

BRASKEM SA
Form 6-K
August 17, 2017

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 August, 2017
(Commission File No. 1-14862)

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

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

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

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

Form 20-F Form 40-F

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

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

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

Yes No

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

Braskem S.A.

Quarterly Information (ITR) at

March 31, 2017

and Independent Auditors' Report Review

Report on review of interim financial information

To Shareholders, Members of the Board and Management

Braskem S.A.

Camaçari - Bahia

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Braskem S.A. (the “Company”) included in the Quarterly Financial Information for the quarter ended March 31, 2017, which comprises the balance sheet as of March 31, 2017, the statements of profit or loss and comprehensive income for the three-month period then ended, changes in equity and cash flows for the three-month period then ended, and notes to the interim financial information.

Management is responsible for the preparation and presentation of this individual interim financial information in accordance with CPC 21(R1) Technical Pronouncement - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21(R1) and international standard IAS 34 - *Interim Financial Reporting*, issued by the *International Accounting Standards Board* - IASB, as well as for the presentation of this quarterly information in accordance with the standards issued by CVM - Brazilian Securities and Exchange Commission, applicable to the preparation of interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international review standards applicable to interim financial information (NBC TR 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* and ISRE 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information referred to above is not prepared, in all material respects, in accordance with CPC 21(R1) applicable to the preparation of interim financial information and presented in accordance with the standards issued by CVM - Brazilian Securities and Exchange Commission.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information referred to above is not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, issued by the IASB, applicable to the preparation of interim financial information and presented in accordance with the standards issued by CVM - Brazilian Securities and Exchange Commission.

Emphasis of a matter

We call your attention to note 19.3, which says about the ratification of the Leniency Agreement (the “Agreement”) with the Federal Prosecution Office, the Department of Justice (DoJ) and the Securities and Exchange Commission (SEC) of the United States of America, and with the General Prosecution Office of Switzerland, in the approximate amount of R\$3.1 billion, and discloses information on progress of class action brought in the United States of America. Except for the value of the Agreement, as well as other non-monetary penalties enforced, the Company is not able, for the moment, to reliably foresee or measure the extent of financial and non-financial impacts on the Company and, accordingly, is not able to record possible additional losses that confirmation of accusations, possible lawsuits filed by other authorities and/or third-parties, and parallel investigations could cause to the Company, as well as resources required to remedy such occurrences, including possible effects deriving from the outcome of above-mentioned class action. Our opinion is not qualified in relation to this matter.

Other matters

Statements of value added

We also reviewed the individual and consolidated statements of value added for the three-month period ended March 31, 2017, prepared under the responsibility of the Company's management, whose presentation on the interim financial information is required under the standards issued by CVM - Brazilian Securities and Exchange Commission applicable to the preparation of Interim Financial Information and considered as additional information by IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Restatement of the corresponding values

According to mentioned in the note 2.5, as a result of the change in accounting policy in the presentation of interest paid in the Cash Flow and in the classification of the bonus provision, the interim financial information related to the statements of profit or loss and cash flows for the period of three-month ended March 31, 2016, presented for comparison purposes, were adjusted and has been restated, as required in the CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors and CPC 26 (R1) - Presentation of Financial Statements. Our conclusion is not qualified in respect of this matter.

São Paulo, August 15, 2017

KPMG Auditores Independentes

CRC 2SP014428/O-6

Original report in Portuguese signed by

Anselmo Neves Macedo

Accountant CRC 1SP160482/O-6

Braskem S.A.**Balance sheet**

at March 31, 2017

All amounts in thousands of reais

Assets	Note	Consolidated		Parent company	
		Mar/2017	Dec/2016	Mar/2017	Dec/2016
Current assets					
Cash and cash equivalents	4	6,617,161	6,701,864	4,374,897	3,561,431
Financial investments	5	1,011,223	1,190,483	587,773	741,086
Trade accounts receivable	6	2,243,287	1,634,137	1,252,534	952,689
Inventories	7	5,546,050	5,238,014	3,706,576	3,795,899
Taxes recoverable	9	592,413	826,015	351,717	543,275
Dividends and interest on capital	8	14,986	14,986	31,421	31,421
Prepaid expenses		73,780	101,747	53,066	83,252
Related parties	8(b)			55,009	172,344
Derivatives operations	15.3	4,592	8,387	4,592	8,387
Other receivables		177,509	180,915	152,795	128,231
		16,281,001	15,896,548	10,570,380	10,018,015
Non-current assets held for sale	3	375,217	359,704	273,183	263,912
		16,656,218	16,256,252	10,843,563	10,281,927
Non-current assets					
Trade accounts receivable	6	64,932	70,236	3,669,457	2,794,889
Advances to suppliers	7	57,766	61,533	57,766	61,533
Taxes recoverable	9	1,156,582	1,088,353	1,058,587	998,039
Deferred income tax and social contribution	17(b.ii)	1,182,197	1,653,115		42,459
Judicial deposits		237,246	233,320	230,712	226,894
Related parties	8(b)			14,206	14,472
Insurance claims		50,848	50,653	50,848	50,653
Derivatives operations	15.3	30,321	29,308		
Other receivables		135,894	140,971	128,108	129,704
Investments in subsidiaries and jointly-controlled investments	10(b)	105,102	92,313	5,555,196	4,132,529
Property, plant and equipment	11	29,606,664	29,336,710	15,745,870	15,963,127
Intangible assets	12	2,780,955	2,809,087	2,504,611	2,521,243

	35,408,507	35,565,599	29,015,361	26,935,542
Total assets	52,064,725	51,821,851	39,858,924	37,217,469

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

Braskem S.A.**Balance sheet**

at March 31, 2017

All amounts in thousands of reais

Continued

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		Mar/2017	Dec/2016	Mar/2017	Dec/2016
Current liabilities					
Trade payables		5,070,441	6,545,136	2,254,368	2,056,661
Borrowings	13	3,011,605	2,594,463	2,671,129	2,117,409
Braskem Idesa borrowings	14	9,911,068	10,437,791		
Derivatives operations	15.3	30,130	29,042	9,052	
Payroll and related charges		376,210	562,455	293,913	431,688
Taxes payable	16	1,048,893	624,080	704,909	424,088
Dividends		3,052	3,083	3,052	3,083
Advances from customers		219,846	203,216	39,366	28,200
Leniency agreement	19.3	1,291,488	1,354,492	1,195,646	948,286
Sundry provisions	18	83,441	112,891	64,053	87,084
Accounts payable to related parties	8(b)			1,020,978	956,609
Other payables		397,041	476,262	248,173	295,233
		21,443,215	22,942,911	8,504,639	7,348,341
Non-current liabilities held for sale	3	102,033	95,396		
		21,545,248	23,038,307	8,504,639	7,348,341
Non-current liabilities					
Trade payables		229,489	201,686	8,368,970	8,832,553
Borrowings	13	19,635,082	20,736,604	6,025,913	6,463,032
Derivatives operations	15.3	799,004	861,302	799,004	861,302
Taxes payable	16	31,371	24,097	30,948	23,830
Accounts payable to related parties	8(b)			8,004,902	8,234,053
Loan to non-controlling shareholders of Braskem Idesa		1,597,072	1,620,519		
Deferred income tax and social contribution	17(b.ii)	808,828	510,523	295,113	
Post-employment benefits		161,160	162,136	71,899	71,899
Provision for losses on subsidiaries				87,382	92,365
Advances from customers		115,215	162,955		
Contingencies	19	1,001,716	985,237	942,808	926,819
Leniency agreement	19.3	1,276,507	1,498,738	1,179,105	1,400,224
Sundry provisions	18	206,093	206,245	169,939	169,499

Edgar Filing: BRASKEM SA - Form 6-K

Other payables		123,942	92,792	6,003	6,070
		25,985,479	27,062,834	25,981,986	27,081,646
Shareholders' equity	20				
Capital		8,043,222	8,043,222	8,043,222	8,043,222
Capital reserve		232,430	232,430	232,430	232,430
Revenue reserves		834,616	834,616	834,616	834,616
Other comprehensive income		(5,551,644)	(6,321,859)	(5,551,644)	(6,321,859)
Treasury shares		(49,819)	(49,819)	(927)	(927)
Retained earnings		1,814,602		1,814,602	
Total attributable to the Company's shareholders		5,323,407	2,738,590	5,372,299	2,787,482
Non-controlling interest in Braskem Idesa		(789,409)	(1,017,880)		
		4,533,998	1,720,710	5,372,299	2,787,482
Total liabilities and shareholders' equity		52,064,725	51,821,851	39,858,924	37,217,469

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

Braskem S.A.**Statement of operations and statement of comprehensive income**

at March 31, 2017

All amounts in thousands of reais

Continued operations	Note	Consolidated		Parent company	
		Mar/2017	Mar/2016 Restated	Mar/2017	Mar/2016 Restated
Net sales revenue	22	12,599,728	11,914,595	9,207,516	9,020,651
Cost of products sold		(8,911,633)	(8,613,285)	(7,183,595)	(7,148,985)
		3,688,095	3,301,310	2,023,921	1,871,666
Income (expenses)					
Selling and distribution		(346,302)	(306,756)	(224,492)	(222,625)
General and administrative		(310,563)	(285,256)	(199,802)	(169,918)
Research and development		(33,662)	(42,594)	(23,291)	(23,065)
Results from equity investments	10(c)	12,209	1,687	1,168,880	791,874
Other income (expenses), net	23	(101,509)	(137,623)	(93,134)	(109,697)
		2,908,268	2,530,768	2,652,082	2,138,235
Financial results	24				
Financial expenses		(835,509)	(790,382)	(559,412)	(737,307)
Financial income		164,980	165,494	151,092	144,063
Exchange rate variations, net		285,035	(860,396)	(213,275)	(821,635)
		(385,494)	(1,485,284)	(621,595)	(1,414,879)
Profit before income tax and social contribution		2,522,774	1,045,484	2,030,487	723,356
Current and deferred income tax and social contribution	17(a)	(617,400)	(260,818)	(231,811)	86,929
Profit for the period of continued operations		1,905,374	784,666	1,798,676	810,285
Discontinued operations results	3				
Profit from discontinued operations		13,499	16,303	8,876	13,106
Current and deferred income tax and social contribution		(4,623)	(5,415)		

	8,876	10,888	8,876	13,106
Profit for the period	1,914,250	795,554	1,807,552	823,391
Attributable to:				
Company's shareholders	1,807,552	823,391		
Non-controlling interest in Braskem Idesa	106,698	(27,837)		
Profit for the period	1,914,250	795,554		

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

Braskem S.A.

Statement of operations and statement of comprehensive income

at March 31, 2017

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

Continued

	Note	Consolidated Mar/2017	Consolidated Mar/2016 Restated	Mar/2017	Parent co M R
Profit for the period		1,914,250	795,554	1,807,552	
Other comprehensive income or loss:					
Items that will be reclassified subsequently to profit or loss					
Fair value of cash flow hedge		87,578	27,918	54,945	
Income tax and social contribution		(28,471)	(13,959)	(18,681)	
Fair value of cash flow hedge - Braskem Idesa				24,474	
Income tax and social contribution				(7,342)	
Fair value of cash flow hedge from jointly-controlled		594	(10,004)	594	
		59,701	3,955	53,990	
Exchange variation of foreign sales hedge	15.3(a.i)	480,810	2,220,529	480,810	2,
Sales Hedge - transfer to profit or loss	15.3(a.i)	249,240	421,800	249,240	.
Income tax and social contribution on exchange variation		(248,217)	(898,392)	(248,217)	(8
Exchange variation of foreign sales hedge - Braskem Idesa	15.3(a.ii)	907,532	(179,723)	680,649	(1
Sales Hedge - transfer to profit or loss - Braskem Idesa	15.3(a.ii)	30,918		23,188	
Income tax on exchange variation - Braskem Idesa		(281,535)	53,917	(211,151)	
		1,138,748	1,618,131	974,519	1,
Foreign subsidiaries currency translation adjustment		(299,411)	(64,632)	(251,244)	(1
Total		899,038	1,557,454	777,265	1,
Total comprehensive income for the period		2,813,288	2,353,008	2,584,817	2,
Attributable to:					
Company's shareholders		2,584,817	2,360,480		
Non-controlling interest in Braskem Idesa		228,471	(7,472)		
Total comprehensive income for the period		2,813,288	2,353,008		

	Note	Mar/2017 Basic and diluted	Parent co M Basic and R
Profit per share attributable to the shareholders of the Company of continued operations at the end of the period (R\$) (expressed in reais)			
Earnings per share - common	21	2.2608	
Earnings per share - preferred shares class "A"		2.2608	
Earnings per share - preferred shares class "B"		0.6069	

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

Braskem S.A.**Statement of changes in shareholder's equity**

All amounts in thousands of reais

	Note	Attributed to shareholders' interest								
		Capital	Capital reserve	Legal reserve	Retention of profits	Revenue reserves Additional dividends proposed	Other comprehensive income	Treasury shares	Retained earnings (losses)	Total
At December 31, 2015 - restated	2.4	8,043,222	232,430	229,992	2,404,663	247,364	(9,060,710)	(49,819)	(416,768)	1,630
Comprehensive income for the year:										
Profit for the period - restated									823,391	823,391
Exchange variation of foreign sales hedge, net of taxes							1,649,583			1,649,583
Fair value of cash flow hedge, net of taxes							23,497			23,497
Foreign subsidiaries currency translation adjustment							(135,991)			(135,991)
							1,537,089		823,391	2,360,480
Equity valuation adjustments:										
Realization of additional property, plant and equipment							(6,809)		6,809	

price-level
restatement, net
of taxes
Realization of
deemed cost of
jointly-controlled
investment, net of
taxes

(241) 241
(7,050) 7,050

**At March 31,
2016 - restated**

2.4 8,043,222 232,430 229,992 2,404,663 247,364 (7,530,671) (49,819) 413,673 3,990

**At December 31,
2016**

8,043,222 232,430 229,992 604,624 (6,321,859) (49,819) 2,738

Comprehensive
income for the
year:

Loss for the year

1,807,552 1,807

Exchange
variation of
foreign sales
hedge, net of

taxes

974,519 974

Fair value of cash
flow hedge, net of
taxes

53,990 53

Foreign currency
translation
adjustment

(251,244) (251,
777,265 1,807,552 2,584

Equity valuation
adjustments:

Realization of
additional
property, plant
and equipment
price-level
restatement, net
of taxes

(6,809) 6,809

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

(241) 241
(7,050) 7,050

**At March 31,
2017**

8,043,222 232,430 229,992 604,624 (5,551,644) (49,819) 1,814,602 5,323

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

Braskem S.A.**Statement of changes in shareholder's equity****All amounts in thousands of reais**

					Revenue reserves			Parent Co		
	Note	Capital	Legal	Retention	Additional	Other	Treasury	Retained		
		reserve	reserve	of profits	dividends	comprehensive	shares	earnings		
		Capital	Legal	Retention	dividends	income	shares	earnings		
		reserve	reserve	of profits	proposed	income	shares	(losses)		
At December 31, 2015 - restated	2.4	8,043,222	232,430	229,992	2,404,663	247,364	(9,060,710)	(927)	(416,768)	1,6
Comprehensive income for the year:										
Profit for the year								823,391		8
Exchange variation of foreign sales hedge, net of taxes							1,649,583			1,6
Fair value of cash flow hedge, net of taxes							23,497			
Foreign subsidiaries currency translation adjustment							(135,991)			(13
							1,537,089		823,391	2,3
Equity valuation adjustments:										
Realization of additional property, plant and equipment price-level restatement, net of taxes							(6,809)		6,809	
Realization of deemed cost of jointly-controlled investment, net of taxes							(241)		241	

							(7,050)		7,050	
At March 31, 2016										
- restated	2.4	8,043,222	232,430	229,992	2,404,663	247,364	(7,530,671)	(927)	413,673	4,0
At December 31, 2016		8,043,222	232,430	229,992	604,624		(6,321,859)	(927)		2,7
Comprehensive income for the year:										
Loss for the year									1,807,552	1,8
Exchange variation of foreign sales hedge, net of taxes						974,519				9
Fair value of cash flow hedge, net of taxes						53,990				
Foreign currency translation adjustment						(251,244)				(25
						777,265			1,807,552	2,5
Equity valuation adjustments:										
Realization of deemed cost of jointly-controlled investment, net of taxes							(6,809)		6,809	
Realization of additional property, plant and equipment price-level restatement, net of taxes							(241)		241	
							(7,050)		7,050	
At March 31, 2017		8,043,222	232,430	229,992	604,624		(5,551,644)	(927)	1,814,602	5,3

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

Braskem S.A.**Statement of cash flows****at March 31, 2017****All amounts in thousands of reais**

	Note	Consolidated Mar/2017	Consolidated Mar/2016 Restated	Parent company Mar/2017	Parent company Mar/2016 Restated
Profit (loss) before income tax and social contribution and for the result with discontinued operations	2.4	2,522,774	1,061,787	2,030,487	736,462
Adjustments for reconciliation of profit					
Depreciation, amortization and depletion		702,122	571,104	467,835	490,773
Results from equity investments	10(c)	(12,209)	(1,687)	(1,168,880)	(804,980)
Interest and monetary and exchange variations, net		214,931	364,706	561,345	541,291
Provision for losses and write-offs of long-lived assets		9,196	19,583	6,113	19,582
		3,436,814	2,015,493	1,896,900	983,128
Changes in operating working capital					
Held-for-trading financial investments		188,498	(278,826)	173,492	(287,992)
Trade accounts receivable		(604,109)	525,108	(1,174,538)	439,200
Inventories		(316,471)	277,618	80,275	447,880
Taxes recoverable		206,326	316,153	148,468	165,058
Prepaid expenses		27,967	8,269	30,186	(975)
Other receivables		3,851	(8,479)	89,843	(47,434)
Trade payables		(1,283,309)	(1,883,587)	(102,293)	(1,603,311)
Taxes payable		25,688	(202,681)	126,802	102,339
Advances from customers		(31,110)	(5,336)	11,166	(937)
Leniency agreement		(296,591)			
Sundry provisions		(13,123)	(5,003)	(6,602)	13,551
Other payables		(262,911)	32,171	(189,086)	27,820
Cash from operations		1,081,520	790,900	1,084,613	238,327
Interest paid		(472,006)	(447,767)	(128,337)	(136,984)
Income tax and social contribution paid		(40,953)	(94,662)	(17,458)	(15,350)
Net cash generated by operating activities		568,561	248,471	938,818	85,993

Edgar Filing: BRASKEM SA - Form 6-K

Proceeds from the sale of fixed assets		263	97	125	18
Acquisitions to property, plant and equipment and intangible assets	(i)	(272,934)	(566,910)	(197,899)	(193,584)
Premium in the dollar put option		(2,153)		(2,153)	
Net cash used in investing activities		(274,824)	(566,813)	(199,927)	(193,566)
Short-term and Long-term debit					
Obtained		660,324	803,625	660,324	823,523
Payments		(886,221)	(968,354)	(506,800)	(925,757)
Project finance					
Obtained funds			91,094		
Payment of borrowings		(198,180)	(80,391)		
Related parties					
Obtained				48,086	
Payments				(127,004)	(1,718,207)
Dividends paid		(31)	(4)	(31)	(4)
Repurchase of treasury shares					
Net cash provided by financing activities		(424,108)	(154,030)	74,575	(1,820,445)
Exchange variation on cash of foreign subsidiaries		45,668	238,273		
Increase (decrease) in cash and cash equivalents		(84,703)	(234,099)	813,466	(1,928,018)
Represented by					
Cash and cash equivalents at the beginning of the year		6,701,864	7,043,262	3,561,431	4,415,764
Cash and cash equivalents at the end of the year		6,617,161	6,809,163	4,374,897	2,487,746
Increase (decrease) in cash and cash equivalents		(84,703)	(234,099)	813,466	(1,928,018)

(i) In the first quarter of 2016, the capitalized interest paid that was included in this item (R\$188,725 Consolidated, R\$16,974 Parent Company) was reclassified to “Interest paid” (Note 2.5(a)).

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

Braskem S.A.**Statement of value added**

at March 31, 2017

All amounts in thousands of reais

	Note	Consolidated		Parent company	
	2.4	Mar/2017	Mar/2016 Restated	Mar/2017	Mar/2016 Restated
Revenue		14,705,650	13,876,808	11,360,841	10,799,926
Sale of goods, products and services, including discontinued operations		14,692,787	13,942,809	11,362,160	10,861,088
Other income (expenses), net		14,184	(43,427)	302	(40,537)
Allowance for doubtful accounts		(1,321)	(22,574)	(1,621)	(20,625)
Inputs acquired from third parties		(10,090,801)	(9,920,081)	(8,482,794)	(8,246,829)
Cost of products, goods and services sold		(9,608,786)	(9,527,567)	(8,138,161)	(7,976,593)
Material, energy, outsourced services and others		(466,071)	(391,518)	(328,509)	(269,468)
Impairment of assets		(15,944)	(996)	(16,124)	(768)
Gross value added		4,614,849	3,956,727	2,878,047	2,553,097
Depreciation, amortization and depletion		(702,122)	(571,104)	(467,835)	(490,773)
Net value added produced by the entity		3,912,727	3,385,623	2,410,212	2,062,324
Value added received in transfer		186,071	167,213	1,328,848	949,043
Results from equity investments		21,085	1,687	1,177,756	804,980
Financial income		164,980	165,494	151,092	144,063
Other		6	32		
Total value added to distribute		4,098,798	3,552,836	3,739,060	3,011,367
Personnel		342,267	309,578	240,357	179,975
Direct compensation		278,135	242,114	190,931	133,445
Benefits		48,209	49,932	33,265	29,232
FGTS (Government Severance Pay Fund)		15,923	17,532	16,161	17,298
Taxes, fees and contributions		1,233,310	737,774	868,462	397,142
Federal		747,824	196,334	408,297	(40,093)

Edgar Filing: BRASKEM SA - Form 6-K

State	475,481	530,014	452,759	429,267
Municipal	10,005	11,426	7,406	7,968
Remuneration on third parties' capital	608,971	1,709,930	822,689	1,610,859
Financial expenses (including exchange variation)	544,051	1,640,889	767,592	1,554,182
Rentals	64,920	69,041	55,097	56,677
Remuneration on own capital	1,914,250	795,554	1,807,552	823,391
Profit (loss) for the year, including discontinued operations	1,798,676	812,503	1,798,676	810,285
Non-controlling interest in Braskem Idesa	106,698	(27,837)		
Discontinued operations results	8,876	10,888	8,876	13,106
Value added distributed	4,098,798	3,552,836	3,739,060	3,011,367

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

Braskem S.A.

Notes to the financial statements

at March 31, 2017

All amounts in thousands of reais, unless otherwise stated

1 Operations

Braskem S.A. (hereinafter “Parent Company”) is a public corporation headquartered in Camaçari, Bahia (“BA”), which jointly with its subsidiaries (hereinafter “Braskem” or “Company”) is controlled by Odebrecht S.A. (“Odebrecht”), which directly and indirectly holds interests of 50.11% and 38.32% in its voting and total capital, respectively.

(a) Significant operating events impacting these financial statements

- (i) In January 2017, Braskem’s new line to produce ultra-high molecular weight polyethylene (UHMWPE), known commercially as UTEC®, started operations. Located in La Porte, Texas, the plant will complement the production capacity of the existing line in Brazil at the Petrochemical Complex in Camaçari.
- (ii) On January 27, 2017, the Board of Directors of the Company authorized the execution of a purchase agreement with Odebrecht Utilities S.A., through which Braskem undertook to purchase all shares held by the seller in Cetrel S.A., which represent 63.7% of its voting capital, for the aggregate amount of R\$610 million, to be paid upon the consummation of the transaction. The consummation of the acquisition is subject to a vote by the Shareholders' Meeting of Braskem, in accordance with Article 256 of Federal Law 6,404/76, and to the conditions precedent typical to transactions of this nature. As of the date on which the issue of these financial statements was authorized, the Meeting had yet to be called.

The Shareholders' Meeting to deliberate the approval of this transaction was convened for August 25, 2017.

(b) Net working capital

On March 31, 2017, consolidated net working capital was negative R\$5,162,214. This situation, however, does not reflect the Company’s actual liquidity position. Note that, without the reclassification mentioned in the paragraph below, consolidated net working capital is positive at R\$3,852,610.

In compliance with CPC 26 and its corresponding accounting standard IAS 1 (Presentation of Financial Statements), its subsidiary Braskem Idesa, reclassified to current liabilities financial obligations in the form of Project finance originally maturing in the long term. These obligations include restrictive contractual clauses (covenants) that at the base date of this quarterly information, were in default (Note 14).

Note that Braskem Idesa has been settling these obligations in accordance with their original maturity schedule.

2 Summary of significant accounting policies

There were no changes in the accounting practices used in the preparation of the Quarterly Information in relation to those presented in the December 31, 2016 financial statements.

2.1. Basis of preparation

This Quarterly Information includes the three-month period ended March 31, 2017 and should be read together with the financial statements of Braskem as of December 31, 2016, which were prepared and presented (i) in the consolidated, in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and (ii) in the Parent Company, in accordance with accounting practices adopted in Brazil, in compliance with the Law 6,404/76 and subsequent adjustments and the standards issued by the CPC.

Braskem S.A.

Notes to the financial statements

at March 31, 2017

All amounts in thousands of reais, unless otherwise stated

The preparation of the Quarterly Information requires the use of certain critical accounting estimates. It also requires the Management of the Company to exercise its judgment in the process of applying its accounting policies.

There were no significant changes in the assumptions and judgments made by the Company's management in the use of estimates for the preparation of the Quarterly Information in relation to those used in the December 31, 2016 financial statements.

Issue of these financial statements was authorized by the Executive Board on August 14, 2017.

2.1.1 Consolidated and parent company quarterly information

The consolidated Quarterly Information was prepared and is being presented in accordance with the pronouncements CPC 21 and IAS 34 - Interim Financial Reporting, which establish the minimum content for interim financial statements. The parent company information was prepared and is being presented in accordance with CPC pronouncement.

All relevant information pertaining exclusively to these interim financial statements is presented herein and corresponds to the information used by the Management of the Company.

2.1.2 Consolidated quarterly information

The consolidated Quarterly Information includes the quarterly information of the Parent Company and companies in which it, directly or indirectly, maintains a controlling equity interest or controls the activities, as presented below:

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated**

	Headquarters	Total and voting interest - %	
		Mar/2017	Dec/2016
Direct and Indirect subsidiaries			
Braskem America Finance Company ("Braskem America Finance")	EUA	100.00	100.00
Braskem America, Inc. ("Braskem America")	EUA	100.00	100.00
Braskem Argentina S.A. ("Braskem Argentina")	Argentina	100.00	100.00
Braskem International GmbH ("Braskem Austria")	Austria	100.00	100.00
Braskem Europe GmbH ("Braskem Alemanha")	Germany	100.00	100.00
Braskem Finance Limited ("Braskem Finance")	Cayman Islands	100.00	100.00
Braskem Idesa S.A.P.I. ("Braskem Idesa")	Mexico	75.00	75.00
Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços")	Mexico	75.00	75.00
Braskem Incorporated Limited ("Braskem Inc")	Cayman Islands	100.00	100.00
Braskem Mexico Proyectos S.A. de C.V. SOFOM ("Braskem México Sofom")	Mexico	100.00	100.00
Braskem Mexico, S. de RL de CV ("Braskem México")	Mexico	100.00	100.00
Braskem Mexico Servicios S. RL de CV ("Braskem México Serviços")	Mexico	100.00	100.00
Braskem Netherlands B.V. ("Braskem Holanda")	Netherlands	100.00	100.00
Braskem Netherlands Finance B.V. ("Braskem Holanda Finance")	Netherlands	100.00	100.00
Braskem Netherlands Inc. B.V. ("Braskem Holanda Inc")	Netherlands	100.00	100.00
Braskem Petroquímica Chile Ltda. ("Braskem Chile")	Chile	100.00	100.00
Braskem Petroquímica Ltda. ("Braskem Petroquímica")	Brazil	100.00	100.00
Lantana Trading Co. Inc. ("Lantana")	Bahamas	100.00	100.00
Specific Purpose Entity ("SPE")			
Fundo de Investimento Multimercado Crédito Privado Sol ("FIM Sol")	Brazil	100.00	100.00

Fundo de Investimento Caixa Júpiter Multimercado

Crédito Privado Longo Prazo ("FIM Júpiter")	Brazil	100.00	100.00
---	--------	--------	--------

(i) In process of extinction.

2.2. Foreign and functional currency

The information on functional and foreign currency was presented in the 2016 annual financial statements of the Company, in Note 2.2.

Exchange variation effects

The main effects from exchange variation in this Quarterly Information are shown below:

	Mar/2017	Dec/2016	Final rate Variation	Mar/2017	End of period rate at Dec/2016	Variation
U.S. dollar - Brazilizan real	3.1684	3.2591	-2.78%	3.1279	3.9022	-19.84%
U.S. dollar - Mexican peso	18.8370	20.6352	-8.71%	20.3151	18.0244	12.71%
U.S. dollar - Euro	0.9321	0.9479	-1.66%	0.9388	0.9068	3.53%

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****2.3. Reconciliation of equity and profit (loss) for the period between Parent Company and consolidated**

	Shareholders' equity		Profit for the year	
	Mar/2017	Dec/2016	Mar/2017	Dec/2016
Parent company	5,372,299	2,787,482	1,807,552	823,391
Braskem shares owned by subsidiary Braskem Petroquímica	(48,892)	(48,892)		
Non-controlling interest of Braskem Idesa	(789,409)	(1,017,880)	106,698	(27,837)
Consolidated	4,533,998	1,720,710	1,914,250	795,554

2.4. Restatement

The statements of operations and of cash flows for the first quarter of 2016 and the starting balance of equity in December 2015 were restated due to the inflation adjustment of taxes recognized from prior periods and other prior-year adjustments. The information related to this restatement was reported in the 2016 annual financial statements of the Company, in Note 2.4. The effect on the first quarter result corresponding to the update by the SELIC, recorded under "Financial expenses", was R\$5,805.

Additionally, the statement of cash flows for the period ended March 31, 2016 was restated due to the reclassification of Brazilian government bonds from "cash and cash equivalents" to "financial investments" (Note 5).

2.5. Change in accounting policy

(a) Braskem's Management decided to change, in the statement of cash flows, the presentation of interest paid that were presented in the group called "net cash used in investing activities". These amounts are now presented as "interest paid". This change provides (i) the direct identification of the total amount paid as interest and (ii) greater

accuracy in determining the net cash generated by operating activities. The reclassified amounts for the first quarter of 2016 were R\$188,725 and R\$16,974 in the consolidated and the Parent Company cash flows, respectively.

- (b) In 2017, the Company changed the classification of the bonus provision in order to standardize the classification for all companies, whether productive or not, and to understand that the current classification is more appropriate due to the characteristic of this provision of not present recurring elements or, when they recur, do not repeat their amount year by year. In the first quarter of 2016, the consolidated amounts related to this item were reclassified from "costs of products sold" (R\$38,494), "selling and distribution expenses" (R\$1,504) and "general and administrative expenses" (R\$43,439) to the group called "other net income (expenses)" (Note 23).

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****3 Assets held for sale and discontinued operations**

On January 9, 2017, the Board of Directors approved the sale of the subsidiaries Quantiq Distribuidora Ltda. and IQAG Armazens Gerais Ltda. to the company GTM do Brasil Comércio de Produtos Químicos Ltda. The sale agreement, in the amount of R\$550 million, was signed on the following day, and in January the operation was approved by Brazil's antitrust agency CADE (Conselho Administrativo de Defesa Econômica).

This sale was consummated on April 3, 2017, date on which the control was transferred to the buyer and the receipt of the amount of R\$450 million. The balance of R\$100 million will be received in up to 12 months, and may undergo customary adjustments in this type of operation.

The assets and liabilities classified as held for sale and the result with discontinued operations are stated as follows:

Assets and liabilities classified as held for sale	Mar/2016	Dec/2016
Assets		
Cash and cash equivalents	40,216	76,146
Trade accounts receivable	119,076	65,626
Inventories	82,815	84,296
Taxes recoverable	46,858	45,859
Property, plant and equipment	61,591	61,037
Intangible assets	6,729	6,665
Other assets	17,932	20,075
Total assets	375,217	359,704
Liabilities		
Trade payables	75,852	62,692
Payroll and related charges	7,099	11,170

Edgar Filing: BRASKEM SA - Form 6-K

	Dividends	6,371	6,371
	Taxes payable	9,668	7,064
	Other payables	3,043	8,099
Total liabilities		102,033	95,396
Result with discontinued operations		Mar/2016	Dec/2016
Net sales revenue		212,238	211,915
	Cost of products sold and services provided	(176,957)	(169,739)
Gross profit		35,281	42,176
Income (expenses)			
	Selling and distribution	(10,164)	(11,617)
	General and administrative	(12,067)	(20,021)
	Other income (expenses), net	(1,298)	1,691
Operating profit		11,752	12,229
Financial results		1,747	4,074
Profit before income tax and social contribution		13,499	16,303
	Current and deferred income tax and social contribution	(4,623)	(5,415)
Result with discontinued operations		8,876	10,888

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****4 Cash and cash equivalents**

The information on cash and cash equivalents was presented in the 2016 annual financial statements of the Company, in Note 6.

		Mar/2017	Consolidated Dec/2016
Cash and banks	(i)	2,055,074	2,178,611
Cash equivalents:			
Domestic market		2,824,040	2,914,685
Foreign market	(i)	1,738,047	1,608,568
Total		6,617,161	6,701,864

(i) On March 31, 2017, it includes cash and banks of R\$162,346 (R\$172,390 on December 31, 2016) and cash equivalents of R\$19,943 (R\$29,169 on December 31, 2016) of the subsidiary Braskem Idesa, available for its exclusive use.

5 Financial investments

The information on financial investments was presented in the 2016 annual financial statements of the Company, in Note 7.

Mar/2017	Consolidated Dec/2016
-----------------	----------------------------------

Loans and receivables

	Time deposit investments	(i)	421,957	434,015
Held-for-trading				
	<i>Letras Financeiras do Tesouro - LFT</i>	(ii)	588,614	755,712
	Other		652	756
Total			1,011,223	1,190,483
Current assets			1,011,223	1,190,483
Total			1,011,223	1,190,483

(i) This investment was given as guarantee to cover Braskem's obligation related to the constitution of a reserve account for the project finance of the subsidiary Braskem Idesa.

(ii) Government bonds held-for-trading refers to Brazilian floating-rate government bonds ("LFTs"). These bonds have maturity above three months, immediate liquidity and expected realization in the short term.

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****6 Trade accounts receivable**

The information on trade accounts receivable was presented in the 2016 annual financial statements of the Company, in Note 8.

	Mar/2017	Consolidated Dec/2016	Parent Company Mar/2017	Dec/2016
Consumers				
Domestic market	1,060,610	869,306	1,282,288	969,072
Foreign market	1,629,489	1,215,626	4,000,203	3,137,384
Allowance for doubtful accounts	(381,880)	(380,559)	(360,500)	(358,878)
Total	2,308,219	1,704,373	4,921,991	3,747,578
Current assets	2,243,287	1,634,137	1,252,534	952,689
Non-current assets	64,932	70,236	3,669,457	2,794,889
Total	2,308,219	1,704,373	4,921,991	3,747,578

7 Inventories

The information on inventories was presented in the 2016 annual financial statements of the Company, in Note 9.

	Mar/2017	Consolidated Dec/2016	Parent company Mar/2017	Dec/2016
Finished goods	3,814,406	3,444,898	2,496,218	2,314,755
Raw materials, production inputs and packaging	965,013	1,407,399	797,769	1,266,323
Maintenance materials	335,572	312,167	165,635	162,568
Advances to suppliers	439,030	103,267	261,713	82,618

Edgar Filing: BRASKEM SA - Form 6-K

Imports in transit and other	49,795	31,816	43,007	31,168
Total	5,603,816	5,299,547	3,764,342	3,857,432
In current assets	5,546,050	5,238,014	3,706,576	3,795,899
In non-current assets	57,766	61,533	57,766	61,533
Total	5,603,816	5,299,547	3,764,342	3,857,432

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****8 Related parties**

The information concerning related parties was presented in the 2016 annual financial statements of the Company, in Note 10.

(a) Consolidated

	Balances at March 31, 2017				Odebrecht and subsidiaries	Petrobras and subsidiaries
	Associated companies, Jointly-controlled investment and Related companies					
	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total		
Balance sheet						
Assets						
Current						
Trade accounts receivable	6,492	41,306	42,678	90,476	5,634	
Inventories	151,9658(c.iv)	36,294		188,259		
Dividends and interest on capital			14,986	14,986		
Other	73			73	50	
Total assets	158,530	77,600	57,664	293,794	5,684	
Liabilities						
Current						
Trade payables	51,599	809,672	2,112	863,383	77,461	
Total liabilities	51,599	809,672	2,112	863,383	77,461	

Three-month period ended March 31, 2016**Three-month pe**

	Associated companies, Jointly-controlled investment and Related companies				Associated companies, Jointly-controlled investment and Related companies	
	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total	Odebrecht and subsidiaries	Petrobras and subsidiaries
Transactions						
Sales of products	12,889	451,426	167,761	632,076	15,569	
Purchases of raw materials, finished goods services and utilities	173,906	(i) 3,795,560	7,796	3,977,262	436,042(i)	2
Financial income (expenses)	4,350	(20,225)		(15,875)	(18,014)	
General and administrative expenses						
Post-employment benefits plan ("EPE")						
Odebrecht Previdência Privada ("Odeprev")			5,611	5,611		

(i) Includes expenses with the Braskem Idesa project, of which R\$27,091 related to the period ended March 31, 2017, and R\$330,406 related to the period ended March 31, 2016.

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****(b) Parent Company**

	Associated companies, Jointly-controlled investment and associated companies						
	Braskem Inc.	Braskem Holanda	Braskem Holanda Inc	Braskem Petroquímica	Braskem America	Braskem Argentina	Other
Balance sheet							
Assets							
Current							
Cash and equivalents							
Trade accounts receivable		826		181,260	22,167	78,220	72,4
Inventories							
Dividends and interest on capital				16,435			14,9
Related parties		7		2,365	39,376	18	13,1
Non-current							
Trade accounts receivable	2,452,856	1,156,906					
Related parties							
Loan agreements	14,115						
Total assets	2,466,971	1,157,739		200,060	61,543	78,238	100,6
Liabilities							
Current							
Trade payables				889,112	14		4
Accounts payable to related parties							
Advance to export			194,702		641,328		
Other payables				184,948			
Non-current							
Trade Payables	1,164,207	6,992,921					
Accounts payable to related parties							
Advance to export			7,729,758		262,977		
Payable notes	12,167						

Total liabilities **1,176,374** **6,992,921** **7,924,460** **1,074,060** **904,319** **4**

Associated companies, Jointly-controlled investment and associated companies

	Braskem Inc	Braskem Holanda	Braskem Holanda Inc	Braskem Petroquímica	Braskem America	Braskem Argentina	Other
Transactions							
Sales of products		1,036,637		631,370	21,196	60,086	181,1
Purchases of raw materials, finished products services and utilities		1,649,632		806,517			1,1
Financial income (expenses)	(22,935)	160,748	69,499	26	14,088	(2,887)	(2,2
General and administrative expenses - Odeprev							

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated**

	Associated companies, Jointly-controlled investment and associated companies						
Balance sheet	Braskem Inc.	Braskem Holanda	Braskem Holanda Inc	Braskem Petroquímica	Braskem America	Braskem Argentina	Other
Assets							
Current							
Cash and equivalents							
Trade accounts receivable		189		2,223	24,212	97,060	95,500
Inventories							
Dividends and interest on capital				16,435			14,900
Related parties		20		104,471	50,802	24	16,900
Non-current							
Trade accounts receivable	2,523,072	112,330		88,615			
Related parties							
Loan agreements	14,378						9,000
Total assets	2,537,450	112,539		211,744	75,014	97,084	127,600
Liabilities							
Current							
Trade payables		25				15	
Accounts payable to related parties							
Advance to export			97,165		670,325		
Other payables				189,106			
Non-current							
Trade Payables	1,527,820	6,351,905		918,038			
Accounts payable to related parties							
Advance to export			7,951,033		270,505		
Payable notes	12,515						
Total liabilities	1,540,360	6,351,905	8,048,198	1,107,144	940,845		

Associated companies, Jointly-controlled investment and associated companies

	Braskem Inc	Braskem Holanda	Braskem Holanda Inc	Braskem Petroquímica	Braskem America	Braskem Argentina	Braskem Other
Transactions							
Sales of products	43,911	711,702		561,900	87,462	85,560	201,600
Purchases of raw materials, finished products services and utilities	160,378	1,042,868		1,161,054			25,200
Financial income (expenses)	(180,369)	265,944	964,824		73,425	(19,190)	(6,140)
General and administrative expenses - Odeprev							

Braskem S.A.

Notes to the financial statements

at March 31, 2017

All amounts in thousands of reais, unless otherwise stated

(c) Agreements executed and/or renewed with related companies

In the period ended March 31, 2017, the following agreements were signed with related companies, except for those with subsidiaries of the Company:

- (i) In the first quarter of 2017, the sale of gasoil to Refinaria de Petróleo Riograndense S.A. (“RPR”) totaled R\$26,077. The product is used as feedstock in the diesel production process.
- (ii) As from January 2017, Braskem will maintain monthly negotiations for the sale of gasoline to RPR. Sales in the quarter amounted to R\$81,741.
- (iii) Since January 2017, Braskem has held agreements for the sale of gasoline to Petrobrás Distribuidora S.A., which are renewed monthly. Sales in the period amounted to R\$218,309.
- (iv) In March 2017, the Company entered into an agreement with Usina Conquista do Pontal S.A. and Agro Energia Santa Luzia S.A., both as sellers, and with the guarantors Odebrecht Agroindustrial Participações S.A and Rio Claro Agroindustrial S.A., to ensure the supply of hydrous ethanol for producing Green Ethanol. The agreement granted a commercial discount and established flexibilities for acquisition. The agreement involves an advance in the amount of R\$150 million, guaranteed by a Pledge Agreement secured by the sugarcane crop and its products and subproducts at a net market value that exceeds the amount of the advance. During the existence of an advance balance, the asset pledged shall remain duly insured by a prime insurer and with subrogation of insurance. The duration of this contract is up to April 30, 2018 and during the period the balance of the amount advanced shall be restated at market interest rates.

(d) Key management personnel

Income statement transactions

Mar/2017

**Consolidated
Mar/2016**

Remuneration

Short-term benefits	12,152	10,280
Post-employment benefit	108	76
Total	12,260	10,356

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****9 Taxes recoverable**

The information on taxes recoverable was presented in the 2016 annual financial statements of the Company, in Note 11.

	Mar/2017	Consolidated Dec/2016	Parent Company Mar/2017	Dec/2016
Parent Company and subsidiaries in Brazil				
IPI	31,827	38,909	29,626	37,859
Value-added tax on sales and services (ICMS) - normal operations	501,195	495,339	419,765	420,625
ICMS - credits from PP&E	122,153	125,145	115,909	118,984
Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations	31,048	32,823	23,442	28,386
PIS and COFINS - credits from PP&E	260,988	253,503	249,433	242,475
Income tax and social contribution (IR and CSL)	391,414	605,058	315,848	487,079
REINTEGRA program	99,934	53,129	96,710	51,414
Federal supervenience	159,003	155,533	154,955	151,798
Other	3,742	1,046	4,616	2,694
Foreign subsidiaries				
Value-added tax	130,822	132,152		
Income tax (IR)	10,830	19,103		
Other	6,039	2,628		
Total	1,748,995	1,914,368	1,410,304	1,541,314
Current assets	592,413	826,015	351,717	543,275
Non-current assets	1,156,582	1,088,353	1,058,587	998,039
Total	1,748,995	1,914,368	1,410,304	1,541,314

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****10 Investments**

The information related to investments was presented in the Company's 2016 annual financial statements, in Note 12.

(a) Information on investments

Subsidiaries	Interest in total and voting capital (%) - 31/03/2017 Direct and indirect	Adjusted net profit (loss) for the year			Adjusted equity Dec/2016
		Mar/2017	Mar/2016	Mar/2017	
Braskem Alemanha	100.00	375,279	522,804	3,184,490	2,883,238
Braskem America	100.00	283,261	450,748	2,814,019	2,582,061
Braskem America Finance	100.00	119	93	(6,280)	(6,573)
Braskem Argentina	100.00	6,353	(85)	30,443	24,090
Braskem Austria	100.00	(38)	(136)	4,074	4,170
Braskem Chile	100.00	189	1,694	14,874	14,685
Braskem Holanda	100.00	1,080,998	516,541	2,631,232	1,320,056
Braskem Holanda Finance	100.00	(3)	(4)	(28)	(25)
Braskem Holanda Inc	100.00	460	(52)	2,555	2,150
Braskem Finance	100.00	4,983	26,340	(87,382)	(92,365)
Braskem Idesa	75.00	426,792	(111,349)	(3,157,636)	(4,071,517)
Braskem Idesa Serviços	75.00	7,666	631	66,152	9,241
Braskem Inc.	100.00	(21,343)	(13,111)	262,566	283,909
Braskem México	100.00	(9,560)	4,622	174,803	173,590
Braskem México Sofom	100.00	1,161	1,127	10,233	8,667
	100.00	539	612	1,536	1,952

Edgar Filing: BRASKEM SA - Form 6-K

Braskem México					
Serviços					
Braskem Petroquímica	100.00	32,375	152,276	2,114,276	2,081,901
Lantana	100.00	24	93	(851)	(874)
Jointly-controlled investment					
RPR	33.20	29,435	4,788	207,121	175,896
Odebrecht Comercializadora de Energia S.A. ("OCE")	20.00	804	(82)	6,526	5,721
Associates					
Borealis Brasil S.A. ("Borealis")	20.00	6,095	796	173,940	162,629

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****(b) Changes in investments – Parent Company**

	Subsidiaries and jointly-controlled investment		Domestic	Total
	Domestic	Foreign	associate	
	subsidiaries	subsidiaries		
Balance at December 31, 2016	2,191,179	1,908,823	32,527	4,132,529
Equity of investments				
Effect of results	42,310	1,055,968	2,261	1,100,539
Adjustment of profit in inventories	4,209	66,069		70,278
Goodwill amortization	(7,318)			(7,318)
Equity valuation adjustments	594	509,818		510,412
Currency translation adjustments		(251,244)		(251,244)
Capital increase			511	511
Provision for loss			(511)	(511)
Balance at March 31, 2017	2,230,974	3,289,434	34,788	5,555,196

(c) Equity accounting results

	Mar/2017	Parent company Mar/2016
Equity in results of subsidiaries, associate and jointly-controlled	1,170,817	773,489
Amortization of fair value adjustment	(7,318)	(7,954)
Reversal to subsidiaries with short-term liabilities	5,381	26,339
	1,168,880	791,874

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****(d) Impacts on consolidation of Braskem Idesa**

In compliance with IFRS 12 and CPC 45, the Company is presenting the financial statements of the subsidiary in which it holds non-controlling interest and the effects on the Company's consolidated statements.

Balance sheet	Consolidated Braskem without the effect of Braskem Idesa consolidated		Braskem Idesa consolidated (i)		Eliminations	
	Mar/2017	Dec/2016	Mar/2017	Dec/2016	Mar/2017	Dec/2016
Assets						
Curent						
Cash and cash equivalents	6,434,872	6,500,265	182,289	201,600		
Financial investments	1,011,223	1,190,483				
Trade accounts receivable	1,961,110	1,455,893	342,217	247,465	(60,040)	(69,221)
Inventories	5,138,960	4,862,571	407,090	375,443		
Taxes recoverable	515,393	710,982	77,020	115,033		
Other receivables	259,918	278,865	10,949	27,169		
	15,321,476	14,999,059	1,019,565	966,710	(60,040)	(69,221)
Non-current assets held for sale	375,217	359,704				
	15,696,693	15,358,763	1,019,565	966,710	(60,040)	(69,221)
Non-current						
Taxes recoverable	1,156,530	1,088,304	52	49		
Deferred tax	134,100	189,613	1,048,097	1,463,502		
Related parties	4,638,139	4,690,672			(ii)(4,638,139)	(4,690,672)
Other receivables	651,259	648,511	30,850	29,823		
Property, plant and equipment	18,539,531	18,814,175	11,747,448	11,171,400	(iii) (680,315)	(648,865)
Intangible	2,629,261	2,667,708	151,694	141,379		

	27,748,820	28,098,983	12,978,141	12,806,153	(5,318,454)	(5,339,537)
Total assets	43,445,513	43,457,746	13,997,706	13,772,863	(5,378,494)	(5,408,758)
Liabilities and shareholders' equity						
Current						
Trade payables	4,926,193	6,335,452	204,288	278,905	(60,040)	(69,221)
Borrowings	3,011,605	2,594,463				
Braskem Idesa Borrowings	(1)		9,911,069	10,437,791		
Payroll and related charges	361,140	540,405	15,070	22,050		
Taxes payable	1,034,933	611,231	13,960	12,849		
Other payables	1,934,046	2,053,031	90,952	125,955		
	11,267,916	12,134,582	10,235,339	10,877,550	(60,040)	(69,221)
Non-current liabilities held for sale	102,033	95,396				
	11,369,949	12,229,978	10,235,339	10,877,550	(60,040)	(69,221)
Non-current						
Loan agreements						
Braskem Idesa Borrowings	19,635,082	20,736,604				
Accounts payable to related parties			4,634,108	4,698,881	(ii)	
Non-controlling loan in Braskem Idesa			(v) 1,597,072	1,620,519	(4,634,108)	(4,698,881)
Provision for losses on subsidiaries	2,368,227	3,053,637			(iv)	(2,368,227) (3,053,637)
Other payables	4,748,848	4,698,937	4,477	6,774		
	26,752,157	28,489,178	6,235,657	6,326,174	(7,002,335)	(7,752,518)
Shareholders' equity						
Attributable to the Company's shareholders	5,323,407	2,738,590	(2,473,290)	(3,430,861)	2,473,290	3,430,861
Non-controlling interest in Braskem Idesa					(789,409)	(1,017,880)
	5,323,407	2,738,590	(2,473,290)	(3,430,861)	1,683,881	2,412,981
Total liabilities and shareholders' equity	43,445,513	43,457,746	13,997,706	13,772,863	(5,378,494)	(5,408,758)

(i) Consolidation of Braskem Idesa with its direct subsidiary Braskem Idesa Serviços.

(ii) Loan from Braskem Holanda as part of shareholders' contribution to Braskem Idesa's project.

(iii) Adjustment corresponding to the capitalization of a portion of financial charges of the loan mentioned above.

(iv) Provision recorded in the subsidiary Braskem Holanda for the negative shareholders' equity of Braskem Idesa.

(v) Loan owed to the non-controlling shareholder as part of shareholders' contribution to the project.

Braskem S.A.**Notes to the financial statements**at **March 31, 2017**

All amounts in thousands of reais, unless otherwise stated

Statement of operations

	Consolidated Braskem		Braskem Idesa		Eliminations		
	Ex consolidated	Braskem Idesa	consolidated				
	Mar/2017	Mar/2016	Mar/2017	Mar/2016	Mar/2017	Mar/2016	Mar/2017
Continued operations							
Net sales revenue	11,813,476	11,816,928	894,112	120,817	(107,860)	(23,150)	12,599,728
Cost of products sold	(8,539,834)	(8,507,267)	(482,875)	(118,253)	111,076	12,235	(8,911,633)
	3,273,642	3,309,661	411,237	2,564	3,216	(10,915)	3,688,092
Income (expenses)							
Selling and distribution	(306,041)	(290,409)	(40,261)	(16,347)			(346,302)
General and administrative	(286,173)	(284,050)	(31,160)	(12,121)	6,770	10,915	(310,563)
Research and development	(33,662)	(42,594)					(33,662)
Results from equity investments	332,303	(81,825)			(320,094)	83,512	12,209
Other income (expenses), net	(112,548)	(136,265)	11,039	(1,358)			(101,509)
	2,867,521	2,474,518	350,855	(27,262)	(310,108)	83,512	2,908,266
Financial results							
Financial expenses	(655,695)	(767,841)	(243,331)	(22,541)	63,517		(835,509)
Financial income	227,158	237,841	1,339	1,360	(63,517)	(73,707)	164,980
Exchange rate variations, net	(215,555)	(873,534)	514,172	(24,530)	(13,582)	37,668	285,033
	(644,092)	(1,403,534)	272,180	(45,711)	(13,582)	(36,039)	(385,494)
Profit (loss) before income tax and social contribution	2,223,429	1,070,984	623,035	(72,973)	(323,690)	47,473	2,522,772
IR and CSL - current and deferred	(424,754)	(258,480)	(192,646)	(2,338)			(617,400)
Profit (loss) for the year of continued operations	1,798,675	812,504	430,389	(75,311)	(323,690)	47,473	1,905,372
Discontinued operations results							
Profit (loss) from discontinued operations	13,499	16,303					13,499

Edgar Filing: BRASKEM SA - Form 6-K

IR and CSL - current and deferred	(4,623) 8,876	(5,415) 10,888					(4,623) 8,876
Profit (loss) for the year	1,807,551	823,392	430,389	(75,311)	(323,690)	47,473	1,914,250

Braskem S.A.

Notes to the financial statements

at March 31, 2017

All amounts in thousands of reais, unless otherwise stated

Statement of cash flows	Consolidated Braskem		Braskem Idesa consolidated		Eliminat	
	Ex consolidated Braskem Idesa Mar/2017	Mar/2016	Mar/2017	Mar/2016	Mar/2017	Mar/2016
Profit (loss) before income tax and social contribution and for the result with discontinued operations	2,223,429	1,087,287	623,035	(72,973)	(323,690)	47
Adjustments for reconciliation of profit (loss)						
Depreciation, amortization and depletion	550,322	570,863	161,786	241	(9,986)	
Results from equity investments	(332,303)	81,825			320,094	(83,
Interest and monetary and exchange variations, net	381,150	494,882	(179,801)	(166,215)	13,582	36
Provision for losses and write-offs of long-lived assets	8,957	19,583	239			
	2,831,555	2,254,440	605,259	(238,947)		
Changes in operating working capital						
Held-for-trading financial investments	188,498	(278,826)				
Trade accounts receivable	(500,176)	436,346	(94,752)	19,541	(9,181)	69
Inventories	(286,431)	263,634	(30,040)	13,984		
Taxes recoverable	167,203	279,675	39,123	36,478		
Prepaid expenses	26,890	(1,750)	1,077	10,019		
Other receivables	(11,279)	(3,709)	15,130	(4,770)		
Trade payables	(1,217,873)	(1,606,059)	(74,617)	(208,307)	9,181	(69,
Taxes payable	93,143	(289,836)	(67,455)	87,155		
Advances from customers	(27,533)	(5,050)	(3,577)	(286)		
Other payables	(542,607)	(48,571)	(30,018)	75,739		
Cash from operations	721,390	1,000,294	360,130	(209,394)		
Interest paid	(349,758)	(447,767)	(122,248)			
Income tax and social contribution paid	(39,840)	(94,662)	(1,113)			
Net cash generated by operating activities	331,792	457,865	236,769	(209,394)		
Acquisitions to property, plant and equipment and intangible assets	(249,079)	(242,834)	(23,855)	(324,076)		

Edgar Filing: BRASKEM SA - Form 6-K

Other investments	(1,890)	97		
Net cash used in investing activities	(250,969)	(242,737)	(23,855)	(324,076)
Short-term and long-term debt				
Obtained	660,324	803,625		
Payments	(886,221)	(968,354)		
Braskem Idesa borrowings				
Obtained				91,094
Payments			(198,180)	(80,391)
Related parties				
Obtained loans (payment of loans)	20,637	(502,593)	(20,637)	502,593
Dividends paid	(31)	(4)		
Net provided (used) in financing activities	(205,291)	(667,326)	(218,817)	513,296
Exchange variation on cash of foreign subsidiaries	59,075	224,649	(13,407)	13,624
Increase (decrease) in cash and cash equivalents	(65,393)	(227,549)	(19,310)	(6,550)
Represented by				
Cash and cash equivalents at the beginning for the period	6,500,265	6,908,623	201,599	134,639
Cash and cash equivalents at the end for the period	6,434,872	6,681,074	182,289	128,089
Increase (decrease) in cash and cash equivalents	(65,393)	(227,549)	(19,310)	(6,550)

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****11 Property, plant and equipment**

The information on property, plant and equipment was presented in the Company's 2016 annual financial statements, in Note 13.

	Mar/2017			Consolidated Dec/2016		
	Cost	Accumulated depreciation/ depletion	Net	Cost	Accumulated depreciation/ depletion	Net
Land	471,955		471,955	471,655		471,655
Buildings and improvements	5,763,777	(1,202,572)	4,561,205	5,530,714	(1,111,642)	4,419,072
Machinery, equipment and installations	37,416,158	(17,126,342)	20,289,816	36,804,409	(16,595,497)	20,208,912
Projects and stoppage in progress	3,570,964		3,570,964	3,495,965		3,495,965
Other	1,404,699	(691,975)	712,724	1,404,759	(663,653)	741,106
Total	48,627,553	(19,020,889)	29,606,664	47,707,502	(18,370,792)	29,336,710

Capitalized charges in the three-month period ended March 31, 2017 were R\$35,620 (R\$219,536 on March 31, 2016).

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

12 Intangible assets

The information on intangible assets was presented in the 2016 annual financial statements of the Company, in Note 14.

	Mar/2017			Consolidated Dec/2016		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Goodwill based on future profitability	3,187,722	(1,128,848)	2,058,874	3,187,722	(1,128,848)	2,058,874
Trademarks and patents	348,301	(112,847)	235,454	339,512	(110,880)	228,632
Software and use rights	562,082	(372,224)	189,858	566,673	(364,336)	202,337
Contracts with customers and suppliers	759,342	(462,573)	296,769	772,888	(453,644)	319,244
Total	4,857,447	(2,076,492)	2,780,955	4,866,795	(2,057,708)	2,809,087

There were no significant events or circumstances in the first quarter that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in the end of 2016, or that indicated the need to perform an impairment testing of intangible assets with definite useful life.

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****13 Borrowings**

The information on borrowings was presented in the 2016 annual financial statements of the Company, in Note 15.

	Annual financial charges (%)	Mar/2017
<u>Foreign currency</u>		
Bonds	US dollar exchange variation + interest between 5.38 and 7.38	13,653,3
Advances on exchange contracts	US dollar exchange variation + 3.90%	909,3
Export prepayment	Note 13 (a)	601,3
BNDES	US dollar exchange variation + interest between 6.71 and 6.90	168,3
Export credit notes	US dollar exchange variation + interest between 7.30 and 8.10	1,144,3
Working capital	US dollar exchange variation + 1.77% above Libor	1,397,3
Transactions costs		(191,3)
		17,683,3
Current liabilities		1,553,3
Non-current liabilities		16,130,3
Total		17,683,3
<u>Local currency</u>		
Export credit notes	Interest between 7.50 and 8.00	383,3
Export credit notes	105,00 e 112,50 of CDI	(i) 1,735,3
BNDES	TJLP + interest between 0.00 and 4.78	1,383,3
BNDES	SELIC + interest between 2.32 and 2.78	584,3
BNDES	Interest between 3.50 and 7.00	264,3
BNB/ FINEP/ FUNDES	6.20	552,3
FINAME	TJLP + 1.90	1,3
Fundo de Desenvolvimento do Nordeste (FDNE)	6.50	47,3
Other	CDI + 0.04	19,3
Transactions costs		(10,7)
		4,962,3

Current liabilities	1,458,
Non-current liabilities	3,504,
Total	4,962,

Foreign currency and local currency

Current liabilities	3,011,
Non-current liabilities	19,635,
Total	22,646,

(i) The Company enters into swap transactions to offset the variation in the Interbank Certificate of Deposit (CDI) rate (Note 15.2.1 (a.ii)).

		Parent company	
		Mar/2017	Dec/2016
<u>Foreign currency</u>			
	Current liabilities	1,212,712	651,471
	Non-current liabilities	2,521,469	2,774,213
	Total	3,734,181	3,425,684
<u>Local currency</u>			
	Current liabilities	1,458,417	1,465,938
	Non-current liabilities	3,504,444	3,688,819
	Total	4,962,861	5,154,757
<u>Foreign currency and local currency</u>			
	Current liabilities	2,671,129	2,117,409
	Non-current liabilities	6,025,913	6,463,032
	Total	8,697,042	8,580,441

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****(a) Export prepayments**

Issue date	Initial amount of the transaction (US\$ thousand)	Maturity Charges (% per year)	Co Mar/2017
January-2013	200,000	November-2022 US dollar exchange variation + semiannual Libor + 1.10	383,287
May-2016	50,000	May-2017 US dollar exchange variation + quarterly Libor + 3.25 (i)	
December-2016	68,000	November-2019 US dollar exchange variation + quarterly Libor + 2.60	218,222
Total	318,000		601,509

(i) With early settlement in January 2017.

(b) Payment schedule

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

	Mar/2017	Consolidated Dec/2016
2018	1,902,211	2,379,757
2019	3,070,847	3,310,384
2020	2,395,031	2,442,493
2021	3,576,802	3,667,632
2022	1,698,910	1,745,936
2023	13,795	13,772
2024	2,393,084	2,461,086
2025	3,861	3,839
2026	1,413	1,391
2027 and thereafter	4,579,128	4,710,315
Total	19,635,082	20,736,605

(c) Guarantees

Braskem gave collateral for part of its borrowings as follows:

Loans	Maturity	Total debt Mar/2017	Total guaranteed	Guarantees
BNB	December-2022	127,808	127,808	Mortgage of plants, pledge of machinery and equipment
BNB	August-2024	210,125	210,125	Bank surety
BNDES	January-2022	2,401,929	2,401,929	Mortgage of plants, land and property, pledge of machinery and equipment
FUNDES	June-2020	103,847	103,847	Mortgage of plants, land and property, pledge of machinery and equipment
FINEP	July-2024	110,864	110,864	Bank surety
FINAME	February-2022	1,767	1,767	Pledge of equipment
Total		2,956,340	2,956,340	

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated****14 Braskem Idesa borrowings**

The information on Braskem Idesa borrowings was presented in the 2016 annual financial statements in Note 16.

Identification	Initial value of operation US\$	Maturity Charges (% per year)	Mar/2017	Cor
<u>Project finance</u> (i)				
Project finance I	700,000	February-2027 Us dollar exchange variation + quarterly Libor + 3.25	2,200,090	
Project finance II	189,996	February-2027 Us dollar exchange variation + 6.17	633,943	
Project finance III	600,000	February-2029 Us dollar exchange variation + 4.33	1,832,510	
Project finance IV	680,004	February-2029 Us dollar exchange variation + quarterly Libor + 3.88	2,026,302	
Project finance V	400,000	February-2029 Us dollar exchange variation + quarterly Libor + 4.65	1,223,692	
Project finance VI	89,994	February-2029 Us dollar exchange variation + quarterly Libor + 2.73	274,597	
Project finance VII	533,095	February-2029 Us dollar exchange variation + quarterly Libor + 4.64	1,630,841	
Transactions costs			(106,472)	
Total	3,193,089		9,715,503	1
<u>Other borrowings</u>				
VAT borrowings		(ii) November-2029 2.00% above TIE (*)		
Borrowings for working capital		August-2017 Us dollar exchange variation + quarterly Libor + 4.90	195,565	
			195,565	
			9,911,068	1
Current liabilities			9,911,068	1
Total			9,911,068	1

(*) TIE – “Tasa de Interés Interbancaria de Equilibrio” – basic interest rate in Mexico, similar to the CDI overnight rate in Brazil.

- (i) Financing without recourse or with recourse limited to shareholders.
- (ii) Financing obtained in Mexican peso and paid exclusively with IVA refund, settled in January 2017.

This Project finance includes restrictive contractual clauses (covenants), customary in contracts of this nature.

At the reporting date for the quarterly information as of March 31, 2017, these clauses were not being complied with part of this restrictive contractual clauses. In this sense, the entire balance of non-current liabilities, in the amount of R\$9,014,823, was reclassified to current liabilities, in accordance with CPC 26 and its corresponding accounting standard IAS 1 (Presentation of Financial Statements).

According to the standards mentioned above, such reclassification is required when a contractual breach entitles creditors to request the immediate repayment of the obligations in the short-term. In this context, note that none of the its creditors has requested said immediate repayment of obligations and Braskem Idesa has been settling this obligation in accordance with its original maturity schedule.

Additionally, Braskem Idesa has already entered into agreements with its creditors to obtain approvals for said contractual breach in order to return the entire amount reclassified from current liabilities to non-current liabilities.

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated**

The payment schedule below shows the original long-term maturities, excluding the reclassification to current liabilities arising from the breach of contractual covenants mentioned previously.

	Mar/2017	Dec/2016
2018	520,077	709,793
2019	713,094	736,885
2020	836,613	864,149
2021	955,798	986,914
2022	796,270	822,235
2023	1,054,265	1,088,155
2024	1,140,608	1,177,017
2025	1,140,150	1,176,346
2026	1,003,848	1,035,586
2027 and thereafter	854,100	894,606
Total	9,014,823	9,491,686

Braskem S.A.**Notes to the financial statements**

at March 31, 2017

All amounts in thousands of reais, unless otherwise stated

15 Financial instruments

The information related to financial instruments was presented in the 2016 financial statements of the Company, in Note 17.

15.1. Non-derivative financial instruments and leniency agreement (Note 19.3) – consolidated

	Note	Classification by category	Fair value hierarchy	Book value		Fair value	
				Mar/2017	Dec/2016	Mar/2017	Dec/2016
Cash and cash equivalents	4						
Cash and banks				2,055,074	2,178,611	2,055,074	2,178,611
Financial investments in Brazil		Loans and receivables		2,824,040	2,914,685	2,824,040	2,914,685
Financial investments abroad		Held-for-trading	Level 2	1,738,047	1,608,568	1,738,047	1,608,568
				6,617,161	6,701,864	6,617,161	6,701,864
Financial investments	5						
<i>Letras Financeiras do Tesouro - LFT</i>		Held-for-trading	Level 2	588,614	755,712	588,614	755,712
Time deposit investments		Loans and receivables	Level 2	421,957	434,015	421,957	434,015
Other		Held-to-maturity	Level 2	652	756	652	756
				1,011,223	1,190,483	1,011,223	1,190,483
Trade accounts receivable	6			2,308,219	1,704,373	2,308,219	1,704,373
Trade payables				5,299,930	6,746,822	5,299,930	6,746,822

Borrowings	13					
Foreign currency - Bond		Level 1	13,653,541	14,216,539	14,410,690	12,509,981
Foreign currency - other borrowings			4,221,662	4,159,341	4,221,662	4,159,341
Local currency			4,973,638	5,166,602	4,973,638	5,166,602
			22,848,841	23,542,482	23,605,990	21,835,924
Braskem Idesa borrowings	14		10,017,540	10,541,948	10,017,540	10,541,948
Loan ton non-controlling shareholder of Braskem Idesa			1,597,072	1,620,519	1,597,072	1,620,519
Leniency agreement	19.3		2,567,995	2,853,230	2,567,995	2,853,230
Other payables (BNDESPAR)			181,030	176,846	181,030	176,846

Braskem S.A.

Notes to the financial statements

at March 31, 2017

All amounts in thousands of reais, unless otherwise stated

15.2. Derivative financial instruments designated and not designated for hedge accounting

15.2.1 Changes

Identification	Note	Fair value hierarchy	Operation characteristics		Accumulated OCI (equity)	Net	Change in fair value
			Principal exposure	Derivatives		Liability Dec/2016	
<u>Hedge accounting transactions</u>							
Dollar put option	15.2.1 (a.i)	Level 2	Real	Dollar		(4,184)	1,745
Exchange swap	15.2.1 (a.ii)	Level 2	CDI	Dollar + Interests	485,683	857,099	(55,677)
Interest rate swaps		Level 2	Libor	Fixed rates	313,441	(266)	(126)
					799,124	852,649	(54,058)

Derivatives operations

Current assets	(8,387)
Non-current assets	(29,308)
Current liabilities	29,042
Non-current liabilities	861,302
	852,649

(a) Operations designated for hedge accounting

(a.i) U.S. dollar put option

In September 2016, Braskem launched a recurring currency hedge program to mitigate the exposure of its cash flows to liabilities denominated in Brazilian real and not pegged to the U.S. dollar (electricity, payroll, etc.).

As of March 31, 2017, Braskem held a total notional value of put options of R\$602,000 (US\$190,001), with a maximum term of 9 months and average strike price of 3.05 R\$/US\$.

Such operations were designed for the hedge accounting of cash flows as from January 1, 2017, and seek to hedge future dollar-denominated revenues with maturities in months coinciding with the maturity of the derivatives.

(a.ii) Swaps related to export credit notes (NCE)

Identification	Nominal value	Financial charges for year	Hedge		Fair value	
			Maturity	Mar/2017	Dec/2016	
Swap NCE I to III	400,000	Exchange variation + 6,15%	August-2019	413,639	438,201	
Swap NCE IV to VII	450,000	Exchange variation + 4,93% to 7,90%	April-2019	394,417	418,898	
Total	850,000			808,056	857,099	
<u>Derivatives operations</u>						
Current assets					(4,203)	
Current liabilities				9,052		
Non-Current liabilities				799,004	861,302	
Total				808,056	857,099	

Braskem S.A.

Notes to the financial statements

at March 31, 2017

All amounts in thousands of reais, unless otherwise stated

15.3. Non-derivative liabilities designated for export hedge accounting

(a.i) Future exports in U.S. dollars

On March 31, 2017, exports that were designated and not yet realized are shown below:

	Total nominal value US\$
2017	628,408
2018	787,893
2019	733,980
2020	724,000
2021	716,000
2022	719,000
2023	718,372
2024	688,854
	5,716,507

The following table shows the changes in financial instruments designated for this hedge in the period:

				US\$
	Dec/2016	Sales in the year	Hedge discontinued	Mar/2017
Designated balance	5,917,784	(201.277)	(628.408)	5,088,099

On March 31, 2017, the maturities of financial liabilities designated, within the scope of the consolidated balance sheet, were as follows:

	Total nominal value US\$
2017	1,121,866
2018	729,159
2019	449,736
2020	570,782
2021	1,017,703
2022	510,000
2024	688,854
	5,088,099

Considering the strong cash generation in recent quarters, the Management of the Company believed it was appropriate to advance the payment of dollar-denominated obligations, including liabilities designated for this hedge. As a result of the decision, the amount of US\$628,408 was discontinued prospectively. Exchange variation on the discontinued amount, of R\$773,589, which is recorded under Shareholders' Equity as "Other comprehensive income" will be taken to net financial income (expenses) as of April 2017, as the hedged exports are realized.

Braskem S.A.**Notes to the financial statements****at March 31, 2017****All amounts in thousands of reais, unless otherwise stated**

	Total nominal value US\$	Conversion rate at Inception R\$/US\$	Closing rate R\$/US\$	Gross nominal value
Hedge discontinued - First quarter 2017	208.135	2.0017	3.2015	249,720
Hedge discontinued - Second quarter 2017	207.273	2.0017	3.3302	275,362
Hedge discontinued - Third quarter 2017	213.000	2.0017	3.1684	248,507
				773,589

The following table provides the balances of exchange variation recognized in the Company's net financial income (expenses) due to the realization of exports designated for this hedge for the three-month period ended March 31, 2017:

	Total nominal value US\$	Conversion rate at Inception MXN/US\$	Closing rate MXN/US\$	Gross nominal value
First quarter	201.277	2.0017	3.2400	249,240
				249,240

The changes in foreign exchange variation and Income Tax and Social Contribution under "Other comprehensive income" of this hedge are as follows:

	Exchange variation	IR and CSL	Net effect
At December 31, 2016	(7,439,927)	2,529,575	(4,910,352)

Edgar Filing: BRASKEM SA - Form 6-K

Exchange variation recorded in the period on OCI / IR and CSL	480,810	(163,475)	317,335
Exchange variation transferred to profit or loss / IR and CSL	249,240	(84,742)	164,498
At March 31, 2017	(6,709,877)	2,281,358	(4,428,519)

Braskem S.A.

Notes to the financial statements

at March 31, 2017

All amounts in thousands of reais, unless otherwise stated

(a.ii) Liabilities related to the Project Finance of future sales in U.S. dollar

On March 31, 2017, sales designated and not yet realized are as follows:

	Nominal value US\$
2017	154.079
2018	221.790
2019	229.270
2020	266.690
2021	303.392
2022	253.204
2023	333.093
2024	