registration Statement on Form S-1 filed March 24, 2011, and incorporated herein by reference).
10.17	Registration Rights Agreement dated January 13, 2011 between William J. Volz and Registrant(included as Exhibit 10.17 to the Registration Statement on Form S-1 filed March 24, 2011, and incorporated herein by reference).
10.18	Stock Purchase Agreement dated January 25, 2011 between William J. Volz and Registrant (included as Exhibit 10.18 to the Registration Statement on Form S-1 filed March 24, 2011, and incorporated herein by reference).
10.19	Registration Rights Agreement dated January 25, 2011 between William J. Volz and Registrant (included as Exhibit 10.19 to the Registration Statement on Form S-1 filed March 24, 2011, and incorporated herein by reference)
10.20	Stock Purchase Agreement dated January 31, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.20 to the Registration Statement on Form S-1 filed March 24, 2011, and incorporated herein by reference).
10.21	Registration Rights Agreement dated January 31, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.21 to the Registration Statement on Form S-1 filed March 24, 2011, and incorporated herein by reference).
10.22	Stock Purchase Agreement dated February 7, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.22 to the Registration Statement on Form S-1 filed March 24, 2011, and incorporated herein by reference).
10.23	Registration Rights Agreement dated February 7, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.23 to the Registration Statement on Form S-1 filed March 24, 2011, and incorporated herein by reference).
10.24	Investment Agreement dated March 10, 2011 between Dutchess Opportunity Fund, II, LP and Registrant (included as Exhibit 4.1 to the Current Report on Form 8-K, filed March 15, 2011, and incorporated herein by reference).
10.25	Registration Rights Agreement dated March 10, 2011 between Dutchess Opportunity Fund, II, LP and Registrant (included as Exhibit 4.2 to the Current Report on Form 8-K, filed March 15, 2011, and incorporated herein by reference).
10.26	Stock Purchase Agreement dated April 11, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.26 to the Registration Statement on Form S-1 filed July 1, 2011, and incorporated herein by reference).
10.27	Registration Rights Agreement dated April 11, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.27 to the

	Registration Statement on Form S-1 filed July 1, 2011, and incorporated herein by reference).
10.28	Stock Purchase Agreement dated April 29, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.28 to the Registration Statement on Form S-1 filed July 1, 2011, and incorporated herein by reference).
10.29	Registration Rights Agreement dated April 29, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.29 to the Registration Statement on Form S-1 filed July 1, 2011, and incorporated herein by reference).
10.30	Stock Purchase Agreement dated July 13, 2011 between Robert Stanley and Registrant (included as Exhibit 10.30 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed July 22, 2011, and incorporated herein by reference).
10.31	Registration Rights Agreement dated July 13, 2011 between Robert Stanley and Registrant (included as Exhibit 10.31 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed July 22, 2011, and incorporated herein by reference)..
10.32	Stock Purchase Agreement dated July 14, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.32 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed July 22, 2011, and incorporated herein by reference).
10.33	Registration Rights Agreement dated July 14, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.33 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed July 22, 2011, and incorporated herein by reference).
10.34	Stock Purchase Agreement dated July 29, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.34 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.35	Registration Rights Agreement dated July 29, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.35 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.36	Stock Purchase Agreement dated August 23, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.36 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.37	Registration Rights Agreement dated August 23, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.37 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).

10.38	Stock Purchase Agreement dated August 23, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.38 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.39	Registration Rights Agreement dated August 23, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.39 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.40	Stock Purchase Agreement dated September 27, 2011 between Richard C. Saunders and Registrant (included as Exhibit 10.40 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.41	Warrant to Purchase Common Stock Agreement dated September 27, 2011 between Richard C. Saunders and Registrant (included as Exhibit 10.41 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.42	Stock Purchase Agreement dated October 18, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.42 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.43	Registration Rights Agreement dated October 18, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.43 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.44	Stock Purchase Agreement dated December 1, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.44 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.45	Registration Rights Agreement dated December 1, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.45 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.46	Stock Purchase Agreement dated December 2, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.46 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.47	Registration Rights Agreement dated December 2, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.47 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.48	Stock Purchase Agreement dated December 7, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.48 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.49	Registration Rights Agreement dated December 7, 2011 between Robert C. Stanley and Registrant (included as Exhibit 10.49 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.50	Stock Purchase Agreement dated December 23, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.50 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.51	Registration Rights Agreement dated December 23, 2011 between Howard L. Farkas and Registrant (included as Exhibit 10.51 to the Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed December 29, 2011, and incorporated herein by reference).
10.52	Stock Purchase Agreement dated January 10, 2012 between Robert C. Stanley and Registrant (included as Exhibit 10.52 to the Quarterly Report on Form 10-Q for the quarter ended December 31 2011, filed February 16, 2012, and incorporated herein by reference).
10.53	Registration Rights Agreement dated January 10, 2012 between Robert C. Stanley and Registrant (included as Exhibit 10.52 to the Quarterly Report on Form 10-Q for the quarter ended December 31 2011, filed February 16, 2012, and incorporated herein by reference).

10.54	Stock Purchase Agreement dated February 7, 2012 between Robert C. Stanley and Registrant (included as Exhibit 10.52 to the Quarterly Report on Form 10-Q for the quarter ended December 31 2011, filed February 16, 2012, and incorporated herein by reference).

10.55	Registration Rights Agreement dated February 7, 2012 between Robert C. Stanley and Registrant (included as Exhibit 10.52 to the Quarterly Report on Form 10-Q for the quarter ended December 31 2011, filed February 16, 2012, and incorporated herein by reference).
10.56	Stock Purchase Agreement dated February 9, 2012 between Howard L. Farkas and Registrant (included as Exhibit 10.52 to the Quarterly Report on Form 10-Q for the quarter ended December 31 2011, filed February 16, 2012, and incorporated herein by reference).
10.57	Registration Rights Agreement dated February 9, 2012 between Howard L. Farkas and Registrant (included as Exhibit 10.52 to the Quarterly Report on Form 10-Q for the quarter ended December 31 2011, filed February 16, 2012, and incorporated herein by reference).
10.58	Stock Purchase Agreement dated April 30, 2012 between Howard L. Farkas and Registrant (included as Exhibit 10.58 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 21, 2012, and incorporated herein by reference).
10.59	Registration Rights Agreement dated April 30, 2012 between Howard L. Farkas and Registrant (included as Exhibit 10.59 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 21, 2012, and incorporated herein by reference).
10.60	Stock Purchase Agreement dated May 11, 2012 between Howard L. Farkas and Registrant (included as Exhibit 10.60 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 21, 2012, and incorporated herein by reference).
10.61	Registration Rights Agreement dated May 11, 2012 between Howard L. Farkas and Registrant (included as Exhibit 10.61 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 21, 2012, and incorporated herein by reference).
10.62	Stock Purchase Agreement dated May 14, 2012 between Robert C. Stanley and Registrant (included as Exhibit 10.620to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 21, 2012, and incorporated herein by reference).
10.63	Registration Rights Agreement dated May 14, 2012 between Robert C. Stanley and Registrant (included as Exhibit 10.63 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 21, 2012, and incorporated herein by reference).
10.64	Stock Purchase Agreement dated July 2, 2012 between Howard L. Farkas and Registrant (filed herewith).
10.65	Registration Rights Agreement dated July 2, 2012 between Howard L. Farkas and Registrant (filed herewith).
10.66	Stock Purchase Agreement dated July 17, 2012 between Howard L. Farkas and Registrant (filed herewith).
10.67	Registration Rights Agreement dated July 17, 2012 between Howard L. Farkas and Registrant (filed herewith).
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14 and 15d-14 (filed herewith).
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14 and 15d-14 (filed herewith).
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (filed herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOGIC Devices Incorporated

Date: August 14, 2012

By: /s/ William J. Volz

William J. Volz

President and Chief Executive Officer

(Principal Executive Officer)

Date: August 14, 2012

By: /s/ Kimiko Milheim

Kimiko Milheim

Chief Financial Officer

(Principal Financial and Accounting Officer)

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