

BRASKEM SA
Form 6-K
May 09, 2014

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 May, 2014
(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, 2014

and Independent Auditors' Report Review

Report of independent auditors on the Review of Quarterly Information

To the Board of Directors and Shareholders

Braskem S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Braskem S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2014, comprising the balance sheet as at that date and the statements of operations, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21 - Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of 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 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 Brazilian and International 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 parent

company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated

interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2014. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under 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 they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Salvador, May 7, 2014

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" BA

Fábio Cajazeira Mendes

Contador CRC 1SP196825/O-0 "S" BA

Braskem S.A.**Balance Sheet**

at March 31, 2014

All amounts in thousands of reais

Assets	Note	Mar/2014	Consolidated	Parent Company	
			Dec/2013 Revised	Mar/2014	Dec/2013 Revised
Current assets	2.1.1(a)				
Cash and cash equivalents	3	3,214,065	4,335,859	2,436,543	2,425,078
Financial investments	4	87,499	86,719	87,140	86,535
Trade accounts receivable	5	2,830,606	2,810,520	4,052,788	3,814,830
Inventories	6	5,551,054	5,033,593	3,265,967	2,848,700
Taxes recoverable	8	2,390,438	2,237,213	1,306,712	1,246,858
Dividends and interest on capital	7	154	150	78,034	78,031
Prepaid expenses		46,295	62,997	16,743	19,778
Related parties	7	456,232	124,487	403,747	100,173
Derivatives operations	14.1.1	40,229	34,101	36,806	28,951
Other receivables		244,598	233,808	164,624	141,360
		14,861,170	14,959,447	11,849,104	10,790,294
Non-current assets held for sale	1(a)(x)		37,681		
		14,861,170	14,997,128	11,849,104	10,790,294
Non-current assets					
Financial investments	4	25,950	20,779	25,950	20,774
Trade accounts receivable	5	18,144	61,875	16,865	60,328
Advances to suppliers	6	104,232	116,714	104,232	116,714
Taxes recoverable	8	1,199,760	1,285,990	864,395	899,751
Deferred income tax and social contribution	16	806,852	1,123,313	385,444	674,273
Judicial deposits		212,014	209,910	195,585	194,397
Related parties	7	134,815	133,649	141,946	404,668
Insurance claims		126,446	139,497	125,258	138,308
Derivatives operations	14.1.1	100,995	137,345		
Other receivables		141,491	141,526	111,911	112,497
	9	116,011	115,385	10,630,949	10,479,371

Edgar Filing: BRASKEM SA - Form 6-K

Investments in subsidiaries and jointly-controlled investments					
Other investments		6,511	6,501	6,123	6,123
Property, plant and equipment	10	25,838,557	25,413,548	11,644,738	11,650,667
Intangible assets	11	2,883,527	2,912,630	2,227,345	2,225,326
		31,715,305	31,818,662	26,480,741	26,983,197
Total assets		46,576,475	46,815,790	38,329,845	37,773,491

The Management notes are an integral part of the financial statements

Braskem S.A.

Balance Sheet
at March 31, 2014

All amounts in thousands of reais

Continued

Liabilities and shareholders' equity	Note	Mar/2014	Consolidated Dec/2013	Mar/2014	Parent Company Dec/2013
		2.1.1(a)	Revised		Revised
Current liabilities					
Trade payables		9,959,674	10,421,687	9,072,108	8,845,414
Borrowings	12	1,224,291	1,248,804	1,159,650	1,283,046
Project finance	13	22,676	25,745		
Derivatives operations	14.1.1	79,407	95,123	24,140	20,751
Payroll and related charges		559,485	490,816	383,407	320,548
Taxes payable	15	473,325	445,424	278,215	316,408
Dividends and interest on capital		131,797	131,799	129,020	129,022
Advances from customers		308,537	297,403	37,811	38,274
Sundry provisions	17	88,019	105,856	50,531	60,991
Post-employment benefits	18		158,137		158,122
Accounts payable to related parties	7			264,016	127,629
Other payables		105,172	174,007	19,621	54,501
		12,952,383	13,594,801	11,418,519	11,354,706
Non-current liabilities					
Borrowings	12	16,922,109	17,353,687	11,353,602	11,721,414
Project finance	13	4,559,160	4,705,661		
Derivatives operations	14.1.1	382,006	396,040	380,601	396,040
Taxes payable	15	887,743	902,875	824,611	839,531
Accounts payable to related parties	7			5,092,469	5,148,743
Long-term incentives		9,398	9,274	9,398	9,274
Deferred income tax and social contribution	16	847,724	863,405		
Post-employment benefits	18	277,029	44,054	207,134	
Provision for losses on subsidiaries and jointly-controlled investments				178,252	149,213
Advances from customers		129,415	152,635	44,553	53,807
Sundry provisions	17	452,980	449,694	225,648	226,007
Other payables		777,283	662,330	286,525	281,646
		25,244,847	25,539,655	18,602,793	18,825,675

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		410,149	410,149	410,149	410,149
Other comprehensive income		(789,625)	(1,092,691)	(789,625)	(1,092,691)
Treasury shares		(48,892)	(48,892)		
Accumulated profit		412,357		412,357	
Total attributable to the Company's shareholders		8,259,641	7,544,218	8,308,533	7,593,110
Non-controlling interest in Braskem Idesa		119,604	137,116		
		8,379,245	7,681,334	8,308,533	7,593,110
Total liabilities and shareholders' equity		46,576,475	46,815,790	38,329,845	37,773,491

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, 2014

All amounts in thousands of reais, except earnings per share

	Note	Mar/2014	Consolidated Mar/2013 Revised	Mar/2014	Parent Company Mar/2013 Revised
	2.1.1(b)				
Net sales revenue	22	11,842,626	9,501,170	6,595,075	5,508,783
Cost of products sold		(10,324,626)	(8,490,154)	(5,724,864)	(4,969,651)
Gross profit		1,518,000	1,011,016	870,211	539,132
Income (expenses)					
Selling and distribution		(269,509)	(252,039)	(162,924)	(148,574)
General and administrative		(275,014)	(253,362)	(173,737)	(154,188)
Research and development		(34,142)	(24,564)	(20,573)	(18,515)
Results from equity investments	9(c)	(6)	(4,722)	221,381	162,183
Other operating income (expenses), net	23	189,949	(28,764)	251,881	(20,231)
Operating profit		1,129,278	447,565	986,239	359,807
Financial results	24				
Financial expenses		(577,028)	(230,913)	(392,098)	(151,509)
Financial income		16,883	123,112	(91,073)	45,314
		(560,145)	(107,801)	(483,171)	(106,195)
Profit before income tax and social contribution		569,133	339,764	503,068	253,612
Current and deferred income tax and social contribution	16	(172,790)	(106,866)	(97,762)	(37,605)
Profit for the period		396,343	232,898	405,306	216,007

Attributable to:

Company's shareholders	405,306	216,007
Non-controlling interest in Braskem Idesa	(8,963)	16,891
Profit for the period	396,343	232,898

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, 2014All amounts in thousands of reais, except earnings per
share

Continued

	Note	Mar/2014	Consolidated Mar/2013 Revised	Mar/2014	Parent Company Mar/2013 Revised
	2.1.1(b)				
Profit for the period		396,343	232,898	405,306	216,007
Other comprehensive income:					
Items that will be subsequently reclassified to profit or loss:					
Fair value of cash flow hedge		24,690		24,690	
Income tax and social contribution		(8,395)		(8,395)	
Fair value of cash flow hedge Braskem Idesa		(20,056)		(15,042)	
		(3,761)		1,253	
Exchange variation of foreign sales hedge	14.1.1(b.iii)	537,876		537,876	
Income tax and social contribution		(182,878)		(182,878)	
		354,998		354,998	
Foreign currency translation adjustment		(49,669)	(3,177)	(46,134)	(6,821)
		301,568	(3,177)	310,117	(6,821)
Total comprehensive income for the period		697,911	229,721	715,423	209,186
Attributable to:					
Company's shareholders		715,423	209,186		
Non-controlling interest in Braskem Idesa		(17,512)	20,535		
Total comprehensive income for the period		697,911	229,721		

Parent
Company
Mar/2014 Mar/2013

	Note	Basic and Diluted	Basic and Diluted Revised
Profit per share attributable to the shareholders of the Company of continued operations at the end of the period (R\$)	2.1.1(b)		
	21		
Earnings per share - common		0.4351	0.0160
Earnings per share - preferred shares class "A"		0.6062	0.6062
Earnings per share - preferred shares class "B"		0.6062	0.6062

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	Attributed to shareholders' interest		
		Capital	Legal	Returns	Additional	Other	Treasury	Accumul
	Note	Capital	reserve	reserve<	Earnings	comprehensive	shares	profit (
					dividends	income		
					proposed			
At December 31, 2012		8,043,222	797,979			337,411	(48,892)	(565,
Comprehensive income for the period:								
Profit for the period								216
Foreign currency translation adjustment						(6,821)		
						(6,821)		216
Equity valuation adjustments:								
Realization of additional property, plant and equipment price-level restatement, net of taxes						(6,809)		6
Realization of deemed cost of jointly-controlled investment, net of taxes						(242)		
						(7,051)		7

Contributions to shareholders:									
Loss on interest in subsidiary							(1,980)		
							(1,980)		
At March 31, 2013 (Revised)	2.1.1(b)	8,043,222	797,979				321,559	(48,892)	(342,000)
At December 31, 2013		8,043,222	232,430	26,895	28,412	354,842	(1,092,691)	(48,892)	
Comprehensive income for the period:									
Profit (loss) for the period									405,000
Exchange variation of foreign sales hedge, net of taxes							354,998		
Fair value of cash flow hedge, net of taxes							1,253		
Foreign currency translation adjustment							(46,134)		
							310,117		405,000
Equity valuation adjustments:									
Realization of additional property, plant and equipment price-level restatement, net of taxes							(6,810)		6,810
Realization of deemed cost of jointly-controlled investment, net of taxes							(241)		
							(7,051)		7,051
At March 31, 2014		8,043,222	232,430	26,895	28,412	354,842	(789,625)	(48,892)	412,000

The Management notes are an integral part of the financial statements

5

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

All amounts in thousands of reais

	Note	Capital	Legal	Returns	Revenue reserves Additional dividends proposed	comprehensive Other income	Accumulated profit (loss)	Parent Company Total Braskem shareholders' interest
At December 31, 2012		8,043,222	797,979			337,411	(565,549)	8,613,063
Comprehensive income for the period:								
Profit for the period							216,007	216,007
Foreign currency translation adjustment						(6,821)		(6,821)
						(6,821)	216,007	209,186
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						(242)	242	
						(7,051)	7,051	

Contributions to
shareholders:
Loss on interest
in subsidiary

(1,980)

(1,980)

(1,980)

(1,980)

**At March 31,
2013 (Revised)**

2.1.1(b) 8,043,222 797,979

321,559

(342,491)

8,820,269

**At December 31,
2013**

8,043,222 232,430 26,895

28,412

354,842

(1,092,691)

7,593,110

Comprehensive
income for the
period:

Profit for the
period

405,306

405,306

Exchange
variation of
foreign sales
hedge, net of
taxes

354,998

354,998

Fair value of cash
flow hedge, net of
taxes

1,253

1,253

Foreign currency
translation
adjustment

(46,134)

(46,134)

310,117

405,306

715,423

Equity valuation
adjustments:

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

(6,810)

6,810

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

(241)

241

(7,051)

7,051

**At March 31,
2014**

8,043,222 232,430 26,895

28,412

354,842

(789,625)

412,357

8,308,533

The Management notes are an integral part of the financial statements

6

Braskem S.A.**Statement of cash flows****at March 31, 2014****All amounts in thousands of reais**

	Note	Mar/2014	Consolidated Mar/2013 Revised	Parent Company Mar/2014	Parent Company Mar/2013 Revised
Profit before income tax and social contribution	2.1.1(b)	569,133	339,764	503,068	253,612
Adjustments for reconciliation of profit					
Depreciation, amortization and depletion		505,535	485,354	318,520	300,991
Results from equity investments	9(c)	6	4,722	(221,381)	(162,183)
Interest and monetary and exchange variations, net		305,541	25,847	223,342	125,314
Cost amount of the investment sold in the divestment date	23	37,662		37,662	
Provision for losses and asset write-downs of long-term		3,691	1,546	2,769	(1)
		1,421,568	857,233	863,980	517,733
Changes in operating working capital					
Held-for-trading financial investments		(4,744)	(58,272)	2,677	(656)
Trade accounts receivable		23,282	(142,621)	(183,521)	(409,823)
Inventories		(498,471)	(531,330)	(401,725)	(257,572)
Taxes recoverable		(44,633)	(151,787)	(14,369)	(23,847)
Prepaid expenses		16,702	37,157	3,035	5,805
Other receivables (includes sale amount of subsidiary - note 23)		(332,375)	(47,919)	(192,214)	(47,473)
Trade payables		(266,760)	(204,197)	421,948	61,112
Taxes payable		(50,545)	(53,207)	(144,094)	(25,016)
Long-term incentives		124	162	124	162
Advances from customers		(12,086)	223,124	(117,330)	(117,547)
Sundry provisions		(14,551)	(15,029)	(43,439)	886
Other payables		184,533	256,974	182,604	16,341

Edgar Filing: BRASKEM SA - Form 6-K

Cash from (used in) operations	422,044	170,288	377,676	(279,895)
Interest paid	(193,520)	(200,543)	(100,139)	(105,189)
Income tax and social contribution paid	(22,362)	(8,440)	(10,132)	(8,428)
Net cash generated (used in) by operating activities	206,162	(38,695)	267,405	(393,512)
Proceeds from the sale of fixed assets	363	608		
Proceeds from the sale of investments		163,000		163,000
Beginning cash of Quantiq and IQAG	2.1.1(b)	9,985		
Acquisitions of investments in subsidiaries and associates		(31)		(31)
Acquisitions to property, plant and equipment	(1,156,787)	(1,101,111)	(309,659)	(227,814)
Acquisitions of intangible assets	(8,870)	(524)	(8,868)	(524)
Held-for-maturity and available for sale financial investments	7,265	15,086	14	5,831
Net cash used in investing activities	(1,158,029)	(912,987)	(318,513)	(59,538)
Short-term and long-term debt				
Obtained borrowings	1,656,951	2,958,599	408,598	2,401,860
Payment of borrowings	(1,841,649)	(2,285,518)	(792,465)	(2,224,626)
Related parties				
Obtained loans			191,680	377,467
Payment of loans			(54,017)	(17,762)
Net current transactions			308,779	165,260
Dividends paid	(2)	(21)	(2)	(21)
Non-controlling interests in Braskem Idesa		(2,660)		
Net cash provided (used in) by financing activities	(184,700)	670,400	62,573	702,178
Exchange variation on cash of foreign subsidiaries	14,773	6,383		
Increase (decrease) in cash and cash equivalents	(1,121,794)	(274,899)	11,465	249,128
Represented by				
Cash and cash equivalents at the beginning for the period	4,335,859	3,287,622	2,425,078	1,627,928
Cash and cash equivalents at the end for the period	3,214,065	3,012,723	2,436,543	1,877,056
Increase (decrease) in cash and cash equivalents	(1,121,794)	(274,899)	11,465	249,128

The Management notes are an integral part of the financial statements

Braskem S.A.

Statement of value added

at March 31, 2014

All amounts in thousands of reais

	Note	Consolidated Mar/2014	Consolidated Mar/2013 Revised	Parent Company Mar/2014	Parent Company Mar/2013 Revised
Revenue	2.1.1(b)	13,711,837	11,135,948	7,882,562	6,581,346
Sale of goods, products and services		13,530,643	11,198,229	7,638,722	6,606,575
Other income (expenses), net		190,532	(46,734)	252,665	(19,401)
Allowance for doubtful accounts		(9,338)	(15,547)	(8,825)	(5,828)
Inputs acquired from third parties		(11,841,094)	(9,578,639)	(6,495,631)	(5,740,966)
Cost of products, goods and services sold		(11,468,834)	(9,252,367)	(6,262,839)	(5,535,699)
Material, energy, outsourced services and others		(372,552)	(326,079)	(232,844)	(205,117)
Impairment of assets		292	(193)	52	(150)
Gross value added		1,870,743	1,557,309	1,386,931	840,380
Depreciation, amortization and depletion		(505,535)	(485,354)	(318,520)	(300,991)
Net value added produced by the entity		1,365,208	1,071,955	1,068,411	539,389
Value added received in transfer		17,177	118,476	130,399	207,583
Results from equity investments	9(c)	(6)	(4,722)	221,381	162,183
Financial income		16,883	123,112	(91,073)	45,314
Other		300	86	91	86
Total value added to distribute		1,382,385	1,190,431	1,198,810	746,972
Personnel		227,962	196,325	133,911	123,031
Direct compensation		174,764	152,937	102,312	95,954
Benefits		40,033	30,679	21,297	17,176
FGTS (Government Severance Pay Fund)		13,165	12,709	10,302	9,901
Taxes, fees and contributions		123,977	490,409	224,846	223,573
Federal		210,055	254,444	127,252	64,908
State		(91,780)	228,630	96,133	155,637
Municipal		5,702	7,335	1,461	3,028

Remuneration on third parties' capital	634,103	270,799	434,747	184,361
Financial expenses (including exchange variation)	574,277	227,973	390,678	149,488
Rentals	59,826	42,826	44,069	34,873
Remuneration on own capital	396,343	232,898	405,306	216,007
Profit for the period	405,306	216,007	405,306	216,007
Non-controlling interests in Braskem Idesa	(8,963)	16,891		
Value added distributed	1,382,385	1,190,431	1,198,810	746,972

The Management notes are an integral part of the financial statements

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

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”), operates 36 industrial units, 29 of which in the Brazilian states of Alagoas (“AL”), BA, Rio de Janeiro (“RJ”), Rio Grande do Sul (“RS”) and São Paulo (“SP”), five are located in the United States, in the states of Pennsylvania, Texas and West Virginia and two are located in Germany.

The 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 corporate and operating events impacting these financial statements

(i) The ESM held on May 15, 2013 approved the increase in the capital stock of the subsidiary Braskem Idesa S.A.P.I (“Braskem Idesa”), without the issue of new shares, in the amount of R\$141,620 (MXN\$850,061 thousand), through capital injection of R\$106,214 (MXN\$637,546 thousand) by the Parent Company and R\$35,406 (MXN\$212,515 thousand) by the non-controlling shareholder.

(ii) On July 1, 2013, the Parent Company acquired 2 thousand common shares of Odebrecht Comercializadora de Energia S.A. (“OCE”), equivalent to 20% of the capital of that company, whose main corporate purpose is to buy and sell electricity in the spot market. Due to the provisions in the shareholders' agreement, OCE was classified as a joint subsidiary.

(iii) On August 30, 2013, the Extraordinary Shareholders Meeting approved the merger of Rio Polímeros S.A. (“Riopol”) with Braskem Qpar S.A. (“Braskem Qpar”) and the increase in its capital from R\$4,252,353 to R\$7,131,165, through the issue of 293,604,915 common shares.

(iv) On September 19, 2013, the parent company and Braskem International GmbH (“Braskem Austria”) acquired the shares issued by Braskem México, S. de RL de CV (“Braskem Mexico”) and held by Braskem Participações S.A. (“Braskem Participações”) and Braskem Importação e Exportação Ltda. (“Braskem Importação”) for R\$1,803 and R\$1, respectively.

(v) On November 1, 2013, approval was given to increase the capital of the subsidiary Distribuidora de Águas Triunfo S.A. (“DAT”) through the transfer of assets of the Water Treatment Unit (“WTU”) at the Basic Petrochemicals Unit in the Triunfo Petrochemical Complex in Rio Grande do Sul, amounting to R\$37,561. On December 27, 2013, approval was given to another capital increase of DAT of R\$151 through a new transfer of assets, after which the capital increased to R\$37,717.

(vi) On November 21, 2013, Braskem Mexico constituted Braskem Mexico Servicios S. de R. L. de C.V. (“Braskem Mexico Serviços”), whose capital amounts to MXN\$3 thousand. The purpose of this subsidiary is to provide services to Braskem Idesa.

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

(vii) On November 27, 2013, Common Industries Ltd. (“Common”) repurchased and canceled 49,995 of its shares held by Braskem Qpar for US\$2,591 thousand. On the same date, Braskem Incorporated Limited (“Braskem Inc”) acquired 5 common shares of Common, also held by Braskem Qpar, for US\$259 and Braskem Inc. became the sole shareholder.

(viii) On December 17, 2013, the Parent Company entered into a share sales agreement (“Agreement”) with Solvay Argentina S.A. (“Solvay Argentina”), through which it committed to acquire, upon the fulfillment of certain conditions provided for in the Agreement (“Acquisition”), shares representing 70.59% of the total and voting capital of Solvay Indupa S.A.I.C. (“Solvay Indupa”).

Solvay Indupa, which produces PVC and caustic soda, has two integrated production sites located in: (i) Santo André, (SP), with the capacity to produce 300 kton of PVC* and 170 kton of caustic soda*; and (ii) Bahía Blanca in the Province of Buenos Aires, Argentina, with the capacity to produce 240 kton of PVC* and 180 kton of caustic soda*.

The Agreement provides for the acquisition by Braskem of 292,453,490 shares representing 70.59% of the total and voting capital of Solvay Indupa that are held by Solvay Argentina, at the price of US\$ 0.085, to be paid upon the settlement of the acquisition. The acquisition price is based on the Enterprise Value of US\$ 290 million.

Meanwhile, Solvay Indupa holds, as of March 31, 2014, (i) 158,534,671 shares in Solvay Indupa do Brasil S.A. (“Indupa Brasil”) representing 99.99% of the total and voting capital of Indupa Brasil; and (ii) 1,010,638 shares in Solalban Energía S.A. (“Solalban”) representing 58.00% of the total and voting capital of Solalban. As a result of the Acquisition, Braskem will become an indirect shareholder of Indupa Brasil and of Solalban.

As a result of the Acquisition, Braskem carried out a public tender offer on December 18, 2013 for shares representing 29.41% of the capital of Solvay Indupa traded on the Buenos Aires Stock Exchange - BCBA, pursuant to governing legislation, and also plans to cancel the registration of Solvay Indupa at the Securities and Exchange Commission of Brazil - (“CVM”).

The conclusion and effective implementation of the acquisition is subject to, among other operational conditions, approval by Brazil's antitrust agency Administrative Council for Economic Defense – (“CADE”).

(ix) On December 30, 2013, IQ Soluções & Quimica S.A. (“Quantiq”) changed its corporate type to limited liability company, with its new name being Quantiq Distribuidora Ltda.

(x) On December 31, 2013, the parent company entered into a share sales agreement with Odebrecht Ambiental (“OA”), through which it sold its interest in the subsidiary DAT for R\$315 million, to be received during the course of 2014.

The assets of DAT were shown in the balance sheet of December 31, 2013 as “assets available for sale.” DAT did not register results or hold liabilities in the year ended on December 31, 2013.

On February 3, 2014, the Extraordinary Shareholders' Meeting of DAT approved the change in its Management and consequently the transfer of the management of the operations of DAT to OA, upon the recognition of a net gain of R\$277,338.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(b) Effect of foreign exchange variation**

The Company is exposed to foreign exchange variation on the balances and transactions made in currencies other than its functional currencies, particularly in U.S. dollar, such as financial investments, trade accounts receivable, trade payables, borrowings and sales. In addition to the exchange effect of the U.S. dollar in relation to the Brazilian real, Braskem is exposed to the U.S. dollar through its subsidiaries abroad, particularly in which the functional currency is Euro or Mexican peso. The balances of assets and liabilities are translated based on the exchange rate at the end of each period, while transactions are based on the effective exchange rate on the date of each operation.

The following table shows the U.S. dollar average and end-of-period exchange rates for the periods in this report:

End of period rate

U.S. dollar - Brazilian real, Mar/2014	2.2630	U.S. dollar - Mexican peso, Mar/2014	13.0595	U.S. dollar - euro, Mar/2014	0.7259
U.S. dollar - Brazilian real, Dec/2013	2.3426	U.S. dollar - Mexican peso, Dec/2013	13.1005	U.S. dollar - euro, Dec/2013	0.7260
Devaluation of the U.S. dollar in relation to the Brazilian real	-3.40%	Devaluation of the U.S. dollar in relation to the Mexican peso	-0.31%	Devaluation of the U.S. dollar in relation to the euro	-0.02%

Average rate for the period

U.S. dollar - Brazilian real, Mar/2014	2.3652	U.S. dollar - Mexican peso, Mar/2014	13.2311	U.S. dollar - euro, Mar/2014	0.7300
U.S. dollar - Brazilian real, Mar/2013	1.9977	U.S. dollar - Mexican peso, Mar/2013	12.6419	U.S. dollar - euro, Mar/2013	0.7578
Appreciation of the U.S. dollar in relation to the Brazilian real	18.40%	Appreciation of the U.S. dollar in relation to the Mexican peso	4.66%	Devaluation of the U.S. dollar in relation to the euro	-3.67%

2. Summary of significant accounting policies

2.1. Basis of preparation

This Quarterly Information should be read together with the financial statements of Braskem as of December 31, 2013, which were prepared and presented 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).

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, 2013 financial statements.

On March 31, 2014, the Company started to include in its balance sheet the net value, per legal entity, of the amounts related to deferred income and social contribution tax assets and liabilities on its profit as the Company has the legally enforceable right to offset these amounts. The balance sheet at December 31, 2013 was revised to reflect such adjustment, as shown in Note 2.1.1 (a).

2.1.1 Revised

The financial statements for the period ended December 31, 2013 and March 31, 2013 were revised as follows:

(a) December 31, 2013 – The balance sheets and respective notes were revised to reflect deferred Income Tax (“IR”) and Social Contribution (“CSL”) on a net basis (Note 2.1); and

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

(b) March 31, 2013 – The statements of operations, changes in equity, cash flows, value added and respective notes were revised to include the results of the operations of Quantiq and IQAG Armazéns Gerais Ltda. (“IQAG”) as a result of the Company’s decision to sell these assets.

The effects of the restatement of the financial statements follow:

Balance Sheet

	Published	(a) Effects	Consolidated Revised	Published	(a) Effects	Dec/2013 Parent Company Revised
Assets						
Current assets	14,997,128		14,997,128	10,790,294		10,790,294
Non-current assets						
Deferred income tax and social contribution	2,653,606	(1,530,293)	1,123,313	1,769,683	(1,095,410)	674,273
Other assets	30,695,349		30,695,349	26,308,924		26,308,924
	33,348,955	(1,530,293)	31,818,662	28,078,607	(1,095,410)	26,983,197
Total assets	48,346,083	(1,530,293)	46,815,790	38,868,901	(1,095,410)	37,773,491
Liabilities and shareholders' equity						
Current liabilities	13,594,801		13,594,801	11,354,706		11,354,706
Non-current liabilities						

Edgar Filing: BRASKEM SA - Form 6-K

Deferred income tax and social contribution	2,393,698	(1,530,293)	863,405	1,095,410	(1,095,410)	
Other liabilities	24,676,250		24,676,250	18,825,675		18,825,675
	27,069,948	(1,530,293)	25,539,655	19,921,085	(1,095,410)	18,825,675
Shareholders' equity	7,681,334		7,681,334	7,593,110		7,593,110
Total liabilities and shareholders' equity	48,346,083	(1,530,293)	46,815,790	38,868,901	(1,095,410)	37,773,491

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

Statement of operations for the period

	Consolidated				Mar/2013 Parent Company	
	Published	(b) Effects	Revised	Published	(b) Effects	Revised
Net sales revenue	9,295,751	205,419	9,501,170	5,508,783		5,508,783
Cost of products sold	(8,315,675)	(174,479)	(8,490,154)	(4,969,651)		(4,969,651)
Gross profit	980,076	30,940	1,011,016	539,132		539,132
Income (expenses)						
Selling and distribution	(246,372)	(5,667)	(252,039)	(148,574)		(148,574)
General and administrative	(237,006)	(16,356)	(253,362)	(154,188)		(154,188)
Research and development	(24,564)		(24,564)	(18,515)		(18,515)
Results from equity investments	(4,722)		(4,722)	156,088	6,095	162,183
Other operating income (expenses), net	(29,055)	291	(28,764)	(20,231)		(20,231)
Operating profit	438,357	9,208	447,565	353,712	6,095	359,807
Financial results						
Financial expenses	(230,050)	(863)	(230,913)	(151,509)		(151,509)
Financial income	122,864	248	123,112	45,314		45,314
	(107,186)	(615)	(107,801)	(106,195)		(106,195)

Profit before income tax and social contribution	331,171	8,593	339,764	247,517	6,095	253,612
Current and deferred income tax and social contribution	(104,368)	(2,498)	(106,866)	(37,605)		(37,605)
Profit for the period	226,803	6,095	232,898	209,912	6,095	216,007
Attributable to:						
Company's shareholders	209,912	6,095	216,007			
Non-controlling interest in Braskem Idesa	16,891		16,891			
	226,803	6,095	232,898			

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****Statement of cash flows**

			Consolidated		Mar/2013 Parent Company	
	Published	(b) Effects	Revised	Published	(b) Effects	Revised
Profit before income tax and social contribution	331,171	8,593	339,764	247,517	6,095	253,612
Adjustments for reconciliation of profit						
Depreciation, amortization and depletion	483,446	1,908	485,354	300,991		300,991
Results from equity investments	4,722		4,722	(156,088)	(6,095)	(162,183)
Interest and monetary and exchange variations, net	25,836	11	25,847	125,314		125,314
Provision for losses and asset write-downs of long-term	1,546		1,546	(1)		(1)
	846,721	10,512	857,233	517,733		517,733
Changes in operating working capital						
Held-for-trading financial investments	(58,272)		(58,272)	(656)		(656)
Trade accounts receivable	(119,761)	(22,860)	(142,621)	(409,823)		(409,823)
Inventories	(526,189)	(5,141)	(531,330)	(257,572)		(257,572)
Taxes recoverable	(149,086)	(2,701)	(151,787)	(23,847)		(23,847)
Prepaid expenses	37,768	(611)	37,157	5,805		5,805

Edgar Filing: BRASKEM SA - Form 6-K

Other receivables	(78,302)	30,383	(47,919)	(47,473)	(47,473)
Trade payables	(195,916)	(8,281)	(204,197)	61,112	61,112
Taxes payable	(52,697)	(510)	(53,207)	(25,016)	(25,016)
Long-term incentives	162		162	162	162
Advances from customers	223,562	(438)	223,124	(117,547)	(117,547)
Sundry provisions	(15,168)	139	(15,029)	886	886
Other payables	256,646	328	256,974	16,341	16,341
Cash from (used in) operations	169,468	820	170,288	(279,895)	(279,895)
Interest paid	(200,543)		(200,543)	(105,189)	(105,189)
Income tax and social contribution paid	(8,440)		(8,440)	(8,428)	(8,428)
Net cash generated (used in) by operating activities	(39,515)	820	(38,695)	(393,512)	(393,512)
Proceeds from the sale of fixed assets	608		608		
Proceeds from the sale of investments	163,000		163,000	163,000	163,000
Beginning cash of Quantiq and IQAG		9,985	9,985		
Acquisitions of investments in subsidiaries and associates	(31)		(31)	(31)	(31)
Acquisitions to property, plant and equipment	(1,101,042)	(69)	(1,101,111)	(227,814)	(227,814)
Acquisitions of intangible assets	(524)		(524)	(524)	(524)
Held-for-maturity and available for sale financial investments	15,086		15,086	5,831	5,831
Net cash generated (used in) investing activities	(922,903)	9,916	(912,987)	(59,538)	(59,538)
Short-term and long-term debt					
Obtained borrowings	2,958,599		2,958,599	2,401,860	2,401,860
Payment of borrowings	(2,285,304)	(214)	(2,285,518)	(2,224,626)	(2,224,626)
Related parties					
Obtained loans				377,467	377,467
Payment of loans				(17,762)	(17,762)
Net current transactions				165,260	165,260
Dividends paid	(21)		(21)	(21)	(21)
Non-controlling interests in Braskem Idesa	(2,660)		(2,660)		

Net cash provided (used in) by financing activities	670,614	(214)	670,400	702,178	702,178
Exchange variation on cash of foreign subsidiaries	6,383		6,383		
Increase (decrease) in cash and cash equivalents	(285,421)	10,522	(274,899)	249,128	249,128
Represented by					
Cash and cash equivalents at the beginning for the period	3,287,622		3,287,622	1,627,928	1,627,928
Cash and cash equivalents at the end for the period	3,002,201	10,522	3,012,723	1,877,056	1,877,056
Increase (decrease) in cash and cash equivalents	(285,421)	10,522	(274,899)	249,128	249,128

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

Statement of value added

	Consolidated			Mar/2013 Parent Company (b)		
	Published	(b) Effects	Revised	Published	Effects	Revised
Revenue	10,884,033	251,915	11,135,948	6,581,346		6,581,346
Sale of goods, products and services	10,926,490	271,739	11,198,229	6,606,575		6,606,575
Other income (expenses), net	(26,910)	(19,824)	(46,734)	(19,401)		(19,401)
Allowance for doubtful accounts	(15,547)		(15,547)	(5,828)		(5,828)
Inputs acquired from third parties	(9,404,160)	(174,479)	(9,578,639)	(5,740,966)		(5,740,966)
Cost of products, goods and services sold	(9,077,888)	(174,479)	(9,252,367)	(5,535,699)		(5,535,699)
Material, energy, outsourced services and others	(326,079)		(326,079)	(205,117)		(205,117)
Impairment of assets	(193)		(193)	(150)		(150)
Gross value added	1,479,873	77,436	1,557,309	840,380		840,380
Depreciation, amortization and depletion	(483,446)	(1,908)	(485,354)	(300,991)		(300,991)
Net value added produced by the entity	996,427	75,528	1,071,955	539,389		539,389
Value added received in transfer	118,228	248	118,476	201,488	6,095	207,583

Edgar Filing: BRASKEM SA - Form 6-K

Results from equity investments	(4,722)		(4,722)	156,088	6,095	162,183
Financial income	122,864	248	123,112	45,314		45,314
Other	86		86	86		86
Total value added to distribute	1,114,655	75,776	1,190,431	740,877	6,095	746,972
Personnel	196,325		196,325	123,031		123,031
Direct compensation	152,937		152,937	95,954		95,954
Benefits	30,679		30,679	17,176		17,176
FGTS (Government Severance Pay Fund)	12,709		12,709	9,901		9,901
Taxes, fees and contributions	421,591	68,818	490,409	223,573		223,573
Federal	225,853	28,591	254,444	64,908		64,908
State	188,486	40,144	228,630	155,637		155,637
Municipal	7,252	83	7,335	3,028		3,028
Remuneration on third parties' capital	269,936	863	270,799	184,361		184,361
Financial expenses (including exchange variation)	227,110	863	227,973	149,488		149,488
Rentals	42,826		42,826	34,873		34,873
Remuneration on own capital	226,803	6,095	232,898	209,912	6,095	216,007
Profit for the period	209,912	6,095	216,007	209,912	6,095	216,007
Non-controlling interests in Braskem Idesa	16,891		16,891			
Value added distributed	1,114,655	75,776	1,190,431	740,877	6,095	746,972

2.1.2 Consolidated and parent company quarterly information

The consolidated Quarterly Information was prepared and is being presented in accordance with the pronouncements CPC 21 (R1) 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.

2.2. 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, 2013 financial statements, except as presented in Notes 2.2.1.

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

2.2.1 Deferred income tax and social contribution

Deferred income and social contribution tax assets and liabilities are stated at their net value in the balance sheet when there is a legal and enforceable right to offset current income and social contribution taxes, related to the same legal entity and tax authority. The effects of this change in accounting practice are described in Note 2.1.1 (a).

2.2.2 Transaction costs with debt refinancing

Costs incurred with debt refinancing that meet the qualitative and quantitative criteria determined by the standards for reclassification as a debt exchange, are deemed transaction costs and amortized through the maturity of the refinanced debt. The effects of said accounting treatment are reported in Note 12 (a).

2.3. 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, 2014****All amounts in thousands of reais, except where stated otherwise**

		Total interest - %	
	Headquarters (Country)	Mar/2014	Dec/2013
Direct and Indirect subsidiaries			
Braskem America Finance Company ("Braskem America Finance")	USA	100.00	100.00
Braskem America, Inc. ("Braskem America")	USA	100.00	100.00
Braskem Argentina S.A. ("Braskem Argentina")	Argentina	100.00	100.00
Braskem Austria	Austria	100.00	100.00
Braskem Austria Finance GmbH ("Braskem Austria Finance")	Austria	100.00	100.00
Braskem Chile Ltda. ("Braskem Chile")	Chile	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	Mexico	75.00	75.00
Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços")	Mexico	75.00	75.00
Braskem Importação	Brazil	100.00	100.00
Braskem Inc	Cayman Islands	100.00	100.00
Braskem México	Mexico	100.00	100.00
Braskem México Serviços	Mexico	100.00	100.00
Braskem Netherlands B.V ("Braskem Holanda")	Netherlands	100.00	100.00
Braskem Participações	Brazil	100.00	100.00
Braskem Petroquímica Chile Ltda. ("Petroquímica Chile")	Chile	100.00	100.00
Braskem Petroquímica Ibérica, S.L. ("Braskem Espanha")	Spain	100.00	100.00
Braskem Petroquímica Ltda ("Braskem Petroquímica")	Brazil	100.00	100.00
Braskem Qpar	Brazil	100.00	100.00
	British Virgin		
Common	(i) Islands	100.00	100.00
	DAT		
	Brazil		100.00
IQAG	Brazil	100.00	100.00
Lantana Trading Co. Inc. ("Lantana")	Bahamas	100.00	100.00

Edgar Filing: BRASKEM SA - Form 6-K

Norfolk Trading S.A. ("Norfolk")	(i) Uruguay	100.00	100.00
Politeno Empreendimentos Ltda. ("Politeno Empreendimentos")	Brazil	100.00	100.00
Quantiq	Brazil	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 ("Fundo Júpiter")	Brazil	100.00	100.00

(i) Subsidiaries in the process of dissolution.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****2.4. Reconciliation of equity and profit (loss) for the period****between Parent Company and consolidated**

	Note	Shareholders' equity		Profit (loss) for the period	
		Mar/2014	Dec/2013	Mar/2014	Mar/2013
Parent Company	2.1.1(b)	8,308,533	7,593,110	405,306	216,007
Braskem shares owned by subsidiary Braskem Petroquímica		(48,892)	(48,892)		
Non-controlling interest in Braskem Idesa		119,604	137,116	(8,963)	16,891
Consolidated		8,379,245	7,681,334	396,343	232,898

3. Cash and cash equivalents

The information on cash and cash equivalents were presented in the 2013 annual financial statements of the Company, in Note 6.

	Consolidated	Parent Company
Mar/2014	Dec/2013	Mar/2014

Edgar Filing: BRASKEM SA - Form 6-K

Cash and banks (i)	240,089	987,824	52,337	131,210
Cash equivalents:				
Domestic market	1,659,926	1,906,790	1,511,155	1,835,423
Foreign market (i)	1,314,050	1,441,245	873,051	458,445
Total	3,214,065	4,335,859	2,436,543	2,425,078

(i) On March 31, 2014, includes the amount of R\$44,272 on cash and banks (R\$656,427 on December 31, 2013) and R\$105,778 on cash equivalents (R\$153,448 on December 31, 2013) of the subsidiary Braskem Idesa, available for its use.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****4. Financial investments**

The information on financial investments was presented in the 2013 annual financial statements of the Company, in Note 7.

		Mar/2014	Consolidated Dec/2013	Parent Company Mar/2014	Dec/2013
Held-for-trading					
	Investments in FIM Sol	66,962	61,670	66,962	61,670
	Investments in foreign currency	2,955	3,773	2,955	3,773
	Shares	1,170	1,170	1,170	1,170
Held-to-maturity					
	Quotas of investment funds in credit rights	(i) 42,003	40,696	42,003	40,696
	Time deposit investment	359	189		
	Investments in foreign currency	(ii) 455,143	469,376		
	Compensation of investments in foreign currency	(ii) (455,143)	(469,376)		
Total		113,449	107,498	113,090	107,309
	In current assets	87,499	86,719	87,140	86,535
	In non-current assets	25,950	20,779	25,950	20,774
Total		113,449	107,498	113,090	107,309

(i) On March 31, 2014, the Parent Company held junior subordinated shares issued by receivables-backed investment funds. These shares are measured by their redemption value and are held until the conclusion of operations of said funds. The funds issue two other types of shares that enjoy priority in compensation over the junior subordinated shares. The risk related to the operations of these funds is limited to the value of the shares held by the Parent Company.

(ii) On March 31, 2014, Braskem Holanda had a financial investments held-to-maturity that was irrevocably offset by an export prepayment agreement of the Parent Company, in the same amount, as provided for in the credit assignment agreement entered into between these two companies and Banco Bradesco (Note 12). This accounting offset was carried out in accordance with CPC 39 and IAS 32, which provides for the possibility of offsetting financial instruments when there is intent and rightfully executable right to realize an asset and settle a liability simultaneously.

5. Trade accounts receivable

The information on trade accounts receivable was presented in the 2013 annual financial statements of the Company, in Note 8.

	Mar/2014	Consolidated Dec/2013	Parent Company Mar/2014	Dec/2013
Customers				
Domestic market	1,591,445	1,578,008	1,239,926	1,203,071
Foreign market	1,549,396	1,577,140	3,039,346	2,872,881
Allowance for doubtful accounts	(292,091)	(282,753)	(209,619)	(200,794)
Total	2,848,750	2,872,395	4,069,653	3,875,158
In current assets	2,830,606	2,810,520	4,052,788	3,814,830
In non-current assets	18,144	61,875	16,865	60,328
Total	2,848,750	2,872,395	4,069,653	3,875,158

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****6. Inventories**

The information on inventories was presented in the 2013 annual financial statements of the Company, in Note 9.

	Mar/2014	Consolidated Dec/2013	Mar/2014	Parent company Dec/2013
Finished goods	3,575,331	3,429,979	1,763,074	1,717,416
Raw materials, production inputs and packaging	1,400,234	1,113,272	1,110,385	851,448
Maintenance materials	251,892	230,822	134,005	122,848
Advances to suppliers	204,195	236,672	178,440	190,931
Imports in transit and other	223,634	139,562	184,295	82,771
Total	5,655,286	5,150,307	3,370,199	2,965,414
In current assets	5,551,054	5,033,593	3,265,967	2,848,700
In non-current assets	104,232	116,714	104,232	116,714
Total	5,655,286	5,150,307	3,370,199	2,965,414

7. Related parties

The information concerning related parties was presented in the 2013 annual financial statements of the Company, in Note 10.

(a) Consolidated

	Balances at March 31, 2014								
							Assets		
							Non-current		
	Trade accounts receivable	Related parties Receivable notes		Other receivable	Current Total		Related parties Loan agreements		Other
Jointly-controlled investment									
Refinaria de									
Petróleo									
Riograndense S.A.									
("RPR")									
OCE									
				151 (i)	151				
				3 (i)	3				
				154	154				
Associated companies									
Borealis Brasil									
S.A. ("Borealis")									
	19,860	187			20,047				
	19,860	187			20,047				
Related companies									
Odebrecht and									
subsidiaries									
	3,640	391,652(iii)	50	52,799(ii)	448,141			104,232(ii)	104,232
Petrobras and									
subsidiaries									
	34,875	9,925	54,418	4,028(ii)	103,246	68,513	66,302		134,815
Other									
	14,929				14,929				
	53,444	401,577	54,468	56,827	566,316	68,513	66,302	104,232	239,047
Total	73,304	401,764	54,468	56,981	586,517	68,513	66,302	104,232	239,047

(i) Amounts in "dividends and interest on capital".

(ii) Amount in "inventory – advance to suppliers" (Note 6).

(iii) Includes the amount of R\$315,000 related to the divestment of DAT (Note 1 (a.x)).

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

	Income statement transactions from January to March 31, 2014			
	Sales of products	Purchases of raw materials, services and utilities	Financial income (expenses)	Cost of production/general and administrative expenses
Jointly-controlled investment				
RPR	3,182	5,715		
	3,182	5,715		
Associated companies				
Borealis	51,103			
	51,103			
Related companies				
Odebrecht and subsidiaries	8,845	49,933		
Petrobras and subsidiaries	303,220	2,110,336	1,166	
Other	5,267	37		
	317,332	2,160,306	1,166	
Post employment benefit plan				
Odebrecht Previdência Privada ("Odeprev")				6,037
				6,037
Total	371,617	2,166,021	1,166	6,037

Balances at December 31, 2013

	Current				Non-current			
	Trade accounts receivable	Related parties Receivable notes	Other	Total	Related parties Loan agreements	Other	Total	
Jointly-controlled investment								
RPR			150 (i)	150				
			150	150				
Associated companies								
Borealis	11,368	187		11,555				
	11,368	187		11,555				
Related companies								
Odebrecht and subsidiaries	440		78,068	37,436 (ii)	115,944		782,565 (iii)	782,565
Petrobras and subsidiaries	99,018	9,925	36,307	42,013 (ii)	187,263	67,348	66,301	133,649
Other	15,135				15,135			
	114,593	9,925	114,375	79,449	318,342	67,348	66,301	782,565
Total	125,961	10,112	114,375	79,599	330,047	67,348	66,301	782,565

(i) Amounts in “dividends and interest on capital”.

(ii) Amount in “inventory – advance to suppliers” (Note 6).

(iii) Amount of R\$665,851 under “Property, plant and equipment” related to ongoing construction works, and R\$116,714 under “inventory – advance to suppliers” (Note 6).

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

	Income statement transactions from January to March 31, 2013			
	Sales of products	Purchases of raw materials, services and utilities	Financial income (expenses)	Cost of production/general and administrative expenses
Jointly-controlled investment				
RPR	7,428	11,702		
	7,428	11,702		
Associated companies				
Borealis	50,445			
Other	7,874	2,018		
	58,319	2,018		
Related companies				
Odebrecht and subsidiaries		125,267		
Petrobras and subsidiaries	299,884	4,794,408	329	
	299,884	4,919,675	329	
Post employment benefit plan				
Odeprev				4,410
				4,410
Total	365,631	4,933,395	329	4,410

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(b) Parent Company**

	Balances at March 31, 2014							
	Trade accounts receivable	Related Parties		Other	Current		Other	
	Receivable notes	Other receivable			Total	Current accounts	Related Parties Loan agreements	receivable
Subsidiaries								
Braskem America Braskem	12,611		41,897		54,508			
Argentina	77,838				77,838			
Braskem Chile	12,803				12,803			
Braskem Holanda	307,787				307,787			
Braskem Idesa	20,943	2,742	6,682		30,367			
Braskem Inc Braskem	2,114,118		33		2,114,151		8,892	
Petroquímica	96,208		71	66,300 (i)	162,579			
Braskem Qpar	11,884		231		12,115	49,636		
Quantiq				11,580 (i)	11,580			
Other	265		2,522		2,787	1,848	66	
	2,654,457	2,742	51,436	77,880	2,786,515	51,484	8,958	
Jointly-controlled investment								
RPR				151 (i)	151			
OCE				3 (i)	3			
				154	154			

Associated companies

Borealis	13,302	187			13,489			
	13,302	187			13,489			

Related companies

Odebrecht and subsidiaries	3,640	315,000(iv)	50	52,798 (ii)	371,488			104
Petrobras and subsidiaries	28,715	9,925	24,407	3,623 (ii)	66,670	68,514		12,990
Other	14,929				14,929			
	47,284	324,925	24,457	56,421	453,087	68,514		12,990 104

SPE

FIM Sol				1,199,950(iii)	1,199,950			
				1,199,950	1,199,950			

Total	2,715,043	327,854	75,893	1,334,405	4,453,195	51,484	77,472	12,990 104
--------------	------------------	----------------	---------------	------------------	------------------	---------------	---------------	-------------------

(i) Amounts in “dividends and interest on capital”.

(ii) Amount in “inventory – advance to suppliers” (Note 6).

(iii) Amounts in “cash and cash equivalents”: R\$1,132,988 and in “financial investments”: R\$66,962.

(iv) Amount related to the divestment of DAT (Note 1 (a.x)).

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

							Balances at March 31, 2014		
							Liabilities		
							Current		Non-Current
Trade payables		Borrowings	Accounts payable to related parties		Total Borrowings		Accounts payable to related parties		Total
			Advance to export	Other payable			Advance to export	Current accounts payable	notes
Subsidiaries									
Braskem America	2		9,145	3,049	12,196		640,429		640,429
Braskem Austria			49,622		49,622		339,450		339,450
Braskem Holanda			201,041		201,041		3,810,498		3,810,498
Braskem Inc	4,139,774	120,894		886	4,261,554	3,594,180		95,438	3,689,618
Braskem Petroquímica	3,439				3,439		151,274		151,274
Braskem Qpar	3,609			273	3,882				
Braskem Quantiq							48,540		48,540
Braskem IQAG							5,287		5,287

Edgar Filing: BRASKEM SA - Form 6-K

Other	4,146,824	120,894	259,808	4,208	4,531,734	3,594,180	4,790,377	105	1,448	1,553
								205,206	96,886	8,686,649
Related companies										
Odebrecht and subsidiaries	16,591				16,591					
Petrobras and subsidiaries	1,524,216				1,524,216					
	1,540,807				1,540,807					
Total	5,687,631	120,894	259,808	4,208	6,072,541	3,594,180	4,790,377	205,206	96,886	8,686,649

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

	Income statement transactions from January to March 31, 2014			
	Sales of products	Purchases of raw materials, services and utilities	Financial income (expenses)	Cost of production/general and administrative expenses
Subsidiaries				
Braskem America	3,662		8,458	
Braskem Argentina	68,830		(3,002)	
Braskem Austria			10,350	
Braskem Chile	7,849		(512)	
Braskem Holanda	136,670		65,728	
Braskem Idesa	13,836		(1,083)	
Braskem Inc	329,516	887,904	89,278	
Braskem Petroquímica	262,425	88,579		
Braskem Qpar	52,413	112,216		
Quantiq	26,000	6,878		
Other			(102)	
	901,201	1,095,577	169,115	
Jointly-controlled investment				
RPR	3,057	231		
	3,057	231		
Associated companies				
Borealis	34,049			
	34,049			
Related companies				
Odebrecht and subsidiaries	8,844	48,371		
Petrobras and subsidiaries	159,876	1,439,082	1,166	
Other	5,266	36		
	173,986	1,487,489	1,166	

Post-employment benefit plan

Odeprev

3,747

3,747

Total

1,112,293

2,583,297

170,281

3,747

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

	Balances at December 31, 2014							
				Current				
	Trade accounts receivable	Related Parties Receivable Other notes receivable		Other	Total	Related Parties Current accounts	Loan agreements	Other receivable
Subsidiaries								
Braskem America Braskem	47,985		39,287		87,272			
Argentina	53,415				53,415			
Braskem Chile	12,613				12,613			
Braskem Holanda	265,132				265,132			
Braskem Idesa	23,794	2,742	5,577		32,113			
Braskem Inc Braskem	1,759,572		33		1,759,605		9,104	
Petroquímica	39,332		71	66,300 (i)	105,703			
Braskem Qpar	28,905		23,342		52,247	313,417		
Quantiq			596	11,580 (i)	12,176			
Other	2,021	263	2,103		4,387	1,742	67	
	2,232,769	3,005	71,009	77,880	2,384,663	315,159	9,171	
Jointly-controlled investment								
RPR				151 (i)	151			
				151	151			
Associated companies								
Borealis	11,368	187			11,555			

	11,368	187			11,555				
Related companies									
Odebrecht and subsidiaries	3,651			35,473 (ii)	39,124				136,711
Petrobras and subsidiaries	99,018	9,925	16,047	28,233 (ii)	153,223	67,348		12,990	
Other	14,980				14,980				
	117,649	9,925	16,047	63,706	207,327	67,348		12,990	136,711
SPE									
FIM Sol				1,396,323 (iii)	1,396,323				
				1,396,323	1,396,323				
Total	2,361,786	13,117	87,056	1,538,060	4,000,019	315,159	76,519	12,990	136,711

(i) Amounts in “dividends and interest on capital”.

(ii) Amount in “inventory – advance to suppliers” (Note 6).

(iii) Amounts in “cash and cash equivalents”: R\$1,334,653 and in “financial investments”: R\$61,670.

(iv) Amount of R\$20,000 under “Property, plant and equipment” related to ongoing construction works and R\$116,714 under “inventory – advance to suppliers” (Note 6).

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

	Balances at December 31, 2013									
	Trade payables	Borrowings	Accounts payable to related parties Advance to export payable	Accounts payable to related parties Other payable	Current Total Borrowings	Accounts payable to related parties Advance to export	Current Accounts payable	Notes payable	Non-Current	Total
Subsidiaries										
Braskem America	3,018		34,064	3,170	40,252	662,956				662,956
Braskem Austria			48,036		48,036	351,390				351,390
Braskem Holanda			41,090		41,090	3,874,252				3,874,252
Braskem Importação							101			101
Braskem Inc	3,863,320	248,544		917	4,112,781	3,720,604		98,795	3,819,399	3,819,399
Braskem Participações								1,448		1,448
Braskem Petroquímica	5,625			6	5,631		138,742			138,742
Braskem Qpar	3,692			11	3,703					3,703
Quantiq	327				327		16,782			16,782
IQAG							4,270			4,270
Politeno Empreendimentos								7		7
	3,875,982	248,544	123,190	4,104	4,251,820	3,720,604	4,888,598	159,902	100,243	8,869,163
Jointly-controlled investment										
RPR	256				256					256
	256				256					256

**Related
companies**

Odebrecht and
subsidiaries

61,631

335 61,966

Petrobras and
subsidiaries

1,572,473

1,572,473

1,634,104

335 1,634,439

Total

5,510,342

248,544

123,190

4,439

5,886,515

3,720,604

4,888,598

159,902

100,243 8,869,

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

	Income statement transactions from January to March 31, 2013			
	Sales of products	Purchases of raw materials, services and utilities	Financial income (expenses)	Cost of production/general and administrative expenses
Subsidiaries				
Braskem America	3,079		(2,150)	
Braskem Argentina	53,230		(1,425)	
Braskem Austria			(7,304)	
Braskem Chile	5,461		57	
Braskem Finance			1	
Braskem Holanda	73,566		(396)	
Braskem Idesa	4,959		(296)	
Braskem Importação			(1)	
Braskem Inc	448,745	67,133	(14,601)	
Braskem Petroquímica	130,967	59,358		
Braskem Qpar	2,956	23,240		
Lantana			(1)	
Quantiq	28,165	1,035		
Riopol	40,861	28,004		
	791,989	178,770	(26,116)	
Jointly-controlled investment				
RPR	6,771	135		
	6,771	135		
Associated companies				
Borealis	46,431			
Other	7,874	2,018		
	54,305	2,018		
Related companies				
Odebrecht and subsidiaries		125,267		
Petrobras and subsidiaries	174,573	3,058,402	1,088	

174,573 **3,183,669** **1,088**

Post employment benefit plan

Odeprev

3,444

3,444

Total

1,027,638

3,364,592

(25,028)

3,444

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(c) Key management personnel**

The Company considered as “Key management personnel” the members of the Board of Directors and Board of Executive Officers, composed of the Chief Executive Officer and vice-presidents. Not all members of the Board of Executive Officers are members of the Statutory Board of Executive Officers.

Non-current liabilities	Parent company and Consolidated	
	Mar/2014	Dec/2013
Long-term incentives	1,685	2,333
Total	1,685	2,333

Income statement transactions	Parent company and Consolidated	
	Mar/2014	Mar/2013
Remuneration		
Short-term benefits to employees and managers	3,486	4,728
Post-employment benefit	76	68
Long-term incentives	22	42
Total	3,584	4,838

8. Taxes recoverable

The information on taxes recoverable was presented in the 2013 annual financial statements of the Company, in Note 11.

	Mar/2014	Consolidated Dec/2013	Mar/2014	Parent company Dec/2013
Parent Company and subsidiaries in Brazil				
IPI	31,692	28,701	28,173	26,307
Value-added tax on sales and services (ICMS) -				
normal operations	629,371	738,282	369,258	410,004
ICMS - credits from PP&E	127,181	123,354	97,128	93,018
Social integration program (PIS) and social				
contribution on revenue (COFINS) -				
normal operations	773,488	719,448	710,364	650,355
PIS and COFINS - credits from PP&E	281,057	269,006	145,809	134,161
PIS and COFINS - Law 9,718/98	13,274	24,207	10,947	22,602
PIS - Decree-Law 2,445 and 2,449/88	88,339	88,339	65,801	65,801
IR and CSL	548,799	542,686	409,035	395,214
REINTEGRA program	238,283	267,049	233,440	232,507
Other	150,873	155,965	101,152	116,640
Foreign subsidiaries				
Value-added tax	(a) 704,623	563,650		
Income tax	3,218	2,516		
Total	3,590,198	3,523,203	2,171,107	2,146,609
Current assets	2,390,438	2,237,213	1,306,712	1,246,858
Non-current assets	1,199,760	1,285,990	864,395	899,751
Total	3,590,198	3,523,203	2,171,107	2,146,609

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

(a) Value added tax (“VAT”)

On March 31, 2014, this line included:

(i) R\$34,823 from sales by Braskem Alemanha to other countries. These credits are refunded in cash by the local government; and

(ii) R\$661,337 from purchases of machinery and equipment for the Ethylene XXI Project (Note 10). These credits will be reimbursed, in cash, by the Mexican government, after their validation. The Company expects to recover these credits at the short term.

9. Investments

The information related to investments was presented in the Company’s annual financial statements, in Note 15.

(a) Information on investments

Note	Interest in total capital total (%) - Mar/2014		Adjusted net profit (loss) for the period			Adjusted equity
	Direct	Indirect	Mar/2014	Mar/2013	Mar/2014	Dec/2013
		Direct and				

Edgar Filing: BRASKEM SA - Form 6-K

	2.1.1(b)				Revised		
Subsidiaries							
Braskem Alemanha	5.66	100.00	16,612	(113)	1,035,896		1,056,093
Braskem America		100.00	29,444	8,425	936,236		940,124
Braskem America Finance		100.00	(84)	2	1,334		1,448
Braskem Argentina	96.77	100.00	2,599	2,948	13,977		11,379
Braskem Austria	100.00	100.00	(392)	(105)	(4,336)		(4,097)
Braskem Austria Finance		100.00	(5)		22		25
Braskem Chile	99.02	100.00	(136)	(2)	1,727		1,863
Braskem Espanha		100.00			(9)		(9)
Braskem Holanda	100.00	100.00	11,990	11,060	1,320,840		1,333,390
Braskem Finance	100.00	100.00	(28,792)	3,374	(173,350)		(144,558)
Braskem Idesa	75.00	75.00	(15,140)	67,563	499,130		548,465
Braskem Idesa Serviços		75.00	518	213	5,476		5,138
Braskem Importação	0.04	100.00		1	201		201
Braskem Inc.	100.00	100.00	101,399	(16,438)	254,421		153,021
Braskem México	99.97	100.00	15,320	463	277,914		271,654
Braskem México Serviços	(i)	100.00	199		1,363		
Braskem Participações	100.00	100.00	(7)	457	(565)		(558)
Braskem Petroquímica	100.00	100.00	61,233	24,123	1,709,078		1,647,845
Braskem Qpar Common	98.61	100.00	106,927	(33,983)	5,708,005		5,601,077
DAT	(ii)	100.00	100.00	(90)	(12)		(12)
IQAG	0.12	100.00	938	982	8,122		37,681
Lantana		100.00	21	10	(607)		7,184
Norfolk		100.00	(57)	(401)	(160)		(592)
Petroquímica Chile	97.96	100.00	1,081	(45)	6,080		(103)
Politeno Empreendimentos	99.98	100.00	(1)	(1)	597		4,999
Quantiq	99.90	100.00	7,955	6,095	251,539		598
Riopol	(iii)			136,799			243,584
Jointly-controlled investment							
RPR	33.20	33.20	324	2,455	125,303		124,980
OCE	(iv)	20.00	20.00	159	489		689
Propilsur	49.00	49.00	(88)	(556)	111,561		109,300
Associates							
Borealis	20.00	20.00		16,102	166,746		166,746
Companhia de Desenvolvimento Rio Verde ("Codeverde")	35.97	35.97	(197)	(596)	44,947		46,342

Edgar Filing: BRASKEM SA - Form 6-K

- (i) Company incorporated on November 21, 2013 (Note 1(a.vi).
- (ii) Company divested on February 3, 2014 (Note 1(a.x)).
- (iii) Company merged into Braskem Qpar in September 2013 (Note 1(a.iii)).
- (iv) Shares acquired in July 2013 (Note 1(a.ii)).

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

(b) Changes in investments – parent company

	Balance at Dec/2013	Dividends and interest on equity	Equity in results of investees Effect of unrealized profit	Adjustment of unrealized profit	Goodwill amortization	Other write-off by sale	Equity valuation adjustments	Currency translation adjustments
Subsidiaries and jointly-controlled investment								
Domestic subsidiaries								
Braskem								
Petroquímica	1,502,856		61,233	(651)	(859)			
Braskem Qpar	6,383,358		105,438	(1,439)	(20,748)			
DAT	37,681		(19)			(37,662)		
Politeno								
Empreendimentos	598		(1)					
Quantiq	247,388		7,955	(690)		41		
RPR	41,500		107					
OCE	138	(3)	(37)					
	8,213,519	(3)	174,676	(2,780)	(21,607)	41	(37,662)	
Foreign subsidiaries								
Braskem								
Alemanha	59,548		937	(251)				(2,084)
Braskem								
Argentina	7,507		2,599	1,522				
Braskem Chile	1,863		(136)					
Braskem Holanda	1,333,141		11,990	(33)				(24,539)

Edgar Filing: BRASKEM SA - Form 6-K

Braskem Idesa	410,942	(11,354)	(15,133)			(15,042)	(10,605)
Braskem Inc.	142,849	101,399	(7,698)				
Braskem México	271,654	15,320					(9,060)
Petroquímica Chile	4,999	1,081					
	2,232,503	121,836	(21,593)			(15,042)	(46,288)
Total subsidiaries and jointly-controlled investment	10,446,022	(3) 296,512	(24,373)	(21,607)	41 (37,662)	(15,042)	(46,288) 10
Associate							
Borealis	33,349						
Total associate	33,349						
Total subsidiaries, jointly-controlled investment and associates	10,479,371	(3) 296,512	(24,373)	(21,607)	41 (37,662)	(15,042)	(46,288) 10

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(c) Breakdown of equity accounting results**

	Nota 2.1.1(b)	Mar/2014	Consolidated Mar/2013	Mar/2014	Parent company Mar/2013
Equity in results of subsidiaries, associate and jointly-controlled investment		(6)	(4,722)	272,139	179,591
Amortization of fair value adjustment				(21,607)(i)	(21,081)
Provision for losses on investments				(29,191)	3,673
Other				40	
		(6)	(4,722)	221,381	162,183

(i) Amortization of fair value adjustments comprises the following:

- R\$20,748 related to the amortization of fair value adjustments on the assets and liabilities from the acquisition of Quattor. This amount is distributed in the following items of the consolidated statement of operations: “net sales revenue” of R\$4,430; “cost of sales” of R\$22,996; “general and administrative expenses” of R\$23 and “financial results” of R\$3,987. The effect of deferred income tax and social contribution was R\$10,688.
- R\$859 related to the amortization of fair value adjustments on property, plant and equipment of the subsidiary Braskem Petroquímica.

10. Property, plant and equipment

The information on property, plant and equipment was presented in the Company’s 2013 annual financial statements, in Note 16.

	Consolidated					
	Mar/2014			Dec/2013		
	Cost	Accumulated depreciation/ depletion	Net	Cost	Accumulated depreciation/ depletion	Net
Land	425,228		425,228	428,908		428,908
Buildings and improvements	1,840,548	(798,978)	1,041,570	1,830,245	(783,084)	1,047,161
Machinery, equipment and installations	25,852,670	(11,444,109)	14,408,561	25,671,115	(11,044,102)	14,627,013
Projects in progress	9,476,536		9,476,536	8,832,906		8,832,906
Other	963,315	(476,653)	486,662	936,228	(458,668)	477,560
Total	38,558,297	(12,719,740)	25,838,557	37,699,402	(12,285,854)	25,413,548

Impairment test for property, plant and equipment

There were no significant events or circumstances in the period ended March 31, 2014 that indicate the need for impairment testing on the property, plant and equipment.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****11. Intangible assets**

The information on intangible assets was presented in the 2013 annual financial statements of the Company, in Note 17.

				Consolidated		
			Mar/2014			Dec/2013
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Goodwill based on future profitability	3,187,722	(1,128,804)	2,058,918	3,187,722	(1,128,804)	2,058,918
Trademarks and patents	211,283	(84,185)	127,098	208,574	(82,176)	126,398
Software and use rights	479,430	(257,988)	221,442	473,560	(244,924)	228,636
Contracts with customers and suppliers	700,442	(224,373)	476,069	712,499	(213,821)	498,678
Total	4,578,877	(1,695,350)	2,883,527	4,582,355	(1,669,725)	2,912,630

Impairment of intangible assets with definite and indefinite useful life

There were no significant events or circumstances in the period ended March 31, 2014 that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in October 2013, or that indicated

the need to perform an impairment testing of intangible assets with definite useful life.

12. Borrowings

The information on borrowings was presented in the 2013 annual financial statements of the Company, in Note 18.

	Annual financial charges		Consolidated	
	Monetary restatement	Average interest (unless otherwise stated)	Mar/2014	Dec/2013
<u>Foreign currency</u>				
Bonds and Medium term notes (MTN)	Note 12 (a)	Note 12 (a)	10,061,916	10,432,526
Advances on exchange contracts	US dollar exchange variation	1.24%	113,386	117,132
Export prepayment BNDES	Note 12 (b) Note 12 (c)	Note 12 (b) Note 12 (c)	524,995 412,522	540,744 453,065
Export credit notes	Note 12 (d)	Note 12 (d)	816,937	843,060
Working capital	US dollar exchange variation	1.77% above Libor	781,785	633,632
Other Transactions costs	US dollar exchange variation	4.00% above Libor	1,241 (229,049)	1,268 (81,375)
<u>Local currency</u>				
Export credit notes BNDES	Note 12 (d) Note 12 (c)	Note 12 (d) Note 12 (c)	2,623,356 2,407,563	2,528,077 2,464,987
BNB/ FINAME/ FINEP/ FUNDES		6.48%	634,305	658,372
BNB/ FINAME/ FINEP/ FUNDES Transactions costs	TJLP	0.38%	14,191 (16,748)	16,093 (5,090)
Total			18,146,400	18,602,491
Current liabilities			1,224,291	1,248,804
Non-current liabilities			16,922,109	17,353,687
Total			18,146,400	18,602,491

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

		Mar/2014	Parent company Dec/2013
<u>Foreign currency</u>			
	Current liabilities	501,898	735,512
	Non-current liabilities	6,680,045	6,940,002
		7,181,943	7,675,514
<u>Local currency</u>			
	Current liabilities	657,752	547,534
	Non-current liabilities	4,673,557	4,781,412
		5,331,309	5,328,946
	Current liabilities	1,159,650	1,283,046
	Non-current liabilities	11,353,602	11,721,414
	Total	12,513,252	13,004,460

(a) Bonds and MTN

Issue date		Issue amount (US\$ in thousands)	Maturity	Interest (% per year)	Mar/2014	Consolidated Dec/2013
July 1997		250,000	June 2015	9.38	150,574	152,328
January 2004		250,000	January 2014	11.75		178,897
September 2006	(i)	275,000	January 2017	8.00	185,369	305,006
June 2008	(i)	500,000	June 2018	7.25	423,915	1,000,375
May 2010	(i)	400,000	May 2020	7.00	539,290	940,780
May 2010		350,000	May 2020	7.00	814,073	828,360
			no maturity			
October 2010		450,000	date	7.38	1,036,291	1,072,742
April 2011		750,000	April 2021	5.75	1,736,173	1,772,070

Edgar Filing: BRASKEM SA - Form 6-K

July 2011		500,000	July 2041	7.13	1,146,728	1,207,927
February 2012		250,000	April 2021	5.75	580,660	592,666
			no maturity			
February 2012		250,000	date	7.38	575,718	595,968
May 2012		500,000	May 2022	5.38	1,156,503	1,181,443
July 2012		250,000	July 2041	7.13	573,364	603,964
			February			
February 2014	(i)	500,000	2024	6.45	1,143,258	
Total		5,475,000			10,061,916	10,432,526

(i) The Bonds issued in February 2014 had the primary objective of refinancing the Bonds issued in September 2006, June 2008 and May 2010. The operation was considered a refinancing of said debt, in accordance with IFRS 9, for which reason all expenses involved in structuring the February 2014 operation and Bond exchange were considered transaction costs.

(b) Export prepayments (“EPP”)

Issue date	Initial amount of the transaction (US\$ thousand)	Maturity	Charges (% per year)	Consolidated	
				Mar/2014	Dec/2013
December 2010	100,000	December-2017	US dollar exchange variation + semiannual Libor + 2.47	115,576	118,505
January 2013	200,000	November-2022	US dollar exchange variation + semiannual Libor + 2.47	409,419	422,239
Total	300,000			524,995	540,744

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(c) BNDES borrowings**

Projects	Issue date	Maturity	Charges (% per year)	Mar/2014	Consolidated Dec/2013
<u>Foreign currency</u>					
Other	2006	October-2016	US dollar exchange variation + 6.79	5,754	6,533
Braskem Qpar expansion	2006/2007/2008	April-2016	US dollar exchange variation + 6.64 to 6.79	8,957	10,389
Green PE plant	2009	July-2017	US dollar exchange variation + 6.57	35,797	39,838
Limit of credit II New plant PVC	2009	January-2017	US dollar exchange variation + 6.57	71,746	80,826
Alagoas	2010	January-2020	US dollar exchange variation + 6.57	106,598	115,082
Limit of credit III	2011	October-2018	US dollar exchange variation + 6.41 to 6.44	145,948	159,917
Butadiene plant	2011	January-2021	US dollar exchange variation + 6.44	37,722	40,480
				412,522	453,065
<u>Local currency</u>					
Other	2006	September-2016	TJLP + 2.80	44,804	49,294
Braskem Qpar expansion	2006/2007/2008	February-2016	TJLP + 2.15 to 3.30	67,037	75,867
Green PE plant	2008/2009	June-2017	TJLP + 0.00 to 4.78	260,054	280,631
Limit of credit II	2009	January-2017	TJLP + 2.58 to 3.58	221,334	240,915
Limit of credit II New plant PVC	2009	January-2017	4.50	9,889	10,763
Alagoas	2010	December-2019	TJLP + 0.00 to 3.58	337,578	352,364
New plant PVC Alagoas	2010	December-2019	5.50	38,415	40,091
Limit of credit III	2011	October-2019	TJLP + 0.00 to 3.58	980,041	969,715

Edgar Filing: BRASKEM SA - Form 6-K

Limit of credit III	2011	October-2019	SELIC + 2.58	93,530	82,362
Limit of credit III	2011	November-2019	3.50 to 5.50	225,306	228,583
Butadiene plant	2011	December-2020	TJLP + 0.00 to 3.45	129,575	134,402
				2,407,563	2,464,987
Total				2,820,085	2,918,052

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(d) Export credit notes (“NCE”)**

Issue date	Initial amount of the transaction	Maturity	Charges (% per year)	Mar/2014	Consolidated Dec/2013
<u>Foreign currency</u>					
November 2006	167,014	May 2018	Us dollar exchange variation + 8.10	182,074	184,778
April 2007	101,605	March 2018	Us dollar exchange variation + 7.87	117,429	119,255
May 2007	146,010	May 2019	Us dollar exchange variation + 7.85	174,129	176,806
January 2008	266,430	February 2020	Us dollar exchange variation + 7.30	343,305	362,221
	681,059			816,937	843,060
<u>Local currency</u>					
April-2010	50,000	October-2021	105% of CDI	52,164	50,880
June-2010	200,000	October-2021	105% of CDI	208,656	203,521
February-2011	250,000	October-2021	105% of CDI	208,656	203,521
April-2011	(i) 450,000	April-2019	112.5% of CDI	459,852	459,408
June-2011	80,000	October-2021	105% of CDI	83,462	81,408
August-2011	(i) 400,000	August-2019	112.5% of CDI	403,603	403,513
June-2012	100,000	October-2021	105% of CDI	104,328	101,761
September-2012	300,000	October-2021	105% of CDI	312,984	305,282
October-2012	85,000	October-2021	105% of CDI	88,679	86,496
February-2013	(ii) 100,000	February-2016	8.00	101,139	101,183
February-2013	(ii) 50,000	February-2016	7.50	50,494	50,505
February-2013	(ii) 100,000	February-2016	8.00	101,010	101,010
February-2013	(ii) 50,000	February-2016	8.00	50,419	50,440
February-2013	(ii) 100,000	February-2016	8.00	100,967	100,923

Edgar Filing: BRASKEM SA - Form 6-K

March-2013	(ii)	50,000	March-2016	8.00	50,257	50,257
March-2013	(ii)	17,500	March-2016	8.00	17,590	17,583
August-2013	(ii)	10,000	August-2016	8.00	10,120	10,129
December-2013	(ii)	150,000	December-2016	8.00	153,176	150,257
March-2014		10,354	June-2014	8.00	10,354	
March-2014		55,446	June-2014	8.00	55,446	
Total		2,608,300			2,623,356	2,528,077

(i) The Company enters into swap transactions to offset the variation in the Interbank Certificate of Deposit (CDI) rate (Note 14.1.1 (b)).

(ii) The Company enters into swap transactions for these contracts (from 67.47% to 92.70% of CDI) (Note 14.1.1 (a)).

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(e) Payment schedule**

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

	Mar/2014	Consolidated Dec/2013
2015	970,152	1,121,998
2016	2,105,368	1,738,496
2017	995,017	1,576,790
2018	1,392,106	1,881,848
2019	1,523,297	1,479,686
2020	1,901,769	2,366,125
2021	2,464,661	2,561,516
2022	1,191,406	1,248,355
2023	2,513	1,676
2024	1,128,970	
2025 and thereafter	3,246,850	3,377,197
Total	16,922,109	17,353,687

(f) Capitalized financial charges - consolidated

The Company capitalized financial charges in the period ended March 31, 2014 in the amount of R\$19,842 (R\$23,258 in the period ended March 31, 2013), including monetary variation and part of the exchange variation. The average rate of these charges in the period was 7.41% p.a. (6.98% p.a. in the first quarter of 2013).

(g) Guarantees

Braskem gave collateral for part of its borrowings as follows:

Loans	Maturity	Total debt Mar/2014	Total guaranteed	Guarantees
BNB	March-2023	328,561	328,561	Mortgage of plants, pledge of machinery and equipment
BNDES	January-2021	2,820,085	2,820,085	Mortgage of plants, land and property, pledge of machinery and equipment
FUNDES	June-2020	199,706	199,706	Mortgage of plants, land and property, pledge of machinery and equipment
FINEP	August-2023	116,956	116,956	Bank surety
FINAME	February-2022	3,273	3,273	Pledge of equipment
Total		3,468,581	3,468,581	

(h) Financial covenants

The Company has not entered into financing agreements that establish limits for certain indicators related to the capacity to contract debt and pay interest.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****13. Project finance**

The information on project finance was presented in the 2013 annual financial statements in Note 19.

Identification	Contract value US\$ thousands	Value received US\$ thousands	Maturity	Charges (% per year)	Consolidated	
					Mar/2014	Dec/2013
Project finance I	700,000	484,847	February-2027	Us dollar exchange variation + quarterly Libor + 3.25	1,102,285	1,141,515
Project finance II	210,000	51,422	February-2027	Us dollar exchange variation + 6.17	180,209	121,387
Project finance III	600,000	263,264	February-2029	Us dollar exchange variation + 4.33	599,833	621,410
Project finance IV	660,000	551,173	February-2029	Us dollar exchange variation + quarterly Libor + 3.88	1,191,225	1,298,791
Project finance V	400,000	277,055	February-2029	Us dollar exchange variation + quarterly Libor + 4.65	630,702	653,288
Project finance VI	90,000	33,811	February-2029	Us dollar exchange variation + quarterly Libor + 2.73	76,896	79,630
Project finance VII	533,095	369,242	February-2029	Us dollar exchange variation + quarterly Libor + 4.64	849,442	866,581
Transactions costs					(48,756)	(51,196)
Total	3,193,095	2,030,814			4,581,836	4,731,406
Current liabilities					22,676	25,745

Non-current liabilities	4,559,160	4,705,661
Total	4,581,836	4,731,406

Braskem Idesa capitalized the charges incurred on this financing in the period ending March 31, 2014, in the amount of R\$72,289 (MXN\$ 394,257 thousand) (R\$99,009 (MXN\$606,676 thousand) in the period ended March 31, 2013, related to contributions by Braskem and the non-controlling shareholder, lent in advance, and reimbursed with the proceeds from the Project Finance. The average interest rate in the period was 5.02% p.a.

The maturity profile of this long-term financing, by year of maturity, is as follows:

	Mar/2014	Consolidated Dec/2013
2016	85,198	85,068
2017	251,066	254,883
2018	308,654	313,944
2019	321,612	327,391
2020	381,870	389,584
2021	438,173	447,535
2022	368,623	377,156
2023	483,189	493,770
2024	523,178	534,866
2025 and thereafter	1,397,597	1,481,464
Total	4,559,160	4,705,661

In accordance with the Company's risk management strategy and based on its financial policy, the Management contracted and designated derivative operations under hedge accounting (Note 14.2.1 (c.ii.i)) in order to offset the change in future debt-related financial expenses caused by the fluctuation of the Libor rate.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****14. Financial instruments**

The information related to financial instruments was presented in the 2013 financial statements of the Company, in Note 20.

14.1. Non-derivative financial instruments – measured at fair value - consolidated

			Fair value		Book value		Fair value	
	Note	Classification by category	hierarchy	Mar/2014	Dec/2013	Mar/2014	Dec/2013	
Cash and cash equivalents	3							
Cash and banks		Loans and receivables		240,089	987,824	240,089	987,824	
Financial investments in Brazil		Held-for-trading	Level 2	526,937	687,938	526,937	687,938	
Financial investments in Brazil		Loans and receivables		1,132,989	1,218,852	1,132,989	1,218,852	
Financial investments abroad		Held-for-trading	Level 2	1,314,050	1,441,245	1,314,050	1,441,245	
				3,214,065	4,335,859	3,214,065	4,335,859	
Financial investments	4							
		Held-for-trading	Level 2	66,962	61,670	66,962	61,670	

FIM Sol investments							
Investments in foreign currency		Held-for-trading	Level 2	2,955	3,773	2,955	3,773
Investments in foreign currency		Held-to-maturity		359	189	359	189
Shares		Held-for-trading		1,170	1,170	1,170	1,170
Quotas of receivables investment fund							
Restricted deposits		Held-to-maturity		42,003	40,696	42,003	40,696
				113,449	107,498	113,449	107,498
Trade accounts receivable	5	Loans and receivables		2,848,750	2,872,395	2,848,750	2,872,395
Related parties credits	7	Loans and receivables		591,047	258,136	591,047	258,136
Trade payables		Other financial liabilities		9,959,674	10,421,687	9,959,674	10,421,687
Borrowings	12						
Foreign currency - Bond		Other financial liabilities	Level 1	10,061,916	10,432,526	9,890,817	10,241,359
Foreign currency - other borrowings		Other financial liabilities		2,650,866	2,588,901	2,650,866	2,588,901
Local currency		Other financial liabilities		5,679,415	5,667,529	5,679,415	5,667,529
				18,392,197	18,688,956	18,221,098	18,497,789
Project finance	13	Other financial liabilities		4,630,592	4,782,602	4,630,592	4,782,602
Other payables							
Creditors for the acquisitions of shares		Other financial liabilities		280,831	275,743	280,831	275,743
Accounts payable to non-controlling (Braskem Idesa)		Other financial liabilities		478,578	341,993	478,578	341,993
				759,409	617,736	759,409	617,736

(a) Fair value hierarchy

Level 1 – fair value obtained through prices quoted (without adjustments) in active markets for identical assets or liabilities, such as the stock exchange; and

Level 2 – fair value obtained from discounted cash flow models, when the instrument is a forward purchase or sale or a swap contract, or valuation models of option contracts, such as the Black-Scholes model, when the derivative has the characteristics of an option.

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

14.1.1 Financial derivatives instruments designated and not designated for hedge accounting

Identification	Note	Fair value hierarchy	Operation characteristics		Balance at Dec/2013	Change in fair value	Financial settlement	Balance at Mar/2014
			Principal exposure	Derivatives				
<u>Non-hedge accounting transactions</u>								
Commodity swap - Naphtha	14.1.1	Level 2	Fixed price	Variable price	(470)	68	112	(290)
Interest rate swaps	(a)	Level 2	Fixed rate	CDI	20,751	4,372	(983)	24,140
Contract for the future purchase		Level 2	Euro	Dollar	(5,022)	618	2,741	(1,663)
					15,259	5,058	1,870	22,187
<u>Hedge accounting transactions</u>								
Exchange swap	14.1.1 (b)	Level 2	CDI	Dollar	367,559	(17,052)	(6,421)	344,086
Commodity swap - ethylene		Level 2	Variable price	Fixed price	(69)	199	107	237
Commodity swap - PGP	14.1.1	Level 2	Fixed price	Variable price	(59)	(387)	95	(351)
Interest rate swaps	(d.i)	Level 2	Libor	Dollar	(110,253)	34,121	6,447	(69,685)
Contract for the future purchase -	14.1.1 (d.ii)	Level 2	Peso mexicano	Dollar	47,280	(7,780)	(15,785)	23,715

Currency				
		304,458	9,101	(15,557)
		319,717	14,159	(13,687)
				298,002
				320,189

The regular changes in the fair value of derivatives not designated as hedge accounting were recorded as financial income or expenses in the same period in which they occur. In the period ended March 31, 2014, the Company recognized a financial expense of R\$16,189 (financial income of R\$45,035 in the period ended March 31, 2013).

(a) **Interest rate swap linked to NCE**

Identification	Nominal value	Interest rate (hedge)		Maturity	Fair value	
					Mar/2014	Dec/2013
Swap NCE I	100.000	90.65%	CDI	February-2016	4,406	4,086
Swap NCE II	50.000	88.20%	CDI	February-2016	2,372	2,243
Swap NCE III	100.000	92.64%	CDI	February-2016	4,725	4,435
Swap NCE IV	50.000	92.70%	CDI	February-2016	2,423	2,315
Swap NCE V	100.000	91.92%	CDI	February-2016	4,638	4,407
Swap NCE VI	50.000	92.25%	CDI	March-2016	2,434	2,310
Swap NCE VII	17.500	91.10%	CDI	March-2016	808	765
Swap NCE VIII	10.000	77.52%	CDI	August-2016	239	190
Swap NCE IX	50.000	68.15%	CDI	December - 2016	821	
Swap NCE X	50.000	67.15%	CDI	December - 2016	647	
Swap NCE XI	50.000	67.10%	CDI	December - 2016	627	
Total	627.500				24,140	20,751
Current liabilities (derivatives operations)					24,140	20,751
Total					24,140	20,751

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(b) Swaps related to export credit notes (NCE)**

Identification	Interest rate			Fair value	
	Nominal value	(hedge)	Maturity	Mar/2014	Dec/2013
Swap NCE I	200.000	5.44%	August 2019	96,583	101,904
Swap NCE II	100.000	5.40%	August 2019	45,813	48,414
Swap NCE III	100.000	5.37%	August 2019	44,083	46,642
Swap NCE IV	100.000	5.50%	April 2019	36,048	39,005
Swap NCE V	100.000	5.50%	April 2019	35,983	38,939
Swap NCE VI	150.000	5.43%	April 2019	37,116	52,745
Swap NCE VII	100.000	4.93%	April 2019	48,460	39,910
Total	850.000			344,086	367,559
Current assets (other receivables)				(36,516)	(28,481)
Non Current liabilities (derivatives operations)				380,602	396,040
Total				344,086	367,559

(c) Non-derivative liabilities designated for export hedge accounting

On May 1, 2013, Braskem S.A. designated non-derivative financial instrument liabilities, denominated in U.S. dollars, as hedge for the flow of its highly probable future exports. On March 31, 2014, the following non-derivative liabilities were designated as hedge for the flow of its highly probable future exports:

Identification	Maturity	Hedge	Nominal value US\$ thousands	Financial liabilities	
				Mar/2014	Dec/2013

**Operations designated for
hedge accounting**

Trade payables	2016	Dollar	839,447	1,899,668	1,966,488
Trade payables	2017	Dollar	749,685	1,696,537	1,756,212
Export prepayments	2017	Dollar	80,000	181,040	187,408
Trade payables	2018	Dollar	787,894	1,783,003	1,744,207
Export prepayments	2018	Dollar			101,513
Bond	2019	Dollar	65,143	147,419	152,604
Accounts payable	2019	Dollar	50,000	113,150	117,130
Export prepayments	2019	Dollar	618,836	1,400,428	1,449,688
Accounts payable	2020	Dollar	288,000	651,744	674,669
Trade payables	2020	Dollar	56,000	126,728	131,186
Export prepayments	2020	Dollar	380,000	859,940	890,188
Accounts payable	2021	Dollar	332,000	751,316	777,743
Trade payables	2021	Dollar	10,000	22,630	23,426
Export prepayments	2021	Dollar	374,000	846,362	876,132
Accounts payable	2022	Dollar	216,000	488,808	506,002
Export credit notes	2022	Dollar	353,000	798,839	826,938
Export prepayments	2022	Dollar	150,000	339,450	351,388
Accounts payable	2023	Dollar	653,972	1,479,938	1,531,994
Export prepayments	2023	Dollar	64,400	145,737	150,863
Accounts payable	2024	Dollar	113,854	257,652	266,715
Export prepayments	2024	Dollar	575,000	1,301,225	1,346,995
			6,757,231	15,291,614	15,829,489

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(d) Hedge operations by Braskem Idesa related to project finance**

The hedge operations of Braskem Idesa follow the same mode as project finance, whereby the project loan must be paid exclusively with the cash generated by the project itself and shareholders provide limited guarantees (limited recourse project finance) (Note 13).

The periodic changes in the fair value of derivatives not designated as hedge accounting were recorded as financial income or expense in the same period in which they occur. In the period ended March 31, 2014, the Company recognized a financial expense of R\$18,036.

(d.i) Interest rate swap linked to Libor

Identification	Nominal value US\$ thousands	Interest rate (hedge)	Maturity	Mar/2014	Fair value Dec/2013
Swap Libor I	299,996	1.9825%	May-2025	(15,879)	(25,124)
Swap Libor II	299,996	1.9825%	May-2025	(15,980)	(25,213)
Swap Libor III	299,996	1.9825%	May-2025	(15,879)	(25,213)
Swap Libor IV	129,976	1.9825%	May-2025	(6,924)	(10,924)
Swap Libor V	132,996	1.9825%	May-2025	(7,040)	(11,178)
Swap Libor VI	149,932	1.9825%	May-2025	(7,983)	(12,601)
Total	1,312,892			(69,685)	(110,253)
Current Assets (other receivables)				(1,409)	
Non-Current assets (other receivables)				(100,995)	(137,345)
Current liabilities (derivatives operations)				32,719	27,092

Total

(69,685)

(110,253)

42

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(d.ii) Currency futures contract– Mexican Peso**

Identification	Nominal value US\$ thousands	Foreign exchange (hedge)	Maturity	Mar/2014	Fair value Dec/2013
Deliverable Forward	41,020	12.6185	January-2014		3,620
Deliverable Forward	35,453	12.5394	February-2014		3,815
Deliverable Forward	39,206	12.5926	March-2014		4,065
Deliverable Forward	54,084	12.8643	April-2014	2,127	3,468
Deliverable Forward	52,182	12.9268	June-2014	1,755	3,164
Deliverable Forward	51,191	12.8909	June-2014	2,307	3,624
Deliverable Forward	46,889	12.8789	July-2014	2,457	3,612
Deliverable Forward	45,959	12.9465	September-2014	2,130	3,281
Deliverable Forward	36,561	12.9044	September-2014	2,113	2,988
Deliverable Forward	37,215	12.9570	October-2014	2,008	2,923
Deliverable Forward	31,908	12.9465	December-2014	1,930	2,707
Deliverable Forward	28,169	12.9881	December-2014	1,650	2,344
Deliverable Forward	23,381	12.9518	February-2015	1,651	2,202
Deliverable Forward	29,047	13.1969	March-2015	1,029	1,788
Deliverable Forward	18,625	13.0980	March-2015	1,066	1,519
Deliverable Forward	10,230	13.0490	April-2015	722	961
Deliverable Forward	5,897	13.1167	June-2015	384	525
Deliverable Forward	7,014	13.4329	June-2015	128	317
Deliverable Forward	2,245	13.2538	July-2015	120	176
Deliverable Forward	1,840	13.1486	August-2015	138	181
Total	598,116			23,715	47,280
Current liabilities (derivatives operations)				22,311	47,280
Non-Current liabilities (derivatives operations)				1,404	
Total				23,715	47,280

Before designating these swap operations as hedge accounting, on March 1, 2014, the Company recognized financial income of R\$112 as profit in the period. After recognizing such designation, in shareholders' equity, the Company recognized financial expense of R\$7,768 relating to changes in the fair value of these swaps since the designation through March 31, 2014.

(e) Estimated maximum loss

The amount at risk of the derivatives held by Braskem on March 31, 2014, which is defined as the highest loss that could result in one month and in 95% of the cases under normal market conditions, was estimated by the Company at R\$27,548 (US\$12,173 thousand) for the NCE swap designated for hedge accounting and R\$1,888 for the NCE swap that is not designated for hedge accounting.

The value at risk of derivatives related to the Ethylene XXI Project in Mexico in 95% of the cases, under normal market conditions, was estimated at R\$21,123 (US\$9,334 thousand) for the Libor derivative and R\$1,577 (US\$697 thousand) for the derivative of Mexican pesos.

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

14.2. Credit quality of financial assets

(a) Trade accounts receivable

On March 31, 2014, the credit ratings for the domestic market were as follows:

	Mar/2014	Dec/2013
		(%)
1 Minimum risk	7.28	16.56
2 Low risk	36.01	32.61
3 Moderate risk	32.02	23.54
4 High risk	23.79	26.26
5 Very high risk (i)	0.90	1.03

(i) Most clients in this group are inactive and the respective accounts are in the process of collection actions in the courts. Clients in this group that are still active buy from Braskem and pay in advance.

Default indicators for the periods ended:

Domestic Market	Last 12 months Export Market
----------------------------	---

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(b) Other financial assets**

In order to determine the credit ratings of counterparties in financial assets classified as cash and cash equivalents, held-for-trading, held-to-maturity and loans and receivables, Braskem uses the following credit rating agencies: Standard & Poor's, Moody's and Fitch Ratings.

	Mar/2014	Dec/2013
Financial assets with risk assessment		
AAA	2,918,328	3,436,378
AA	56,489	93,955
A	305,006	865,105
A-		1,485
	3,279,823	4,396,923
Financial assets without risk assessment		
Quotas of investment funds in credit rights (i)	42,003	40,696
Sundry funds (ii)	2,955	3,773
Other financial assets with no risk assessment	2,733	1,965
	47,691	46,434
Total	3,327,514	4,443,357

(i) Financial assets with no internal or external ratings and approved by the Management of the Company.

(ii) Investment funds with no internal and external risk assessment whose portfolio is composed of assets from major financial institutions and that comply with Braskem's financial policy.

Braskem's financial policy determines "A-" as the minimum rating for financial investments.

14.3. Sensitivity analysis

Financial instruments, including derivatives, may be subject to changes in their fair value as a result of the variation in commodity prices, foreign exchange rates, interest rates, shares and share indexes, price indexes and other variables. The sensitivity of the derivative and non-derivative financial instruments to these variables are presented below:

(a) Selection of risks

On March 31, 2014, the main risks that can affect the value of Braskem's financial instruments are:

- Brazilian real/U.S. dollar exchange rate;
- U.S. dollar/Mexican peso exchange rate;
- U.S. dollar/Euro exchange rate;
- Libor floating interest rate;
- CDI interest rate; and
- TJLP interest rate.

For the purposes of the risk sensitivity analysis, Braskem presents the exposures to currencies as if they were independent, that is, without reflecting in the exposure to a foreign exchange rate the risks of the variation in other foreign exchange rates that could be directly influenced by it.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(b) Selection of scenarios****(b.1) Probable scenario**

The *Market Readout* published by the Central Bank of Brazil on March 28, 2014 was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate and the CDI interest rate, using the reference date of March 31, 2014. The *Market Readout* presents a consensus of market expectations based on a survey of the forecasts made by various financial and non-financial institutions.

The *Market Readout* does not publish forecasts for the interest rates Libor and TJLP. Therefore, Braskem considered the expectations for the CDI interest rate for determining the probable scenario for those rates, given their correspondence. The probable scenario for the TJLP is an increase of 0.5% from the current rate of 5%, in line with the size of the government's most recent decisions to increase or decrease the rate, and accompanying the forecast for the cumulative increase in the CDI rate by end-2014 of 0.50%.

(b.2) Possible and extreme adverse scenarios

The sensitivity values in the table below are the changes in the value of the financial instruments in each scenario and show the changes in future cash flows:

Instrument	Sensitivity	Probable	Possible adverse (25%)	Extreme adverse (50%)
Bonds and MTN	Brazilian real/U.S. dollar exchange rate	(813,968)	(2,462,579)	(4,925,159)

Edgar Filing: BRASKEM SA - Form 6-K

Advance on exchange contracts	Brazilian real/U.S. dollar exchange rate	(9,369)	(28,346)	(56,693)
BNDES	Brazilian real/U.S. dollar exchange rate	(34,088)	(103,131)	(206,261)
Working capital / structured operations	Brazilian real/U.S. dollar exchange rate	(132,108)	(399,681)	(799,361)
Raw material financing	Brazilian real/U.S. dollar exchange rate	(103)	(310)	(621)
Export prepayments	Brazilian real/U.S. dollar exchange rate	(43,382)	(131,249)	(262,497)
Financial investments abroad	Brazilian real/U.S. dollar exchange rate	140,176	424,088	848,177
Swaps	Brazilian real/U.S. dollar exchange rate	104,083	314,919	629,783
Project finance	U.S. dollar/Mexican peso exchange rate	(73,375)	(506,168)	(1,012,337)
Deliverable Forward	U.S. dollar/Mexican peso exchange rate	(36,429)	(211,009)	(352,413)
Deliverable Forward	U.S. dollar/Euro exchange rate	(239)	(37,267)	(74,536)
Borrowings	Libor floating interest rate	(1,322)	(6,612)	(13,223)
Export prepayments	Libor floating interest rate	(2,039)	(10,193)	(20,387)
Swaps	Libor floating interest rate	1,568	(7,840)	(15,680)
Export credit notes	CDI interest rate	(7,865)	(21,159)	(40,916)
Agricultural credit note	CDI interest rate	(81,284)	(208,189)	(374,179)
Financial investments in local currency	CDI interest rate	(16,726)	(45,985)	(91,937)

Instrument	Sensibility	Probable	Possible adverse (25%)	Extreme adverse (50%)
BNDES	TJLP interest rate	(42,537)	(83,993)	(124,400)
FINEP	TJLP interest rate	(98)	(194)	(289)
Other governmental agents	TJLP interest rate	(38)	(76)	(114)

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****15. Taxes payable**

The information related to taxes payable was presented in the Company's 2013 annual financial statements, in Note 21.

	Mar/2014	Consolidated Dec/2013	Parent company Mar/2014	Dec/2013
Parent Company and subsidiaries in Brazil				
IPI	92,204	81,282	66,820	60,355
PIS and COFINS	667	615		
IR and CSL	90,793	52,226	18,929	21,200
ICMS	105,905	120,941	20,447	56,077
Federal tax payment program - Law 11,941/09	1,011,935	1,024,127	944,793	956,884
Other	56,698	67,680	51,837	61,423
Foreign subsidiaries				
Other	2,866	1,428		
Total	1,361,068	1,348,299	1,102,826	1,155,939
Current liabilities	473,325	445,424	278,215	316,408
Non-current liabilities	887,743	902,875	824,611	839,531
Total	1,361,068	1,348,299	1,102,826	1,155,939

16. IR and CSL

The information related to IR and CSL was presented in the Company's 2013 annual financial statements, in Note 22.

(a) Reconciliation of the effects of IR and CSL on profit or loss

	Note	Mar/2014	Consolidated Mar/2013 Revised	Mar/2014	Parent company Mar/2013 Revised
Income before IR and CSL	2.1.1(b)	569,133	339,764	503,068	253,612
IR and CSL at the rate of 34%		(193,505)	(115,520)	(171,043)	(86,228)
Permanent adjustments to the IR and CSL calculation basis					
IR and CSL on equity in results of investees		(8,057)	(1,605)	92,527	53,893
Other permanent adjustments		28,772	10,259	(19,246)	(5,270)
Effect of IR and CSL on results of operations		(172,790)	(106,866)	(97,762)	(37,605)
Breakdown of IR and CSL:					
Current IR and CSL		(53,456)	(43,883)		
Deferred IR and CSL		(119,334)	(62,983)	(97,762)	(37,605)
Total IR and CSL on income statement		(172,790)	(106,866)	(97,762)	(37,605)

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise**

The Parent Company has subsidiaries abroad, whose nominal IR rate differs from those in Brazil, of 34% (IR – 25% and CSL – 9%), as shown below:

	Headquarters (Country)	Official rate - % Mar/2014
Direct and Indirect subsidiaries		
Braskem Alemanha	Germany	31.90
Braskem America and Braskem America Finance	USA	35.00
Braskem Argentina	Argentina	35.00
Braskem Austria and Braskem Austria Finance	Austria	25.00
Braskem Chile and Petroquímica Chile	Chile	20.00
Braskem Espanha	Spain	30.00
	Cayman Islands	
Braskem Finance and Braskem Inc	(*)	
Braskem Holanda	Netherland	25.00
Braskem Idesa, Braskem Idesa Serviços, Braskem México and Braskem México Serviços	Mexico	30.00
	British Virgin Islands (*)	
Common	Bahamas (*)	
Lantana		
Norfolk	Uruguay	25.00

(*) Country with favored taxation – rate of 0%.

(b) Breakdown of deferred IR and CSL**Consolidated****Parent company**

Deferred tax - assets	Mar/2014	Dec/2013	Mar/2014	Dec/2013
Tax losses (IR) and negative base (CSL)	1,000,037	1,015,587	448,168	443,185
Goodwill amortized	11,320	12,065	8,552	9,190
Exchange variations	586,068	791,508	562,494	775,841
Temporary adjustments	370,234	408,233	319,983	295,494
Business combination	233,393	232,039	89,769	89,770
Pension plan	78,586	61,927	78,591	61,927
Deferred charges - write-off	57,110	37,971	-	
Investments in subsidiaries (CPC-18)		94,276		94,276
	2,336,748	2,653,606	1,507,557	1,769,683
Deferred tax - liabilities				
Amortization of goodwill based on future profitability	661,842	643,050	552,880	544,401
Tax depreciation	584,197	541,325	288,511	269,193
Temporary differences	362,609	426,186	7,272	7,426
Business combination	575,394	585,250	83,007	83,550
Write-off negative goodwill of incorporated subsidiaries	1,039	1,187	1,039	1,187
Additional indexation PP&E	136,649	140,157	136,649	140,157
Other	55,890	56,543	52,755	49,496
	2,377,620	2,393,698	1,122,113	1,095,410
Deffered tax net	(40,872)	259,908	385,444	674,273
Asset in Balance Sheet	806,852	1,123,313	385,444	674,273
(-) Liability in Balance Sheet	847,724	863,405		
Deffered tax net	(40,872)	259,908	385,444	674,273

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(c) Net balance of deferred IR and CSL assets and liabilities**

				Mar/2014
	Headquarters (Country)	IR-CSL Asset	IR-CSL Liability	Net
Assests				
Braskem S.A.	Brazil	1,507,558	(1,122,113)	385,445
Braskem Argentina	Argentina	6,467		6,467
Braskem Alemanha	Germany	70,524		70,524
Braskem Idesa	Mexico	9,663		9,663
Braskem Petroquímica	Brazil	209,176	(135,790)	73,386
Braskem Qpar	Brazil	383,975	(271,913)	112,062
Petroquímica Chile	Chile	113	(80)	33
IQAG	Brazil	22		22
Quantiq	Brazil	5,626		5,626
Braskem Qpar - Bussines combination effect	Brazil	143,624		143,624
		2,336,748	(1,529,896)	806,852
Liabilitys				
Braskem Qpar - Bussines combination effect	Brazil		(492,387)	(492,387)
Braskem America	USA		(355,337)	(355,337)
			(847,724)	(847,724)
				Dec/2014
	Headquarters (Country)	IR-CSL Asset	IR-CSL Liability	Net
Assests				
Braskem S.A.	Brazil	1,769,683	(1,095,410)	674,273
Braskem Argentina	Argentina	5,552		5,552
Braskem Alemanha	Germany	67,910		67,910
Braskem Idesa	Mexico	57,613	(52,554)	5,059
Braskem Petroquímica	Brazil	215,348	(129,022)	86,326
Braskem Qpar	Brazil	390,017	(253,307)	136,710

Edgar Filing: BRASKEM SA - Form 6-K

Petroquímica Chile	Chile	123		123
IQAG	Brazil	23		23
Quantiq	Brazil	5,069		5,069
Braskem Qpar - Bussines combination effect	Brazil	142,268		142,268
		2,653,606	(1,530,293)	1,123,313
Liability				
Braskem Qpar - Bussines combination effect	Brazil		(501,699)	(501,699)
Braskem America	USA		(361,706)	(361,706)
			(863,405)	(863,405)

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(d) Realization of deferred IR and CSL**

In the period ended March 31, 2014, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

17. Sundry provisions

The information on sundry provisions was presented in the 2013 annual financial statements of the Company, in Note 23.

	Mar/2014	Consolidated Dec/2013	Mar/2014	Parent company Dec/2013
Measures to				
Provision for customers bonus	34,209	45,060	16,949	18,058
Provision for recovery of environmental damages	119,297	132,762	78,649	96,182
Judicial and administrative provisions	376,074	362,896	180,581	172,758
Other	11,419	14,832		
Total	540,999	555,550	276,179	286,998
Current liabilities	88,019	105,856	50,531	60,991
Non-current liabilities	452,980	449,694	225,648	226,007
Total	540,999	555,550	276,179	286,998

The composition of provisions for judicial and administrative suits is as follows:

	Mar/2014	Consolidated Dec/2013	Mar/2014	Parent company Dec/2013
Labor claims	124,878	125,887	112,575	113,555
Tax claims				
IR and CSL	33,068	32,319		
PIS and COFINS	36,499	35,634		
ICMS - interstate purchases	88,327	86,233		
ICMS - other	11,710	11,432		
Other	71,573	61,372	57,989	49,186
Societary claims and other	10,019	10,019	10,017	10,017
	376,074	362,896	180,581	172,758

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****18. Post-employment (defined-benefit plans)**

The information on post-employment (defined-benefit plans) was presented in the 2013 annual financial statements of the Company, in Note 25.

The amounts recognized are as follows:

		Consolidated	Parent company	
	Mar/2014	Dec/2013	Mar/2014	Dec/2013
Petros Plans	(a) 235,134	158,122	207,134	158,122
Novamont Braskem America	7,509	9,554		
Braskem Alemanha	34,386	34,515		
	277,029	202,191	207,134	158,122
Current liabilities		158,137		158,122
Non-current liabilities	277,029	44,054	207,134	
Total	277,029	202,191	207,134	158,122

(a) Petros Plans

In August and October 2012, the Brazilian Private Pension Plan Superintendence (PREVIC - Superintendência Nacional de Previdência Complementar) approved the withdrawal of the sponsorship by Braskem of these plans, which required the payment of the mathematical reserves of the respective beneficiaries and in turn the monetization

of the assets of the plans managed by Petros. In view of the unlikelihood of said monetization after almost two years since the approval by PREVIC, Management of the Company had no other option but to start all necessary procedures to resume the sponsorship of the plans. This decision was formalized through a legal injunction dated April 3 2014 that had the main goal of safeguarding Braskem's rights. Management expects that during the next months, the conditions for the resumption of sponsorship of the plan, including the preparation of the actuarial reports, would be established as a result of the discussions that will necessarily be conducted with PREVIC and Petros. The provision booked by the Company, measured based on the criteria that has been adopted since the decision to withdraw sponsorship, was increased by the estimate of the past service cost (Note 23) and was reclassified to non-current liabilities.

19. Contingencies

Braskem has contingent liabilities related to lawsuits and administrative proceedings arising from the normal course of its business, of a labor and social security, tax, civil and corporate nature, which involve risks of losses that are classified by the Company's management as possible.

In the quarter ended March 31, 2014, there were no material events or changes in the provisions reported on December 31, 2013.

A detailed presentation of the Company's contingent liabilities was presented in the 2013 annual financial statements of the Company, in Note 28.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****20. Shareholders' Equity**

The information related to the Company's shareholders' equity was presented in its 2013 annual financial statements, in Note 29.

(a) Capital

	Common shares		Preferred shares class A		Preferred shares class B		Shares unit	
	shares	%	shares	%	shares	%	Total	%
OSP e								
Odebrecht	226,334,623	50.11%	79,182,498	22.96%			305,517,121	38.32%
Petrobras	212,426,951	47.03%	75,479,347	21.88%			287,906,298	36.11%
BNDESPAR			40,102,837	11.62%			40,102,837	5.03%
ADR (i)			34,191,744	9.91%			34,191,744	4.29%
Other	12,907,078	2.86%	114,891,694	33.30%	593,818	100.00%	128,392,590	16.10%
Total	451,668,652	100.00%	343,848,120	99.67%	593,818	100.00%	796,110,590	99.86%
Braskem shares owned								
by Braskem Petroquímica (ii)			1,154,758	0.33%			1,154,758	0.14%
Total	451,668,652	100.00%	345,002,878	100.00%	593,818	100.00%	797,265,348	100.00%

(i) American Depositary Receipts traded on the New York Stock Exchange (USA);

(ii) These share are considered "treasury shares" in the consolidated shareholders' equity, amounting to R\$48,892.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****(b) Other comprehensive income - shareholders' equity**

	Additional indexation of PP&E (i)	Deemed cost of PP&E (i)	Defined benefit plan actuarial Gain (loss) (ii)	Fair value of hedge (iii)	Parent company and consolidated Foreign currency translation adjustment (iv)	Loss on interest in subsidiary (v)	Total
At December 31, 2012	299,305	20,207	(11,816)		37,158	(7,443)	337,411
Additional indexation							
Realization by depreciation or write-off assets	(10,317)						(10,317)
IR and CSL	3,508						3,508
Deemed cost of jointly-controlled investment							
Realization by depreciation or write-off assets		(367)					(367)
IR and CSL		125					125
Loss on interest in subsidiary						(1,980)	(1,980)
Foreign currency translation adjustment					(6,821)		(6,821)
At March 31, 2013	292,496	19,965	(11,816)		30,337	(9,423)	321,559

At December 31, 2013	272,069	19,240	(11,647)	(1,605,356)	242,407	(9,404)	(1,092,691)
Additional indexation							
Realization by depreciation or write-off assets	(10,317)						(10,317)
IR and CSL	3,507						3,507
Deemed cost of jointly-controlled investment							
Realization by depreciation or write-off assets		(366)					(366)
IR and CSL		125					125
Foreign sales hedge							
Exchange rate				537,876			537,876
IR and CSL				(182,878)			(182,878)
Fair value of Cash flow hedge							
Change in fair value				8,431			8,431
Transfer to result				1,217			1,217
IR and CSL				(8,395)			(8,395)
Foreign currency translation adjustment					(46,134)		(46,134)
At March 31, 2014	265,259	18,999	(11,647)	(1,249,105)	196,273	(9,404)	(789,625)

- (i) Realization as the asset is depreciated or written-off.
- (ii) Realization upon extinction of the plan.
- (iii) Realization upon maturity, prepayment or loss of efficacy for hedge accounting.
- (iv) Realization upon write-off of subsidiary abroad.
- (v) Realization upon divestment or transfer of control of subsidiary.

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****21. Earnings per share**

The information related to the earnings per share of the Company was presented in its 2013 annual financial statements, in Note 30.

The table below shows the reconciliation of profit or loss for the period adjusted for the amounts used to calculate basic and diluted earnings per share.

	Note	Basic and diluted	
	2.1.1(b)	Mar/2014	Mar/2013 Revised
Profit for the period attributed to Company's shareholders		405,306	216,007
Distribution of dividends attributable to priority:			
Preferred shares class "A"		208,437	208,437
Preferred shares class "B"		360	360
		208,797	208,797
Distribution of the remaining results to common shares		196,509	7,210
Reconciliation of income available for distribution, by class (numerator):			
Common shares		196,509	7,210
Preferred shares class "A"		208,437	208,437
Preferred shares class "B"		360	360
		405,306	216,007
Weighted average number of shares, by class (denominator):			
Common shares		451,668,652	451,668,652

Edgar Filing: BRASKEM SA - Form 6-K

Preferred shares class "A"	343,848,120	343,848,120
Preferred shares class "B"	593,818	593,818
	796,110,590	796,110,590
Profit (loss) per share (in R\$)		
Common shares	0.4351	0.0160
Preferred shares class "A"	0.6062	0.6062
Preferred shares class "B"	0.6062	0.6062

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****22. Net sales revenues**

The information on net sales revenue was presented in the 2013 annual financial statements of the Company, in Note 31.

	Note	Mar/2014	Consolidated Mar/2013 Revised	Mar/2014	Parent company Mar/2013
	2.1.1(b)				
Sales revenue					
Domestic market		8,505,375	7,478,061	5,998,134	5,196,361
Foreign market		5,125,059	3,836,079	1,708,229	1,492,345
		13,630,434	11,314,140	7,706,363	6,688,706
Sales deductions					
Taxes		(1,688,017)	(1,697,059)	(1,043,647)	(1,097,792)
Sales returns and other		(99,791)	(115,911)	(67,641)	(82,131)
		(1,787,808)	(1,812,970)	(1,111,288)	(1,179,923)
Net sales revenue		11,842,626	9,501,170	6,595,075	5,508,783

23. Other operating income (expenses) - consolidated

In the period ended March 31, 2014, the main effects on this item were as follows:

- Gain on sale of DAT (Note 1(a.x)):

	DAT
	Amount
Sale amount	315,000
Cost amount of the investment sold in the divestment date	(37,662)
Gain on sale	277,338

- Expense with additional provision accrued for the Petros Plans in the amount of R\$65,000 (Note 18(a)).

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****24. Financial results**

The information on financial results was presented in the 2013 annual financial statements of the Company, in Note 34.

	Note	Mar/2014	Consolidated Mar/2013 Revised	Parent company Mar/2014	Parent company Mar/2013
	2.1.1(b)				
Financial income					
Interest income		52,124	34,582	44,121	32,324
Monetary variations		16,719	2,527	16,090	2,301
Exchange rate variations		(60,899)	42,497	(157,488)	(6,126)
Other		8,939	43,506	6,204	16,815
		16,883	123,112	(91,073)	45,314
Financial expenses					
Interest expenses		(306,859)	(237,231)	(287,032)	(224,203)
Monetary variations		(85,866)	(73,160)	(86,180)	(72,772)
Exchange rate variations		53,865	284,996	155,923	256,902
Inflation adjustments on fiscal debts		(30,425)	(24,992)	(24,949)	(20,596)
Tax expenses on financial operations		(2,760)	(2,944)	(1,419)	(2,022)
Discounts granted		(31,293)	(14,541)	(16,961)	(3,884)
Loans transaction costs - amortization		(6,777)	(2,113)	(1,843)	(81)
Adjustment to present value - appropriation		(141,992)	(137,162)	(120,162)	(72,053)
Other		(24,921)	(23,766)	(9,475)	(12,800)
		(577,028)	(230,913)	(392,098)	(151,509)
		(560,145)	(107,801)	(483,171)	(106,195)

	Note	Mar/2014	Consolidated Mar/2013 Revised	Mar/2014	Parent company Mar/2013
Interest income - origins by application type	2.1.1(b)				
Held for sale		373	1,098	373	1,098
Loans and receivables		32,759	22,453	30,656	20,935
Held-to-maturity		8,558	2,918	8,558	2,892
		41,690	26,469	39,587	24,925
Other assets not classifiable		10,434	8,113	4,534	7,399
Total		52,124	34,582	44,121	32,324

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****25. Expenses by nature**

The information on expenses by nature was presented in the 2013 annual financial statements of the Company, in Note 35.

	Note	Mar/2014	Consolidated Mar/2013 Revised	Mar/2014	Parent company Mar/2013
	2.1.1(b)				
Classification by nature:					
Raw materials other inputs		(8,939,861)	(7,210,508)	(4,836,054)	(4,195,776)
Personnel expenses		(530,148)	(450,448)	(332,952)	(270,635)
Outsourced services		(418,358)	(378,765)	(242,230)	(203,029)
Tax expenses		(3,257)	(1,856)	(2,117)	(1,067)
Depreciation, amortization and depletion		(501,105)	(480,924)	(318,520)	(300,991)
Freights		(386,191)	(367,442)	(246,674)	(231,531)
Other expenses		65,578	(158,940)	148,330	(108,130)
Total		(10,713,342)	(9,048,883)	(5,830,217)	(5,311,159)
Classification by function:					
Cost of products sold		(10,324,626)	(8,490,154)	(5,724,864)	(4,969,651)
Selling and distribution		(269,509)	(252,039)	(162,924)	(148,574)
General and administrative		(275,014)	(253,362)	(173,737)	(154,188)
Research and development		(34,142)	(24,564)	(20,573)	(18,515)
Other operating income (expenses), net		189,949	(28,764)	251,881	(20,231)
Total		(10,713,342)	(9,048,883)	(5,830,217)	(5,311,159)

Braskem S.A.**Notes to the financial statements****at March 31, 2014****All amounts in thousands of reais, except where stated otherwise****26. Segment information**

The information related to the presentation of information by segment was presented in the 2013 annual financial statements, in Note 36.

	Reporting segments					Total		
	Basic	USA and	Chemical	reportable	Other Corporate	Other Corporate	Other Corporate	unit
Note	petrochemicals	Polyolefins	Vinyls	Europe	distribution	segments	segments	unit
Net sales revenue	6,638,139	4,529,089	699,563	2,042,039	231,348	14,140,178	56,599	
Cost of products sold	(5,993,749)	(3,807,709)	(645,765)	(1,914,377)	(193,567)	(12,555,167)	(56,912)	
Gross profit	644,390	721,380	53,798	127,662	37,781	1,585,011	(313)	
Operating expenses								
Selling, general and distribution expenses	(151,098)	(233,081)	(43,075)	(78,459)	(24,159)	(529,872)	(15,423)	(33,370)
Results from equity investments	217,528	(7,609)	1,746	2,795	(3,070)	211,390	784	(6) (22,225)

Edgar Filing: BRASKEM SA - Form 6-K

Other operating income (expenses), net	66,430	(240,690)	(41,329)	(75,664)	(27,229)	(318,482)	(14,639)	(55,601)
Operating profit (loss)	710,820	480,690	12,469	51,998	10,552	1,266,529	(14,952)	(55,601)

2.1.1(b)

	Reporting segments					Total		
	Basic petrochemicals	Polyolefins	Vinyls	USA and Europe	Chemical distribution	reportable segments	Other segments	Corporate unit
Net sales revenue	5,983,719	3,858,051	644,473	1,606,045	207,444	12,299,732	22,026	
Cost of products sold	(5,555,933)	(3,409,385)	(593,508)	(1,511,245)	(176,504)	(11,246,575)	(24,661)	
Gross profit	427,786	448,666	50,965	94,800	30,940	1,053,157	(2,635)	
Operating expenses								
Selling, general and distribution expenses	(122,134)	(204,950)	(40,418)	(61,740)	(22,023)	(451,265)	(11,423)	(67,277)
Results from equity investments								(4,722)
Other operating income (expenses), net	(21,446)	(423)	6,664	1,054	291	(13,860)	(2,432)	(12,472)
	(143,580)	(205,373)	(33,754)	(60,686)	(21,732)	(465,125)	(13,855)	(84,471)
Operating profit (loss)	284,206	243,293	17,211	34,114	9,208	588,032	(16,490)	(84,471)

Braskem S.A.

Notes to the financial statements

at March 31, 2014

All amounts in thousands of reais, except where stated otherwise

27. Subsequent events

(a) On April 8, 2014, Braskem Idesa received the third tranche of the Project Finance in the amount of R\$1,021,760 (US\$ 464,986 thousand).

(b) On April 9, 2014, the Annual Shareholders' Meeting approved the payment of dividends for the fiscal year ended December 31, 2013, in the amount of R\$482,593, which will be paid starting April 22, 2014.

(c) On April 16, 2014, Braskem issued \$ 250 million in Bonds through the reopening of his Bond with maturing for February 2024 and interest rate of 6.45% per year. The issue was priced at 103% of face, which represents a yield of 6.04% per year. In May 2014, Braskem used the proceeds raised to swap part of the bonds maturing in 2017, 2018 and 2020.

