

BRASKEM SA
Form 6-K
August 05, 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 August, 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 (ITR) at

June 30, 2016

and Independent Auditors' Report Review



Report on review of interim financial information

To Shareholders, Members of the Board and Management

Braskem S.A.

Camaçari - Bahia

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Braskem S.A. (the “Company”) included in the Quarterly Financial Information for the quarter ended June 30, 2016, which comprises the balance sheet as of June 30, 2016, the statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information.

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

Scope of review

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

Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

Emphasis of a matter

We draw attention to notes 18 (a) and (b) to the interim financial information that discloses the allegations, events and actions taken by the Company related to the internal investigation in progress, dialogues with the competent authorities and the progress of the class action brought against it in the United States courts. During the course of the second quarter, the Company became aware of additional allegations regarding unlawful facts involving the Company, arising from the scope of investigations into third parties. Within this scenario, the Company will begin dialogues with the Department of Justice (DoJ) and the Securities and Exchange Commission (SEC) to confirm the veracity of such allegations, any parallel investigations and any agreements, which may imply the enforcement of fines and/or other sanctions by the competent authorities and other parties involved. At present, the Company is unable to reasonably estimate potential losses to be accounted for and, therefore, no provision was recorded in the interim financial information. Our conclusion does not contain modifications in relation to these matters.

Other matters

Statements of value added

We also reviewed the individual and consolidated statements of value added for the six-month period ended June 30, 2016, prepared under the responsibility of the Company's management, whose presentation on the interim financial information is required under the standards issued by CVM - Brazilian Securities and Exchange Commission applicable to the preparation of Interim Financial Information and considered as additional information by IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, August 2, 2016

KPMG Auditores Independentes

CRC 2SP014428/O-6

Original report in Portuguese signed by

Anselmo Neves Macedo

Accountant CRC 1SP160482/O-6

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Braskem S.A.

Balance sheet

at June 30, 2016

**All amounts in thousands of
reais**

| Assets | Note | Consolidated | | Parent company | |
|---------------------------|-------------|---------------------|-----------------|-----------------------|-----------------|
| | | Jun/2016 | Dec/2015 | Jun/2016 | Dec/2015 |
| Current assets | | | | | |
| Cash and cash equivalents | 3 | 6,740,633 | 7,439,723 | 3,223,019 | 4,773,251 |

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| | | | | | |
|-----------------------------------|------|-----------|-----------|-----------|-----------|
| Financial investments | 4 | 428,219 | 1,172 | 528 | 1,172 |
| Trade accounts receivable | 5 | 2,085,423 | 2,735,144 | 2,629,232 | 2,526,510 |
| Inventories | 6 | 5,031,098 | 5,517,206 | 3,678,830 | 4,131,128 |
| Taxes recoverable | 8 | 771,216 | 1,272,004 | 354,404 | 762,824 |
| Dividends and interest on capital | 7 | | 1,998 | 99,118 | 87,655 |
| Prepaid expenses | | 158,248 | 166,170 | 115,182 | 139,668 |
| Related parties | 7 | 10,382 | 10,507 | 325,526 | 118,661 |
| Derivatives operations | 14.3 | 19,187 | 53,662 | 19,187 | 12,616 |
| Other receivables | | 199,124 | 300,901 | 123,080 | 248,488 |

15,443,530 17,498,487 10,568,106 12,801,973

Non-current assets

| | | | | | |
|---|------|------------|------------|------------|------------|
| Financial investments | 4 | | 46,193 | | 46,193 |
| Trade accounts receivable | 5 | 27,447 | 19,822 | 3,601,791 | 4,279,433 |
| Advances to suppliers | 6 | 69,068 | 135,046 | 69,068 | 135,046 |
| Taxes recoverable | 8 | 1,298,820 | 1,304,056 | 1,187,639 | 1,198,301 |
| Deferred income tax and social contribution | 16 | 1,550,792 | 3,226,507 | 268,110 | 2,179,354 |
| Judicial deposits | | 279,993 | 277,093 | 271,436 | 268,572 |
| Related parties | 7 | 310,212 | 144,633 | 287,539 | 124,645 |
| Insurance claims | | 69,398 | 63,199 | 69,398 | 60,778 |
| Derivatives operations | 14.3 | | 12,280 | | |
| Other receivables | | 257,350 | 298,057 | 131,158 | 125,898 |
| Investments | 9 | 82,284 | 86,354 | 4,704,703 | 4,593,775 |
| Property, plant and equipment | 10 | 30,371,667 | 33,961,963 | 16,068,991 | 16,542,078 |
| Intangible assets | 11 | 2,834,887 | 2,887,604 | 2,539,578 | 2,572,341 |

37,151,918 42,462,807 29,199,411 32,126,414

Total assets

52,595,448 59,961,294 39,767,517 44,928,387

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

Braskem S.A.**Balance sheet****at June 30, 2016**

All amounts in thousands of reais

Continued

| Liabilities and shareholders' equity | Note | Consolidated | | Parent company | |
|---|-------------|---------------------|-------------------|-----------------------|-------------------|
| | | Jun/2016 | Dec/2015 | Jun/2016 | Dec/2015 |
| Current liabilities | | | | | |
| Trade payables | | 7,781,968 | 11,698,695 | 8,508,046 | 9,557,676 |
| Borrowings | 12 | 2,644,860 | 1,968,540 | 3,119,987 | 2,567,124 |
| Project finance | 13 | 464,466 | 302,266 | | |
| Derivatives operations | 14.3 | 32,726 | 57,760 | 841 | 8,351 |
| Payroll and related charges | | 412,291 | 605,059 | 321,151 | 446,125 |
| Taxes payable | 15 | 594,574 | 744,660 | 281,053 | 221,305 |
| Dividends | 19(b) | 2,050 | 753,668 | 2,050 | 753,668 |
| Advances from customers | | 72,532 | 119,680 | 25,081 | 44,528 |
| Sundry provisions | 17 | 69,609 | 93,942 | 59,261 | 67,190 |
| Accounts payable to related parties | 7 | | | 2,274,951 | 4,297,735 |
| Other payables | | 436,893 | 337,959 | 253,304 | 207,730 |
| | | 12,511,969 | 16,682,229 | 14,845,725 | 18,171,432 |
| Non-current liabilities | | | | | |
| Trade payables | | 138,976 | 57,148 | 1,681,977 | 3,420,281 |
| Borrowings | 12 | 21,036,636 | 25,370,260 | 7,019,895 | 8,207,012 |
| Project finance | 13 | 9,898,313 | 11,975,167 | | |
| Derivatives operations | 14.3 | 959,434 | 1,184,741 | 837,439 | 1,184,741 |
| Taxes payable | 15 | 29,692 | 26,716 | 28,131 | 25,825 |
| Accounts payable to related parties | 7 | | | 8,809,350 | 10,905,207 |
| Non-controlling loan in Braskem Idesa | | 1,573,753 | 1,538,784 | | |
| Deferred income tax and social contribution | 16 | 658,907 | 731,241 | | |
| Post-employment benefits | | 138,501 | 154,707 | 54,166 | 54,166 |
| Provision for losses on subsidiaries | | | | 84,586 | 137,013 |
| Sundry provisions | 17 | 683,348 | 653,972 | 605,380 | 571,349 |
| Other payables | | 92,083 | 248,618 | 5,914 | 179,873 |
| | | 35,209,643 | 41,941,354 | 19,126,838 | 24,685,467 |
| Shareholders' equity | | | | | |
| Capital | 19 | 8,043,222 | 8,043,222 | 8,043,222 | 8,043,222 |

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| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Capital reserve | 232,430 | 232,430 | 232,430 | 232,430 |
| Revenue reserves | 2,634,655 | 2,882,019 | 2,634,655 | 2,882,019 |
| Other comprehensive income | (6,316,244) | (9,085,256) | (6,316,244) | (9,085,256) |
| Treasury shares | (49,819) | (49,819) | (927) | (927) |
| Accumulated profit | 1,201,818 | | 1,201,818 | |
| Total attributable to the Company's shareholders | 5,746,062 | 2,022,596 | 5,794,954 | 2,071,488 |
| Non-controlling interest in Braskem Idesa | (872,226) | (684,885) | | |
| | 4,873,836 | 1,337,711 | 5,794,954 | 2,071,488 |
| Total liabilities and shareholders' equity | 52,595,448 | 59,961,294 | 39,767,517 | 44,928,387 |

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

Braskem S.A.**Statement of operations and statement of comprehensive income****at June 30, 2016****All amounts in thousands of reais**

| | | Consolidated | | | |
|---|-------------|---------------------|--------------------|-------------------|--------------------|
| | Note | 2Q2016 | YTD2016 | 2Q2015 | YTD2015 |
| Net sales revenue | 21 | 11,886,174 | 24,058,115 | 11,591,774 | 21,787,096 |
| Cost of products sold | | (8,632,099) | (17,556,704) | (8,827,607) | (17,418,096) |
| Gross profit | | 3,254,075 | 6,501,411 | 2,764,167 | 4,369,000 |
| Income (expenses) | | | | | |
| Selling and distribution | | (355,538) | (675,415) | (260,467) | (522,391) |
| General and administrative | | (373,560) | (722,277) | (299,787) | (596,883) |
| Research and development | | (40,034) | (82,628) | (42,338) | (82,157) |
| Results from equity investments | 9(c) | 11,690 | 13,377 | 7,736 | 9,739 |
| Other operating income (expenses), net | 22 | (126,078) | (190,683) | (49,855) | (89,748) |
| | | 2,370,555 | 4,843,785 | 2,119,456 | 3,087,560 |
| Financial results | 23 | | | | |
| Financial expenses | | (1,515,007) | (2,727,297) | (663,438) | (1,855,540) |
| Financial income | | (368,919) | (632,034) | 47,334 | 650,657 |
| | | (1,883,926) | (3,359,331) | (616,104) | (1,204,883) |
| Profit before income tax and social contribution | | 486,629 | 1,484,454 | 1,503,352 | 1,882,677 |
| Current and deferred income tax and social contribution | 16 | (205,919) | (456,847) | (448,565) | (623,898) |
| Profit for the period | | 280,710 | 1,027,607 | 1,054,787 | 1,258,779 |
| Attributable to: | | | | | |
| Company's shareholders | | 412,983 | 1,187,717 | 1,096,182 | 1,347,585 |
| Non-controlling interest in Braskem Idesa | | (132,273) | (160,110) | (41,395) | (88,806) |

| | | | | |
|------------------------------|----------------|------------------|------------------|------------------|
| Profit for the period | 280,710 | 1,027,607 | 1,054,787 | 1,258,779 |
|------------------------------|----------------|------------------|------------------|------------------|

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

Braskem S.A.**Statement of operations and statement of comprehensive income****at June 30, 2016**

All amounts in thousands of reais

Continued

| | | Parent company | | | |
|---|-------------|-----------------------|--------------------|------------------|--------------------|
| | Note | 2Q2016 | YTD2016 | 2Q2015 | YTD2015 |
| Net sales revenue | 21 | 8,744,353 | 17,692,509 | 8,070,195 | 15,327,073 |
| Cost of products sold | | (6,658,704) | (13,812,465) | (6,019,071) | (12,086,080) |
| Gross profit | | 2,085,649 | 3,880,044 | 2,051,124 | 3,240,993 |
| Income (expenses) | | | | | |
| Selling and distribution | | (229,497) | (452,122) | (182,869) | (377,806) |
| General and administrative | | (208,657) | (402,698) | (213,576) | (422,991) |
| Research and development | | (27,653) | (50,718) | (24,666) | (52,026) |
| Results from equity investments | 9(c) | 282,241 | 1,067,870 | 392,366 | 457,057 |
| Other operating income (expenses), net | 22 | (71,986) | (133,487) | 930 | 4,770 |
| | | 1,830,097 | 3,908,889 | 2,023,309 | 2,849,997 |
| Financial results | 23 | | | | |
| Financial expenses | | (635,894) | (1,370,318) | (502,005) | (2,153,669) |
| Financial income | | (619,957) | (1,294,607) | (70,621) | 1,095,525 |
| | | (1,255,851) | (2,664,925) | (572,626) | (1,058,144) |
| Profit before income tax and social contribution | | 574,246 | 1,243,964 | 1,450,683 | 1,791,853 |
| Current and deferred income tax and social contribution | 16 | (161,263) | (56,247) | (354,501) | (444,268) |
| Profit for the period | | 412,983 | 1,187,717 | 1,096,182 | 1,347,585 |

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

Braskem S.A.**Statement of operations and statement of comprehensive income****at June 30, 2016**

All amounts in thousands of reais

Continued

| | | Consolidated | | | |
|---|-------------|---------------------|------------------|------------------|--------------------|
| | Note | 2Q2016 | YTD2016 | 2Q2015 | YTD2015 |
| Profit for the period | | 280,710 | 1,027,607 | 1,054,787 | 1,258,779 |
| Other comprehensive income or loss: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Fair value of cash flow hedge | | 151,913 | 179,831 | 118,074 | (271,629) |
| Income tax and social contribution | | (54,348) | (68,307) | (31,162) | 91,804 |
| Fair value of cash flow hedge - Braskem Idesa | | | | | |
| Income tax and social contribution | | | | | |
| Fair value of cash flow hedge from jointly-controlled | | (2,761) | (12,765) | | |
| | | 94,804 | 98,759 | 86,912 | (179,825) |
| Exchange variation of foreign sales hedge | 14.4(a.i) | 2,213,130 | 4,433,659 | 712,212 | (3,016,428) |
| Sales Hedge - transfer to profit or loss | 14.4(a.i) | 345,443 | 767,243 | | |
| Income tax and social contribution on exchange variation | | (869,915) | (1,768,307) | (242,152) | 1,025,586 |
| Exchange variation of foreign sales hedge - Braskem Idesa | 14.4(a.ii) | (914,249) | (1,093,972) | (186,404) | (565,736) |
| Sales Hedge - transfer to profit or loss - Braskem Idesa | | 14,297 | 14,297 | | |
| Income tax on exchange variation - Braskem Idesa | | 274,275 | 328,192 | 98,737 | 169,721 |
| | | 1,062,981 | 2,681,112 | 382,393 | (2,386,857) |
| Foreign subsidiaries currency translation adjustment | | 40,643 | (23,989) | (136,516) | 301,242 |
| Total | | 1,198,428 | 2,755,882 | 332,789 | (2,265,440) |
| Total comprehensive income (loss) for the year | | 1,479,138 | 3,783,489 | 1,387,576 | (1,006,661) |

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

Braskem S.A.

Statement of operations and statement of comprehensive income

at June 30, 2016

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

Continued

| | Note | 2Q2016 | YTD2016 | 2Q2015 | Parent c Y |
|---|------------|------------------|------------------|------------------|---------------|
| Profit for the period | | 412,983 | 1,187,717 | 1,096,182 | 1 |
| Other comprehensive income or loss: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Fair value of cash flow hedge | | 219,366 | 358,953 | 53,555 | (|
| Income tax and social contribution | | (74,584) | (122,044) | (18,209) | |
| Fair value of cash flow hedge - Braskem Idesa | | (50,590) | (134,342) | 48,389 | |
| Income tax and social contribution | | 15,177 | 40,303 | (9,715) | |
| Fair value of cash flow hedge from jointly-controlled | | (2,761) | (12,765) | | (|
| | | 106,608 | 130,105 | 74,020 | (|
| Exchange variation of foreign sales hedge | 14.4(a.i) | 2,213,130 | 4,433,659 | 712,212 | (3, |
| Sales Hedge - transfer to profit or loss | 14.4(a.i) | 345,443 | 767,243 | | |
| Income tax and social contribution on exchange variation | | (869,915) | (1,768,307) | (242,152) | 1 |
| Exchange variation of foreign sales hedge - Braskem Idesa | 14.4(a.ii) | (685,687) | (820,479) | (139,803) | (|
| Sales Hedge - transfer to profit or loss - Braskem Idesa | | 10,723 | 10,723 | | |
| Income tax on exchange variation - Braskem Idesa | | 205,706 | 246,144 | 74,053 | |
| | | 1,219,400 | 2,868,983 | 404,310 | (2, |
| Foreign subsidiaries currency translation adjustment | | (79,984) | (215,975) | (123,505) | |
| Total | | 1,246,024 | 2,783,113 | 354,825 | (2, |
| Total comprehensive income (loss) for the year | | 1,659,007 | 3,970,830 | 1,451,007 | (|

Parent c
Y
YTD2016
Basic and diluted Basic and

**Profit per share attributable to the shareholders of the
Company
of continued operations at the end of the period (R\$)
(expressed in reais)**

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| | |
|---|--------|
| Earnings per share - common | 1.4927 |
| Earnings per share - preferred shares class "A" | 1.4927 |
| Earnings per share - preferred shares class "B" | 0.6065 |

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

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

All amounts in thousands of reais

| | Note | Attributed to shareholders' interest | | | | | | | Total Braskem shareholders' interest |
|--|------|--------------------------------------|------------------|----------------------|---|----------------------------------|--------------------|----------------------|---|
| | | Capital reserve | Legal reserve | Retained earnings | Revenue reserves Additional dividends proposed | Other comprehensive income | Treasury shares | Retained earnings | |
| At December 31, 2014 | | 8,043,222 | 232,430 | 71,542 | 394,121 | 270,517 | (2,924,057) | (48,892) | 6,038,883 |
| Comprehensive income for the period: | | | | | | | | | |
| Profit for the period | | | | | | | | 1,347,585 | 1,347,585 |
| Exchange variation of foreign sales hedge, net of taxes | | | | | | (2,287,853) | | | (2,287,853) |
| Fair value of cash flow hedge, net of taxes | | | | | | (177,418) | | | (177,418) |
| Foreign currency translation adjustment | | | | | | 295,854 (2,169,417) | | 1,347,585 | 295,854 (821,976) |
| Equity valuation adjustments: | | | | | | | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | | | | (13,619) | | 13,619 | |

| | | | | | | | | |
|---|------------------|----------------|----------------|------------------|----------------|--------------------|-----------------|------------------|
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | | | (482) | 482 | |
| | | | | | | (14,101) | 14,101 | |
| Contribution to shareholders: | | | | | | | | |
| Repurchase of treasury shares | | | | | | | (927) | |
| Additional dividends proposed | | | | (270,517) | | | | (270,517) |
| | | | | (270,517) | | | (927) | (271,444) |
| At June 30, 2015 | 8,043,222 | 232,430 | 71,542 | 394,121 | | (5,107,575) | (49,819) | 1,361,686 |
| At December 31, 2015 | 8,043,222 | 232,430 | 229,992 | 2,404,663 | 247,364 | (9,085,256) | (49,819) | 2,022,007 |
| Comprehensive income for the period: | | | | | | | | |
| Profit for the period | | | | | | | | 1,187,717 |
| Exchange variation of foreign sales hedge, net of taxes | | | | | | 2,868,983 | | 2,868,983 |
| Fair value of cash flow hedge, net of taxes | | | | | | 130,105 | | 130,105 |
| Foreign currency translation adjustment | | | | | | (215,975) | | (215,975) |
| | | | | | | 2,783,113 | 1,187,717 | 3,970,805 |
| Equity valuation adjustments: | | | | | | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | | | | (13,619) | 13,619 | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | | | (482) | 482 | |
| | | | | | | (14,101) | 14,101 | |

| | | | | | | | | | | |
|---|-------|------------------|----------------|----------------|------------------|--|--------------------|-----------------|------------------|------------------|
| Contribution to shareholders: Additional dividends proposed | 19(b) | | | | (247,364) | | | | (247,364) | |
| | | | | | (247,364) | | | | (247,364) | |
| At June 30, 2016 | | 8,043,222 | 232,430 | 229,992 | 2,404,663 | | (6,316,244) | (49,819) | 1,201,818 | 5,740,000 |

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

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

All amounts in thousands of reais

| | Note | Capital reserve | Revenue reserves Legal reserve | Retained earnings | Additional dividends proposed | Other comprehensive income | Treasury shares | Retained earnings | shareholder's equity |
|---|------------------|--------------------|-----------------------------------|----------------------|-------------------------------------|----------------------------------|--------------------|----------------------|-------------------------|
| At December 31, 2014 | 8,043,222 | 232,430 | 71,542 | 394,121 | 270,517 | (2,924,057) | | | 6,087,165 |
| Comprehensive income for the period: | | | | | | | | | |
| Profit for the period | | | | | | | | 1,347,585 | 1,347,585 |
| Exchange variation of foreign sales hedge, net of taxes | | | | | | (2,287,853) | | | (2,287,853) |
| Fair value of cash flow hedge, net of taxes | | | | | | (177,418) | | | (177,418) |
| Foreign subsidiaries currency translation adjustment | | | | | | 295,854 | | | 295,854 |
| | | | | | | (2,169,417) | | 1,347,585 | (821,000) |
| Equity valuation adjustments: | | | | | | | | | |
| Realization of additional | | | | | | (13,619) | | 13,619 | |

| | | | | | | | | | |
|---|------------------|----------------|----------------|------------------|----------------|--------------------|--------------|------------------|------------------|
| property, plant and equipment price-level restatement, net of taxes | | | | | | | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | | | (482) | | 482 | |
| | | | | | | (14,101) | | 14,101 | |
| Contribution to shareholders: | | | | | | | | | |
| Repurchase of treasury shares | | | | | | | (927) | | (927) |
| Additional dividends proposed | | | | (270,517) | | | | | (270,517) |
| | | | | (270,517) | | | (927) | | (271,444) |
| At June 30, 2015 | 8,043,222 | 232,430 | 71,542 | 394,121 | | (5,107,575) | (927) | 1,361,686 | 4,994,781 |
| At December 31, 2015 | 8,043,222 | 232,430 | 229,992 | 2,404,663 | 247,364 | (9,085,256) | (927) | | 2,071,932 |
| Comprehensive income for the period: | | | | | | | | | |
| Profit for the period | | | | | | | | 1,187,717 | 1,187,717 |
| Exchange variation of foreign sales hedge, net of taxes | | | | | | 2,868,983 | | | 2,868,983 |
| Fair value of cash flow hedge, net of taxes | | | | | | 130,105 | | | 130,105 |
| Foreign currency translation adjustment | | | | | | (215,975) | | | (215,975) |
| | | | | | | 2,783,113 | | 1,187,717 | 3,970,845 |
| Equity valuation adjustments: | | | | | | | | | |
| Realization of additional property, plant and equipment price-level | | | | | | (13,619) | | 13,619 | |

| | | | | | | | | |
|---|------------------|----------------|----------------|------------------|--------------------|--------------|------------------|--------------|
| restatement, net of taxes | | | | | | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | | (482) | | 482 | |
| | | | | | (14,101) | | 14,101 | |
| Contribution to shareholders: | | | | | | | | |
| Additional dividends proposed | 19(b) | | | (247,364) | | | (247,364) | |
| | | | | (247,364) | | | (247,364) | |
| At June 30, 2016 | 8,043,222 | 232,430 | 229,992 | 2,404,663 | (6,316,244) | (927) | 1,201,818 | 5,794 |

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

Braskem S.A.**Statement of cash flows****at June 30, 2016****All amounts in thousands of reais**

| | Note | Consolidated Jun/2016 | Consolidated Jun/2015 | Parent company Jun/2016 | Parent company Jun/2015 |
|--|------|--------------------------|--------------------------|----------------------------|----------------------------|
| Profit before income tax and social contribution | | 1,484,454 | 1,882,677 | 1,243,964 | 1,791,853 |
| Adjustments for reconciliation of profit | | | | | |
| Depreciation, amortization and depletion | | 1,255,691 | 1,013,033 | 1,030,708 | 858,105 |
| Results from equity investments | 9(c) | (13,377) | (9,739) | (1,067,870) | (457,057) |
| Interest and monetary and exchange variations, net | | 978,082 | 1,289,967 | 1,070,796 | 1,425,789 |
| Other | | 12,959 | 5,301 | 12,930 | 2,784 |
| | | 3,717,809 | 4,181,239 | 2,290,528 | 3,621,474 |
| Changes in operating working capital | | | | | |
| Held-for-trading financial investments | | (409,333) | 17,441 | 18,356 | 47,102 |
| Trade accounts receivable | | 641,982 | (56,633) | 574,901 | (1,096,623) |
| Inventories | | 509,635 | 84,906 | 421,318 | 77,181 |
| Taxes recoverable | | 686,777 | 572,522 | 459,258 | 255,034 |
| Prepaid expenses | | 7,922 | 37,112 | 24,486 | 28,003 |
| Other receivables | | (25,407) | (28,390) | (253,384) | 88,381 |
| Trade payables | | (2,351,316) | (1,254,099) | (1,304,351) | (1,468,685) |
| Taxes payable | | (21,623) | 62,521 | 26,699 | (8,351) |
| Advances from customers | | (47,148) | (22,873) | (19,447) | (14,376) |
| Sundry provisions | | 5,043 | (67,385) | 26,102 | (50,448) |
| Other payables | | (179,173) | (251,109) | (208,102) | (439,105) |
| Cash from operations | | 2,535,168 | 3,275,252 | 2,056,364 | 1,039,587 |
| Interest paid | | (686,246) | (468,707) | (240,328) | (206,358) |
| Income tax and social contribution paid | | (668,126) | (50,425) | (40,176) | (21,736) |
| Net cash generated by operating activities | | 1,180,796 | 2,756,120 | 1,775,860 | 811,493 |

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| | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| Proceeds from the sale of fixed assets | 114 | 686 | 19 | 165 |
| Acquisitions to property, plant and equipment | (i) (1,469,520) | (1,827,907) | (452,744) | (445,120) |
| Acquisitions of intangible assets | (16,348) | (9,670) | (16,348) | (9,670) |
| Held-for-maturity financial investments | 38,353 | (11) | 38,353 | (11) |
| Net cash used in investing activities | (1,447,401) | (1,836,902) | (430,720) | (454,636) |
| Short-term and Long-term debit | | | | |
| Obtained borrowings | 1,937,284 | 2,659,341 | 1,957,182 | 1,086,423 |
| Payment of borrowings | (1,865,492) | (3,049,074) | (1,781,594) | (1,977,850) |
| Project finance | 13 | | | |
| Obtained borrowings | 153,126 | 1,250,201 | | |
| Payment of borrowings | (227,201) | (370,979) | | |
| Related parties | | | | |
| Obtained loans | | | | 491,307 |
| Payment of loans | | | (2,071,978) | (569,738) |
| Transactions current active | | | | 1,766 |
| Dividends paid | (998,982) | (482,074) | (998,982) | (482,074) |
| Repurchase of treasury shares | | (927) | | (927) |
| Net cash provided by (used in) financing activities | (1,001,265) | 6,488 | (2,895,372) | (1,451,093) |
| Exchange variation on cash of foreign subsidiaries | 568,780 | (98,040) | | |
| Increase (decrease) in cash and cash equivalents | (699,090) | 827,666 | (1,550,232) | (1,094,236) |
| Represented by | | | | |
| Cash and cash equivalents at the beginning of the period | 7,439,723 | 3,993,359 | 4,773,251 | 2,416,288 |
| Cash and cash equivalents at the end of the period | 6,740,633 | 4,821,025 | 3,223,019 | 1,322,052 |
| Increase (decrease) in cash and cash equivalents | (699,090) | 827,666 | (1,550,232) | (1,094,236) |

(i) Includes capitalized financial charges paid: Jun/2016 – Consolidated – R\$252,722 and Parent Company – R\$33.640.

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

Braskem S.A.**Statement of value added****at June 30, 2016****All amounts in thousands of reais**

| | Consolidated | | Parent company | |
|--|---------------------|---------------------|-----------------------|---------------------|
| | Jun/2016 | Jun/2015 | Jun/2016 | Jun/2015 |
| Revenue | 27,518,032 | 24,924,969 | 21,134,901 | 18,157,578 |
| Sale of goods, products and services | 27,679,895 | 25,015,605 | 21,279,280 | 18,152,348 |
| Other income (expenses), net | (120,608) | (68,644) | (105,631) | 25,741 |
| Allowance for doubtful accounts | (41,255) | (21,992) | (38,748) | (20,511) |
| Inputs acquired from third parties | (19,885,100) | (19,885,116) | (15,994,167) | (13,918,563) |
| Cost of products, goods and services sold | (19,021,330) | (19,252,315) | (15,401,979) | (13,709,007) |
| Material, energy, outsourced services and others | (859,438) | (630,297) | (588,183) | (206,988) |
| Impairment of assets | (4,332) | (2,504) | (4,005) | (2,568) |
| Gross value added | 7,632,932 | 5,039,853 | 5,140,734 | 4,239,015 |
| Depreciation, amortization and depletion | (1,255,691) | (1,013,033) | (1,030,708) | (858,105) |
| Net value added produced by the entity | 6,377,241 | 4,026,820 | 4,110,026 | 3,380,910 |
| Value added received in transfer | (618,571) | 660,538 | (226,372) | 1,552,638 |
| Results from equity investments | 13,377 | 9,739 | 1,067,870 | 457,057 |
| Financial income | (632,034) | 650,657 | (1,294,607) | 1,095,525 |
| Other | 86 | 142 | 365 | 56 |
| Total value added to distribute | 5,758,670 | 4,687,358 | 3,883,654 | 4,933,548 |
| Personnel | 633,499 | 557,720 | 367,622 | 432,858 |
| Direct compensation | 501,476 | 436,854 | 276,132 | 324,672 |
| Benefits | 100,976 | 94,454 | 61,693 | 77,010 |
| FGTS (Government Severance Pay Fund) | 31,047 | 26,412 | 29,797 | 31,176 |
| Taxes, fees and contributions | 1,256,130 | 893,164 | 865,147 | 836,676 |
| Federal | 358,506 | 517,922 | 130,869 | 536,329 |
| State | 880,893 | 363,551 | 724,118 | 295,337 |
| Municipal | 16,731 | 11,691 | 10,160 | 5,010 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Remuneration on third parties' capital | 2,841,434 | 1,977,695 | 1,462,803 | 2,316,429 |
| Financial expenses (including exchange variation) | 2,716,894 | 1,847,122 | 1,362,557 | 2,149,196 |
| Rentals | 124,540 | 130,573 | 100,246 | 167,233 |
| Remuneration on own capital | 1,027,607 | 1,258,779 | 1,188,082 | 1,347,585 |
| Profit for the period | 1,187,717 | 1,347,585 | 1,187,717 | 1,347,585 |
| Dividends | | | 365 | |
| Non-controlling interests in loss for the period | (160,110) | (88,806) | | |
| Value added distributed | 5,758,670 | 4,687,358 | 3,883,654 | 4,933,548 |

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

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

1. Operations

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

(a) Significant corporate and operating events impacting these financial statements

In December 2015, Braskem commissioned the petrochemical complex of its indirect subsidiary Braskem Idesa S.A.P.I (“Braskem Idesa”) in Mexico with the startup of the utilities area, followed by the cracker in March 2016. The first polyethylene (“PE”) lot was produced on april. The complex houses an ethylene gas-based cracker and three polyethylene plants – two high-density and one low-density - with combined annual PE production capacity of 1.05 million tons*.

Braskem holds 75% indirect interest in Braskem Idesa and the remaining 25% pertains to Etileno XXI, S.A. de C.V.

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)).

* *unreviewed*

(b) Net working capital

On June 30, 2016, net working capital at the Parent Company was negative R\$4,277,619 (negative R\$5,369,459 on December 31, 2015). On the other hand, consolidated net working capital was positive R\$2,931,561 (positive R\$816,258 on December 31, 2015). The consolidated figures are used in the management of working capital, since the Company uses mechanisms to transfer funds between the companies efficiently without jeopardizing the fulfillment of the commitments of each of the entities forming the consolidated statements. For this reasons, any analysis of the Parent Company's working capital will not reflect the actual liquidity position of the consolidated group.

2. Summary of significant accounting policies

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

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

Issue of these financial statements was authorized by the Executive Board on August 1, 2016.

2.1.1 Consolidated and parent company quarterly information

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

The individual and consolidated Statement of Value Added (“DVA”) is required under Brazilian corporations law and under the accounting practices adopted in Brazil for public companies. IFRS does not require the presentation of this statement.

2.1.2 Consolidated quarterly information

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

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated**

| | | Total interest - % | |
|--|---------------------|---------------------------|-----------------|
| | Headquarters | Jun/2016 | Dec/2015 |
| Direct and Indirect subsidiaries | | | |
| Alclor Química de Alagoas Ltda ("Alclor") | (i) Brazil | | 100.00 |
| 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 International GmbH ("Braskem Austria") | (ii) Austria | 100.00 | 100.00 |
| Braskem Austria Finance GmbH ("Braskem Austria Finance") | (iii) Austria | | 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 Incorporated Limited ("Braskem Inc") | Cayman Islands | 100.00 | 100.00 |
| Braskem Mexico Proyectos S.A. de C.V. SOFOM ("Braskem México Sofom") | Mexico | 100.00 | 100.00 |
| Braskem Mexico, S. de RL de CV ("Braskem México") | Mexico | 100.00 | 100.00 |
| Braskem Mexico Servicios S. RL de CV ("Braskem México Serviços") | Mexico | 100.00 | 100.00 |
| Braskem Netherlands B.V. ("Braskem Holanda") | Netherlands | 100.00 | 100.00 |
| Braskem Netherlands Finance B.V. ("Braskem Holanda Finance") | Netherlands | 100.00 | 100.00 |
| Braskem Netherlands Inc. B.V. ("Braskem Holanda Inc") | Netherlands | 100.00 | 100.00 |
| Braskem Petroquímica Chile Ltda. ("Braskem Chile") | Chile | 100.00 | 100.00 |
| Braskem Petroquímica Ltda. ("Braskem Petroquímica") | Brazil | 100.00 | 100.00 |
| Quantiq Distribuidora Ltda. ("Quantiq") | Brazil | 100.00 | 100.00 |
| IQAG Armazéns Gerais Ltda. ("IQAG") | Brazil | 100.00 | 100.00 |
| Lantana Trading Co. Inc. ("Lantana") | Bahamas | 100.00 | 100.00 |
| Specific Purpose Entity ("SPE") | | | |
| Fundo de Investimento Multimercado Crédito Privado Sol ("FIM Sol") | Brazil | 100.00 | 100.00 |
| Fundo de Investimento Caixa Júpiter Multimercado | | | |
| Crédito Privado Longo Prazo ("Fundo Júpiter") | Brazil | 100.00 | 100.00 |

- (i) Merged into the subsidiary Braskem Petroquímica in April 2016.
- (ii) In the process of dissolution.
- (iii) Dissolved in January 2016.

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.

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(a) Brazilian real as functional currency**

The Company has a few associates abroad using Brazilian real as the functional currency. Transactions and balances in foreign currency are translated into the functional currency using foreign exchange rates on the dates of the transactions or at the end of the period, as applicable. Foreign exchange gains and losses resulting from the settlement of these transactions and translation at foreign exchange rates at the end of the year, relating to monetary assets and liabilities in foreign currency, are recognized in the statement of operations for the year as “financial income” and “financial expenses”, respectively, except when classified as “hedge accounting,” in which case these are recognized under shareholders' equity as cash flow hedge operations.

(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 | | |
|------------------------------|---------------------------|-----------------|------------------|--------------------------------------|-----------------|------------------|
| | Jun/2016 | Dec/2015 | Variation | Jun/2016 | Jun/2015 | Variation |
| U.S. dollar - Brazilian real | 3.2098 | 3.9048 | -17.80% | 3.7017 | 2.9715 | 24.57% |
| U.S. dollar - Mexican peso | 18.5100 | 17.3700 | 6.56% | 18.0712 | 15.1405 | 19.36% |
| U.S. dollar - Euro | 0.8994 | 0.9187 | -2.09% | 0.8957 | 0.8969 | -0.13% |

2.3. Reconciliation of equity and profit (loss) for the period between Parent Company and consolidated

| | Shareholders' equity | | Profit for the period | |
|---|----------------------|------------------|-----------------------|------------------|
| | Jun/2016 | Dec/2015 | Jun/2016 | Jun/2015 |
| Parent company | 5,794,954 | 2,071,488 | 1,187,717 | 1,347,585 |
| Braskem shares owned by subsidiary | (48,892) | (48,892) | | |
| Non-controlling interest in Braskem Idesa | (872,226) | (684,885) | (160,110) | (88,806) |
| Consolidated | 4,873,836 | 1,337,711 | 1,027,607 | 1,258,779 |

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.

| | Consolidated | |
|-------------------|------------------|------------------|
| | Jun/2016 | Dec/2015 |
| Cash and banks | (i)2,255,217 | 873,966 |
| Cash equivalents: | | |
| Domestic market | 2,448,427 | 2,428,995 |
| Foreign market | (i)2,036,989 | 4,136,762 |
| Total | 6,740,633 | 7,439,723 |

(i) On June 30, 2016, it includes cash and banks of R\$38,623 (R\$96,830 on December 31, 2015) and cash equivalents of R\$26,870 (R\$37,809 on December 31, 2015) of the subsidiary Braskem Idesa, available for its exclusive use.

Braskem S.A.**Notes to the financial statements****at June 30, 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.

| | Consolidated | |
|---|---------------------|-----------------|
| | Jun/2016 | Dec/2015 |
| Held-for-trading | | |
| Time deposit investments | (i) 427,688 | |
| Other | 531 | 1,172 |
| Held-to-maturity | | |
| Quotas of investment funds in credit rights | | 46,193 |
| Total | 428,219 | 47,365 |
| Current assets | 428,219 | 1,172 |
| Non-current assets | | 46,193 |
| Total | 428,219 | 47,365 |

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

5. Trade accounts receivable

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

| | Consolidated | | Parent company | |
|---------------------------------|---------------------|------------------|-----------------------|------------------|
| | Jun/2016 | Dec/2015 | Jun/2016 | Dec/2015 |
| Consumers: | | | | |
| Domestic market | 1,252,641 | 1,439,133 | 1,281,767 | 1,370,971 |
| Foreign market | 1,229,458 | 1,643,807 | 5,278,014 | 5,724,982 |
| Allowance for doubtful accounts | (369,229) | (327,974) | (328,758) | (290,010) |
| Total | 2,112,870 | 2,754,966 | 6,231,023 | 6,805,943 |
| Current assets | 2,085,423 | 2,735,144 | 2,629,232 | 2,526,510 |
| Non-current assets | 27,447 | 19,822 | 3,601,791 | 4,279,433 |
| Total | 2,112,870 | 2,754,966 | 6,231,023 | 6,805,943 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****6. Inventories**

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

| | Jun/2016 | Consolidated Dec/2015 | Parent company Jun/2016 | Dec/2015 |
|--|------------------|----------------------------------|------------------------------------|------------------|
| Finished goods | 3,566,927 | 3,928,446 | 2,513,458 | 2,812,657 |
| Raw materials, production inputs and packaging | 886,144 | 1,008,217 | 741,154 | 879,608 |
| Maintenance materials | 313,992 | 289,568 | 185,056 | 196,432 |
| Advances to suppliers | 245,977 | 315,234 | 234,405 | 304,816 |
| Imports in transit and other | 87,126 | 110,787 | 73,825 | 72,661 |
| Total | 5,100,166 | 5,652,252 | 3,747,898 | 4,266,174 |
| Current assets | 5,031,098 | 5,517,206 | 3,678,830 | 4,131,128 |
| Non-current assets | 69,068 | 135,046 | 69,068 | 135,046 |
| Total | 5,100,166 | 5,652,252 | 3,747,898 | 4,266,174 |

Braskem S.A.**Notes to the financial statements****at June 30, 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.

(a) Consolidated

| Balance sheet | Balances at June 30, 2016 | | | | Balances at December 31, 2015 | | | |
|-----------------------------------|--|----------------------------|--------|---------|--|----------------------------|--------|----------|
| | Associated companies, Jointly-controlled investment and Related companies | | | | Associated companies, Jointly-controlled investment and Related companies | | | |
| | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total |
| Assets | | | | | | | | |
| Current | | | | | | | | |
| Trade accounts receivable | 3,995 | 12,841 | 23,928 | 40,764 | 12,851 | 141,550 | 33,997 | 188,398 |
| Inventories | 141,1767(b.i) | 4,807 | | 145,983 | 138,6197(b.i) | | | 138,6197 |
| Dividends and interest on capital | | | | | | | | |
| Related parties | 62 | 10,320 | | 10,382 | | 9,927 | 580 | 10,507 |
| Non-current | | | | | | | | |
| Advances to suppliers | | | | | 58,4437(b.i) | | | 58,4437 |
| Related parties | | | | | | | | |

| | | | | | | | | |
|--------------------------|----------------|------------------|---------------|------------------|----------------|------------------|---------------|---------------|
| Intracompany loan | | 82,065 | | 82,065 | | 78,332 | | 78, |
| Other receivables | | 228,147 | | 228,147 | | 66,301 | | 66, |
| Total assets | 145,233 | 338,180 | 23,928 | 507,341 | 209,913 | 296,110 | 34,577 | 540, |
| Liabilities | | | | | | | | |
| Current | | | | | | | | |
| Trade payables | 31,720 | 1,534,220 | 1,517 | 1,567,457 | 284,973 | 1,400,485 | 2,011 | 1,687, |
| Total liabilities | 31,720 | 1,534,220 | 1,517 | 1,567,457 | 284,973 | 1,400,485 | 2,011 | 1,687, |

| | Period ended June 30, 2016 | | | | Period ended June 30, 2015 | | | |
|---|---|----------------------------|---------|-----------|---|----------------------------|---------|--------|
| | Associated companies, Jointly-controlled investment and Related companies | | | | Associated companies, Jointly-controlled investment and Related companies | | | |
| | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total |
| Transactions | | | | | | | | |
| Sales of products | 30,707 | 1,009,837 | 275,852 | 1,316,396 | 27,279 | 939,454 | 211,527 | 1,178, |
| Purchases of raw materials, finished goods services and utilities | 859,246 | (i) 5,826,466 | 39,933 | 6,725,645 | 1,726,633 | (i) 6,605,617 | 26,870 | 8,359, |
| Financial income (expenses), net | 160 | (104,399) | | (104,239) | | 2,798 | | 2, |
| Post-employment benefits plan Odebrecht previdência Privada ("Odeprev") | | | 10,054 | 10,054 | | | 9,832 | 9, |

(i) Includes expenses with the Braskem Idesa project, of which R\$539,096 related to the period ended June 30, 2016, and R\$1,591,553 related to the period ended June 30, 2015 (Note 13).

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(b) Parent Company**

| Balance sheet | Associated companies, Jointly-controlled investment and associated companies | | | | | | | Related companies | |
|-----------------------------------|---|------------------|---------------------|----------------------|-----------------|-------------------|---------------|----------------------------|------------------------|
| | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Argentina | Other | Odebrecht and subsidiaries | Petrobras subsidiaries |
| Assets | | | | | | | | | |
| Current | | | | | | | | | |
| Cash and equivalents | | | | | | | | | |
| Trade accounts receivable | | 1,185,003 | | 146,422 | 91,781 | 102,588 | 73,408 | 3,995 | 1 |
| Inventories | | | | | | | | 141,176 | (b.i) |
| Dividends and interest on capital | | | | 97,611 | | | 1,507 | | |
| Related parties | | 49 | | 245,245 | 52,588 | | 17,657 | 62 | |
| Non-current | | | | | | | | | |
| Trade accounts receivable | 3,575,492 | | | | | | | | |
| Related parties | | | | | | | | | |
| Loan agreements | 13,877 | | | | | | 92 | | 8 |
| Other receivables | | | | | | | | | 19 |
| Total assets | 3,589,369 | 1,185,052 | | 489,278 | 144,369 | 102,588 | 92,664 | 145,233 | 29 |
| Liabilities | | | | | | | | | |
| Current | | | | | | | | | |
| | | 3,919,031 | | 832,963 | 18 | | 861 | 27,078 | 1,51 |

| | | | | | | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|----------------|--|------------|---------------|--------------|
| Trade payables | | | | | | | | | |
| Accounts payable to related parties | | | | | | | | | |
| Advance to export | | | 2,072,260 | | 18,002 | | | | |
| Other payables | | | | 184,080 | 593 | | 16 | | |
| Non-current Trade payables | 1,554,541 | | | | | | | | |
| Accounts payable to related parties | | | | | | | | | |
| Advance to export | | | 7,887,203 | | 908,373 | | | | |
| Payable notes | 12,327 | | | 1,447 | | | | | |
| Total liabilities | 1,566,868 | 3,919,031 | 9,959,463 | 1,018,490 | 926,986 | | 877 | 27,078 | 1,511 |

Associated companies, Jointly-controlled investment and associated companies

| | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Argentina | Other | Odebrecht and subsidiaries | Petrobras subsid |
|---|-------------|-----------------|---------------------|----------------------|-----------------|-------------------|----------|----------------------------|------------------|
| Transactions | | | | | | | | | |
| Sales of products | 83,183 | 1,349,464 | | 1,062,334 | 110,880 | 149,750 | 441,938 | 30,437 | 98 |
| Purchases of raw materials, finished products | | | | | | | | | |
| services and utilities | 160,378 | 2,308,173 | | 2,107,124 | | | 45,590 | 311,394 | 5,34 |
| Financial income (expenses), net | (399,819) | 520,893 | 1,859,698 | (3) | 148,617 | (30,941) | (11,875) | 164 | (104 |
| General and administrative expenses - Odeprev | | | | | | | | | |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated**

| | Associated companies, Jointly-controlled investment and associated companies | | | | | | | | R |
|---|---|----------------------------|--------------------------------|---------------------------------|----------------------------|----------------------------|------------------------------|----------------|---------------------------------------|
| Balance sheet | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Austria | Braskem Argentina | Other | Odebrecht and subsidiaries |
| Assets | | | | | | | | | |
| Current | | | | | | | | | |
| Cash and equivalents | | | | | | | | | |
| Trade accounts receivable | | 645,621 | | 144,433 | 38,890 | | 202,937 | 66,976 | 12,851 |
| Inventories | | | | | | | | | 138,61970 |
| Dividends and interest on capital | | | | 84,150 | | | | | |
| Related parties | | | | 20,039 | 46,648 | | | 41,987 | 62 |
| Non-current | | | | | | | | | |
| Trade accounts receivable | 4,261,535 | | | | | | | | |
| Advances to suppliers | | | | | | | | | 58,44370 |
| Related parties | | | | | | | | | |
| Loan agreements | 16,541 | | | | | | | 113 | |
| Other receivables | | | | | | | | | |
| Total assets | 4,278,076 | 645,621 | | 248,622 | 85,538 | | 202,937 | 109,076 | 209,975 |
| Liabilities | | | | | | | | | |
| Current | | | | | | | | | |

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| | | | | | | | | |
|-------------------------------------|------------------|------------------|-------------------|----------------|------------------|--|---------------|---------------|
| Trade payables | | 3,068,634 | | 686,084 | 21 | | 2,862 | 27,715 |
| Accounts payable to related parties | | | | | | | | |
| Advance to export | 15,629 | | 4,065,040 | | 22,171 | | | |
| Other payables | | 9,538 | | 149,520 | 689 | | 35,148 | |
| Non-current Trade payables | 3,280,511 | | | | | | | |
| Accounts payable to related parties | | | | | | | | |
| Advance to export | 149,684 | | 9,634,023 | | 1,105,058 | | | |
| Payable notes | 14,995 | | | 1,447 | | | | |
| Total liabilities | 3,460,819 | 3,078,172 | 13,699,063 | 837,051 | 1,127,939 | | 38,010 | 27,715 |

Associated companies, Jointly-controlled investment and associated companies

| | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Austria | Braskem Argentina | Other | Odebrecht and subsidiaries |
|---|-------------|-----------------|---------------------|----------------------|-----------------|-----------------|-------------------|---------|----------------------------|
| Transactions | | | | | | | | | |
| Sales of products | 69,277 | 1,308,740 | | 1,273,418 | 2,454 | | 145,550 | 329,326 | 27,265 |
| Purchases of raw materials, finished products | | | | | | | | | |
| services and utilities | 1,087,709 | 1,008,224 | | 246,151 | | | | 22,663 | 129,989 |
| Financial income (expenses) | (578,824) | (1,793,554) | | | (132,799) | (75,782) | 20,227 | 19,493 | |
| General and administrative expenses - Odeprev | | | | | | | | | |

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

The main transactions with related companies in the period ended June 30, 2016, except for those with subsidiaries of the Company, 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 Riograndense S.A. (“RPR”) for the sale of gasoil to RPR to be used as feedstock in the diesel production process, which is renewed on a monthly basis.

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

(iv) In June 2016, an agreement was signed for the sale of gasoline to Petrobras Distribuidora, a wholly-owned subsidiary of Petrobras. The agreement expired on July 30, 2016.

(v) In June 2016, an amendment to the agreement with Transpetro was executed for the acquisition of naphtha and condensate handling and storage services by Braskem’s Basic Petrochemicals Unit, located in the Triunfo Industrial Complex. The amendment is worth an estimated R\$8 million and is valid through December 2016.

(c) Key management personnel

| Income statement transactions | Jun/2016 | Consolidated Jun/2015 |
|---|-----------------|----------------------------------|
| Remuneration | | |
| Short-term benefits to employees and managers | 16,065 | 14,402 |
| Post-employment benefit | 174 | 114 |
| Total | 16,239 | 14,516 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****8. Taxes recoverable**

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

| | Jun/2016 | Consolidated Dec/2015 | Parent company Jun/2016 | Dec/2015 |
|--|------------------|----------------------------------|------------------------------------|------------------|
| Brazil | | | | |
| IPI | 47,291 | 23,996 | 44,961 | 22,615 |
| Value-added tax on sales and services (ICMS) - normal operations | 376,026 | 403,842 | 282,262 | 310,754 |
| ICMS - credits from PP&E | 123,858 | 121,954 | 117,603 | 115,354 |
| Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations | 22,935 | 69,431 | 22,717 | 69,004 |
| PIS and COFINS - credits from PP&E | 244,520 | 230,030 | 231,536 | 217,482 |
| Income tax and social contribution (IR and CSL) | 770,606 | 944,863 | 621,748 | 779,277 |
| REINTEGRA program | 53,802 | 274,654 | 52,139 | 271,823 |
| Federal supervenience | 166,888 | 173,436 | 161,392 | 168,507 |
| Other | 11,956 | 14,281 | 7,685 | 6,309 |
| Other countries | | | | |
| Value-added tax ("VAT") | 235,360 | 277,751 | | |
| Income tax | 14,017 | 40,263 | | |
| Other | 2,777 | 1,559 | | |
| Total | 2,070,036 | 2,576,060 | 1,542,043 | 1,961,125 |
| Current assets | 771,216 | 1,272,004 | 354,404 | 762,824 |

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| | | | | |
|--------------------|------------------|------------------|------------------|------------------|
| Non-current assets | 1,298,820 | 1,304,056 | 1,187,639 | 1,198,301 |
| Total | 2,070,036 | 2,576,060 | 1,542,043 | 1,961,125 |

Braskem S.A.**Notes to the financial statements****at June 30, 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 capital | | Adjusted net profit (loss) | | Adjusted equity | |
|-------------------------|----------------------------------|-------------------|-----------------------------------|-----------------|------------------------|-----------------|
| | total (%) - 6/30/2016 | | for the period | | | |
| | Direct | e Indirect | Jun/2016 | Jun/2015 | Jun/2016 | Dec/2015 |
| Subsidiaries | | | | | | |
| Alclor | | | (1,248) | (1,613) | | 35,435 |
| Braskem Alemanha | 100.00 | | 949,347 | 86,005 | 2,498,028 | 2,040,998 |
| Braskem America | 100.00 | | 770,363 | 38,702 | 2,264,401 | 1,947,177 |
| Braskem America Finance | 100.00 | | 210 | 186 | 2,731 | 3,065 |
| Braskem Argentina | 100.00 | | 1,495 | 2,600 | 17,641 | 16,146 |
| Braskem Austria | 100.00 | | (96) | (1,830) | 4,183 | 5,118 |
| Braskem Austria Finance | | | | (30) | | 75 |
| Braskem Holanda | 100.00 | | 862,495 | 300,270 | 1,024,736 | 958,377 |
| Braskem Holanda Finance | 100.00 | | (10) | (4) | (18) | (12) |
| Braskem Holanda Inc | 100.00 | | 1,221 | (88) | 989 | (158) |
| Braskem Finance | 100.00 | | 52,426 | (78,331) | (84,586) | (137,013) |
| Braskem Idesa | 75.00 | | (640,440) | (534,799) | (3,488,902) | (1,991,690) |

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| | | | | | |
|--|--------|----------|---------|-----------|-----------|
| Braskem Idesa | | | | | |
| Serviços | 75.00 | 1,891 | 4,951 | 7,363 | 8,860 |
| Braskem Inc | 100.00 | (66,242) | 312,731 | 777,338 | 843,579 |
| Braskem México | 100.00 | 17,616 | 71,191 | 175,637 | 206,806 |
| Braskem México | | | | | |
| Sofom | 100.00 | 1,842 | | 6,070 | 1,566 |
| Braskem México | | | | | |
| Serviços | 100.00 | 371 | 2,302 | 3,878 | 3,424 |
| Braskem Petroquímica | 100.00 | 127,598 | 150,512 | 2,168,266 | 2,018,696 |
| IQAG | 100.00 | 5,189 | 2,963 | 15,492 | 16,934 |
| Lantana | 100.00 | 187 | (121) | (860) | (1,047) |
| Braskem Chile | 100.00 | 888 | 1,095 | 8,596 | 7,707 |
| Quantiq | 100.00 | 18,256 | 892 | 262,602 | 244,345 |
| Jointly-controlled investment | | | | | |
| RPR | 33.20 | 36,931 | 24,297 | 131,090 | 145,551 |
| Odebrecht Comercializadora de Energia S.A. ("OCE") | 20.00 | (207) | 12,473 | 11,234 | 11,441 |
| Associates | | | | | |
| Borealis | 20.00 | 796 | 5,345 | 158,887 | 158,366 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(b) Changes in investments – parent company**

| | Subsidiaries and jointly-controlled investment | | Domestic | Other | Total |
|-------------------------------------|---|---------------------|-------------------|--------------|------------------|
| | Domestic | Foreign | associates | | |
| | subsidiaries | subsidiaries | | | |
| Balance at Dec/2015 | 2,418,563 | 2,139,711 | 31,673 | 3,828 | 4,593,775 |
| Dividends and interest on capital | (17,760) | | | | (17,760) |
| Equity of investments | | | | | |
| Effect of results | 158,032 | 869,893 | 816 | | 1,028,741 |
| Adjustment of profit in inventories | 7,480 | (5,182) | | | 2,298 |
| Goodwill amortization | (15,960) | | | | (15,960) |
| Equity valuation adjustments | (12,765) | (657,651) | | | (670,416) |
| Currency translation adjustments | | (215,975) | | | (215,975) |
| Balance at Jun/2016 | 2,537,590 | 2,130,796 | 32,489 | 3,828 | 4,704,703 |

(c) Equity accounting results – breakdown

| | Jun/2016 | Parent company Jun/2015 |
|---|------------------|------------------------------------|
| Equity in results of subsidiaries, associate and jointly-controlled | 1,031,038 | 818,927 |
| Amortization of fair value adjustment | (15,960) | (15,612) |
| Provision for losses on investments | 52,428 | (346,270) |
| Other | 364 | 12 |
| | 1,067,870 | 457,057 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(d) Impacts on consolidation of Braskem Idesa**

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

| Balance sheet | Consolidated Braskem | | Braskem Idesa consolidated (i) | | Eliminations | | Consolidated | |
|---------------------------|---|-------------------|---|-----------------|---------------------|-----------------|---------------------|-------------------|
| | Ex consolidated Braskem Idesa Jun/2016 | Dec/2015 | Jun/2016 | Dec/2015 | Jun/2016 | Dec/2015 | Jun/2016 | Dec/2015 |
| Assets | | | | | | | | |
| Curent | | | | | | | | |
| Cash and cash equivalents | 6,675,140 | 7,305,084 | 65,493 | 134,640 | | | 6,740,633 | 7,439,724 |
| Financial investments | 428,219 | 1,172 | | | | | 428,219 | 1,172 |
| Trade accounts receivable | 1,973,354 | 2,632,142 | 148,045 | 120,848 | (35,976) | (17,846) | 2,085,423 | 2,735,144 |
| Inventories | 4,765,784 | 5,344,077 | 265,314 | 173,129 | | | 5,031,098 | 5,517,206 |
| Taxes recoverable | 614,665 | 1,052,933 | 156,551 | 219,071 | | | 771,216 | 1,272,004 |
| Other receivables | 315,132 | 504,034 | 71,866 | 29,260 (ii) | (57) | (57) | 386,941 | 533,237 |
| | 14,772,294 | 16,839,442 | 707,269 | 676,948 | (36,033) | (17,903) | 15,443,530 | 17,498,487 |
| Non-current | | | | | | | | |
| Taxes recoverable | 1,298,766 | 1,303,987 | 54 | 69 | | | 1,298,820 | 1,304,056 |
| Deferred tax | 451,510 | 2,401,091 | 1,099,282 | 825,416 | | | 1,550,792 | 3,226,507 |

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| | | | | | | | | |
|--|-------------------|-------------------|--------------------|--------------------|-----------------|--------------------|--------------------|-------------------|
| Related parties | 4,912,320 | 4,556,671 | | | (ii)(4,602,108) | (4,412,038) | 310,212 | 144,633 |
| Other receivables | 785,027 | 906,033 | 513 | 32,011 | | | 785,540 | 938,044 |
| Property, plant and equipment | 18,752,088 | 19,545,128 | 12,354,466 | 15,134,641 | (iii) | (734,887) | (717,806) | 30,371,667 |
| Intangible | 2,698,470 | 2,806,734 | 136,417 | 80,870 | | | 2,834,887 | 2,887,604 |
| | 28,898,181 | 31,519,644 | 13,590,732 | 16,073,007 | | (5,336,995) | (5,129,844) | 37,151,918 |
| Total assets | 43,670,475 | 48,359,086 | 14,298,001 | 16,749,955 | | (5,373,028) | (5,147,747) | 52,595,448 |
| Liabilities | | | | | | | | |
| Current | | | | | | | | |
| Trade payables | 7,593,013 | 11,287,141 | 224,931 | 429,400 | | (35,976) | (17,846) | 7,781,968 |
| Borrowings | 2,644,860 | 1,968,540 | | | | | | 2,644,860 |
| Project finance | | | 464,466 | 302,266 | | | | 464,466 |
| Payroll and related charges | 400,531 | 582,921 | 11,760 | 22,138 | | | | 412,291 |
| Taxes payable | 565,512 | 709,695 | 29,062 | 34,965 | | | | 594,574 |
| Other payables | 495,218 | 1,313,201 | 118,592 | 49,808 | | | | 613,810 |
| | 11,699,134 | 15,861,498 | 848,811 | 838,577 | | (35,976) | (17,846) | 12,511,969 |
| Non-current | | | | | | | | |
| Loan agreements | 21,036,636 | 25,370,260 | | | | | | 21,036,636 |
| Project finance | | | 9,898,313 | 11,975,167 | | | | 9,898,313 |
| Accounts payable to related parties | | | 4,699,812 | 4,372,482 | (ii) | (4,699,812) | (4,372,482) | |
| Non-controlling loan in Braskem Idesa | | | (v) 1,573,753 | 1,538,784 | | | | 1,573,753 |
| Provision for losses on subsidiaries | 2,616,677 | 2,054,654 | | | (iv) | (2,616,677) | (2,054,654) | |
| Other payables | 2,571,966 | 3,050,078 | 128,975 | 7,065 | | | | 2,700,941 |
| | 26,225,279 | 30,474,992 | 16,300,853 | 17,893,498 | | (7,316,489) | (6,427,136) | 35,209,643 |
| Shareholders' equity | | | | | | | | |
| Attributable to the Company's shareholders | 5,746,062 | 2,022,596 | (2,851,663) | (1,982,120) | | 2,851,663 | 1,982,120 | 5,746,062 |
| Non-controlling interest in Braskem Idesa | | | | | | (872,226) | (684,885) | (872,226) |
| | 5,746,062 | 2,022,596 | (2,851,663) | (1,982,120) | | 1,979,437 | 1,297,235 | 4,873,836 |

**Total liabilities
and
shareholders'
equity**

43,670,475 48,359,086 14,298,001 16,749,955 (5,373,028) (5,147,747) 52,595,448 59,961,294

- (i) Consolidation of Braskem Idesa with its direct subsidiary Braskem Idesa Serviços.
- (ii) Loan from Braskem as part of shareholders' s contribution to the project.
- (iii) Adjustment corresponding to the capitalization of a portion of financial charges of the loan granted by Braskem to Braskem Idesa.
- (iv) Provision recorded in the subsidiary Braskem Holanda for the negative shareholders' equity of Braskem Idesa.
- (v) The loan show in this item is owed to the non-controlling shareholder as part of shareholders' s contribution to the project and will be paid solely with the cash generated from the project.

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated**

| | Consolidated Braskem | | Braskem Idesa | | Eliminations | | Consolidated | |
|--|--------------------------------|-------------------|----------------------|-----------------|---------------------|-----------------|---------------------|-------------------|
| | Ex consolidated Braskem | Idesa | Jun/2016 | Jun/2015 | Jun/2016 | Jun/2015 | Jun/2016 | Jun/2015 |
| Net sales revenue | 23,792,548 | 21,648,879 | 318,476 | 187,994 | (52,909) | (49,777) | 24,058,115 | 21,787,096 |
| Cost of products sold | (17,333,912) | (17,253,360) | (259,479) | (197,658) | 36,687 | 32,922 | (17,556,704) | (17,418,096) |
| | 6,458,636 | 4,395,519 | 58,997 | (9,664) | (16,222) | (16,855) | 6,501,411 | 4,369,000 |
| Income (expenses) | | | | | | | | |
| Selling and distribution | (631,367) | (505,841) | (44,048) | (16,550) | | | (675,415) | (522,391) |
| General and administrative | (657,630) | (595,387) | (88,759) | (18,351) | 24,112 | 16,855 | (722,277) | (596,883) |
| Research and development | (82,628) | (82,157) | | | | | (82,628) | (82,157) |
| Results from equity investments | (466,953) | (257,642) | | 963 | 480,330 | 266,418 | 13,377 | 9,739 |
| Other operating income (expenses), net | (176,421) | (88,028) | (14,262) | (1,720) | | | (190,683) | (89,748) |
| | 4,443,637 | 2,866,464 | (88,072) | (45,322) | 488,220 | 266,418 | 4,843,785 | 3,087,560 |
| Financial results | | | | | | | | |
| Financial expenses | (2,091,486) | (1,769,098) | (739,361) | (85,181) | 103,550 | (1,261) | (2,727,297) | (1,855,540) |
| | (554,267) | 837,510 | 30,019 | 52,591 | (107,786) | (239,444) | (632,034) | 650,657 |

| | | | | | | | | |
|---|------------------|------------------|------------------|------------------|----------------|---------------|------------------|------------------|
| Financial income | (2,645,753) | (931,588) | (709,342) | (32,590) | (4,236) | (240,705) | (3,359,331) | (1,204,883) |
| Profit before income tax and social contribution | 1,797,884 | 1,934,876 | (797,414) | (77,912) | 483,984 | 25,713 | 1,484,454 | 1,882,677 |
| IR and CSL - current and deferred | (610,167) | (587,291) | 153,320 | (36,607) | | | (456,847) | (623,898) |
| | (610,167) | (587,291) | 153,320 | (36,607) | | | (456,847) | (623,898) |
| Profit for the period | 1,187,717 | 1,347,585 | (644,094) | (114,519) | 483,984 | 25,713 | 1,027,607 | 1,258,779 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated**

| Statement of cash flows | Consolidated Braskem | | | | | | | |
|--|-------------------------------|------------------|----------------------------|----------------|------------------|------------------|------------------|------------------|
| | Ex consolidated Braskem Idesa | | Braskem Idesa consolidated | | Eliminations | | Consolidated | |
| | Jun/2016 | Jun/2015 | Jun/2016 | Jun/2015 | Jun/2016 | Jun/2015 | Jun/2016 | Jun/2015 |
| Profit before income tax and social contribution | 1,797,884 | 1,934,876 | (797,414) | (77,912) | 483,984 | 25,713 | 1,484,454 | 1,882,677 |
| Adjustments for reconciliation of profit | | | | | | | | |
| Depreciation, amortization and depletion | 1,203,874 | 1,012,731 | 59,707 | 302 | (7,890) | | 1,255,691 | 1,013,033 |
| Results from equity investments | 466,953 | 256,679 | | | (480,330) | (266,418) | (13,377) | (9,739) |
| Interest and monetary and exchange variations, net | 214,597 | 866,544 | 909,746 | 423,423 | (146,261) | | 978,082 | 1,289,967 |
| Other | 12,935 | 5,301 | 24 | | | | 12,959 | 5,301 |
| | 3,696,243 | 4,076,131 | 172,063 | 345,813 | (150,497) | (240,705) | 3,717,809 | 4,181,239 |
| Changes in operating working capital | | | | | | | | |
| Held-for-trading financial investments | (409,333) | 17,441 | | | | | (409,333) | 17,441 |
| Trade accounts receivable | 651,049 | (52,278) | (27,197) | (22,201) | 18,130 | 17,846 | 641,982 | (56,633) |
| Inventories | 553,548 | (1,592) | (43,913) | 86,498 | | | 509,635 | 84,906 |

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| | | | | | | | | |
|---|------------------|------------------|--------------------|--------------------|------------------|------------------|--------------------|--------------------|
| Taxes recoverable | 626,156 | 258,075 | 60,621 | 314,447 | | | 686,777 | 572,522 |
| Other receivables | 5,899 | 5,024 | (23,384) | 3,698 | | | (17,485) | 8,722 |
| Trade payables | (2,128,717) | (989,504) | (204,469) | (246,749) | (18,130) | (17,846) | (2,351,316) | (1,254,099) |
| Taxes payable | (279,020) | 55,243 | 257,397 | 7,278 | | | (21,623) | 62,521 |
| Other payables | (381,758) | (554,467) | 160,480 | 213,100 | | | (221,278) | (341,367) |
| Cash from operations | 2,334,067 | 2,814,073 | 351,598 | 701,884 | (150,497) | (240,705) | 2,535,168 | 3,275,252 |
| Interest paid | (411,724) | (240,299) | (274,522) | (228,408) | | | (686,246) | (468,707) |
| Income tax and social contribution paid | (668,126) | (50,425) | | | | | (668,126) | (50,425) |
| Net cash generated by operating activities | 1,254,217 | 2,523,349 | 77,076 | 473,476 | (150,497) | (240,705) | 1,180,796 | 2,756,120 |
| Proceeds from the sale of fixed assets | 114 | 686 | | | | | 114 | 686 |
| Acquisitions to property, plant and equipment | (594,220) | (536,411) | (1,025,797) | (1,532,201) | 150,497 | 240,705 | (1,469,520) | (1,827,907) |
| Acquisitions of intangible assets | (16,348) | (9,670) | | | | | (16,348) | (9,670) |
| Held-for-maturity financial investments | 38,353 | (11) | | | | | 38,353 | (11) |
| Net cash used in investing activities | (572,101) | (545,406) | (1,025,797) | (1,532,201) | 150,497 | 240,705 | (1,447,401) | (1,836,902) |
| Short-term and long-term debt | | | | | | | | |
| Obtained borrowings | 1,937,284 | 2,659,341 | | | | | 1,937,284 | 2,659,341 |
| Payments of borrowings | (1,865,492) | (3,049,074) | | | | | (1,865,492) | (3,049,074) |
| Project finance | | | | | | | | |
| Obtained funds | | | 153,126 | 1,250,201 | | | 153,126 | 1,250,201 |
| Payments | 1,111 | | (228,312) | (370,979) | | | (227,201) | (370,979) |
| Related parties | | | | | | | | |
| Obtained loans (payment of loans) | (925,183) | (244,322) | 925,183 | 244,322 | | | | |

| | | | | | | |
|---|--------------------|--------------------|-----------------|------------------|--------------------|----------------|
| Dividends paid | (998,982) | (482,074) | | | (998,982) | (482,074) |
| Repurchase of treasury shares | | (927) | | | | (927) |
| Net cash used in financing activities | (1,851,262) | (1,117,056) | 849,997 | 1,123,544 | (1,001,265) | 6,488 |
| Exchange variation on cash of foreign subsidiaries | 539,202 | (81,051) | 29,578 | (16,989) | 568,780 | (98,040) |
| Increase (decrease) in cash and cash equivalents | (629,944) | 779,836 | (69,146) | 47,830 | (699,090) | 827,666 |
| Represented by | | | | | | |
| Cash and cash equivalents at the beginning for the period | 7,305,084 | 3,659,495 | 134,639 | 333,864 | 7,439,723 | 3,993,359 |
| Cash and cash equivalents at the end for the period | 6,675,140 | 4,439,331 | 65,493 | 381,694 | 6,740,633 | 4,821,025 |
| Increase (decrease) in cash and cash equivalents | (629,944) | 779,836 | (69,146) | 47,830 | (699,090) | 827,666 |

Braskem S.A.**Notes to the financial statements****at June 30, 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.

| | Jun/2016 | | | Consolidated Dec/2015 | | |
|--|-------------------|--|-------------------|----------------------------------|--|-------------------|
| | Cost | Accumulated depreciation/ depletion | Net | Cost | Accumulated depreciation/ depletion | Net |
| Land | 447,122 | | 447,122 | 479,621 | | 479,621 |
| Buildings and improvements | 5,198,083 | (967,219) | 4,230,864 | 5,435,600 | (904,324) | 4,531,276 |
| Machinery, equipment and installations | 36,238,608 | (15,340,341) | 20,898,267 | 37,401,007 | (14,513,744) | 22,887,263 |
| Projects in progress | (i) 4,276,234 | | 4,276,234 | 5,506,044 | | 5,506,044 |
| Other | 1,215,118 | (695,938) | 519,180 | 1,212,365 | (654,606) | 557,759 |
| Total | 47,375,165 | (17,003,498) | 30,371,667 | 50,034,637 | (16,072,674) | 33,961,963 |

(i) On June 30, 2016, the main amounts included in this account refer to the expenses with the subsidiary Braskem Idesa project (R\$1,331,347) and expenses with planned shutdown maintenance which is in preparation or in progress (R\$671,711). The balance corresponds mainly to diverse projects aimed at maintenance of plants' production capacity.

The capitalized charges in the period ended June 30, 2016 were R\$298,804 (R\$364,435 on June 30, 2015).

There were no significant events or circumstances in the period ended June 30, 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.

| | Jun/2016 | | | Consolidated 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 | 349,092 | (103,284) | 245,808 | 298,438 | (100,782) | 197,656 |
| Software and use rights | 575,214 | (403,830) | 171,384 | 536,786 | (336,029) | 200,757 |
| Contracts with customers and suppliers | 690,446 | (331,669) | 358,777 | 795,782 | (365,509) | 430,273 |
| Total | 4,802,474 | (1,967,587) | 2,834,887 | 4,818,728 | (1,931,124) | 2,887,604 |

There were no significant events or circumstances in the period ended June 30, 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 June 30, 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 | Jun/2016 | Consolidated Dec/2015 |
|---|---|-------------------|----------------------------------|
| <u>Foreign currency</u> | | | |
| Bonds | Note 12 (a) | 14,001,487 | 17,004,617 |
| Advances on exchange contracts | US dollar exchange variation + 3.40% | 666,711 | 255,809 |
| Export prepayment BNDES | Note 12 (b) | 740,860 | 549,036 |
| Export credit notes | Note 12 (c) | 265,891 | 409,076 |
| Working capital | Note 12 (d) | 1,155,063 | 1,405,227 |
| Transactions costs | US dollar exchange variation + 1.70% above Libor | 1,568,250 | 1,907,145 |
| | | 18,174,553 | 21,282,072 |
| Current liabilities | | 1,601,821 | 763,071 |
| Non-current liabilities | | 16,572,732 | 20,519,001 |
| Total | | 18,174,553 | 21,282,072 |
| <u>Local currency</u> | | | |
| Export credit notes | Note 12 (d) | 2,099,076 | 2,350,965 |
| BNDES | Note 12 (c) | 2,772,877 | 3,001,776 |
| BNB/ FINAME/ FINEP/ FUNDES | 6.45% | 576,012 | 642,739 |
| BNB/ FINAME/ FINEP/ FUNDES | TJLP + 1.90% | 2,015 | 2,177 |
| Fundo de Desenvolvimento do Nordeste (FDNE) | 6.50% | 49,456 | 51,939 |

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| | | | |
|---|-------------|-------------------|------------------------------------|
| Other | CDI + 0.04% | 21,693 | 23,714 |
| Transactions costs | | (14,186) | (16,582) |
| | | 5,506,943 | 6,056,728 |
| Current liabilities | | 1,043,039 | 1,205,469 |
| Non-current liabilities | | 4,463,904 | 4,851,259 |
| Total | | 5,506,943 | 6,056,728 |
| <u>Foreign currency and local currency</u> | | | |
| Current liabilities | | 2,644,860 | 1,968,540 |
| Non-current liabilities | | 21,036,636 | 25,370,260 |
| Total | | 23,681,496 | 27,338,800 |
| | | Jun/2016 | Parent company Dec/2015 |
| <u>Foreign currency</u> | | | |
| Current liabilities | | 2,076,948 | 1,361,655 |
| Non-current liabilities | | 2,555,991 | 3,355,752 |
| | | 4,632,939 | 4,717,407 |
| <u>Local currency</u> | | | |
| Current liabilities | | 1,043,039 | 1,205,469 |
| Non-current liabilities | | 4,463,904 | 4,851,260 |
| | | 5,506,943 | 6,056,729 |
| <u>Foreign currency and local currency</u> | | | |
| Current liabilities | | 3,119,987 | 2,567,124 |
| Non-current liabilities | | 7,019,895 | 8,207,012 |
| Total | | 10,139,882 | 10,774,136 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(a) Bonds**

| Issue date | Issue amount | Maturity | Interest | Jun/2016 | Consolidated |
|-------------------|---------------------|------------------|---------------------|-------------------|---------------------|
| | US\$ | | (% per year) | | Dec/2015 |
| September - 2006 | 275,000 | January - 2017 | 8.00 | 185,476 | 225,637 |
| June - 2008 | 500,000 | June - 2018 | 7.25 | 427,204 | 539,327 |
| May - 2010 | 400,000 | May - 2020 | 7.00 | 154,611 | 188,088 |
| May - 2010 | 350,000 | May - 2020 | 7.00 | 1,135,008 | 1,380,764 |
| October - 2010 | 450,000 | no maturity date | 7.38 | 1,469,858 | 1,757,160 |
| April - 2011 | 750,000 | April - 2021 | 5.75 | 2,428,067 | 2,953,803 |
| July - 2011 | 500,000 | July - 2041 | 7.13 | 1,655,086 | 2,013,453 |
| February - 2012 | 250,000 | April - 2021 | 5.75 | 812,063 | 987,894 |
| February - 2012 | 250,000 | no maturity date | 7.38 | 816,588 | 976,200 |
| May - 2012 | 500,000 | May - 2022 | 5.38 | 1,618,798 | 1,969,307 |
| July - 2012 | 250,000 | July - 2041 | 7.13 | 827,543 | 1,006,727 |
| February - 2014 | (i) 500,000 | February - 2024 | 6.45 | 1,647,457 | 2,004,171 |
| May - 2014 | (ii) 250,000 | February - 2024 | 6.45 | 823,728 | 1,002,086 |
| Total | 5,225,000 | | | 14,001,487 | 17,004,617 |

(i) Effective interest rate including transaction costs is 7.78% p.a.;

(ii) Effective interest rate including transaction costs is 7.31% p.a.

(b) Export prepayments**Initial amount**

| Issue date | of the transaction | US\$ | Maturity Charges (% per year) | C |
|-------------------|---------------------------|----------------|---|---------------|
| January - 2013 | | 200,000 | November - 2022 US dollar exchange variation + semiannual Libor + 3.40% | 418,87 |
| May - 2016 | | 50,000 | May - 2017 US dollar exchange variation + semiannual Libor + 3.35% | 161,01 |
| June- 2016 | | 50,000 | December - 2016 US dollar exchange variation + semiannual Libor + 3.55% | 160,96 |
| Total | | 300,000 | | 740,86 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(c) BNDES borrowings**

| Projects | Issue date | Maturity Charges (% per year) | Jun/2016 | Dec/2016 |
|--------------------------------|-------------------|--|------------------|------------------|
| <u>Foreign currency</u> | | | | |
| Other | 2006 | October - 2016 US dollar exchange variation + 6.91 | 1,053 | 3,200 |
| Braskem Qpar expansion | 2007/2008 | April - 2016 US dollar exchange variation + 6.89 | | 2,400 |
| Green PE | 2009 | July - 2017 US dollar exchange variation + 6.69 | 16,506 | 29,300 |
| Limit of credit II | 2009 | January - 2017 US dollar exchange variation + 6.69 | 20,956 | 47,300 |
| New plant PVC Alagoas | 2010 | January - 2020 US dollar exchange variation + 6.69 | 92,899 | 128,800 |
| Limit of credit III | 2011 | October - 2018 US dollar exchange variation + 6.53 to 6.56 | 98,581 | 149,400 |
| Butadiene | 2011 | January - 2021 US dollar exchange variation + 6.56 | 35,896 | 48,400 |
| | | | 265,891 | 409,000 |
| <u>Local currency</u> | | | | |
| Other | 2006 | September - 2016 TJLP + 2.80 | 4,531 | 13,500 |
| Braskem Qpar expansion | 2007/2008 | February - 2016 TJLP + 2.15 to 3.30 | | 5,300 |
| Green PE | 2009 | June - 2017 TJLP + 0.00 to 4.78 | 80,014 | 119,200 |
| Limit of credit II | 2009 | January - 2017 TJLP + 2.58 to 3.58 | 46,087 | 85,000 |
| Limit of credit II | 2009 | January - 2021 4.00 to 4.50 | 86,643 | 96,600 |
| New plant PVC Alagoas | 2010 | December - 2019 TJLP + 0.00 to 3.58 | 207,506 | 235,600 |
| New plant PVC Alagoas | 2010 | December - 2019 5.50 | 23,387 | 26,700 |
| Limit of credit III | 2011 | December - 2021 TJLP + 0.00 to 3.58 | 1,017,124 | 1,154,500 |
| Limit of credit III | 2011 | December - 2021 SELIC + 2.32 to 2.78 | 274,863 | 284,200 |
| Limit of credit III | 2011 | December - 2021 3.50 to 7.00 | 209,303 | 230,100 |
| Butadiene | 2011 | December - 2020 TJLP + 0.00 to 3.45 | 87,364 | 96,400 |
| Finem | 2014 | March - 2021 TJLP + 0.00 to 2.78 | 212,023 | 215,300 |
| Finem | 2014 | March - 2021 SELIC + 2.78 | 167,039 | 160,600 |
| Finem | 2014 | March - 2021 6.00 | 6,330 | 6,600 |
| Limit of credit IV | 2015 | January - 2022 TJLP + 0.00 a 2.62 | 176,498 | 140,000 |
| Limit of credit IV | 2015 | January - 2022 SELIC + 2.32 | 174,165 | 131,500 |
| | | | 2,772,877 | 3,001,700 |
| Total | | | 3,038,768 | 3,410,800 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(d) Export credit notes ("NCE")**

| Issue date | Initial amount of the transaction | Maturity Charges (% per year) | Jun/2016 | Consolidated Dec/2015 |
|-------------------------|--|---|------------------|----------------------------------|
| Foreign currency | | US\$ | | |
| November - 2006 | 167,014 | May - 2018 Us dollar exchange variation + 8.10 | 253,237 | 308,069 |
| April - 2007 | 101,605 | March - 2018 Us dollar exchange variation + 7.87 | 163,402 | 198,782 |
| May - 2007 | 146,010 | May - 2019 Us dollar exchange variation + 7.85 | 242,310 | 294,840 |
| January - 2008 | 266,430 | February - 2020 Us dollar exchange variation + 7.30 | 496,114 | 603,536 |
| | 681,059 | | 1,155,063 | 1,405,227 |
| Local currency | | Reais | | |
| April - 2010 | 50,000 | October - 2021 105% of CDI | 36,672 | 36,653 |
| June - 2010 | 200,000 | October - 2021 105% of CDI | 146,689 | 146,611 |
| February - 2011 | 250,000 | October - 2021 105% of CDI | 146,689 | 146,611 |
| April - 2011 (i) | 450,000 | April - 2019 112,5% of CDI | 464,031 | 464,039 |
| June - 2011 | 80,000 | October - 2021 105% of CDI | 58,676 | 58,644 |
| August - 2011 (i) | 400,000 | August - 2019 112,5% of CDI | 405,713 | 405,478 |
| June - 2012 | 100,000 | October - 2021 105% of CDI | 73,345 | 73,305 |
| September - 2012 | 300,000 | October - 2021 105% of CDI | 220,034 | 219,917 |
| October - 2012 | 85,000 | October - 2021 105% of CDI | 62,343 | 62,310 |
| February - 2013 (ii) | 100,000 | September - 2017 8.00 | 101,183 | 101,118 |
| February - 2013 | 100,000 | February - 2016 8.00 | | 101,248 |
| February - 2013 (ii) | 50,000 | September - 2017 8.00 | 50,440 | 50,440 |
| February - 2013 | 100,000 | February - 2016 8.00 | | 101,118 |
| March - 2013 | 50,000 | March - 2016 8.00 | | 50,253 |
| June - 2014 (ii) | 50,000 | June - 2017 7.50 | 50,000 | 50,010 |
| June - 2014 (ii) | 17,500 | June - 2017 8.00 | 17,500 | 17,504 |
| June - 2014 (ii) | 10,000 | June - 2017 8.00 | 10,000 | 10,002 |
| September - 2014 | 100,000 | August - 2020 108% of CDI | 104,699 | 104,642 |

| | | | | |
|----------------------|------------------|----------------------|------------------|------------------|
| November - 2014 (ii) | 150,000 | November - 2017 8.00 | 151,062 | 151,062 |
| | 2,642,500 | | 2,099,076 | 2,350,965 |
| Total | | | 3,254,139 | 3,756,192 |

(i) The Company enters into swap transactions to offset the variation in the Interbank Certificate of Deposit (CDI) rate (Note 14.3.1 (a.i)).

(ii) The Company enters into swap transactions for these contracts (from fixed rate to 67.10% to 92.70% of CDI) (Note 14.3.1).

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(e) Payment schedule**

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

| | Jun/2016 | Consolidated Dec/2015 |
|---------------------|-------------------|----------------------------------|
| 2017 | 916,111 | 1,737,331 |
| 2018 | 2,334,397 | 2,633,143 |
| 2019 | 3,042,935 | 3,320,800 |
| 2020 | 2,390,097 | 2,757,234 |
| 2021 | 3,572,521 | 4,257,177 |
| 2022 | 1,711,259 | 2,071,030 |
| 2023 | 7,797 | 7,540 |
| 2024 | 2,423,733 | 2,944,726 |
| 2025 and thereafter | 4,637,786 | 5,641,279 |
| Total | 21,036,636 | 25,370,260 |

(f) Guarantees

Braskem gave collateral for part of its borrowings as follows:

| Loans | Maturity | Total Jun/2016 | Total guaranteed | Guarantees |
|--------------|-----------------|---------------------------|-----------------------------|--|
| BNB | December - 2022 | 144,444 | 144,444 | Mortgage of plants, pledge of machinery and equipment |
| BNB | August - 2024 | 232,418 | 232,418 | Bank surety |
| BNDES | December - 2021 | 3,038,768 | 3,038,768 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FUNDES | June - 2020 | 127,791 | 127,791 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FINEP | July - 2024 | 71,359 | 71,359 | Bank surety |
| FINAME | February - 2022 | 2,015 | 2,015 | Pledge of equipment |
| Total | | 3,616,795 | 3,616,795 | |

Braskem S.A.**Notes to the financial statements****at June 30, 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 | US\$ Value received | Maturity Charges (% per year) |
|-----------------------|-----------------------|--------------------------------|--|
| Project finance I | 700,000 | 700,000 | February - 2027 Us dollar exchange variation + quarterly Libor + 3.2 |
| 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 + 3.8 |
| Project finance V | 400,000 | 400,000 | February - 2029 Us dollar exchange variation + quarterly Libor + 4.6 |
| Project finance VI | 90,000 | 89,994 | February - 2029 Us dollar exchange variation + quarterly Libor + 2.7 |
| Project finance VII | 533,095 | 533,095 | February - 2029 Us dollar exchange variation + quarterly Libor + 4.6 |
| Transactions costs | | | |
| Total | 3,193,095 | 3,193,089 | |

VAT borrowings (i)

November - 2029 2.00% above THIE (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.

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

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

| | Jun/2016 | Consolidated Dec/2015 |
|---------------------|------------------|----------------------------------|
| 2017 | 339,362 | 687,211 |
| 2018 | 711,860 | 840,247 |
| 2019 | 739,202 | 872,994 |
| 2020 | 867,222 | 1,025,621 |
| 2021 | 990,746 | 1,172,569 |
| 2022 | 825,388 | 977,593 |
| 2023 | 1,092,787 | 1,294,219 |
| 2024 | 1,182,270 | 1,400,843 |
| 2025 | 1,181,783 | 1,398,554 |
| 2026 | 1,040,497 | 1,210,426 |
| 2027 and thereafter | 927,196 | 1,094,890 |
| Total | 9,898,313 | 11,975,167 |

14. Financial instruments

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

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

14.1. 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;

Level 2 – fair value obtained from financial models using directly observable market data, such as discounted cash flow, when the instrument is a forward purchase/sale or a swap contract, or such as the Black-Scholes model, when the instrument has the characteristics of an option. To measure the credit risk of the parties involved in derivative instruments, Braskem uses the CVA (Credit Valuation Adjustments) or DVA (Debt Valuation Adjustments) models, which calculates the mark-to-market of each transaction. The Company adopts the credit ratings of counterparties for positive flows and its own rating to negative flows, available and disclosed by rating agencies renowned, as a necessary premise to extract the probability of default.

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

14.2. Non-derivative financial instruments – consolidated

| | Note | Classification by category | Fair value hierarchy | Book value Jun/2016 | Dec/2015 | Fair value Jun/2016 | Dec/2015 |
|---------------------------------------|------|-------------------------------|-------------------------|------------------------|-------------------|------------------------|-------------------|
| Cash and cash equivalents | 3 | | | | | | |
| Cash and banks | | | | 2,255,217 | 873,966 | 2,255,217 | 873,966 |
| Financial investments in Brazil | | Held-for-trading | Level 2 | | 605,770 | | 605,770 |
| Financial investments in Brazil | | Loans and receivables | | 2,448,427 | 1,823,225 | 2,448,427 | 1,823,225 |
| Financial investments abroad | | Held-for-trading | Level 2 | 2,036,989 | 4,136,762 | 2,036,989 | 4,136,762 |
| | | | | 6,740,633 | 7,439,723 | 6,740,633 | 7,439,723 |
| Financial investments | 4 | | | | | | |
| Time deposit investments | | Held-for-trading | Level 2 | 427,688 | | 427,688 | |
| Other | | Held-for-trading | Level 2 | 531 | 1,172 | 531 | 1,172 |
| Quotas of receivables investment fund | | Held-to-maturity | | | 46,193 | | 46,193 |
| | | | | 428,219 | 47,365 | 428,219 | 47,365 |
| Trade accounts receivable | 5 | | | 2,112,870 | 2,754,966 | 2,112,870 | 2,754,966 |
| Related parties credits | 7 | Loans and receivables | | 320,594 | 155,140 | 320,594 | 155,140 |
| Trade payables | | | | 7,920,944 | 11,755,843 | 7,920,944 | 11,755,843 |
| Borrowings | 12 | | | | | | |
| Foreign currency - Bond | | | Level 1 | 14,001,487 | 17,004,617 | 13,906,409 | 14,434,855 |
| Foreign currency - other borrowings | | | | 4,396,775 | 4,526,293 | 4,396,775 | 4,526,293 |
| Local currency | | | | 5,521,129 | 6,073,310 | 5,521,129 | 6,073,310 |
| | | | | 23,919,391 | 27,604,220 | 23,824,313 | 25,034,458 |
| Project finance | 13 | | | 10,486,790 | 12,450,673 | 10,486,790 | 12,450,673 |

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Non-controlling loan in Braskem Idesa | 1,573,753 | 1,538,784 | 1,573,753 | 1,538,784 |
| Other payables (BNDESPAR) | 168,577 | 273,294 | 168,577 | 273,294 |

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

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

14.3.1 Changes

| Identification | Note | Fair value hierarchy | Operation characteristics Principal exposure | Derivatives | Accumulated OCI (equity) | Net | | |
|--|--------------|----------------------|---|------------------|--------------------------|--------------------|----------------------|----------------------|
| | | | | | | Liability Dec/2015 | Change in fair value | Financial settlement |
| Non-hedge accounting transactions | | | | | | | | |
| Exchange swap | | Level 2 | Argentine peso | Dollar | | (38,990) | 4,154 | 34,836 |
| Interest rate swaps | | Level 2 | Fixed rate | CDI | | 8,351 | (2,254) | (5,256) |
| | | | | | | (30,639) | 1,900 | 29,580 |
| Hedge accounting transactions | | | | | | | | |
| Exchange swap | 14.3.1 (a.i) | Level 2 | CDI | Dollar+Interests | 513,670 | 1,172,125 | (358,655) | 4,782 |
| Interest rate swaps | 14.3.1 (a.i) | Level 2 | Libor | Fixed price | 473,710 | 35,073 | 149,984 | (31,177) |
| | | | | | 987,380 | 1,207,198 | (208,671) | (26,395) |
| Derivatives operations | | | | | | | | |
| Current assets | | | | | | (53,662) | | |
| Non-current assets | | | | | | (12,280) | | |
| Current liabilities | | | | | | 57,760 | | |
| Non-current liabilities | | | | | | 1,184,741 | | |
| | | | | | | 1,176,559 | | |

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

| Identification | Nominal value | Hedge | | Fair value, net | |
|--------------------------------------|----------------------|-----------------------------------|-----------------|------------------------|------------------|
| | | Financial charges per year | Maturity | Jun/2016 | Dec/2015 |
| Swap NCE I | 200,000 | Exchange variation + 6.15% | August - 2019 | 213,544 | 301,325 |
| Swap NCE II | 100,000 | Exchange variation + 6.15% | August - 2019 | 103,797 | 147,021 |
| Swap NCE III | 100,000 | Exchange variation + 6.15% | August - 2019 | 101,733 | 144,496 |
| Swap NCE IV | 100,000 | Exchange variation + 5.50% | April - 2019 | 85,370 | 124,071 |
| Swap NCE V | 100,000 | Exchange variation + 5.50% | April - 2019 | 85,284 | 123,966 |
| Swap NCE VI | 150,000 | Exchange variation + 7.90% | April - 2019 | 139,845 | 203,675 |
| Swap NCE VII | 100,000 | Exchange variation + 4.93% | April - 2019 | 88,679 | 127,571 |
| Total | 850,000 | | | 818,252 | 1,172,125 |
| <u>Derivatives operations</u> | | | | | |
| Current assets | | | | (19,187) | (12,616) |
| Non-Current liabilities | | | | 837,439 | 1,184,741 |
| Total | | | | 818,252 | 1,172,125 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(a.ii) Hedge operation by Braskem Idesa related to project finance**

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

Interest rate swap linked to Libor

| Identification | Nominal value US\$ | Hedge interest rate per year | Maturity | Jun/2016 | Fair value, net Dec/2015 |
|--------------------------------------|-----------------------------------|---|-----------------|-----------------|-------------------------------------|
| Swap Libor I | 299,996 | 1.9825% | May - 2025 | 35,158 | 7,997 |
| Swap Libor II | 299,996 | 1.9825% | May - 2025 | 35,176 | 8,050 |
| Swap Libor III | 299,996 | 1.9825% | May - 2025 | 35,154 | 7,956 |
| Swap Libor IV | 129,976 | 1.9825% | May - 2025 | 15,232 | 3,465 |
| Swap Libor V | 132,996 | 1.9825% | May - 2025 | 15,595 | 3,569 |
| Swap Libor VI | 149,932 | 1.9825% | May - 2025 | 17,565 | 4,036 |
| Total | 1,312,892 | | | 153,880 | 35,073 |
| <u>Derivatives operations</u> | | | | | |
| Non-current assets | | | | | (12,280) |
| Current liabilities | | | | 31,885 | 47,353 |
| Non-current liabilities | | | | 121,995 | |
| Total | | | | 153,880 | 35,073 |

14.4. 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 variation on the designated liabilities, partly eliminating the volatility of results.

Exports that were designated and not yet realized are shown below:

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2016 | 421,744 |
| 2017 | 829,685 |
| 2018 | 787,894 |
| 2019 | 733,980 |
| 2020 | 724,000 |
| 2021 | 716,000 |
| 2022 | 719,000 |
| 2023 | 718,372 |
| 2024 | 688,853 |
| | 6,339,528 |

The following table provides the balances of exchange variation recognized in the Company's net financial income (expenses) due to the realization of exports designated for hedge accounting for the period ended June 30, 2016:

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

| | 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 |
| Second quarter | 210.752 | 2.0017 | 3.6408 | 345,443 |
| | | | | 767,243 |

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

| | Dec/2015 | Exports in the period | US\$ Jun/2016 |
|--------------------|-----------------|----------------------------------|--------------------------|
| Designated balance | 6,757,231 | (417.703) | 6,339,528 |

On June 30, 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 | 1,345,430 |
| 2017 | 605,407 |
| 2018 | 1,147,280 |
| 2019 | 444,236 |
| 2020 | 570,782 |
| 2021 | 1,017,703 |
| 2022 | 519,837 |
| 2024 | 688,853 |
| | 6,339,528 |

The changes in foreign exchange variation and Income Tax and Social Contribution under “Other comprehensive income” are as follows:

| | Exchange variation | IR and CSL | Net effect |
|---|-------------------------------|-------------------|-----------------------|
| At December 31, 2015 | (12,859,687) | 4,372,294 | (8,487,393) |
| Exchange variation recorded in the period on OCI / IR and CSL | 4,433,659 | (1,507,444) | 2,926,215 |
| Exchange variation transferred to profit or loss / IR and CSL | 767,243 | (260,863) | 506,380 |
| At June 30, 2016 | (7,658,785) | 2,603,987 | (5,054,798) |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(a.ii) Liabilities related to the Project Finance of future sales in U.S. dollar**

On June 30, 2016, hedged sales were distributed as follows:

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2016 | 51,415 |
| 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 |
| | 3,176,730 |

In May 2016, Braskem Idesa prepaid US\$12.230 of the Project Finance debt that was designated as hedge instrument of future sales. As a result of the decision, this amount was discontinued prospectively. The following table provides the balance of exchange variation of the discontinued amount, on June 30, 2016, which is recorded in Braskem Idesa's shareholders' equity under "Other comprehensive income" and will be transferred to financial income (expenses) according to the schedule of future hedged sales as they occur:

| | Total nominal value US\$ | Conversion rate at Inception MXN/US\$ | Closing rate MXN/US\$ | Total nominal value MXN | Total nominal value R\$ |
|--------------------|-------------------------------------|--|----------------------------------|------------------------------------|------------------------------------|
| Hedge discontinued | 12,230 | 13.4541 | 17.9915 | 55,000 55.000 | 10,212 10,212 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated**

The following table provides the balances of exchange variation recognized in Braskem Idesa's financial income (expenses) due to the realization of future sales designated for hedge accounting over the course of the period ended June 30, 2016:

| | Total nominal value US\$ | at Inception MXN/US\$ | Closing rate MXN/US\$ | Total nominal value MXN | Total nominal value R\$ |
|------------------------------|-------------------------------------|----------------------------------|----------------------------------|------------------------------------|------------------------------------|
| Second quarter/2016 sales | 16,359 | 13.4541 | 18.1409 | 77,000 | 14,297 |
| | | | | 77,000 | 14,297 |

The following table shows the changes related to hedge operations in 2016:

| | | Sales in the period | Hedge discontinued | US\$ Jun/2016 |
|--------------------|-----------------|--------------------------------|-------------------------------|--------------------------|
| Designated balance | Dec/2015 | 3,193,089 | (16,359) | (12,230) |
| | | | | 3,164,500 |

On June 30, 2016, the maturities of financial liabilities were distributed as follows:

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2016 | 51,316 |
| 2017 | 182,900 |
| 2018 | 221,363 |
| 2019 | 228,828 |
| 2020 | 266,177 |
| 2021 | 302,808 |
| 2022 | 252,717 |
| 2023 | 332,452 |
| 2024 | 358,869 |
| 2025 | 357,214 |
| 2026 | 308,644 |
| 2027 | 150,469 |
| 2028 | 124,414 |
| 2029 | 26,329 |
| | 3,164,500 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated**

The changes in foreign exchange variation and Income Tax and Social Contribution under “Other comprehensive income” are as follows:

| | Exchange variation | IR | Net effect |
|---|-------------------------------|------------------|-----------------------|
| At December 31, 2015 | (2,246,820) | 674,046 | (1,572,774) |
| Exchange variation recorded in the period on OCI / IR | (1,093,972) | 332,538 | (761,434) |
| Exchange variation transferred to profit or loss / IR | 14,297 | (4,346) | 9,951 |
| At June 30, 2016 | (3,326,495) | 1,002,238 | (2,324,257) |

14.5. Credit quality of financial assets**(a) Trade accounts receivable**

On June 30, 2016, the credit ratings for the domestic market were as follows:

| | Jun/2016 | Dec/2015 |
|------------------|-----------------|-----------------|
| | (%) | |
| 1 Minimum risk | 8.62 | 7.67 |
| 2 Low risk | 35.87 | 42.84 |
| 3 Moderate risk | 32.21 | 33.07 |
| 4 High risk | 21.02 | 13.74 |
| 5 Very high risk | (i) 2.27 | 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.

Default indicators for the periods ended:

| | Domestic Market | Last 12 months Export Market |
|-------------------|----------------------------|---|
| June 30, 2016 | 0.27% | 0.10% |
| December 31, 2015 | 0.39% | 0.70% |
| June 30, 2015 | 0.26% | 0.71% |

(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 within the limits established in its financial policy approved by the Board of Directors.

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated**

| | Jun/2016 | Dec/2015 |
|---|------------------|------------------|
| Financial assets with risk assessment | | |
| AAA | 3,020,322 | 5,982,393 |
| AA+ | 101,384 | |
| AA | 5,030 | 27,753 |
| AA- | 1,429,225 | 163,188 |
| A+ | 2,207,026 | 1,076,803 |
| A | 8,775 | 69,576 |
| A- | 342,052 | 120,219 |
| BBB+ | 51,388 | |
| | 7,165,202 | 7,439,932 |
| Financial assets without risk assessment | (i) | |
| Quotas of investment funds in credit rights | | 46,193 |
| Other financial assets with no risk assessment | 3,650 | 963 |
| | 3,650 | 47,156 |
| Total | 7,168,852 | 7,487,088 |

(i) Investments approved by the Management of the Company, as permitted by the financial policy.

14.6. 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 June 30, 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 June 30, 2016, with a probability of 5%, and under normal market conditions, was estimated by the Company at US\$31,018 for the NCE exchange rate swap (Note 14.3.1(a.i)); US\$9,566 for the swap of Libor related to Braskem Idesa's project (Note 14.3.1 (a.ii)).

Braskem S.A.

Notes to the financial statements

at June 30, 2016

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(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 June 30, 2016. According to the Market Readout, at the end of 2016, the U.S. dollar will appreciate by 12.16% against the Brazilian real, compared to the closing PTAX rate at June 30, 2016, while the Selic rate will be 13.75% 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 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 June 30, 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%) | Gain (loss) Extreme adverse (50%) |
|--|-----------------|-----------------------------------|--|
| Brazilian real/U.S. dollar exchange rate | | | |
| Bonds | (1,676,558) | (3,447,857) | (6,895,714) |
| BNDES | (32,323) | (66,473) | (132,945) |
| Working capital / structured operations | (331,060) | (680,828) | (1,361,657) |
| Export prepayments | (88,403) | (181,803) | (363,605) |
| Project finance | (1,254,568) | (2,580,032) | (5,160,063) |
| Advance on exchange contracts - ACC | (81,049) | (166,678) | (333,355) |
| Swaps | (207,364) | (426,450) | (645,538) |
| Exchange rate contracts | 625,310 | 1,285,956 | 2,571,912 |
| Brazilian real/Mexican Peso exchange rate | | | |
| Working capital / structured operations | (16,085) | (10,663) | (21,326) |
| Selic interest rate | | | |
| BNDES | 13,050 | (99,732) | (212,114) |
| Libor floating interest rate | | | |
| Working capital / structured operations | (1,681) | (8,406) | (16,813) |
| Export prepayments | (1,478) | (7,390) | (14,781) |
| Swaps | 3,893 | 19,274 | 38,082 |
| CDI interest rate | | | |

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| | | | |
|---|-----------------|-------------------------|------------------------|
| NCE | 13,823 | (102,889) | (213,751) |
| NCA | 21,412 | (165,623) | (356,051) |
| Swaps and NCE | 227 | (1,572) | (3,069) |
| Financial investments in local currency | (4,735) | 33,461 | 66,453 |
| | Probable | Possible adverse | Extreme adverse |
| Instrument / Sensitivity | 8.0% | 8.5% | 9.0% |
| TJLP interest rate | | | |
| BNDES | (48,154) | (97,352) | (147,611) |
| Other government agents | (54) | (109) | (166) |

Braskem S.A.**Notes to the financial statements****at June 30, 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.

| | Jun/2016 | Consolidated Dec/2015 | Jun/2016 | Parent company Dec/2015 |
|--|-----------------|----------------------------------|-----------------|------------------------------------|
| Parent Company and subsidiaries in Brazil | | | | |
| IPI | 68,124 | 61,784 | 62,418 | 48,579 |
| IR and CSL | 185,096 | 175,963 | 68,384 | 31,325 |
| ICMS | 149,078 | 149,811 | 128,824 | 110,669 |
| Other | 80,695 | 88,198 | 49,558 | 56,557 |
| Other countries | | | | |
| Income tax | 57,461 | 238,645 | | |
| Value-added tax | 83,812 | 56,975 | | |
| Total | 624,266 | 771,376 | 309,184 | 247,130 |
| Current liabilities | 594,574 | 744,660 | 281,053 | 221,305 |
| Non-current liabilities | 29,692 | 26,716 | 28,131 | 25,825 |
| Total | 624,266 | 771,376 | 309,184 | 247,130 |

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**

| | Jun/2016 | Consolidated Jun/2015 | Jun/2016 | Parent company Jun/2015 |
|--|------------------|----------------------------------|------------------|------------------------------------|
| Income before IR and CSL | 1,484,454 | 1,882,677 | 1,243,964 | 1,791,853 |
| IR and CSL at the rate of 34% | (504,714) | (640,110) | (422,948) | (609,230) |
| Permanent adjustments to the IR and CSL calculation basis | | | | |
| IR and CSL on equity in results of investees | 4,548 | 3,311 | 368,242 | 160,704 |
| IR and CSL on prior years | 6,729 | | 6,729 | |
| Other permanent adjustments | 36,590 | 12,901 | (8,270) | 4,258 |
| Effect of IR and CSL on results of operations | (456,847) | (623,898) | (56,247) | (444,268) |
| Breakdown of IR and CSL: | | | | |
| Current IR and CSL | (550,769) | (122,275) | (35,354) | (2,982) |
| Deferred IR and CSL | 93,922 | (501,623) | (20,893) | (441,286) |
| Total IR and CSL on income statement | (456,847) | (623,898) | (56,247) | (444,268) |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(b) Breakdown of deferred income tax and social contribution**

| | | Consolidated | | Parent company |
|--|------------------|---------------------|------------------|-----------------------|
| Assets | Jun/2016 | Dec/2015 | Jun/2016 | Dec/2015 |
| Tax losses (IR) and negative base (CSL) | 2,214,321 | 2,144,798 | 258,265 | 288,285 |
| Goodwill amortized | 5,321 | 6,017 | 5,321 | 6,017 |
| Exchange variations | 1,142,876 | 2,925,895 | 1,133,294 | 2,917,700 |
| Temporary adjustments | 82,151 | 50,628 | 749,403 | 823,784 |
| Business combination | 190,289 | 189,403 | 89,769 | 89,770 |
| Deferred charges - write-off | | 20,848 | | 20,848 |
| | 3,634,958 | 5,337,589 | 2,236,052 | 4,146,404 |
| Liabilities | | | | |
| Amortization of goodwill based on future profitability | 751,980 | 735,019 | 663,152 | 646,194 |
| Tax depreciation | 845,292 | 815,243 | 773,437 | 746,432 |
| Temporary differences | 438,941 | 521,030 | 11,245 | 11,702 |
| Business combination | 207,526 | 217,182 | 75,948 | 79,154 |
| Additional indexation PP&E | 103,716 | 110,731 | 103,716 | 110,731 |
| Amortization of fair value adjustments on the assets from the acquisition of Braskem | | | | |
| Qpar | 276,606 | 289,528 | 276,606 | 289,529 |
| Other | 119,012 | 153,590 | 63,837 | 83,308 |
| | 2,743,073 | 2,842,323 | 1,967,941 | 1,967,050 |
| Net | 891,885 | 2,495,266 | 268,111 | 2,179,354 |
| Presentation in the Balance Sheet: | | | | |
| Assets | 1,550,792 | 3,226,507 | 268,110 | 2,179,354 |
| (-) Liabilities | 658,907 | 731,241 | | |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(c) Net balance of deferred income and social contribution tax assets and liabilities (consolidated)**

| | Headquarters (Country) | Asset | IR and CSL Liability | Jun/2016 Balance |
|--|-----------------------------------|------------------|---------------------------------|-----------------------------|
| Assets | | | | |
| Braskem | Brazil | 2,236,051 | (1,967,941) | 268,110 |
| Braskem Argentina | Argentina | 11,122 | | 11,122 |
| Braskem Alemanha | Germany | 65,006 | | 65,006 |
| Braskem Idesa | Mexico | 1,149,663 | (50,381) | 1,099,282 |
| Braskem México Serviços | Mexico | 1,594 | | 1,594 |
| Braskem Chile | Chile | 121 | | |
| Quantiq | Brazil | 6,679 | (1,643) | 5,036 |
| Braskem Petroquímica - business combination effects | Brazil | 100,521 | | 100,521 |
| | | 3,570,757 | (2,019,965) | 1,550,671 |
| Liabilities | | | | |
| Braskem America | USA | | (427,695) | (427,695) |
| Braskem Petroquímica | Brazil | 64,201 | (163,835) | (99,634) |
| Braskem Petroquímica - business combination effects | Brazil | | (131,578) | (131,578) |
| | | 64,201 | (723,108) | (658,907) |

| | Headquarters (Country) | Asset | IR and CSL Liability | Dec/2015 Balance |
|---------------|-----------------------------------|--------------|---------------------------------|-----------------------------|
| Assets | | | | |

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| | | | | |
|---|-----------|------------------|--------------------|------------------|
| Braskem | Brazil | 4,146,404 | (1,967,050) | 2,179,354 |
| Braskem Argentina | Argentina | 8,235 | | 8,235 |
| Braskem Alemanha | Germany | 104,785 | | 104,785 |
| Braskem Idesa | Mexico | 890,723 | (65,306) | 825,417 |
| Braskem México Serviços | Brasil | 2,894 | | 2,894 |
| Quantiq | Brasil | 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) |
| Braskem Chile | Chile | 125 | (175) | (50) |
| | | 77,103 | (808,344) | (731,241) |

(d) Realization of deferred income tax and social contribution

In the period ended June 30, 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 June 30, 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.

| | Consolidated | | Parent company | |
|---|---------------------|-----------------|-----------------------|-----------------|
| | Jun/2016 | Dec/2015 | Jun/2016 | Dec/2015 |
| Provision for customers rebates | 41,733 | 46,929 | 32,162 | 22,606 |
| Provision for recovery of environmental damages | 100,837 | 127,227 | 88,451 | 112,887 |
| Judicial and administrative provisions | 593,416 | 554,479 | 541,459 | 501,292 |
| Other | 16,971 | 19,279 | 2,569 | 1,754 |
| Total | 752,957 | 747,914 | 664,641 | 638,539 |
| Current liabilities | 69,609 | 93,942 | 59,261 | 67,190 |
| Non-current liabilities | 683,348 | 653,972 | 605,380 | 571,349 |
| Total | 752,957 | 747,914 | 664,641 | 638,539 |

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

| | Consolidated | | Parent company | |
|-------------------|---------------------|-----------------|-----------------------|-----------------|
| | Jun/2016 | Dec/2015 | Jun/2016 | Dec/2015 |
| Labor claims | 169,046 | 158,711 | 160,700 | 148,884 |
| Tax claims | | | | |
| Normal operations | | | | |
| IR and CSL | 8,029 | 8,029 | 8,029 | 8,029 |
| PIS and COFINS | 4,495 | 4,495 | 4,495 | 4,495 |

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| | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|
| ICMS - other | 22,601 | 22,601 | 22,601 | 22,601 |
| Other tax claims | 48,604 | 38,337 | 47,995 | 38,317 |
| | 83,729 | 73,462 | 83,120 | 73,442 |
| Business Combination | | | | |
| IR and CSL | 42,830 | 40,223 | | |
| PIS and COFINS | 47,785 | 44,771 | 47,785 | 44,771 |
| ICMS - interstate purchases | 208,636 | 195,320 | 208,636 | 195,320 |
| ICMS - other | 15,331 | 14,364 | 15,331 | 14,364 |
| | 314,582 | 294,678 | 271,752 | 254,455 |
| Societary claims and other | 26,059 | 27,628 | 25,887 | 24,511 |
| | 593,416 | 554,479 | 541,459 | 501,292 |

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

18. Contingencies

(a) Allegations

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

In early March 2015, in connection with the operation by Brazilian Federal Police called Operation Car Wash (Lava Jato), statements made by defendants in judicial proceedings of a criminal nature were made public, in which Braskem, certain former managers and one former executive were mentioned in allegations asserting that improper payments were made in exchange for favorable treatment in connection with certain feedstock supply agreements entered into with Petrobras.

In light of said facts, the Company's Management and Board of Directors immediately approved the engagement of law firms with vast experience in similar cases in the United States and Brazil ("Expert Firms") to conduct an independent internal investigation into the allegations mentioned above ("Investigation"). Through said Expert Firms, Braskem voluntarily contacted the agencies regulating the capital markets in Brazil (Securities and Exchange Commission of Brazil - CVM) and the United States (Securities and Exchange Commission – SEC), as well as the U.S. Department of Justice – DoJ, to advise them of the launch of the Investigation.

The Expert Firms report directly to an Ad Hoc committee of the Board of Directors of the Company and to the applicable authorities. The Company, through the Expert Firms, has maintained frequent contact and cooperated with said authorities. The cooperation of the Company with said authorities included voluntarily producing documents, responding to requests for documents, including formal requests by the SEC (subpoena) in February and July 2016, as well as an official request by the Office of the Federal Controller General in July 2016. In this context, the Company will begin dialogues with the DoJ and the SEC to clarify additional allegations of unlawful acts arising in connection

with the investigations involving third parties. The future flow of information between the Company, the DoJ and the SEC, as well as any information obtained during the Investigation but not yet verified by the Expert Firms, may confirm the allegations of said unlawful acts.

At this time, the Company is unable to measure the extent to which the confirmation of said allegations, any parallel investigations or any agreement with the applicable authorities may impact the Company and the resources needed to remedy such matters. The Company cannot predict the actions that the applicable authorities in Brazil and abroad may take on this matter, but the range of possibilities includes fines and lawsuits against the Company or even against its current or former officers, directors and employees.

Therefore, the confirmation of the abovementioned allegations, any parallel investigations, or any agreements entered into with the applicable authorities may have a material adverse effect on the business, reputation, financial situation and results of operations of the Company, as well as on the liquidity and trading price of its securities.

The financial exposure to which the Company may be subject includes the payment of fines and the obligation to compensate third parties and, to the extent permitted by law, the current and former officers, directors and employees against losses incurred as a result of the facts, whose value cannot be measured. Moreover, adverse publicity associated with all these facts could have a material adverse effect on the Company's business, including a decrease in the demand for its products, among other effects that cannot be determined or estimated at this time.

Also in connection with Operation Car Wash, the Company cannot predict whether and how the investigations, or any decision or action by authorities involving the majority shareholders of Braskem, Odebrecht S.A. and Petróleo Brasileiro S.A. – Petrobras, or any of their subsidiaries, could affect the Company.

If any fines and/or other sanctions are imposed by the authorities with jurisdiction over the Company and others involved, at this time, neither the Management nor its legal counsel and Expert Firms have sufficient information to reliably estimate the potential losses to be recorded and, therefore, based on current accounting practices, no provision has been recorded in this Quarterly Financial Information.

The management of the Company is committed to taking all 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 June 30, 2016

All amounts in thousands, unless otherwise stated

(b) Class actions

A class action has been filed with the U.S. courts by the Boilermaker-Blacksmith National Pension Trust, as Lead Plaintiff, alleging that the Company has made misrepresentations and/or omissions in certain filings at the SEC that allegedly concealed the existence of improper payments. The Company engaged an expert U.S. law firm to represent it and filed its initial defense (motion to dismiss) on July 6, 2016.

The Company cannot predict the outcome of this process. The Company may be cited as defendant in other lawsuits. Furthermore, the Company may be required, to the extent permitted by law, to indemnify directors, officers and employees who are defendants in lawsuits such as these. Such lawsuit has demanded significant time and dedication from the Management of the Company. Moreover, the Company may also incur financial obligations that could have a material adverse effect on its businesses, reputation, financial situation and results of its operations, as well as on the liquidity and trading price of its securities.

(c) Labor

(c.1) The labor action disclosed in Note 23 (a.i) of the 2015 financial statements ended after the payment made under 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 ("Breaks") and the inclusion of overtime in the calculation of the weekly remunerated rest ("WRR"), in the restated amount of R\$377,560, the following developments occurred in the period: (i) Breaks: 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, which rejected the appeal and handed down a final and unappealable decision in favor of Braskem. The amount of this suit is R\$332,640; and (ii) WRR: 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. After examining the appeal, the TST handed down a new decision granting the claim. Braskem will enter into motion for clarification and special appeal at the Supreme Court ("STF"). The amount of this suit is R\$44,920.

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.

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****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

| | Common shares | | Preferred shares class A | | Preferred shares class B | | Amount of shares | |
|--|--------------------|----------------|--------------------------|----------------|--------------------------|----------------|--------------------|----------------|
| | shares | % | shares | % | shares | % | Total | % |
| OSP e Odebrecht | 226,334,623 | 50.11% | 79,182,498 | 22.95% | | | 305,517,121 | 38.32% |
| Petrobras | 212,426,952 | 47.03% | 75,761,739 | 21.96% | | | 288,188,691 | 36.15% |
| ADR | (i) | | 35,480,046 | 10.28% | | | 35,480,046 | 4.45% |
| Other | 12,907,077 | 2.86% | 153,343,937 | 44.45% | 593,618 | 100.00% | 166,844,632 | 20.93% |
| Total | 451,668,652 | 100.00% | 343,768,220 | 99.64% | 593,618 | 100.00% | 796,030,490 | 99.85% |
| Treasury shares owned by subsidiary of Braskem | | | | | | | | |
| Petroquímica | (ii) | | 1,234,758 | 0.36% | | | 1,234,758 | 0.15% |
| Total | 451,668,652 | 100.00% | 345,002,978 | 100.00% | 593,618 | 100.00% | 797,265,248 | 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.

(b) Dividends

On April 6, 2016, the Annual Shareholders Meeting approved dividends in the amount of R\$1,000,000, which started to be paid on April 15, 2016, of which R\$567,620 was paid to the holders of common shares and R\$432,020 and R\$360 was paid to the holders of class "A" and class "B" preferred shares, respectively.

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****(c) Other comprehensive income - shareholders' equity**

| | Additional indexation of PP&E (i) | Deemed cost of PP&E (i) | Defined benefit plan actuarial Gain (loss) (ii) | Foreign sales hedge (iii) | Cash flow hedge (iii) | Foreign currency translation adjustment (iv) | Loss on interest in subsidiary (v) | Total Braskem shareholders' interest |
|---|--|----------------------------------|---|------------------------------------|-----------------------------|--|---|---|
| On December 31, 2014 | 244,831 | 18,275 | (11,647) | (3,263,732) | (289,667) | 387,287 | (9,404) | (2,924,057) |
| Additional indexation | | | | | | | | |
| Realization by depreciation or write-off assets | (20,635) | | | | | | | (20,635) |
| Income tax and social contribution | 7,016 | | | | | | | 7,016 |
| Deemed cost of jointly-controlled investment | | | | | | | | |
| Realization by depreciation or write-off assets | | | (730) | | | | | (730) |
| Income tax and social | | 248 | | | | | | 248 |

| | | | | | | | | |
|---|----------------|---------------|-----------------|--------------------|------------------|------------------|----------------|--------------------|
| contribution | | | | | | | | |
| Foreign sales | | | | | | | | |
| hedge | | | | | | | | |
| Exchange rate | | | | (3,440,730) | | | | (3,440,730) |
| Income tax and social contribution | | | | 1,152,877 | | | | 1,152,877 |
| Fair value of | | | | | | | | |
| Cash flow hedge | | | | | | | | |
| Change in fair value | | | | | (243,136) | | | (243,136) |
| Transfer to profit or loss | | | | | (25,054) | | | (25,054) |
| Income tax and social contribution | | | | | 90,772 | | | 90,772 |
| Foreign currency translation adjustment | | | | | | 295,854 | | 295,854 |
| On June 30, 2015 | 231,212 | 17,793 | (11,647) | (5,551,585) | (467,085) | 683,141 | (9,404) | (5,107,575) |
| On December 31, 2015 | 217,595 | 17,309 | (12,496) | (9,666,973) | (728,296) | 1,097,009 | (9,404) | (9,085,256) |
| Additional indexation | | | | | | | | |
| Realization by depreciation or write-off assets | (20,635) | | | | | | | (20,635) |
| Income tax and social contribution | 7,016 | | | | | | | 7,016 |
| Deemed cost of jointly-controlled investment | | | | | | | | |
| Realization by depreciation or write-off assets | | (730) | | | | | | (730) |
| Income tax and social contribution | | 248 | | | | | | 248 |

| | | | | | | | | |
|---|----------------|---------------|-----------------|--------------------|------------------|----------------|----------------|--------------------|
| contribution | | | | | | | | |
| Foreign sales | | | | | | | | |
| hedge | | | | | | | | |
| Exchange rate | | | | 3,613,180 | | | | 3,613,180 |
| Transfer to profit or loss | | | | 777,966 | | | | 777,966 |
| Income tax and social contribution | | | | (1,522,163) | | | | (1,522,163) |
| Fair value of | | | | | | | | |
| Cash flow hedge | | | | | | | | |
| Change in fair value | | | | 239,487 | | | | 239,487 |
| Transfer to result | | | | (14,876) | | | | (14,876) |
| Income tax and social contribution | | | | (81,741) | | | | (81,741) |
| Fair value of cash flow hedge from jointly-controlled | | | | (12,765) | | | | (12,765) |
| Foreign currency translation adjustment | | | | | | (215,975) | | (215,975) |
| On June 30, 2016 | 203,976 | 16,827 | (12,496) | (6,797,990) | (598,191) | 881,034 | (9,404) | (6,316,244) |

- (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 June 30, 2016****All amounts in thousands, unless otherwise stated****20. Earnings per share**

The information related to the earnings per share of the Company was presented in its 2015 annual financial statements, in Note 25.

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.

| | Jun/2016 | Basic and diluted Jun/2015 |
|---|-----------------|---------------------------------------|
| Profit for the period attributed to Company's shareholders | 1,187,717 | 1,347,585 |
| Distribution of dividends attributable to priority: | | |
| Preferred shares class "A" | 208,409 | 208,409 |
| Preferred shares class "B" | 360 | 360 |
| | 208,769 | 208,769 |
| Distribution of 6% of unit value of common shares | 273,824 | 273,824 |
| Distribution of plus income, by class | | |
| Common shares | 400,387 | 491,145 |
| Preferred shares class "A" | 304,737 | 373,847 |
| | 705,124 | 864,992 |
| Reconciliation of income available for distribution, by class (numerator): | | |
| Common shares | 674,211 | 764,969 |
| Preferred shares class "A" | 513,146 | 582,256 |
| Preferred shares class "B" | 360 | 360 |
| | 1,187,717 | 1,347,585 |

Weighted average number of shares, by class (denominator):

| | | |
|----------------------------|-------------|-------------|
| Common shares | 451,668,652 | 451,668,652 |
| Preferred shares class "A" | 343,768,220 | 343,799,059 |
| Preferred shares class "B" | 593,618 | 593,818 |
| | 796,030,490 | 796,061,529 |

Profit per share (in R\$)

| | | |
|----------------------------|--------|--------|
| Common shares | 1.4927 | 1.6937 |
| Preferred shares class "A" | 1.4927 | 1.6936 |
| Preferred shares class "B" | 0.6065 | 0.6062 |

(i) Calculation of weighted average of outstanding shares at the beginning of the period, adjusted by the number of shares repurchased during the first half of 2015, multiplied by a weighted time factor:

| | Preferred shares class "A" | |
|-------------------------------------|-----------------------------------|--------------------|
| | Outstanding | Weighted |
| | shares | average |
| Balance at December 31, 2014 | 343,848,120 | 343,848,120 |
| Repurchase of treasury shares | (80,000) | (49,061) |
| Balance at June 30, 2015 | 343,768,120 | 343,799,059 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****21. Net sales revenues**

The information on net sales revenue was presented in the 2015 annual financial statements of the Company, in Note 26.

| | | Consolidated | | Parent company |
|-------------------------------|-----------------|---------------------|-------------------|-----------------------|
| | | Jun/2015 | Jun/2016 | Jun/2015 |
| Sales revenue | | | | |
| | Domestic market | 15,210,330 | 16,618,288 | 14,322,729 |
| | Foreign market | 9,948,859 | 4,810,345 | 3,974,170 |
| | | 25,159,189 | 21,428,633 | 18,296,899 |
| Sales deductions | | | | |
| Tributos | Taxes | (3,228,509) | (3,586,771) | (2,825,275) |
| Devoluções de vendas e outros | Sales returns | (143,584) | (149,353) | (144,551) |
| | | (3,372,093) | (3,736,124) | (2,969,826) |
| Net sales revenue | | 21,787,096 | 17,692,509 | 15,327,073 |

22. Other operating income (expenses), net

| | | Consolidated |
|---|-----|---------------------|
| | | Jun/2015 |
| | | Jun/2016 |
| Expenses idle and hipernated plants | (i) | (100,613) |
| Results with fixed assets and investments | | (36,983) |
| Cost of inventory adjustments and losses in the movement of raw materials | | (3,510) |
| Provision judicial and administrative, processes | | (30,575) |
| Other | | (9,455) |
| | | (17,886) |
| | | (11,507) |
| | | (21,914) |

(190,683)

(89,748)

(i) Includes in the period ended on June 30 2016, the amount of R\$54,105 relating to verified idle in the starting process of the subsidiary Braskem Idesa (Note 1(a)).

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****23. Financial results**

The information on financial results was presented in the 2015 annual financial statements of the Company, in Note 29.

| | Jun/2016 | Consolidated Jun/2015 | Jun/2016 | Parent company Jun/2015 |
|---|--------------------|----------------------------------|--------------------|------------------------------------|
| Financial incomes | | | | |
| Interest income | 234,312 | 174,805 | 181,723 | 121,605 |
| Monetary variations | 122,836 | 71,897 | 115,447 | 52,800 |
| Exchange rate variations | (1,012,062) | 377,890 | (1,613,308) | 905,211 |
| Other | 22,880 | 26,065 | 21,531 | 15,909 |
| | (632,034) | 650,657 | (1,294,607) | 1,095,525 |
| Financial expenses | | | | |
| Interest expenses | (974,318) | (748,168) | (788,114) | (805,721) |
| Monetary variations | (209,193) | (174,926) | (209,200) | (173,391) |
| Exchange rate variations | (1,042,813) | (467,309) | 27,113 | (826,247) |
| Inflation adjustments on fiscal debts | (45,674) | (23,950) | (43,096) | (20,658) |
| Discounts granted | (54,469) | (78,631) | (45,148) | (49,966) |
| Loans transaction costs - amortization | (29,392) | (34,447) | (2,611) | (2,805) |
| Adjustment to present value - appropriation | (273,615) | (240,812) | (256,787) | (232,515) |
| Other | (97,823) | (87,297) | (52,475) | (42,366) |
| | (2,727,297) | (1,855,540) | (1,370,318) | (2,153,669) |
| Total | (3,359,331) | (1,204,883) | (2,664,925) | (1,058,144) |

| | Jun/2016 | Consolidated Jun/2015 | Jun/2016 | Parent company Jun/2015 |
|-------------------------------|-----------------|----------------------------------|-----------------|------------------------------------|
| Interest income | | | | |
| Held for sale | 46,231 | 39,371 | 38,389 | 11,532 |
| Loans and receivables | 151,177 | 92,539 | 126,717 | 84,041 |
| Held-to-maturity | 9,410 | 16,198 | 9,410 | 16,198 |
| | 206,818 | 148,108 | 174,516 | 111,771 |
| Other assets not classifiable | 27,494 | 26,697 | 7,207 | 9,834 |
| Total | 234,312 | 174,805 | 181,723 | 121,605 |

Braskem S.A.**Notes to the financial statements****at June 30, 2016****All amounts in thousands, unless otherwise stated****24. Expenses by nature**

The information on expenses by nature was presented in the 2015 annual financial statements of the Company, in Note 30.

| | Jun/2016 | Consolidated Jun/2015 | Jun/2016 | Parent company Jun/2015 |
|--|---------------------|----------------------------------|---------------------|------------------------------------|
| Classification by nature: | | | | |
| Raw materials other inputs | (14,195,122) | (14,571,985) | (11,170,618) | (9,861,681) |
| Personnel expenses | (1,300,278) | (1,134,897) | (941,919) | (800,247) |
| Outsourced services | (991,243) | (753,417) | (682,757) | (562,818) |
| Tax expenses | (6,134) | (6,254) | (2,588) | (3,531) |
| Depreciation, amortization and depletion | (1,255,691) | (1,013,033) | (1,030,708) | (858,105) |
| Freights | (1,020,593) | (829,557) | (735,962) | (587,078) |
| Other expenses, net | (458,646) | (400,132) | (286,938) | (260,673) |
| Total | (19,227,707) | (18,709,275) | (14,851,490) | (12,934,133) |
| Classification by function: | | | | |
| Cost of products sold | (17,556,704) | (17,418,096) | (13,812,465) | (12,086,080) |
| Selling and distribution | (675,415) | (522,391) | (452,122) | (377,806) |
| General and administrative | (722,277) | (596,883) | (402,698) | (422,991) |
| Research and development | (82,628) | (82,157) | (50,718) | (52,026) |
| Other operating income (expenses), net | (190,683) | (89,748) | (133,487) | 4,770 |
| Total | (19,227,707) | (18,709,275) | (14,851,490) | (12,934,133) |

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

25. Segment information

The information by segment was presented in the 2015 annual financial statements, in Note 31.

| | | | | | | | Jun/2016 |
|---|-------------------|-----------------------|------------------|--|---------------------------------|---|-------------------------|
| | Net sales revenue | Cost of products sold | Gross profit | Selling, general and distribution expenses | Results from equity investments | Operating expenses Other operating income (expenses), net | Operating profit (loss) |
| Reporting segments | | | | | | | |
| Basic petrochemicals | 12,105,795 | (9,757,057) | 2,348,738 | (314,736) | | (61,608) | 1,972,387 |
| Polyolefins | 10,407,556 | (8,219,988) | 2,187,568 | (628,662) | | (33,523) | 1,525,383 |
| Vinyls | 1,482,236 | (1,404,303) | 77,933 | (110,970) | | (1,772) | (34,804) |
| Chemical distribution | 423,712 | (338,829) | 84,883 | (66,991) | | 1,041 | 18,933 |
| USA and Europe | 4,832,660 | (3,102,676) | 1,729,984 | (252,403) | | 2,767 | 1,480,348 |
| Mexico | (i) 334,324 | (264,431) | 69,893 | (94,327) | | (55,399) | (79,833) |
| Total | 29,586,283 | (23,087,284) | 6,498,999 | (1,468,089) | | (148,494) | 4,882,924 |
| Other segments | 6,012 | (7,401) | (1,389) | (1,876) | | (18,799) | (22,952) |
| Corporate unit | | | | (64,824) | 13,377 | (23,390) | (74,837) |
| Braskem consolidated before | | | | | | | |
| eliminations and reclassifications | 29,592,295 | (23,094,685) | 6,497,610 | (1,534,789) | 13,377 | (190,683) | 4,785,985 |
| Eliminations and reclassifications | (5,534,180) | 5,537,981 | 3,801 | 54,469 | | | 58,071 |
| Total | 24,058,115 | (17,556,704) | 6,501,411 | (1,480,320) | 13,377 | (190,683) | 4,843,756 |

| | | | | | | | Jun/2015 |
|---|-------------------|-----------------------|------------------|--|---------------------------------|---|-------------------|
| | Net sales revenue | Cost of products sold | Gross profit | Selling, general and distribution expenses | Results from equity investments | Operating expenses Other operating income (expenses), net | Operat profit (lo |
| Reporting segments | | | | | | | |
| Basic petrochemicals | 11,184,383 | (9,401,637) | 1,782,746 | (287,506) | | (30,370) | 1,464,370 |
| Polyolefins | 9,597,434 | (7,477,317) | 2,120,117 | (572,486) | | (26,670) | 1,520,961 |
| Vinyls | 1,244,675 | (1,111,741) | 132,934 | (102,204) | | 13,533 | 44,263 |
| USA and Europe | 3,734,956 | (3,302,766) | 432,190 | (186,766) | | 805 | 246,229 |
| Chemical distribution | 408,016 | (322,962) | 85,054 | (61,326) | | (533) | 23,728 |
| Total | 26,169,464 | (21,616,423) | 4,553,041 | (1,210,288) | | (43,235) | 3,299,425 |
| Other segments | (ii) 273,579 | (274,286) | (707) | (48,100) | | (29,903) | (78,730) |
| Corporate unit | | | | (21,674) | 9,739 | (16,610) | 50,464 |
| Braskem consolidated before | | | | | | | |
| eliminations and reclassifications | 26,443,043 | (21,890,709) | 4,552,334 | (1,280,062) | 9,739 | (89,748) | 3,270,000 |
| Eliminations and reclassifications | (4,655,947) | 4,472,613 | (183,334) | 78,631 | | | (183,334) |
| Total | 21,787,096 | (17,418,096) | 4,369,000 | (1,201,431) | 9,739 | (89,748) | 3,087,666 |

(i) With the operational startup of Braskem Idesa, the Company began to report the "Mexico" segment, which includes activities related to PE production (Note 1(a)).

(ii) This segment includes the results of the subsidiary Braskem Idesa, which, in 2015, was in the pre-operational phase (non-reporting segment).

Braskem S.A.

Notes to the financial statements

at June 30, 2016

All amounts in thousands, unless otherwise stated

SIGNATURES

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

Date: August 5, 2016

BRASKEM S.A.

By: /s/ Pedro van Langendonck Teixeira de Freitas

Name: Pedro van Langendonck Teixeira de Freitas
Title: Chief Financial Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
