

BRASKEM SA
Form 6-K
May 09, 2016

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, 2016
(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 at

March 31, 2016

and Independent Auditors' Report Review

Report of Independent Registered Public Accounting Firm

To Board of Directors and Shareholders of Braskem S.A

We have reviewed the accompanying consolidated balance sheet of Braskem S.A and its subsidiaries as of March 31, 2016, and the related consolidated statements of operations, comprehensive income, and changes in equity for the three-month periods ended March 31, 2016 and 2015 and the consolidated statement of cash flows for the three-month periods ended March 31, 2016 and 2015. These interim financial information are the responsibility of the Company's management.

We conducted our review in accordance with the standards of Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial information for it to be in conformity with IAS 34 — Interim Financial Reporting issued by the International Accounting Standard Board ("IASB")

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We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) the consolidated balance sheet as of December 31, 2015, and related consolidated statements of operations, comprehensive income, changes in equity, and of cash flows for the year then ended (not presented herein), and in our report dated February 17, 2016, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2015, is fairly stated in all material respects in relation to the balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers

Auditores Independentes

Salvador, Brazil, May 5, 2016

Braskem S.A.**Balance sheet****at March 31, 2016****All amounts in thousands of reais**

Assets	Note	Mar/2016	Dec/2015
Current assets			
Cash and cash equivalents	3	7,523,641	7,439,723
Financial investments	4	1,397	1,172
Trade accounts receivable	5	2,308,564	2,735,144
Inventories	6	5,145,074	5,517,206
Taxes recoverable	8	1,081,509	1,272,004
Dividends and interest on capital	7	2,350	1,998
Prepaid expenses		157,901	166,170
Related parties	7	10,320	10,507
Derivatives operations	14.2	11,058	53,662
Other receivables		180,185	300,901
		16,421,999	17,498,487
Non-current assets			
Financial investments	4	37,457	46,193
Trade accounts receivable	5	11,871	19,822
Advances to suppliers	6	86,249	135,046
Taxes recoverable	8	1,273,060	1,304,056
Deferred income tax and social contribution	16	2,363,688	3,226,507
Judicial deposits		278,139	277,093
Related parties	7	308,321	144,633
Insurance claims		69,523	63,199
Derivatives operations	14.2		12,280
Other receivables		256,029	298,057
Investments in subsidiaries and jointly-controlled investments	9	73,964	82,290
Other investments		4,064	4,064
Property, plant and equipment	10	32,836,812	33,961,963
Intangible assets	11	2,833,739	2,887,604
		40,432,916	42,462,807
Total assets		56,854,915	59,961,294

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

Braskem S.A.**Balance sheet**

at March 31, 2016

All amounts in thousands of reais

Continued

Liabilities and shareholders' equity	Note	Mar/2016	Dec/2015
Current liabilities			
Trade payables		9,046,935	11,698,695
Borrowings	12	2,261,540	1,968,540
Project finance	13	392,181	302,266
Derivatives operations	14.2	43,615	57,760
Payroll and related charges		675,049	605,059
Taxes payable	15	811,383	744,660
Dividends		753,664	753,668
Advances from customers		114,344	119,680
Sundry provisions	17	71,512	93,942
Other payables		299,649	337,959
		14,469,872	16,682,229
Non-current liabilities			
Trade payables	7	100,917	57,148
Borrowings	12	23,117,215	25,370,260
Project finance	13	11,040,341	11,975,167
Derivatives operations	14.2	1,141,819	1,184,741
Taxes payable	15	29,574	26,716
Non-controlling loan in Braskem Idesa		1,580,402	1,538,784
Deferred income tax and social contribution	16	699,716	731,241
Post-employment benefits		148,981	154,707
Sundry provisions	17	671,399	653,972
Other payables		212,617	248,618
		38,742,981	41,941,354

Shareholders' equity	19		
Capital		8,043,222	8,043,222
Capital reserve		232,430	232,430
Revenue reserves		2,882,019	2,882,019
Other comprehensive income		(7,555,217)	(9,085,256)
Treasury shares		(49,819)	(49,819)
Accumulated profit		781,784	
Total attributable to the Company's shareholders		4,334,419	2,022,596
Non-controlling interest in Braskem Idesa		(692,357)	(684,885)
		3,642,062	1,337,711
Total liabilities and shareholders' equity		56,854,915	59,961,294

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, 2016

All amounts in thousands of reais

	Note	Mar/2016	Mar/2015	Mar/2014
Net sales revenue	21	12,171,941	10,195,322	11,842,626
Cost of products sold		(8,924,605)	(8,590,489)	(10,324,626)
Gross profit		3,247,336	1,604,833	1,518,000
Income (expenses)				
Selling and distribution		(319,877)	(261,924)	(269,509)
General and administrative		(348,717)	(297,096)	(275,014)
Research and development		(42,594)	(39,819)	(34,142)
Results from equity investments		1,687	2,003	(6)
Other operating income (expenses), net		(64,605)	(39,893)	189,949
Operating profit		2,473,230	968,104	1,129,278
Financial results	22			
Financial expenses		(1,212,290)	(1,192,102)	(577,028)
Financial income		(263,115)	603,323	16,883
		(1,475,405)	(588,779)	(560,145)
Profit before income tax and social contribution		997,825	379,325	569,133
Current and deferred income tax and social contribution	16	(250,928)	(175,333)	(172,790)
		(250,928)	(175,333)	(172,790)
Profit for the period		746,897	203,992	396,343
Attributable to:				
Company's shareholders		774,734	251,403	405,306
Non-controlling interest in Braskem Idesa		(27,837)	(47,411)	(8,963)
Profit for the period		746,897	203,992	396,343

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, 2016

All amounts in thousands of reais, except earnings per
share

Continued

	Note	Mar/2016	Mar/2015	Mar/2014
Profit for the period		746,897	203,992	396,343
Other comprehensive income or loss:				
Items that will be reclassified subsequently to profit or loss				
Fair value of cash flow hedge		27,918	(389,703)	4,634
Income tax and social contribution		(13,959)	122,966	(8,395)
Fair value of cash flow hedge from jointly-controlled - RPR		(10,004)		
		3,955	(266,737)	(3,761)
Exchange variation of foreign sales hedge - Parent company	14.3(a.i)	2,220,529	(3,728,640)	537,876
Sales Hedge - transfer to profit or loss	14.3(a.i)	421,800		
Income tax and social contribution on exchange variation - Parent company		(898,392)	1,267,738	(182,878)
Exchange variation of foreign sales hedge - Braskem Idesa	14.3(a.ii)	(179,723)	(379,332)	
Income tax on exchange variation - Braskem Idesa		53,917	70,984	
		1,618,131	(2,769,250)	354,998
Foreign subsidiaries currency translation adjustment		(64,632)	437,758	(49,669)
Total		1,557,454	(2,598,229)	301,568
Total comprehensive loss for the period		2,304,351	(2,394,237)	697,911
Attributable to:				
Company's shareholders		2,311,823	(2,272,840)	715,423
Non-controlling interest in Braskem Idesa		(7,472)	(121,397)	(17,512)
Total comprehensive loss for the period		2,304,351	(2,394,237)	697,911

Basic and diluted

	Note	Mar/2016	Mar/2015	Mar/2014
Profit per share attributable to the shareholders of the Company at the end of the period (R\$)	20			
Earnings per share - common		0.9735	0.0944	0.4351
Earnings per share - preferred shares class "A"		0.9735	0.6061	0.6062
Earnings per share - preferred shares class "B"		0.6065	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**

at March 31, 2016

All amounts in thousands of reais

		Revenue reserves				Attributed to shareholders' interest			
	Note	Capital reserve	Legal reserve	Retention of profits	Additional dividends proposed	Other comprehensive income	Treasury shares	Retained earnings	Braskem S.A. interest
At December 31, 2013		8,043,222	232,430	26,895	28,412	354,842	(1,092,691)	(48,892)	7,544
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	715,422
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						(241)		241	

jointly-controlled
investment, net of
taxes

(7,051) 7,051

**At March 31,
2014**

8,043,222 232,430 26,895 28,412 354,842 (789,625) (48,892) 412,357 8,259

**At December 31,
2014**

8,043,222 232,430 71,542 394,121 270,517 (2,924,057) (48,892) 6,038

Comprehensive
income for the
period:

Profit for the
period

251,403 251

Exchange
variation of
foreign sales
hedge, net of
taxes

(2,692,163) (2,692,

Fair value of cash
flow hedge, net of
taxes

(251,439) (251,

Foreign currency
translation
adjustment

419,359 419
(2,524,243) (2,272,

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

Contribution to
shareholders:

Repurchase of
treasury shares 19(b)

(927) (927)

At March 31, 2015	8,043,222	232,430	71,542	394,121	270,517	(5,455,351)	(49,819)	258,454	3,765
At December 31, 2015	8,043,222	232,430	229,992	2,404,663	247,364	(9,085,256)	(49,819)		2,022
Comprehensive income for the period:									
Profit for the period								774,734	774
Exchange variation of foreign sales hedge, net of taxes						1,649,583			1,649
Fair value of cash flow hedge, net of taxes						23,497			23
Foreign currency translation adjustment						(135,991)			(135,
						1,537,089		774,734	2,311
Equity valuation adjustments									
Realization of additional property, plant and equipment price-level restatement, net of taxes						(6,809)		6,809	
Realization of deemed cost of jointly-controlled investment, net of taxes						(241)		241	
						(7,050)		7,050	
At March 31, 2016	8,043,222	232,430	229,992	2,404,663	247,364	(7,555,217)	(49,819)	781,784	4,334

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

Braskem S.A.**Statement of changes flows****at March 31, 2016****All amounts in thousands of reais**

	Note	Mar/2016	Mar/2015	Mar/2014
Profit before income tax and social contribution		997,825	379,325	569,133
Adjustments for reconciliation of profit				
Depreciation, amortization and depletion		582,819	518,805	505,535
Results from equity investments	9(c)	(1,687)	(2,003)	6
Interest and monetary and exchange variations, net		386,645	998,244	213,410
Cost amount of the investment sold in the divestment date				37,662
Other		19,584	3,790	3,691
		1,985,186	1,898,161	1,329,437
Changes in operating working capital				
Held-for-trading financial investments		17,252	8,330	(4,744)
Trade accounts receivable		434,434	(618,069)	23,282
Inventories		413,307	578,262	(498,471)
Taxes recoverable		316,153	290,810	(44,633)
Prepaid expenses		8,269	5,494	16,702
Other receivables		(8,479)	(252,734)	(332,375)
Trade payables		(1,870,551)	449,302	(266,760)
Taxes payable		(208,486)	129,570	(50,545)
Advances from customers		(5,336)	8,242	(12,086)
Sundry provisions		(5,003)	(28,869)	(14,551)
Other payables		32,171	(40,600)	184,657
Cash from operations		1,108,917	2,427,899	329,913
Interest paid		(259,042)	(181,343)	(101,389)
Income tax and social contribution paid		(94,662)	(10,459)	(22,362)
Net cash generated by operating activities		755,213	2,236,097	206,162
Proceeds from the sale of fixed assets		97	532	363
Acquisitions to property, plant and equipment	(i)	(751,078)	(816,353)	(1,156,787)
Acquisitions of intangible assets		(4,557)	(595)	(8,870)

Held-for-maturity financial investments			7,265
Net cash used in investing activities		(755,538)	(816,416)
Short-term and long-term debt			
Obtained borrowings		803,625	1,394,810
Payments of borrowings		(968,354)	(1,886,696)
Project finance	13		
Obtained funds		91,094	357,319
Payments		(80,391)	(86,748)
Dividends paid		(4)	(6)
Repurchase of treasury shares	19(b)		(927)
Net cash used in financing activities		(154,030)	(222,248)
Exchange variation on cash of foreign subsidiaries		238,273	(119,521)
Increase (decrease) in cash and cash equivalents		83,918	1,077,912
Represented by			
Cash and cash equivalents at the beginning for the period		7,439,723	3,993,359
Cash and cash equivalents at the end for the period		7,523,641	5,071,271
Increase (decrease) in cash and cash equivalents		83,918	1,077,912

(i) Includes capitalized financial charges paid: Mar/2016 – R\$188,725.

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

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

1. Operations

Braskem S.A. (hereinafter “Braskem or Company”) is a public corporation headquartered in Camaçari, Bahia (“BA”), 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

Other corporate events of 2015 and which did not produce significant impact on these financial statements were presented in the 2015 annual financial statements of the Company (Note 1(a)).

2. Summary of significant accounting policies

There were no changes in the accounting policies used in the preparation of the Quarterly Information in relation to those presented in the December 31, 2015 financial statements.

2.1. Basis of preparation

This Quarterly Information should be read together with the financial statements of Braskem as of December 31, 2015, which were prepared and presented 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, 2015 financial statements.

Issue of these financial statements was authorized by the Executive Board on May 04, 2016.

2.1.1 Consolidated quarterly information

The consolidated Quarterly Information was prepared and is being presented in accordance with the pronouncements IAS 34 - Interim Financial Reporting, which establishes the minimum content for interim financial statements.

The consolidated financial statements were prepared and presented in accordance with the International Financial Reporting Standards “IFRS” issued by the International Accounting Standards Board “IASB”.

All the financial statements’ relevant information are properly supported and correspond to the information used by Management in the Company’s management.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****2.1.2 Consolidated quarterly information**

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

		Total and voting interest - %			
		Headquarters	Mar/2016	Dec/2015	Dec/2014
Direct and Indirect subsidiaries					
Alclor Química de Alagoas Ltda ("Alclor")	(i)	Brazil	100.00	100.00	100.00
Braskem America Finance Company ("Braskem America Finance")		USA	100.00	100.00	100.00
Braskem America, Inc. ("Braskem America")		USA	100.00	100.00	100.00
Braskem Argentina S.A. ("Braskem Argentina")		Argentina	100.00	100.00	100.00
Braskem International GmbH ("Braskem Austria")	(ii)	Austria	100.00	100.00	100.00
Braskem Austria Finance GmbH ("Braskem Austria Finance")	(iii)	Austria	100.00	100.00	100.00
Braskem Europe GmbH ("Braskem Alemanha")		Germany	100.00	100.00	100.00
Braskem Finance Limited ("Braskem Finance")		Cayman Islands	100.00	100.00	100.00
Braskem Idesa		Mexico	75.00	75.00	75.00
Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços")		Mexico	75.00	75.00	75.00
Braskem Importação e Exportação Ltda. ("Braskem Importação")	(iv)	Brasil			100.00
Braskem Incorporated Limited ("Braskem Inc")		Cayman Islands	100.00	100.00	100.00
Braskem Mexico Proyectos S.A. de C.V. SOFOM ("Braskem México Sofom")		Mexico	100.00	100.00	
Braskem Mexico, S. de RL de CV ("Braskem México")		Mexico	100.00	100.00	100.00
Braskem Mexico Servicios S. RL de CV ("Braskem México Serviços")		Mexico	100.00	100.00	100.00

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Braskem Netherlands B.V. ("Braskem Holanda")		Netherlands	100.00	100.00	100.00
Braskem Netherlands Finance B.V. ("Braskem Holanda Finance")		Netherlands	100.00	100.00	
Braskem Netherlands Inc. B.V. ("Braskem Holanda Inc")		Netherlands	100.00	100.00	
Braskem Participações S.A. ("Braskem Participações")	(iv)	Brasil			100.00
Braskem Petroquímica Chile Ltda. ("Petroquímica Chile")		Chile	100.00	100.00	100.00
Braskem Petroquímica Ibérica, S.L. ("Braskem Espanha")	(v)	Espanha			100.00
Braskem Petroquímica Ltda. ("Braskem Petroquímica")		Brazil	100.00	100.00	100.00
Quantiq Distribuidora Ltda. ("Quantiq")		Brazil	100.00	100.00	100.00
IQAG Armazéns Gerais Ltda. ("IQAG")		Brazil	100.00	100.00	100.00
Lantana Trading Co. Inc. ("Lantana")		Bahamas	100.00	100.00	100.00
Norfolk Trading S.A. ("Norfolk")	(vi)	Uruguai			100.00
Politeno Empreendimentos Ltda. ("Politeno Empreendimentos")	(iv)	Brasil			100.00

Specific Purpose Entity ("SPE")

Fundo de Investimento Multimercado Crédito Privado Sol ("FIM Sol")		Brazil	100.00	100.00	100.00
Fundo de Investimento Caixa Júpiter Multimercado Crédito Privado Longo Prazo ("FIM Júpiter")		Brazil	100.00	100.00	100.00

- (i) Currently being merged.
- (ii) In the process of dissolution.
- (iii) Dissolved in January 2016.
- (iv) Merged in February 2015.
- (v) Dissolved in September 2015.
- (vi) Dissolved in March 2015.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****2.2. Foreign currency translation**

The information on foreign currency translation was presented in the 2015 annual financial statements of the Company, in Note 2.2.

(a) Brazilian real as functional currency

The company has a few companies abroad that also use the real as their functional currency. Foreign currency transactions and balances are translated into the functional currency using the foreign exchange rates prevailing at the dates of the transactions or at year end, as applicable. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end foreign exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of operations as “financial income” and “financial expenses”, respectively, except those designated for hedge accounting, which are, in this case, deferred in equity as cash flow hedges.

(b) Exchange variation effects

The main effects from exchange variation in these financial statements are shown below:

	End of period rate			Average rate for period ended			
	Mar/2016	Dec/2015	Variation	Mar/2016	Mar/2015	Mar/2014	Variation
U.S. dollar - Brazilian real	3.5589	3.9048	-8.86%	3.9022	2.8702	2.3652	35.95%
U.S. dollar - Mexican peso	17.2230	17.3700	-0.85%	18.0244	14.9592	13.2311	20.49%
U.S. dollar - Euro	0.8779	0.9187	-4.44%	0.9068	0.8900	0.7300	1.89%

3. Cash and cash equivalents

The information on cash and cash equivalents was presented in the 2015 annual financial statements of the Company, in Note 5.

		Mar/2016	Dec/2015
Cash and banks	(i)	772,528	873,966
Cash equivalents:			
Domestic market		1,502,370	2,428,995
Foreign market	(i)	5,248,743	4,136,762
Total		7,523,641	7,439,723

(i) On March 31, 2016, it includes cash and banks of R\$53,586 (R\$96,830 on December 31, 2015) and cash equivalents of R\$74,503 (R\$37,809 on December 31, 2015) of the subsidiary Braskem Idesa, available for use in its project.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****4. Financial investments**

The information on financial investments was presented in the 2015 annual financial statements of the Company, in Note 6.

	Mar/2016	Dec/2015
Held-for-trading		
Other	1,397	1,172
Held-to-maturity		
Quotas of investment funds in credit rights	37,457	46,193
Total	38,854	47,365
Current assets	1,397	1,172
Non-current assets	37,457	46,193
Total	38,854	47,365

5. Trade accounts receivable

The information on trade accounts receivable was presented in the 2015 annual financial statements of the Company, in Note 7.

	Mar/2016	Dec/2015
Consumers		
Domestic market	1,373,915	1,439,133
Foreign market	1,297,068	1,643,807

Allowance for doubtful accounts	(350,548)	(327,974)
Total	2,320,435	2,754,966
Current assets	2,308,564	2,735,144
Non-current assets	11,871	19,822
Total	2,320,435	2,754,966

6. Inventories

The information on inventories was presented in the 2015 annual financial statements of the Company, in Note 8.

	Mar/2016	Dec/2015
Finished goods	3,710,937	3,928,446
Raw materials, production inputs and packaging	802,912	1,008,217
Maintenance materials	292,757	289,568
Advances to suppliers	301,294	315,234
Imports in transit and other	123,423	110,787
Total	5,231,323	5,652,252
Current assets	5,145,074	5,517,206
Non-current assets	86,249	135,046
Total	5,231,323	5,652,252

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****7. Related parties**

The information concerning related parties was presented in the 2015 annual financial statements of the Company, in Note 9.

	Balance sheet for associated companies, jointly-controlled investment and related companies				Dec/2015			
	Mar/2016				Mar/2016			
	Odebrecht	Petrobras			Odebrecht	Petrobras		
	and	and	Other	Total	and	and	Other	Total
Balance sheet	subsidiaries	subsidiaries			subsidiaries	subsidiaries		
Assets								
Current								
Trade accounts receivable	8,304	121,548	34,182	164,034	12,851	141,550	33,997	188,398
Inventories	167,4427(b.i)			167,442	138,6197(b.i)			138,619
Dividends and interest on capital			2,350	2,350				
Related parties		10,320		10,320		9,927	580	10,507
Non-current								
Advances to suppliers	15,2227(b.i)			15,222	58,4437(b.i)			58,443
Related parties								
Intracompany loan		80,175		80,175		78,332		78,332
Other		228,146		228,146		66,301		66,301
Total assets	190,968	440,189	36,532	667,689	209,913	296,110	34,577	540,600
Liabilities								
Current								
Trade payables	118,406	1,235,830	1,517	1,355,753	284,973	1,400,485	2,011	1,687,469

Total liabilities	118,406	1,235,830	1,517	1,355,753	284,973	1,400,485	2,011	1,687,469
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	Transactions between associated companies, jointly-controlled							
	Mar/2016				Mar/2015			
	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total
Transactions								
Sales of products	15,569	695,947	117,856	829,372	12,688	601,706	118,932	733,326
Purchases of raw materials, finished goods services and utilities	361,144	(i) 2,536,367	22,165	2,919,676	829,358	(i) 2,558,116	13,450	3,400,924
Financial income (expenses)	187	(50,061)		(49,874)		(35,065)		(35,065)
General and administrative expenses								
Post-employment benefits								
Odebrecht previdência Privada ("Odeprev")			5,055	5,055			4,907	4,907
Gain from divestment of asset								

(i) Includes expenses with the Braskem Idesa project, of which R\$330,406 related to the first quarter of 2016, and R\$782,024 related to the first quarter of 2015 (Note 13).

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

The main transactions with related companies in the period, were:

(i) In March 2016, an agreement was entered into with Usina Conquista do Pontal S.A., with Agro Energia Santa Luzia S.A. and with Odebrecht Agroindustrial Participações S.A. to ensure the continued supply of hydrous ethanol to the Company, with technical flexibilities and differentiated commercial conditions, through an advance duly restated by the market rate and guaranteed by Odebrecht S.A. The Companies that are parties to the agreement are indirectly controlled by Odebrecht S.A. The price of hydrous ethanol is based on the Monthly Rate published by the Luiz de Queiroz College of Agriculture (ESALQ) Hydrous Fuel – São Paulo, in R\$/liter, of the reference month and with a discount. The Agreement has an estimated maximum amount of R\$305,000 and is valid through April 30, 2017.

(ii) In March 2016, an agreement was entered into with Refinaria de Petróleo Rio Grandense S.A. (“RPR”) for the sale of gasoil to be used as feedstock in its diesel production process, which is renewed on a monthly basis.

(iii) Since March 2016, Braskem maintains agreements for the sale of gasoline to RPR, renewable on a monthly basis.

(b) Key management personnel

Income statement transactions	Mar/2016	Mar/2015	Mar/2014
Remuneration			
Short-term benefits	10,280	10,160	3,486
Post-employment benefit	76	59	76
Long-term incentives			22
			28

Total		10,356	10,219	3,584
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8. Taxes recoverable

The information on taxes recoverable was presented in the 2015 annual financial statements of the Company, in Note 10.

		Mar/2016	Dec/2015
Brazil			
	IPI	47,511	23,996
	Value-added tax on sales and services (ICMS) - normal operations	414,115	403,842
	ICMS - credits from PP&E	124,033	121,954
	Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations	21,415	69,431
	PIS and COFINS - credits from PP&E	233,884	230,030
	Income tax and social contribution (IR and CSL)	901,651	944,863
	REINTEGRA program	138,936	274,654
	Federal supervenience	173,042	173,436
	Other	18,702	14,281
Other countries			
	Value-added tax	271,009	277,751
	Income tax (IR)	5,449	40,263
	Other	4,822	1,559
Total		2,354,569	2,576,060
Current assets		1,081,509	1,272,004
Non-current assets		1,273,060	1,304,056
Total		2,354,569	2,576,060

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****9. Investments**

The information related to investments was presented in the Company's 2015 annual financial statements, in Note 11.

(a) Information on investments

	Interest in total and voting capital (%) - Mar/2016	Mar/2016	Adjusted net profit (loss) for the period		Mar/2016	Adjusted equity Dec/2015
			Mar/2015	Mar/2014		
Jointly-controlled investment						
RPR	33.20	4,788	8,173	324	120,211	145,551
Odebrecht Comercializadora de Energia S.A. ("OCE")	20.00	(82)	216	159	11,360	11,441
Associates						
Borealis Brasil S.A. ("Borealis")	20.00	796	8,529		158,887	158,366

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(b) Summary of information from the partially owned subsidiary Braskem Idesa**

Balance sheet					
Assets	Mar/2016	Dec/2015	Liabilities	Mar/2016	Dec/2015
Current			Current		
Cash and cash equivalents	128,089	134,639	Trade payables	221,093	429,400
Inventories	159,145	173,129	Project finance	392,181	302,266
Taxes recoverable	178,903	219,071	Other payables	91,558	106,911
Other receivables	126,893	150,109		704,832	838,577
	593,030	676,948			
Non-current			Non-current		
Deferred tax	819,398	825,416	Project finance	11,040,341	11,975,167
Other receivables	18,221	32,080	Loan agreements	6,211,364	5,911,266
Property, plant and equipment	14,507,990	15,134,641	Other payables	104,105	7,065
Intangible	74,326	80,870		17,355,810	17,893,498
	15,419,935	16,073,007			
			Shareholders' equity	(2,047,677)	(1,982,120)
			Total liabilities and		
Total assets	16,012,965	16,749,955	shareholders' equity	16,012,965	16,749,955

Statement of operations

	Mar/2016	Mar/2015	Mar/2014
Gross profit (loss)	2,564	(4,717)	(768)
Operating expenses, net	(29,825)	(18,589)	(14,017)
Financial results	(45,711)	(28,460)	(4,819)

Loss before income tax	(72,972)	(51,766)	(19,604)
Income tax	(2,338)	(23,337)	4,464
Loss for the period	(75,310)	(75,103)	(15,140)

Statement of cash flows

	Mar/2016	Mar/2015	Mar/2014
Cash flows from operating activities			
Cash generated by operating activities	(123,198)	(49,925)	(251,389)
Net cash used in investing activities	(569,535)	(548,290)	(773,660)
Net cash provided by financing activities			
Project finance	9,593	357,319	
Related parties	662,966	244,322	357,061
	672,559	601,641	357,061
Exchange variation on cash	13,624	(35,096)	8,163
Decrease in cash and cash equivalents	(6,550)	(31,670)	(659,825)
Represented by:			
Cash and cash equivalents at the beginning for the period	134,639	333,864	809,875
Cash and cash equivalents at the end for the period	128,089	302,194	150,050
Decrease in cash and cash equivalents	(6,550)	(31,670)	(659,825)

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****10. Property, plant and equipment**

The information on property, plant and equipment was presented in the Company's 2015 annual financial statements, in Note 12.

			Mar/2016			Dec/2015	
	Cost	Accumulated depreciation/ depletion	Net	Cost	Accumulated depreciation/ depletion	Net	
Land	465,777		465,777	479,621		479,621	
Buildings and improvements	5,138,834	(917,734)	4,221,100	5,435,600	(904,324)	4,531,276	
Machinery, equipment and installations	36,673,379	(14,914,956)	21,758,423	37,401,007	(14,513,744)	22,887,263	
Projects and stoppage in progress	(i) 5,815,999		5,815,999	5,506,044		5,506,044	
Other	1,249,616	(674,103)	575,513	1,212,365	(654,606)	557,759	
Total	49,343,605	(16,506,793)	32,836,812	50,034,637	(16,072,674)	33,961,963	

On March 31, 2016, the main amounts included in this account refer to the expenditures with the subsidiary Braskem Idesa project (R\$2,278,116) and expenditures with planned shutdown maintenance which is in preparation or in progress (R\$636,416). The balance corresponds mainly to diverse projects aimed at maintenance of plants' production capacity.

Capitalized charges in the period: R\$219,536 (R\$170,987 on March 31, 2015).

Impairment test for property, plant and equipment

There were no significant events or circumstances in the period ended March 31, 2016 that indicate the need for impairment testing on the property, plant and equipment.

11. Intangible assets

The information on intangible assets was presented in the 2015 annual financial statements of the Company, in Note 13.

	Mar/2016			Dec/2015		
	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	289,504	(101,951)	187,553	298,438	(100,782)	197,656
Software and use rights	534,770	(340,205)	194,565	536,786	(336,029)	200,757
Contracts with customers and suppliers	743,353	(350,650)	392,703	795,782	(365,509)	430,273
Total	4,755,349	(1,921,610)	2,833,739	4,818,728	(1,931,124)	2,887,604

Impairment of intangible assets with definite and indefinite useful life

There were no significant events or circumstances in the period ended March 31, 2016 that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in the end of 2015, or that indicated the need to perform an impairment testing of intangible assets with definite useful life.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****12. Borrowings**

The information on borrowings was presented in the 2015 annual financial statements of the Company, in Note 14.

	Annual financial charges	Mar/2016	Dec/2015
<u>Foreign currency</u>			
Bonds	Note 12 (a)	15,537,988	17,004,617
	US dollar exchange variation		
Advances on exchange contracts	+ 3.34%	557,659	255,809
	US dollar exchange variation +		
Export prepayment	1.10% + semiannual Libor	501,538	549,036
BNDES	Note 12 (b)	333,295	409,076
Export credit notes	Note 12 (c)	1,285,417	1,405,227
Working capital	US dollar exchange variation		
	+ 1.70% above Libor	1,736,993	1,907,145
Transactions costs		(236,137)	(248,838)
		19,716,753	21,282,072
Current liabilities		1,269,632	763,070
Non-current liabilities		18,447,121	20,519,001
Total		19,716,753	21,282,071
<u>Local currency</u>			
Export credit notes	Note 12 (c)	2,122,870	2,350,965
BNDES	Note 12 (b)	2,866,296	3,001,776
BNB/ FINAME/ FINEP/ FUNDES	6.47%	608,886	642,739
BNB/ FINAME/ FINEP/ FUNDES	TJLP + 1.90%	2,097	2,177
Fundo de Desenvolvimento do Nordeste (FDNE)	6.50%	52,760	51,939
Other	CDI + 0.04%	24,488	23,714
Transactions costs		(15,395)	(16,581)
		5,662,002	6,056,729
Current liabilities		991,908	1,205,469

Non-current liabilities	4,670,094	4,851,260
Total	5,662,002	6,056,729
Current liabilities	2,261,540	1,968,540
Non-current liabilities	23,117,215	25,370,260
Total	25,378,755	27,338,800

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(a) Bonds**

Issue date	Issue amount US\$	Maturity	Interest (% per year)	Mar/2016	Dec/2015
September - 2006	275,000	January - 2017	8.00	201,672	225,637
June - 2008	500,000	June - 2018	7.25	482,209	539,327
May - 2010	400,000	May - 2020	7.00	174,396	188,088
May - 2010	350,000	May - 2020	7.00	1,280,250	1,380,764
October - 2010	450,000	no maturity date	7.38	1,629,720	1,757,160
April - 2011	750,000	April - 2021	5.75	2,730,387	2,953,803
July - 2011	500,000	July - 2041	7.13	1,803,398	2,013,453
February - 2012	250,000	April - 2021	5.75	913,173	987,894
February - 2012	250,000	no maturity date	7.38	905,400	976,200
May - 2012	500,000	May - 2022	5.38	1,818,771	1,969,307
July - 2012	250,000	July - 2041	7.13	901,699	1,006,727
February - 2014	500,000	February - 2024	6.45	1,797,942	2,004,171
May-2014	250,000	February - 2024	6.45	898,971	1,002,086
Total	5,225,000			15,537,988	17,004,617

(b) BNDES borrowings

Projects	Issue date	Maturity Charges (% per year)	Mar/2016	Dec/2015
<u>Foreign currency</u>				
Other	2006	October - 2016 US dollar exchange variation + 6.89	2,044	3,204

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Braskem Qpar expansion	2007/2008	April - 2016 US dollar exchange variation + 6.89	549	2,426
Green PE	2009	July - 2017 US dollar exchange variation + 6.67	22,528	29,352
Limit of credit II	2009	January - 2017 US dollar exchange variation + 6.67	33,199	47,353
New plant PVC Alagoas	2010	January - 2020 US dollar exchange variation + 6.67	110,209	128,806
Limit of credit III	2011	October - 2018 US dollar exchange variation + 6.51 to 6.54	122,788	149,495
Butadiene	2011	January - 2021 US dollar exchange variation + 6.54	41,978	48,440
			333,295	409,076

Local currency

Other	2006	September - 2016 TJLP + 2.80	9,032	13,501
Braskem Qpar expansion	2007/2008	February - 2016 TJLP + 2.15 to 3.30		5,372
Green PE	2009	June - 2017 TJLP + 0.00 to 4.78	99,687	119,201
Limit of credit II	2009	January - 2017 TJLP + 2.58 to 3.58	65,619	85,004
Limit of credit II	2009	January - 2021 4.00 to 4.50	92,141	96,698
New plant PVC Alagoas	2010	December - 2019 TJLP + 0.00 to 3.58	221,646	235,641
New plant PVC Alagoas	2010	December - 2019 5.50	25,061	26,732
Limit of credit III	2011	December - 2021 TJLP + 0.00 to 3.58	1,081,689	1,154,552
Limit of credit III	2011	December - 2021 SELIC + 2.32 to 2.78	278,849	284,263
Limit of credit III	2011	December - 2021 3.50 to 7.00	219,816	230,198
Butadiene	2011	December - 2020 TJLP + 0.00 to 3.45	91,911	96,407
Finem	2014	March - 2021 TJLP + 0.00 to 2.78	222,441	215,372
Finem	2014	March - 2021 SELIC + 2.78	170,109	160,603
Finem	2014	March - 2021 6.00	6,664	6,664
Limit of credit IV	2015	January - 2022 TJLP + 0.00 to 2.62	144,175	140,024
Limit of credit IV	2015	January - 2022 SELIC + 2.32	137,456	131,544
			2,866,296	3,001,776

Total

3,199,591 3,410,852

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

(c) Export credit notes ("NCE")

Issue date	Initial amount of the transaction	Maturity Charges (% per year)	Mar/2016	Dec/2015
Foreign currency		US\$		
November - 2006	167,014	May - 2018 Us dollar exchange variation + 8.10	286,463	308,069
April - 2007	101,605	March - 2018 Us dollar exchange variation + 7.87	184,714	198,782
May - 2007	146,010	May - 2019 Us dollar exchange variation + 7.85	274,018	294,840
January - 2008	266,430	February - 2020 Us dollar exchange variation + 7.30	540,222	603,536
	681,059		1,285,417	1,405,227
Local currency				
April - 2010	50,000	October - 2021 105% of CDI	37,905	36,653
June - 2010	200,000	October - 2021 105% of CDI	151,620	146,611
February - 2011	250,000	October - 2021 105% of CDI	151,620	146,611
April - 2011 (i)	450,000	April - 2019 112.5% of CDI	463,758	464,039
June - 2011	80,000	October - 2021 105% do CDI	60,648	58,644
August - 2011 (i)	400,000	August - 2019 112,5% of CDI	405,474	405,478
June - 2012	100,000	October - 2021 105% of CDI	75,810	73,305
September - 2012	300,000	October - 2021 105% of CDI	227,431	219,917
October - 2012	85,000	October - 2021 105% of CDI	64,439	62,310
February - 2013 (ii)	100,000	September - 2017 8.00	101,183	101,118
February - 2013 (ii)	100,000	February - 2016 8.00		101,248
February - 2013 (ii)	50,000	September - 2017 8.00	50,440	50,440
February - 2013 (ii)	100,000	February - 2016 8.00		101,118
March - 2013 (ii)	50,000	March - 2016 8.00		50,253
June - 2014 (ii)	50,000	June - 2017 7.50	50,010	50,010
June - 2014 (ii)	17,500	June - 2017 8.00	17,504	17,504
June - 2014 (ii)	10,000	June - 2017 8.00	10,002	10,002
September - 2014	100,000	August - 2020 108% of CDI	101,029	104,642
November - 2014 (ii)	150,000	November - 2017 8.00	153,997	151,062
Total	2,642,500		2,122,870	2,350,965

- (i) The Company enters into swap transactions to offset the variation in the Interbank Certificate of Deposit (CDI) rate (Note 14.2.1 (a.i)).
- (ii) The Company enters into swap transactions for these contracts (from fixed rate to 67.10% to 92.70% of CDI) (Note 14.2.1).

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(d) Payment schedule**

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

	Mar/2016	Dec/2015
2017	1,269,181	1,737,331
2018	2,468,266	2,633,143
2019	3,176,126	3,320,800
2020	2,568,133	2,757,234
2021	3,909,096	4,257,177
2022	1,891,474	2,071,030
2023	7,668	7,540
2024	2,685,429	2,944,726
2025 and thereafter	5,141,842	5,641,279
Total	23,117,215	25,370,260

(e) Guarantees

Braskem gave collateral for part of its borrowings as follows:

Loans	Maturity	Total debt 2015	Total guaranteed Guarantees	
BNB	December - 2022	157,169	157,169	Mortgage of plants, pledge of machinery and equipment
BNB	August - 2024	239,899	239,899	Bank surety

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BNDES	December - 2021	3,199,591	3,199,591	Mortgage of plants, land and property, pledge of machinery and equipment
FUNDES	June-2020	135,801	135,801	Mortgage of plants, land and property, pledge of machinery and equipment
FINEP	July - 2024	76,017	76,017	Bank surety
FINAME	February-2022	2,097	2,097	Pledge of equipment
Total		3,810,574	3,810,574	

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****13. Project finance**

The information on project finance was presented in the 2015 annual financial statements in Note 15.

Identification	Contract value	Value received	US\$	Maturity Charges (% per year)
Project finance I	700,000	700,000		February - 2027 Us dollar exchange variation + quarterly Libor + 3.25
Project finance II	210,000	189,996		February - 2027 Us dollar exchange variation + 6.17
Project finance III	600,000	600,000		February - 2029 Us dollar exchange variation + 4.33
Project finance IV	660,000	680,004		February - 2029 Us dollar exchange variation + quarterly Libor + 3.85
Project finance V	400,000	400,000		February - 2029 Us dollar exchange variation + quarterly Libor + 4.63
Project finance VI	90,000	89,994		February - 2029 Us dollar exchange variation + quarterly Libor + 2.75
Project finance VII	533,095	533,095		February - 2029 Us dollar exchange variation + quarterly Libor + 4.64
Transactions costs				
Total	3,193,095	3,193,089		

VAT borrowings (i)

November - 2029 2,00% above TIEE (ii)

Current liabilities

Non-current liabilities

Total

(i) Financing for Braskem IDESA obtained in Mexican peso paid exclusively using the reimbursement of value-added taxes (Note 8 (a).ii). During the period ended March 31, 2016, the subsidiary Braskem Idesa raised R\$91,094 and repaid R\$81,501 (R\$80,391 as principal and R\$1,110 as interest).

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

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

	Mar/2016	Dec/2015
2017	533,136	687,211
2018	771,776	840,247
2019	801,599	872,994
2020	940,924	1,025,621
2021	1,075,239	1,172,569
2022	895,770	977,593
2023	1,186,548	1,294,219
2024	1,284,077	1,400,843
2025	1,283,676	1,398,554
2026	1,111,309	1,210,426
2027 and thereafter	1,156,287	1,094,890
Total	11,040,341	11,975,167

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****14. Financial instruments**

The information related to financial instruments was presented in the 2015 financial statements of the Company, in Note 16.

14.1. Non-derivative financial instruments

	Note	Classification by category	Fair value hierarchy	Mar/2016	Book value		Fair value
					Dec/2015	Mar/2016	Dec/2015
Cash and cash equivalents	3						
Cash and banks				772,528	873,966	772,528	873,966
Financial investments in Brazil		Held-for-trading	Level 2		605,770		605,770
Financial investments in Brazil		Loans and receivables		1,502,370	1,823,225	1,502,370	1,823,225
Financial investments abroad		Held-for-trading	Level 2	5,248,743	4,136,762	5,248,743	4,136,762
				7,523,641	7,439,723	7,523,641	7,439,723
Financial investments	4						
Other Quotas of receivables		Held-for-trading	Level 2	1,397	1,172	1,397	1,172
investment fund		Held-to-maturity		37,457	46,193	37,457	46,193
				38,854	47,365	38,854	47,365

Trade accounts receivable	5		2,320,435	2,754,966	2,320,435	2,754,966
Related parties credits	7	Loans and receivables	318,641	155,140	318,641	155,140
Trade payables			9,147,852	11,755,843	9,147,852	11,755,843
Borrowings	12					
Foreign currency - Bond		Level 1	15,537,988	17,004,617	12,250,933	14,434,854
Foreign currency - other borrowings			4,414,902	4,526,293	4,414,902	4,526,293
Local currency			5,677,397	6,073,310	5,677,397	6,073,310
			25,630,287	27,604,220	22,343,232	25,034,457
Project finance	13		11,586,002	12,450,673	11,586,002	12,450,673
Non-controlling loan in Braskem Idesa			1,580,402	1,538,784	1,580,402	1,538,784
Other payables (BNDESPAR)			279,861	273,294	279,861	273,294

(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, 2016

All amounts in thousands, unless otherwise stated

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

14.2.1 Changes

Identification	Note	Fair value hierarchy	Operation characteristics		Net			Mar
			Principal exposure	Derivatives	(Asset)/Liability Dec/2015	Change in fair value	Financial settlement	
<u>Non-hedge accounting transactions</u>								
Exchange swap		Level 2	Argentine peso	Dollar	(38,990)	(5,348)	47,880	
Interest rate swaps		Level 2	Fixed rate	CDI	8,351	(2,380)	(4,456)	
					(30,639)	(7,728)	43,424	
<u>Hedge accounting transactions</u>								
Exchange swap	14.2.1 (a.i)	Level 2	CDI	Dollar+Interests	1,172,125	(138,043)	675	1,03
Interest rate swaps	14.2.1 (a.ii.i)	Level 2	Libor	Fixed rates	35,073	117,643	(18,154)	13
					1,207,198	(20,400)	(17,479)	1,16
<u>Derivatives operations</u>								
Current assets					(53,662)			(1
Non-current assets					(12,280)			

Current liabilities	57,760	4
Non-current liabilities	1,184,741	1,14
	1,176,559	1,17

(a) Operations designated for hedge accounting**(a.i) Swaps related to export credit notes (NCE)**

Identification	Nominal value	Hedge (exchange variation + interest rate)	Maturity	Fair value	
				Mar/2016	Dec/2015
Swap NCE I	200,000	Us dollar exchange variation + 6.15%	August 2019	267,631	301,325
Swap NCE II	100,000	Us dollar exchange variation + 6.15%	August 2019	130,426	147,021
Swap NCE III	100,000	Us dollar exchange variation + 6.15%	August 2019	128,076	144,496
Swap NCE IV	100,000	Us dollar exchange variation + 5.50%	April 2019	109,006	124,071
Swap NCE V	100,000	Us dollar exchange variation + 5.50%	April 2019	108,909	123,966
Swap NCE VI	150,000	Us dollar exchange variation + 7.90%	April 2019	178,159	203,675
Swap NCE VII	100,000	Us dollar exchange variation + 4.93%	April 2019	112,550	127,571
Total	850,000			1,034,757	1,172,125
<u>Derivatives operations</u>					
Current assets				(11,058)	(12,616)
Non-Current liabilities				1,045,815	1,184,741
Total				1,034,757	1,172,125

(a.ii) Hedge operation by Braskem Idesa related to project finance

This hedge operation shares the same guarantees with the Project finance.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(a.ii.i) Interest rate swap linked to Libor**

Identification	Nominal value US\$	Hedge (interest rate per year)	Maturity	Mar/2016	Fair value Dec/2015
Swap Libor I	299,996	1.9825%	May-2025	30,737	7,997
Swap Libor II	299,996	1.9825%	May-2025	30,771	8,050
Swap Libor III	299,996	1.9825%	May-2025	30,733	7,956
Swap Libor IV	129,976	1.9825%	May-2025	13,317	3,465
Swap Libor V	132,996	1.9825%	May-2025	13,642	3,569
Swap Libor VI	149,932	1.9825%	May-2025	15,362	4,036
Total	1,312,892			134,562	35,073

Derivatives operations

Non-Current assets					(12,280)
Current liabilities				38,558	47,353
Non-Current liabilities				96,004	
Total				134,562	35,073

14.3 Non-derivative liabilities designated for export hedge accounting**(a.i) Future exports in U.S. dollars**

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. Thus, the impact of exchange rates on future cash flows in dollars derived from these exports will be offset by the foreign exchange difference on the designated liabilities, partly eliminating the volatility of results.

Exports that were designated and not yet realized amounted to US\$6,550,280, as shown below:

	Total nominal value US\$
2016	632,496
2017	829,684
2018	787,894
2019	733,980
2020	724,000
2021	716,000
2022	719,000
2023	718,372
2024	688,854
	6,550,280

Considering the strong cash generation in recent quarters, the Management of the Company believed it was an opportunity to prepay dollar-denominated debt, including liabilities designated as export hedging instruments. As a result of the decision, the amount of US\$210,752 was discontinued prospectively. Exchange differences on the discontinued amount, of R\$345,442, which is recorded under Shareholders' Equity as "OCI" will be transferred to net financial income (expenses) as from April 2016 onwards, as the hedged exports are realized.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated**

For the portion of hedge accounting discontinued, Braskem will follow the international accounting standards IAS 39-32 and IFRS 7. In other words, if the hedging instrument expires or is sold, terminated or exercised, and the hedge was effective before this event (expiration, sale, termination or exercise), the cumulative gain or loss resulting from such hedging instrument will continue to be retained in equity since the period the hedge was in place, and continue to be recognized under shareholders' equity until the future hedged exports occur.

The following table provides the balances of exchange differences recognized in the Company's net financial income (expenses) due to the realization of exports designated for hedge accounting over the course of the quarter ended March 31, 2016:

	Total nominal value US\$	Conversion rate at inception R\$/US\$	Closing rate R\$/US\$	Total nominal value R\$
First quarter	206,951	2.0017	4.0399	421,800 421,800

The following table provides the changes related to hedge operations in the quarter:

	Dec/2015	Exports in the period	Hedge discontinued	US\$ Mar/2016
Designated balance	6,757,231	(206,951)	(210,751)	6,339,529

On March 31, 2016, the maturities of the financial liabilities designated as this hedge, within the scope of the consolidated balance sheet, were as follows:

	Total nominal value US\$
2016	1,664,035
2017	281,802
2018	1,152,280
2019	444,236
2020	570,782
2021	1,017,703
2022	519,837
2024	688,854
	6,339,529

The changes in the exchange differences and the IR and CSL under “Other comprehensive income” (“OCI”) in equity are as follows:

	Exchange difference	IR and CSL	Net effect
At December 31, 2015	(12,859,687)	4,372,294	(8,487,393)
Foreign exchange gain (loss) recorded in the period on OCI / IR and CSL	2,220,529	(754,980)	1,465,549
Foreign exchange gain (loss) transferred to profit or loss / IR and CSL	421,800	(143,412)	278,388
At March 31, 2016	(10,217,358)	3,473,902	(6,743,456)

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

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

On March 31, 2016, hedged sales and the maturities of financial liabilities amounted to US\$3,193,089 thousand and were distributed as follows:

	Nominal value US\$
2016	67,774
2017	183,253
2018	221,790
2019	229,270
2020	266,690
2021	303,392
2022	253,204
2023	333,093
2024	359,559
2025	357,903
2026	309,240
2027	152,103
2028	124,654
2029	31,164
	3,193,089

The changes in the exchange differences and the IR under OCI in equity are as follows:

Exchange difference	IR	Net effect
--------------------------------	-----------	-----------------------

At December 31, 2015	(2,246,820)	674,046	(1,572,774)
Foreign exchange gain (loss) recorded in the period on OCI / IR	(179,723)	53,917	(125,806)
At March 31, 2016	(2,426,543)	727,963	(1,698,580)

14.4 Credit quality of financial assets

(a) Trade accounts receivable

On March 31, 2016, the credit ratings for the domestic market were as follows:

		Mar/2016	Dec/2015
			(%)
1Minimum risk		6.47	7.67
2Low risk		40.78	42.84
3Moderate risk		33.68	33.07
4High risk		16.62	13.74
5Very high risk	(i)	2.45	2.69

(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.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated**

Default indicators for the periods ended:

	Domestic Market	Last 12 months Export Market
March 31, 2016	0.48%	0.11%
December 31, 2015	0.39%	0.70%
March 31, 2015	0.18%	0.68%

(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 credit rating from the following agencies: Standard & Poor's, Moody's and Fitch Ratings. Braskem's financial policy determines "A-" as the minimum rating for financial investments.

	Mar/2016	Dec/2015
Financial assets with risk assessment		
AAA	5,656,534	5,982,393
AA+	30	
AA	4	27,753
AA-	153,781	163,188
A+	1,397,662	1,076,803
A	145,357	69,576
A-	170,134	120,219
	7,523,502	7,439,932
Financial assets without risk assessment		

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Quotas of investment funds in credit rights	(i)	37,457	46,193
Other financial assets with no risk assessment		1,536	963
		38,993	47,156
Total		7,562,495	7,487,088

(i) Investments approved by the Management of the Company, as permitted by the Financial Policy.

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

14.5 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, 2016, the main risks that can affect the value of Braskem's financial instruments are:

- Brazilian real/U.S. dollar exchange rate;
- Brazilian real/Mexican peso exchange rate;
- Libor floating interest rate;
- Selic 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.

(b) Value at risk

The value at risk of the derivatives held by Braskem which is defined as the loss that could result in one month as from March 31, 2016, with a probability of 5%, and under normal market conditions, was estimated by the Company at US\$33,521 for the NCE exchange rate swap (Note 14.2.1(a.i)); and at US\$6,987 for the swap of Libor related to Braskem Idesa's project (Note 14.2.1 (a.ii.i)).

(c) Selection of scenarios

(c.1) Probable scenario

The Market Readout published by the Central Bank of Brazil was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate, Selic basic interest rate and the CDI interest rate, using the reference date of March 31, 2016. According to the Market Readout, at the end of 2016, the U.S. dollar will appreciate by 16.61% against the Brazilian real, compared to the closing PTAX rate at March 31, 2016, while the Selic rate will be 14.25% p.a. The Selic rate is used as a reference for analyses of sensitivity to the CDI.

The probable scenario for the TJLP is an increase of 0.50% from the current rate of 7.5%, in line with the size of the government's most recent decisions to increase or decrease the rate. The Selic rate in this scenario will remain stable by the end of 2016. The Market Readout does not publish forecasts for the Libor interest rate. Therefore, to determine the probable scenario, Braskem considered a 5% increase on current market levels.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(c.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:

Instrument / Sensitivity	Probable	Possible adverse (25%)	Extreme adverse (50%)
Brazilian real/U.S. dollar exchange rate			
Bonds	(2,544,201)	(3,829,537)	(7,659,074)
BNDES	(55,357)	(83,324)	(166,647)
Working capital / structured operations	(501,994)	(755,602)	(1,511,205)
Export prepayments	(80,797)	(121,616)	(243,233)
Project finance	(1,893,102)	(2,849,502)	(5,699,003)
Exchange Agreement Advances	(62,498)	(94,072)	(188,143)
Swaps	(322,238)	(485,033)	(647,828)
Financial investments abroad	843,758	1,270,026	2,540,052
Mexican peso/Brazilian real			
Project finance	(8,136)	(8,629)	(17,258)
Selic interest rate			
BNDES		(97,994)	(208,897)
Libor floating interest rate			
Working capital / structured operations	(2,212)	(11,062)	(22,124)
Export prepayments	(2,137)	(10,686)	(21,372)
Swaps	(2,773)	(13,961)	(28,165)
CDI interest rate			

NCE		(56,270)	(117,047)
NCA		(180,248)	(389,329)
Swaps NCE		(224)	(446)
Financial investments in local currency		61,675	122,973
	Probable	Possible adverse	Extreme adverse
Instrument / Sensitivity	8.0%	8.5%	9.0%
TJLP interest rate			
BNDES	(53,429)	(108,080)	(163,975)
Other government agents	(59)	(119)	(181)

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****15. Taxes payable**

The information related to taxes payable was presented in the Company's 2015 annual financial statements, in Note 17.

	Mar/2016	Dec/2015
Brazil		
IPI	75,906	61,784
IR and CSL	150,700	175,963
ICMS	206,254	149,811
Other	97,368	88,198
Other countries		
IR	247,754	238,645
Value-added tax	62,975	56,975
Total	840,957	771,376
Current liabilities	811,383	744,660
Non-current liabilities	29,574	26,716
Total	840,957	771,376

16. Income tax ("IR") and social contribution ("CSLL")

The information related to income tax and social contribution was presented in the Company's 2015 annual financial statements, in Note 19.

(a) Reconciliation of the effects of income tax and social contribution on profit or loss

	Mar/2016	Mar/2015	Mar/2014
Income before IR and CSL	997,825	379,325	569,133
IR and CSL at the rate of 34%	(339,261)	(128,974)	(193,505)
Permanent adjustments to the IR and CSL calculation basis			
IR and CSL on equity in results of investees	573	681	(8,057)
Other permanent adjustments	87,760	(47,040)	28,772
Effect of IR and CSL on results of operations	(250,928)	(175,333)	(172,790)
Breakdown of IR and CSL:			
Current IR and CSL	(331,825)	(50,302)	(53,456)
Deferred IR and CSL	80,897	(125,031)	(119,334)
Total	(250,928)	(175,333)	(172,790)

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(b) Breakdown of deferred income tax and social contribution**

Assets	Mar/2016	Dec/2015
Tax losses (IR) and negative base (CSL)	1,635,962	2,144,798
Goodwill amortized	5,669	6,017
Exchange variations	1,847,995	2,925,895
Temporary adjustments	763,315	50,628
Business combination	189,832	189,403
Deferred charges - write-off	20,848	20,848
	4,463,621	5,337,589
Liabilities		
Amortization of goodwill based on future profitability	743,505	735,019
Tax depreciation	835,316	815,243
Temporary differences	470,409	521,030
Business combination	208,868	217,182
Additional indexation PP&E	104,242	110,731
Amortization of fair value adjustments on the assets from the acquisition of Quattor	289,528	289,528
Other	147,781	153,590
	2,799,649	2,842,323
Net	1,663,972	2,495,266
Presentation in the Balance Sheet:		
Assets	2,363,688	3,226,507
(-) Liabilities	699,716	731,241

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(c) Net balance of deferred income and social contribution tax assets and liabilities**

	Headquarters (Country)	Asset	IR and CSL Liability	Mar/2016 Balance
Assets				
Braskem S.A.	Brazil	3,320,019	(1,981,500)	1,338,519
Braskem Argentina	Argentina	12,664		12,664
Braskem Alemanha	Germany	83,636		83,636
Braskem Idesa	Mexico	879,419	(60,022)	819,397
Braskem México Serviços	Mexico	2,488		2,488
Quantiq	Brazil	8,564	(1,643)	6,921
Braskem Petroquímica - business combination effects	Brazil	100,063		100,063
		4,406,853	(2,043,165)	2,363,688
Liabilities				
Braskem America	USA		(459,163)	(459,163)
Braskem Petroquímica	Brazil	56,601	(162,350)	(105,749)
Braskem Petroquímica - business combination effects	Brazil		(134,802)	(134,802)
Petroquímica Chile	Chile	168	(170)	(2)
		56,769	(756,485)	(699,716)

	Headquarters (Country)	Asset	IR and CSL Liability	Dec/2015 Balance
Assets				
Braskem S.A.	Brazil	4,146,404	(1,967,050)	2,179,354
Braskem Argentina	Argentina	8,235		8,235

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Braskem Alemanha	Germany	104,785		104,785
Braskem Idesa	Mexico	890,723	(65,306)	825,417
Braskem México Serviços	Mexico	2,894		2,894
Quantiq	Brazil	7,811	(1,623)	6,188
Braskem Petroquímica - business combination effects	Brazil	99,634		99,634
		5,260,486	(2,033,979)	3,226,507

Liabilities

Braskem America	USA		(509,328)	(509,328)
Braskem Petroquímica	Brazil	76,978	(160,812)	(83,834)
Braskem Petroquímica - business combination effects	Brazil		(138,029)	(138,029)
Petroquímica Chile	Chile	125	(175)	(50)
		77,103	(808,344)	(731,241)

(d) Realization of deferred income tax and social contribution

In the period ended March 31, 2016, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****17. Sundry provisions**

The information on sundry provisions was presented in the 2015 annual financial statements of the Company, in Note 20.

	Mar/2016	Dec/2015
Provision for customers rebates	30,600	46,929
Provision for recovery of environmental damages	114,026	127,227
Judicial and administrative provisions	580,254	554,479
Other	18,031	19,279
Total	742,911	747,914
Current liabilities	71,512	93,942
Non-current liabilities	671,399	653,972
Total	742,911	747,914

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

	Mar/2016	Dec/2015
Labor claims	164,878	158,711
Tax claims		
IR and CSL	49,512	48,252
PIS and COFINS	50,724	49,266
ICMS - interstate purchases	201,759	195,320
ICMS - other	37,433	36,965
Other	47,146	38,337

Societary claims and other

28,802
580,254

27,628
554,479

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

18. Contingencies

(a) Allegations

Braskem and its subsidiaries are subject to a number of anti-corruption and anti-bribery laws in the countries where they operate, including Federal Law 12,846/2013, or Brazilian Anticorruption Law, in force since January 28, 2014, and the U.S. Foreign Corrupt Practices Act.

In early March 2015, declarations made by defendants in judicial proceedings of a criminal nature were made public, in which Braskem, certain former managers and one former executive were cited in allegations of alleged improper payments in order to benefit the Company in raw-material supply agreements entered into with Petrobras (“Allegations”).

In light of such facts, the Company's Management and Board of Directors immediately approved the engagement of law firms with experience in similar cases in the United States and Brazil to conduct an independent internal investigation into the Allegations ("Investigation"). These firms are conducting the Investigation and will report their findings directly to an Ad Hoc committee of the Board of Directors of the Company. Through said firms, Braskem voluntarily contacted the regulatory agencies of capital markets in Brazil (Securities and Exchange Commission of Brazil - CVM) and the United States (Securities and Exchange Commission – SEC, and the Department of Justice - DOJ) to inform them of the ongoing Investigation. The Company has been cooperating with these agencies and maintaining regular contact therewith through its law firms. The cooperation between the Company and these agencies includes the voluntary submission of documents to the regulatory agencies, as well as compliance with document requests, including the formal request made by the SEC (subpoena) on February 8, 2016.

The Company cannot anticipate the duration or outcome of the Investigation, which could take a significant length of time. The Company cannot anticipate the impact of the Investigation and the actions of authorities on the Company, or the resources required to remedy any occurrences. The scope of the Investigation may be expanded to include other

matters. The Company cannot forecast the actions said authorities may take, which may include lawsuits brought against the Company or even against current or former officers, directors and employees. Moreover, the authorities with jurisdiction over the Company may impose financial penalties if the Investigation, or a concurrent investigation by authorities, find evidence of unlawful conduct. The financial exposure of the Company may be subject to obligations to indemnify, observing the legal limits, current and former officers, directors and employees for any losses incurred as a result of actions carried out on behalf of the Company, including reimbursement for attorneys' fees. Additionally, the negative publicity of the Investigation and any potential regulatory sanctions may have a material adverse impact on our businesses, including reducing the demand for our products. Therefore, the Investigation and any concurrent investigation by the applicable authorities, as well as the class action mentioned below, may have a material adverse impact on our businesses, our reputation, financial condition, results of our operations, liquidity and price of any securities issued by the Company.

The Management is committed to taking all the necessary measures to clarify the facts and will keep the market informed of any developments in this matter.

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

(b) Class actions

A class action has been filed in the U.S. courts by the Boilermaker-Blacksmith National Pension Trust, as Lead Plaintiff, alleging the Company has made misrepresentations and/or failed to disclose through its SEC filings the existence of unlawful payments. The Company has engaged an expert U.S. law firm to represent it and the Lead Plaintiff is expected to present its amended initial pleading by May 19, 2016.

The Company cannot foresee the outcome of this process. The Company may be cited as defendant in other legal actions. Furthermore, the Company is generally required to, observing the legal limits, indemnify directors, officers and employees that are defendants in actions of this nature. Said action requires significant time and dedication of the Management of the Company. The Company may also incur financial obligations that may have a material adverse impact on its financial condition and the results of its operations.

(c) Labor

(c.1) The labor action mentioned in Note 23(a.i) of the 2015 financial statements ended through a settlement between the parties.

(c.2) In the class action suits filed by the Trade Union of Petrochemical and Chemical Workers of Triunfo, Rio Grande do Sul, in the third quarter of 2010, claiming the payment of overtime related to breaks during work shifts and the inclusion of overtime in the calculation of the weekly remunerated rest, in the restated amount of R\$369,895, the following developments occurred: (i) the Superior Labor Court (“TST”) upheld the appeal by Braskem to eliminate

breaks during work shifts, with the Trade Union filing an appeal at the TST, where it is pending trial; and (ii) judgment for plaintiff in the suit involving the inclusion of overtime in the calculation of the weekly remunerated rest, which was upheld by the Regional Appellate Labor Court ("TRT"), for which Braskem appealed to the TST, which ordered the case to be sent back to the TRT for a new trial. However, as the TRT did not judge on the merits, Braskem appealed once again to the TST.

No judicial deposit or other form of security was made for these suits.

The description of the main contingent liabilities of the Company was presented in the 2015 annual financial statements, in Note 23.

19. Shareholders' Equity

The information related to the Company's shareholders' equity was presented in its 2015 annual financial statements, in Note 24.

(a) Capital

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated**

	Common shares	%	Preferred shares class A	%	Preferred shares class B	%	Total	%
OSP and Odebrecht	226,334,623	50.11%	79,182,498	22.95%			305,517,121	38.32%
Petrobras	212,426,952	47.03%	75,753,239	21.96%			288,180,191	36.15%
ADR (i)			26,859,246	7.79%			26,859,246	3.37%
Other	12,907,077	2.86%	161,973,237	46.95%	593,618	100.00%	175,473,932	22.01%
Total	451,668,652	100.00%	343,768,220					