BRASKEM SA
Form 6-K
March 15, 2019

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 March, 2019
(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- _____.

Braskem S.A.

Consolidated and parent company financial statements

at December 31, 2018

and Independent Auditors' Report

Independent auditor’s report in the individual and consolidated financial statements

To Shareholders, Members of the Board and Management

Braskem S.A.

Camaçari - Bahia

Opinion

We have audited the individual and consolidated financial statements of Braskem S.A. (“the Company”), respectively referred to as Parent and Consolidated, which comprise the statement of financial position as at December 31, 2018, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of the Braskem S.A. (“the Company”) as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Braskem S.A. as at December 31, 2018, and of its consolidated financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable value of intangible assets with indefinite useful life (goodwill) - **notes 3.4 (b) and 13 (a) (individual and consolidated)**

The Company maintains a significant balance of intangible assets with indefinite useful life, in connection with the goodwill on business combination, allocated to operating segments of Polyolefins, Vinyls and Chemicals (cash generating unit Químicos Sul).

The recoverability of these assets is based on analyses and projections of cash flow. Due to uncertainties inherent to the process of determining future cash flows and some assumptions - such as discount and growth rates, which are the basis for evaluation of recoverable value of such assets, we considered this matter as significant for our audit.

How our audit conducted this issue

We understood the process and evaluated the design of internal controls related to the preparation and review of the business plan, budgets and impairment analysis provided by the Company. We used the support of our specialists in corporate finance, we have evaluated assumptions and methodologies used by the Company to forecast cash flows for each segment, such as discount rate based on average capital cost (WAAC), growth rate for the next 5 years, expected sales volume and margin, among others. Also with the assistance of our specialists, sensitivity analyses were conducted in relation to the main assumptions used by management. We also evaluated disclosures made by the Company, including those related to sensitivity analysis, which demonstrate the impact on recoverable value resulting from possible and reasonable changes in key assumptions used by the Company.

Based on evidence from the procedures summarized above, we consider that, in relation to its recoverability, the value of intangible assets with indefinite useful life (goodwill), as the related disclosures, are acceptable in the context of individual and consolidated financial statements taken as a whole, for the year ended December 31, 2018.

Opinion on the consolidated financial statements

Designation of hedge accounting - notes 3.6, 19.3 and 19.4 (individual and consolidated)
The Company designates derivative financial instruments and non-derivative financial liabilities as a hedge instruments when adopting hedge accounting policy, and regularly performs effectiveness tests on designated hedge relations.

The designation of these financial instruments as a hedge accounting and their measurement of effectiveness, requires the fulfillment of certain formal obligations, and includes the need for the Company to make judgments regarding the effective protection of exchange variation risk and alignment with its business risk management strategy.

Considering the complexity involved in designation and regular measurement of effectiveness of hedge accounting relation held by the Company, we consider that as a significant matter for our audit.

How our audit conducted this issue

We understood the process and evaluated design and implementation of internal controls related to the hedge accounting process. With the involvement of our valuation specialists in financial instruments, we evaluated the sufficiency of the documentation prepared by the Company supporting the designation as hedge accounting, particularly designations containing the descriptions of all strategies and methodologies adopted for measurement of effectiveness. We also evaluated the adequacy of disclosures made by the Company involving the hedge accounting transactions.

Based on the evidences obtained through the procedures summarized above, we considered acceptable the designations maintained as hedge accounting in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2018.

Disclosure about the adoption of the standard IFRS 16/CPC 06(R2) - Leases - note 2.4 (a) (individual and consolidated)

The Company and its subsidiaries maintain operational lease agreements, which include mainly, ships, railcars and properties used on its business. As of January 1, 2019, the Company will adopt the accounting standard IFRS 16/CPC 06(R2) - Leases, and pursuant to IAS8/CPC 23 - Accounting Policies, Change of Estimate and Error Correction, it is required disclose the main impacts arising from this new accounting standard. Due to complexity in the adoption of this new standard, related mainly by the judgments involved in the determination of the incremental borrowing rates used to measure the lease liability, which will be recognized against a right the use of an asset, we consider that as a significant matter for our audit.

How our audit conducted this issue

With the assistance of our corporate finance specialists, we evaluated the methodology and assumptions used in determining the incremental borrowing rates by the Company. Our analysis also included, the evaluation about the measurement of the right of use an asset and lease liability, the evaluation about the lease term considering renewing clauses and tests of documents over the agreements database, including lease terms, amounts and renew clauses, as well as, evaluation of the disclosures on the financial statements.

Based on the evidences obtained through the procedures summarized above, we considered acceptable the disclosures about the impact of the adoption of the accounting standard IFRS16/CPC (02) - Leases in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2018.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2018, prepared under the responsibility of the Company’s management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with Accounting Practices Adopted in Brazil, and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and subsidiaries financial reporting process.

Auditors’ Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and its subsidiaries internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the

Company and subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 12, 2019

KPMG Auditores Independentes

CRC 2SP014428/O-6

Original report in Portuguese signed by

Anselmo Neves Macedo

Accountant CRC 1SP160482/O-6

Braskem S.A.

Statement of financial position at December 31

All amounts in thousands of reais

		Consolidated		Parent company	
Assets	**Note**	**2018**	**2017**	**2018**	**2017**
Current assets					
Cash and cash equivalents	5	5,547,637	3,775,093	2,016,724	1,953,056
Financial investments	6	2,357,613	2,302,672	2,297,566	1,833,320
Trade accounts receivable	7	3,075,218	3,281,196	1,766,418	1,824,740
Inventories	8	8,486,577	6,846,923	6,042,679	4,800,860
Income tax and social contribution		773,952	896,225	306,082	473,655
Taxes recoverable	10	423,188	452,839	240,905	356,497
Dividends and interest on capital	9	890	10,859	890	10,859
Prepaid expenses		239,500	134,337	168,271	105,255
Related parties	9(b)			38,044	30,478
Derivatives	19.3.1	27,714	3,793	6,715	3,793
Other receivables		451,578	288,391	161,337	232,532
		21,383,867	**17,992,328**	**13,045,631**	**11,625,045**
Non-current assets					
Financial investments	6	9,998	10,336		
Trade accounts receivable	7	17,785	37,496	244,080	1,336,229
Advances to suppliers	8	31,394	46,464	31,394	46,464
Taxes recoverable	10	1,369,188	812,718	1,368,033	812,330
Income tax and social contribution		241,788	210,915	241,788	210,915
Deferred income tax and social contribution	21.2(a)	1,104,158	1,165,726		
Judicial deposits		169,536	289,737	158,612	278,006
Related parties	9(b)			19,481	16,053
Insurance claims		63,054	39,802	63,054	39,802
Derivatives	19.3.1	46,664	32,666		
Other receivables		189,724	112,997	143,864	109,129
Investments	11	65,954	101,258	8,762,057	4,915,609
Property, plant and equipment	12	31,759,890	29,761,610	15,950,334	16,326,216
Intangible assets	13	2,740,982	2,727,497	2,509,778	2,501,503
		37,810,115	**35,349,222**	**29,492,475**	**26,592,256**
Total assets		**59,193,982**	**53,341,550**	**42,538,106**	**38,217,301**

The notes are an integral part of the financial statements.

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Braskem S.A.

Statement of financial position at December 31

All amounts in thousands of reais **Continued**

		Consolidated		Parent company	
Liabilities and shareholders' equity	**Note**	**2018**	**2017**	**2018**	**2017**
Current liabilities					
Trade payables	14	8,341,252	5,265,670	8,259,259	1,198,842
Borrowings	15	737,436	1,184,781	128,132	382,304
Braskem Idesa borrowings	16	10,504,592	9,691,450		
Debenture	17	27,732	27,183		
Derivatives	19.3.1	70,305	6,875	70,198	
Payroll and related charges		645,396	630,517	485,800	493,098
Income tax and social contribution		419,320	840,130	31,429	400,544
Taxes payable	20	432,005	421,074	392,573	373,847
Dividends		672,395	3,850	672,294	3,709
Advances from customers		153,264	353,222	133,002	187,304
Leniency agreement	23.3	288,123	257,347	230,356	202,892
Sundry provisions	22	191,536	178,676	137,424	125,130
Accounts payable to related parties	9(b)			613,085	783,181
Other payables		632,774	276,957	155,510	104,181
		23,116,130	**19,137,732**	**11,309,062**	**4,255,032**
Non-current liabilities					
Trade payables	14	273,264	259,737	273,264	13,845,472
Borrowings	15	24,160,720	22,176,640	2,148,993	2,823,692
Debenture	17	266,777	286,141		
Derivatives	19.3.1	161,694		161,694	
Taxes payable	20	85,904	52,802	85,136	50,815
Accounts payable to related parties	9(b)			19,200,324	7,197,573
Loan to non-controlling shareholders of Braskem Idesa		2,183,830	1,756,600		
Deferred income tax and social contribution	21.2(a)	324,908	940,079	56,395	715,938
Post-employment benefits	24.2	206,373	193,775	90,679	83,233
Provision for losses on subsidiaries				99,918	102,750
Contingencies	23	965,317	1,092,645	954,538	1,084,528
Leniency agreement	23.3	1,154,879	1,371,767	1,154,879	1,322,051
Sundry provisions	22	233,006	234,996	207,907	213,318
Other payables		149,935	148,286	7,672	5,048
		30,166,607	**28,513,468**	**24,441,399**	**27,444,418**
Shareholders' equity	25				

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	4,673,220	3,945,898	4,673,220	3,945,898
Equity valuation adjustments	(6,111,408)	(5,653,880)	(6,111,408)	(5,653,880)
Treasury shares	(49,819)	(49,819)	(49,819)	(49,819)
Total attributable to the Company's shareholders	6,787,645	6,517,851	6,787,645	6,517,851
Non-controlling interest in subsidiaries	(876,400)	(827,501)		
	5,911,245	**5,690,350**	**6,787,645**	**6,517,851**
Total liabilities and shareholders' equity	**59,193,982**	**53,341,550**	**42,538,106**	**38,217,301**

The notes are an integral part of the financial statements.

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Braskem S.A.

Statement of profit or loss

Years ended December 31

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

			Consolidated		Parent company
Continued operations	**Note**	**2018**	**2017**	**2018**	**2017**
Net revenue	27	**57,999,866**	**49,260,594**	**41,859,645**	**36,481,806**
Cost of products sold		(46,407,495)	(36,400,748)	(35,764,386)	(28,929,876)
		11,592,371	**12,859,846**	**6,095,259**	**7,551,930**
Income (expenses)					
Selling and distribution		(1,545,568)	(1,459,608)	(898,186)	(925,663)
General and administrative		(1,633,003)	(1,434,272)	(1,148,537)	(865,085)
Research and development		(199,821)	(167,456)	(120,547)	(105,286)
Results from equity investments	11(c)	(888)	39,956	2,773,148	2,441,996
Other income (expenses), net	29	90,852	(479,404)	(170,613)	(449,092)
		8,303,943	**9,359,062**	**6,530,524**	**7,648,800**
Financial results	30				
Financial expenses		(2,983,511)	(3,747,217)	(2,015,870)	(2,627,262)
Financial income		589,052	603,630	478,533	545,262
Exchange rate variations, net		(2,256,983)	(798,762)	(1,991,999)	(878,154)
		(4,651,442)	**(3,942,349)**	**(3,529,336)**	**(2,960,154)**
Profit before income tax and social contribution		**3,652,501**	**5,416,713**	**3,001,188**	**4,688,646**
Current and deferred income tax and social contribution	21.1	(745,291)	(1,292,268)	(134,513)	(614,532)
Profit for the year of continued operations		**2,907,210**	**4,124,445**	**2,866,675**	**4,074,114**
Discontinued operations results					
Profit from discontinued operations			13,499		13,499
			(4,623)		(4,623)

Current and deferred income tax and social contribution		8,876		8,876
Profit for the year	**2,907,210**	**4,133,321**	**2,866,675**	**4,082,990**
Attributable to:				
Company's shareholders	2,866,675	4,082,990		
Non-controlling interest in subsidiaries	40,535	50,331		
Profit for the year	**2,907,210**	**4,133,321**		

			Parent company
		2018	**2017**
	Note	**Basic and diluted**	**Basic and diluted**
Profit per share attributable to the shareholders of the Company of continued operations at the end of the year (R$)	26		
Earnings per share - common		3.6033	5.1214
Earnings per share - preferred shares class "A"		3.6033	5.1214
Earnings per share - preferred shares class "B"		0.5910	0.6069
Profit per share attributable to the shareholders of the Company of discontinued operations at the end of the year (R$)			
Earnings per share - common			0.0111
Earnings per share - preferred shares class "A"			0.0111
Profit per share attributable to the shareholders of the Company at the end of the year (R$)			
Earnings per share - common		3.6033	5.1325
Earnings per share - preferred shares class "A"		3.6033	5.1325
Earnings per share - preferred shares class "B"		0.5910	0.5913

The notes are an integral part of the financial statements.

Braskem S.A.

Statement of comprehensive income
Years ended December 31
All amounts in thousands of reais

Continued

			Consolidated	**Parent co**
	Note	**2018**	**2017**	**2018**
Profit for the year		**2,907,210**	**4,133,321**	**2,866,675**
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Fair value of cash flow hedge		(151,718)	605,204	(224,147)
Income tax and social contribution		54,481	(203,186)	76,210
Fair value of cash flow hedge - Braskem Idesa				54,321
Income tax and social contribution				(16,296)
Fair value of cash flow hedge from jointly-controlled		(2,329)	3,534	(2,329)
		(99,566)	405,552	(112,241)
Exchange variation of foreign sales hedge	19.4(a.i)	(3,145,857)	(397,045)	(3,145,857)
Sales Hedge - transfer to profit or loss	19.4(a.i)	1,022,782	1,022,830	1,022,782
Income tax and social contribution on exchange variation		721,845	(212,767)	721,845
Exchange variation of foreign sales hedge - Braskem Idesa	19.4(a.ii)	16,681	472,717	12,511
Sales Hedge - transfer to profit or loss - Braskem Idesa	19.4(a.ii)	236,570	163,696	177,427
Income tax on exchange variation - Braskem Idesa		(75,975)	(190,924)	(56,981)
		(1,223,954)	858,507	(1,268,273)
Foreign subsidiaries currency translation adjustment		801,223	(602)	946,342
Total		**(522,297)**	**1,263,457**	**(434,172)**
Items that will not be reclassified to profit or loss				
Defined benefit plan actuarial loss, net of taxes		(1,569)	(8,654)	(1,569)
Long term incentive plan, net of taxes		6,406		6,406
Loss on investments		(65)		(65)
Total		4,772	(8,654)	4,772
Total comprehensive income for the year		**2,389,685**	**5,388,124**	**2,437,275**
Attributable to:				
Company's shareholders		2,437,275	5,267,167	
Non-controlling interest in Braskem Idesa		(47,590)	120,957	
Total comprehensive income for the year		**2,389,685**	**5,388,124**	

The notes are an integral part of the financial statements.

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Braskem S.A.

Statement of changes in equity

All amounts in thousands of reais

								Attributed to shareholders' i		
						Revenue reserves				
	Note	**Capital**	**Capital reserve**	**Legal reserve**	**Tax incentive**	**Retention of profits**	**Additional dividends proposed**	**Equity valuation adjustments**	**Treasury shares**	**Ret ear**
At December 31, 2016		**8,043,222**	**232,430**	**229,992**		**604,624**		**(6,321,859)**	**(49,819)**	
Comprehensive income for the year:										
Profit for the year										4,08
Exchange variation of foreign sales hedge, net of taxes								747,135		
Fair value of cash flow hedge, net of taxes								394,251		
Foreign subsidiaries currency translation adjustment								51,445		
								1,192,831		4,08
Equity valuation adjustments:										
Realization of additional property, plant and equipment								(26,847)		2

price-level restatement, net of taxes							
Realization of deemed cost of jointly-controlled investment, net of taxes						(963)	
Actuarial loss with post-employment benefits, net of taxes						(8,654)	
						(36,464)	2
Contributions and distributions to shareholders:							
Lapsed dividends							
Tax incentive reserve			71,745				(7
Prepaid dividends							(1,00
Legal reserve		204,150					(20
Additional dividends proposed					1,500,000		(1,50
Retained earnings				1,335,387			(1,33
Goodwill on the acquisition of a subsidiary under common control						(488,388)	
Non-controlling interest in subsidiaries							
		204,150	71,745	1,335,387	1,500,000	(488,388)	(4,11
At December 31, 2017	**8,043,222**						