

BRASKEM SA
Form 6-K
September 28, 2017

UNITED STATES
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 September 2017

Commission File Number: 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 Petroquímico de Camaçari

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Camaçari, 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 of 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)):

Yes: **No:**

(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)):

Yes: **No:**

(Indicate by check mark whether the registrant by furnishing the information contained in this Form, the Registrant 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):

Braskem S.A.

Condensed consolidated interim financial information (ITR) at

June 30, 2017

and Independent Auditors Report Review

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Braskem S.A.

We have reviewed the accompanying condensed consolidated balance sheet of Braskem S.A. and its subsidiaries (the Company) as of June 30, 2017, and the related condensed consolidated statements of operations and comprehensive income for the three-month and six-month periods ended June 30, 2017 and 2016 and the condensed consolidated statements of changes in shareholder s equity and cash flows for the six-month periods ended June 30, 2017 and 2016. This condensed consolidated interim financial information is the responsibility of the Company s management.

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

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for it to be in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

As discussed in Note 2.3 to the condensed consolidated interim financial information, the Company has restated its 2016 and 2015 financial statements to correct misstatements.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2016, and the related consolidated statement of operations, comprehensive income, of statement of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated September 22, 2017, which included a paragraph regarding the correction of an error in the 2015 and 2014 financial statements, we expressed an unqualified opinion on those consolidated financial statements.

/s/ PricewaterhouseCoopers

Auditores Independentes

Salvador, Brazil, September 27, 2017

Braskem S.A.**Unaudited condensed consolidated balance sheet**at **June 30, 2017**

All amounts in thousands of reais

| Assets | Note | Jun/2017 | Dec/2016 |
|---|-------------|-------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents | 4 | 5,711,450 | 6,701,864 |
| Financial investments | 5 | 2,677,819 | 1,190,483 |
| Trade accounts receivable | 6 | 2,460,514 | 1,634,137 |
| Inventories | 7 | 5,907,679 | 5,238,014 |
| Taxes recoverable | 9 | 1,184,187 | 826,015 |
| Dividends and interest on capital | 8 | 20,729 | 14,986 |
| Prepaid expenses | | 204,444 | 101,747 |
| Derivatives operations | 15.2.1 | | 8,387 |
| Other receivables | | 311,058 | 180,915 |
| | | 18,477,880 | 15,896,548 |
| Non-current assets held for sale | 3 | | 359,704 |
| | | 18,477,880 | 16,256,252 |
| Non-current assets | | | |
| Trade accounts receivable | 6 | 62,697 | 70,236 |
| Advances to suppliers | 7 | 53,998 | 61,533 |
| Taxes recoverable | 9 | 1,148,419 | 1,088,353 |
| Deferred income tax and social contribution | 17(b.ii) | 1,026,328 | 1,653,115 |
| Judicial deposits | | 243,349 | 233,320 |
| Insurance claims | | 39,650 | 50,653 |
| Derivatives operations | 15.2.1 | 14,820 | 29,308 |
| Other receivables | | 174,117 | 140,971 |
| Investments | 10(b) | 96,880 | 92,313 |
| Property, plant and equipment | 11 | 30,448,082 | 29,336,710 |
| Intangible assets | 12 | 2,785,911 | 2,809,087 |
| | | 36,094,251 | 35,565,599 |
| Total assets | | 54,572,131 | 51,821,851 |

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

Braskem S.A.**Unaudited condensed consolidated balance sheet****at June 30, 2017****All amounts in thousands of reais****Continued**

| Liabilities and shareholders equity | Note | Jun/2017 | Dec/2016 |
|---|-------------|-------------------|-------------------|
| Current liabilities | | | |
| Trade payables | | 5,257,693 | 6,545,136 |
| Borrowings | 13 | 4,216,322 | 2,594,463 |
| Braskem Idesa borrowings | 14 | 10,195,823 | 10,437,791 |
| Derivatives operations | 15.2.1 | 41,350 | 29,042 |
| Payroll and related charges | | 476,967 | 562,455 |
| Taxes payable | 16 | 947,680 | 624,080 |
| Dividends | | 2,560 | 3,083 |
| Advances from customers | | 219,267 | 203,216 |
| Leniency agreement | 19.3 | 985,630 | 1,354,492 |
| Sundry provisions | 18 | 78,875 | 112,891 |
| Other payables | | 212,317 | 476,262 |
| | | 22,634,484 | 22,942,911 |
| Non-current liabilities held for sale | 3 | | 95,396 |
| | | 22,634,484 | 23,038,307 |
| Non-current liabilities | | | |
| Trade payables | | 272,911 | 201,686 |
| Borrowings | 13 | 19,385,947 | 20,736,604 |
| Derivatives operations | 15.2.1 | 840,485 | 861,302 |
| Taxes payable | 16 | 40,424 | 24,097 |
| Loan to non-controlling shareholders of Braskem Idesa | | 1,679,492 | 1,620,519 |
| Deferred income tax and social contribution | 17(b.ii) | 1,025,736 | 510,523 |
| Post-employment benefits | | 171,318 | 162,136 |
| Advances from customers | | 75,186 | 162,955 |
| Contingencies | 19 | 1,015,882 | 985,237 |
| Leniency agreement | 19.3 | 1,328,714 | 1,498,738 |
| Sundry provisions | 18 | 207,100 | 206,245 |
| Other payables | | 154,437 | 92,792 |
| | | 26,197,632 | 27,062,834 |
| Shareholders equity | | | |
| | 20 | | |
| Capital | | 8,043,222 | 8,043,222 |
| Capital reserve | | 232,430 | 232,430 |
| Revenue reserves | | 834,616 | 834,616 |
| Other comprehensive income | | (5,526,437) | (6,321,859) |
| Treasury shares | | (49,819) | (49,819) |
| Retained earnings | | 2,911,851 | |

| | | |
|---|-------------------|-------------------|
| Total attributable to the Company's shareholders | 6,445,863 | 2,738,590 |
| Non-controlling interest in Braskem Idesa | (705,848) | (1,017,880) |
| | 5,740,015 | 1,720,710 |
| Total liabilities and shareholders' equity | 54,572,131 | 51,821,851 |

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

Braskem S.A.**Unaudited condensed consolidated statements of operations and of comprehensive income**

at June 30, 2017

All amounts in thousands of reais

| Continued operations | Note | 2Q2017 | YTD2017 | 2Q2016 Restated | YTD2016 Restated |
|---|-------------|-------------------|--------------------|----------------------------|-----------------------------|
| Net sales revenue | 22 | 11,870,430 | 24,470,158 | 11,721,937 | 23,636,532 |
| Cost of products sold | | (8,979,357) | (17,890,990) | (8,460,914) | (17,074,199) |
| | | 2,891,073 | 6,579,168 | 3,261,023 | 6,562,333 |
| Income (expenses) | | | | | |
| Selling and distribution | | (358,284) | (704,586) | (341,888) | (648,644) |
| General and administrative | | (311,821) | (622,384) | (301,368) | (586,624) |
| Research and development | | (38,483) | (72,145) | (40,034) | (82,628) |
| Results from equity investments | 10(c) | 10,642 | 22,851 | 11,690 | 13,377 |
| Other income (expenses), net | 23 | 118,316 | 16,807 | (225,882) | (363,505) |
| | | 2,311,443 | 5,219,711 | 2,363,541 | 4,894,309 |
| Financial results | 24 | | | | |
| Financial expenses | | (820,578) | (1,656,087) | (901,777) | (1,692,159) |
| Financial income | | 151,550 | 316,530 | 210,261 | 375,755 |
| Exchange rate variations, net | | (8,431) | 276,604 | (1,202,296) | (2,062,692) |
| | | (677,459) | (1,062,953) | (1,893,812) | (3,379,096) |
| Profit before income tax and social contribution | | 1,633,984 | 4,156,758 | 469,729 | 1,515,213 |
| Current and deferred income tax and social contribution | 17(a) | (491,563) | (1,108,963) | (202,407) | (463,225) |
| Profit for the period of continued operations | | 1,142,421 | 3,047,795 | 267,322 | 1,051,988 |
| | 3 | | | | |
| Discontinued operations results | | | | | |
| Profit from discontinued operations | | | 13,499 | 10,897 | 27,200 |
| Current and deferred income tax and social contribution | | | (4,623) | (3,512) | (8,927) |
| | | | 8,876 | 7,385 | 18,273 |

| | | | | |
|---|------------------|------------------|----------------|------------------|
| Profit for the period | 1,142,421 | 3,056,671 | 274,707 | 1,070,261 |
| Attributable to: | | | | |
| Company s shareholders | 1,089,848 | 2,897,400 | 406,980 | 1,230,371 |
| Non-controlling interest in Braskem Idesa | 52,573 | 159,271 | (132,273) | (160,110) |
| Profit for the period | 1,142,421 | 3,056,671 | 274,707 | 1,070,261 |

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

Braskem S.A.

Unaudited condensed consolidated statements of operations and of comprehensive income

at June 30, 2017

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

Continued

| | Note | 2Q2017 | YTD2017 | 2Q2016 Restated | YTD2016 Restated |
|---|------------|------------------|------------------|--------------------|---------------------|
| Profit for the period | | 1,142,421 | 3,056,671 | 274,707 | 1,070,261 |
| Other comprehensive income or loss: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Fair value of cash flow hedge | | (36,411) | 51,167 | 151,913 | 179,831 |
| Income tax and social contribution | | 12,821 | (15,650) | (54,348) | (68,307) |
| Fair value of cash flow hedge from jointly-controlled | | 3,168 | 3,762 | (2,761) | (12,765) |
| | | (20,422) | 39,279 | 94,804 | 98,759 |
| Exchange variation of foreign sales hedge | 15.3(a.i) | (711,317) | (230,507) | 2,213,130 | 4,433,659 |
| Sales Hedge - transfer to profit or loss | 15.3(a.i) | 249,722 | 498,962 | 345,443 | 767,243 |
| Income tax and social contribution on exchange variation | | 156,942 | (91,275) | (869,915) | (1,768,307) |
| Exchange variation of foreign sales hedge - Braskem Idesa | 15.3(a.ii) | 496,071 | 1,403,603 | (914,249) | (1,093,972) |
| Sales Hedge - transfer to profit or loss - Braskem Idesa | 15.3(a.ii) | 42,992 | 73,910 | 14,297 | 14,297 |
| Income tax on exchange variation - Braskem Idesa | | (161,719) | (443,254) | 274,275 | 328,192 |
| | | 72,691 | 1,211,439 | 1,062,981 | 2,681,112 |
| Foreign subsidiaries currency translation adjustment | | 10,846 | (288,565) | 40,643 | (23,989) |
| Total | | 63,115 | 962,153 | 1,198,428 | 2,755,882 |
| Total comprehensive income for the period | | 1,205,536 | 4,018,824 | 1,473,135 | 3,826,143 |
| Attributable to: | | | | | |
| Company's shareholders | | 1,121,975 | 3,706,792 | 1,653,004 | 4,013,484 |
| Non-controlling interest in Braskem Idesa | | 83,561 | 312,032 | (179,869) | (187,341) |
| Total comprehensive income for the period | | 1,205,536 | 4,018,824 | 1,473,135 | 3,826,143 |

Basic and diluted

| | Note | YTD2017 | YTD2016 Restated |
|---|------|---------|---------------------|
| Profit per share attributable to the shareholders of the Company of continued operations at the end of the period (R\$) (expressed in reais) | | | |
| | 21 | | |
| Earnings per share - common | | 3.6309 | 1.5206 |
| Earnings per share - preferred shares class A | | 3.6309 | 1.5206 |
| Earnings per share - preferred shares class B | | 0.6069 | 0.6065 |
| Profit per share attributable to the shareholders of the Company of discontinued operations at the end of the period (R\$) | | | |
| Earnings per share - common | | 0.0112 | 0.0258 |
| Earnings per share - preferred shares class A | | 0.0112 | 0.0258 |
| Profit per share attributable to the shareholders of the Company at the end of the period (R\$) | | | |
| Earnings per share - common | | 3.6421 | 1.5463 |
| Earnings per share - preferred shares class A | | 3.6421 | 1.5463 |
| Earnings per share - preferred shares class B | | 0.6069 | 0.6065 |

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

Braskem S.A.**Unaudited condensed consolidated statements of changes in shareholder s equity**

All amounts in thousands of reais

| Note | Capital | Attributed to shareholders | | | | | Treasury shares | Retained earnings (losses) | Total Braskem shareholders interest | Non-controlling interest in Braskem Idesa | | | | |
|-------|---------|----------------------------|---------------|----------------------|---|----------------------------|-----------------|----------------------------|-------------------------------------|---|-----------|-----------|-----------|-----------|
| | | Capital reserve | Legal reserve | Retention of profits | Revenue reserves Additional dividends proposed | Other comprehensive income | | | | | | | | |
| 31, 1 | 2.4 | 8,043,222 | 232,430 | 229,992 | 2,404,663 | 247,364 | (9,060,710) | (49,819) | (416,768) | 1,630,374 | (684,885) | | | |
| | | | | | | | | | | 1,230,371 | 1,230,371 | (160,110) | | |
| | | | | | | | | | | | 2,868,983 | 2,868,983 | (187,871) | |
| | | | | | | | | | | | 130,105 | 130,105 | (31,346) | |
| | | | | | | | | | | | (215,975) | (215,975) | 191,986 | |
| | | | | | | | | | | | 2,783,113 | 1,230,371 | 4,013,484 | (187,341) |
| | | | | | | | | | | | (13,619) | 13,619 | | |
| | | | | | | | | | | | (482) | 482 | | |

t of

| | | | | | | | | | | |
|------|-----|-----------|---------|---------|-----------|-------------|----------|-----------|-----------|-------------|
| | | | | | | (14,101) | | 14,101 | | |
| | | | | | | | | | | |
| | | | | | | (247,364) | | (247,364) | | |
| | | | | | | (247,364) | | (247,364) | | |
| 16 | 2.4 | 8,043,222 | 232,430 | 229,992 | 2,404,663 | (6,291,698) | (49,819) | 827,704 | 5,396,494 | (872,226) |
| 31, | | 8,043,222 | 232,430 | 229,992 | 604,624 | (6,321,859) | (49,819) | | 2,738,590 | (1,017,880) |
| | | | | | | | | | | |
| | | | | | | | | 2,897,400 | 2,897,400 | 159,271 |
| | | | | | | | | | | |
| | | | | | | 952,874 | | 952,874 | | 258,565 |
| ash | | | | | | | | | | |
| t of | | | | | | 31,636 | | 31,636 | | 7,643 |
| cy | | | | | | (175,118) | | (175,118) | | (113,447) |
| | | | | | | 809,392 | | 2,897,400 | 3,706,792 | 312,032 |
| n | | | | | | | | | | |
| | | | | | | | | | | |
| t | | | | | | (13,488) | | 13,488 | | |
| | | | | | | | | | | |
| ed | | | | | | | | | | |
| of | | | | | | (482) | | 482 | | |

(13,970)

13,970

| | | | | | | | | | | |
|----|-----------|---------|---------|---------|-------------|----------|-----------|-----------|-----------|--|
| o | | | | | | | | | | |
| | | | | | | | | 481 | 481 | |
| | | | | | | | | 481 | 481 | |
| 17 | 8,043,222 | 232,430 | 229,992 | 604,624 | (5,526,437) | (49,819) | 2,911,851 | 6,445,863 | (705,848) | |

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

Braskem S.A.**Unaudited condensed consolidated statement of cash flows****at June 30, 2017****All amounts in thousands of reais**

| | Note | Jun/2017 | Jun/2016 Restated |
|--|-------|------------------|----------------------|
| Profit before income tax and social contribution and for the result with discontinued operations | 2.4 | 4,156,758 | 1,542,413 |
| Adjustments for reconciliation of profit | | | |
| Depreciation, amortization and depletion | | 1,424,202 | 1,243,975 |
| Results from equity investments | 10(c) | (22,851) | (13,377) |
| Interest and monetary and exchange variations, net | | 1,292,218 | 931,709 |
| Gain from divestment in subsidiary | 3 | (276,816) | |
| Provision for losses and write-offs of long-lived assets | | 25,730 | 12,959 |
| | | 6,599,241 | 3,717,679 |
| Changes in operating working capital | | | |
| Held-for-trading financial investments | | (1,430,383) | (466,498) |
| Trade accounts receivable | | (820,306) | 732,656 |
| Inventories | | (663,855) | 373,946 |
| Taxes recoverable | | 184,040 | 686,777 |
| Prepaid expenses | | (102,697) | 7,922 |
| Other receivables | | (46,675) | (25,407) |
| Trade payables | | (1,346,034) | (2,364,352) |
| Taxes payable | | (177,213) | (9,815) |
| Advances from customers | | (71,718) | (47,148) |
| Leniency agreement | | (607,358) | |
| Sundry provisions | | (2,516) | 5,043 |
| Other payables | | (227,315) | (179,173) |
| Cash from operations | | 1,287,211 | 2,431,630 |
| Interest paid | | (1,024,942) | (938,968) |
| Income tax and social contribution paid | | (602,278) | (668,126) |
| Net cash (provided) generated by operating activities | | (340,009) | 824,536 |
| Proceeds from the sale of fixed assets | | 1,468 | 114 |
| Funds received on the sale of investments | 3 | 450,000 | |
| Acquisitions of property, plant and equipment and intangible assets | (i) | (755,063) | (1,233,146) |
| Premium in the dollar put option | | (9,771) | |

| | | |
|--|------------------|--------------------|
| Held-for-maturity financial investments | | 38,353 |
| Net cash used in investing activities | (313,366) | (1,194,679) |
| Short-term and Long-term debt | | |
| Obtained | 1,486,963 | 1,937,284 |
| Payments | (1,513,356) | (1,865,492) |
| Braskem Idesa borrowings | | |
| Obtained funds | 187,959 | 153,126 |
| Payment of borrowings | (448,525) | (227,201) |
| Dividends paid | (41) | (998,982) |
| Net cash provided by financing activities | (287,000) | (1,001,265) |
| Exchange variation on cash of foreign subsidiaries | (50,039) | 568,780 |
| Decrease in cash and cash equivalents | (990,414) | (802,628) |
| Represented by | | |
| Cash and cash equivalents at the beginning of the period | 6,701,864 | 7,043,262 |
| Cash and cash equivalents at the end of the period | 5,711,450 | 6,240,634 |
| Decrease in cash and cash equivalents | (990,414) | (802,628) |

- (i) In the period ended June 30, 2016, the capitalized interest paid that was included in this item (R\$252,722) was reclassified to Interest paid (Note 2.4(a)).

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

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

1. Operations

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

(a) Significant operating events impacting these financial statements

(i) In January 2017, Braskem's new line to produce ultra-high molecular weight polyethylene (UHMWPE), known commercially as UTEC[®], started operations. Located in La Porte, Texas, United States, the plant will complement the production capacity of the existing line in Brazil at the petrochemical complex in Camaçari.

(ii) On January 27, 2017, the Board of Directors of the Company authorized the execution of a purchase agreement with Odebrecht Utilities S.A., through which Braskem undertook to purchase all shares held by the seller in Cetrel S.A., which represent 63.7% of its voting capital, for the aggregate amount of R\$610 million, to be paid upon the consummation of the transaction.

The consummation of the acquisition is subject to a vote by the Shareholders' Meeting of Braskem, in accordance with Article 256 of Federal Law 6,404/76, and to the conditions precedent typical to transactions of this nature. The Shareholders' Meeting has not yet to be called.

(iii) On June 21, 2017, the Board of Directors approved the construction of a new polypropylene production facility in the city of La Porte, Texas, in the United States. The approximate amount is up to US\$675 million(*) to the production of 450 thousand tons per year(*). Completion of this project is planned for 2020.

(*) *unaudited*

(b) Net working capital

On June 30, 2017, in compliance with IAS 1 Presentation of Financial Statements, the subsidiary Braskem Idesa reclassified to current liabilities the finance obligations whose original maturities are long term, since certain contractual obligations (covenants) as of June 30, 2017 were in default (Notes 13(a) and 14). Consequently, the net working capital became negative R\$4,156,604.

It should be noted that Braskem Idesa has been settling its debt service obligations in accordance with the original maturity schedule, none of the creditors has requested immediate repayment of such obligations and, without the above reclassification, consolidated net working capital is positive at R\$5,030,520.

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

2. Summary of significant accounting policies

There were no changes in the accounting practices used in the preparation of the condensed interim financial information in relation to those presented in the December 31, 2016 financial statements, except for what is disclosed in the footnotes 2.4 Change in accounting policy.

2.1. Basis of preparation

This unaudited condensed interim financial information should be read together with the financial statements of Braskem as of December 31, 2016, which were prepared and presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of the condensed interim financial 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 unaudited condensed interim financial information in relation to those used in the December 31, 2016 financial statements.

Issue of this unaudited condensed interim financial information was authorized by the Executive Board on September 27, 2017.

2.1.1 Unaudited consolidated condensed interim financial information

The unaudited condensed interim financial information was prepared and is being presented in accordance with the pronouncements IAS 34 Interim Financial Reporting, which establish the minimum content for interim financial statements.

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

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

The condensed interim financial information includes the condensed interim financial information of Braskem S.A. and companies in which it, directly or indirectly, maintains a controlling equity interest or controls the activities, as presented below:

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

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

- (i) In the process of dissolution.

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****2.2. Foreign and functional currency**

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

Exchange variation effects

The main effects from exchange variation in this condensed interim financial information are shown below:

| | Final rate | | | Average rate for period ended | | |
|------------------------------|-------------------|-----------------|------------------|--------------------------------------|-----------------|------------------|
| | Jun/2017 | Dec/2016 | Variation | Jun/2017 | Jun/2017 | Variation |
| U.S. dollar - Brazilian real | 3.3082 | 3.2591 | 1.51% | 3.1807 | 3.7017 | -14.08% |
| U.S. dollar - Mexican peso | 18.0820 | 20.6352 | -12.37% | 19.4478 | 18.0712 | 7.62% |
| U.S. dollar - Euro | 0.8763 | 0.9479 | -7.54% | 0.9239 | 0.8957 | 3.14% |

2.3. Restatement

The statements of operations, of the starting balance of equity and of cash flows for the period ended June 30, 2016 and the starting balance of equity in December 2015 were restated due to the adjustment of taxes recognized from prior periods and other prior-year adjustments. The information related to this restatement was reported in the 2016 annual financial statements of the Company, in Note 2.4. The effect on the statement of income for the period ended June 30, 2016, corresponding to the update by the SELIC, recorded under financial expenses, was R\$11,808.

Additionally, the statement of cash flows for the period ended June 30, 2016 was restated due to the reclassification of Brazilian government bonds from cash and cash equivalents to financial investments (negative variation of R\$103,538 in the period ended June 30, 2016 as explained in Note 5.ii).

2.4. Change in accounting policy

- (a) The Management of Braskem decided to change, in the statement of cash flows, the presentation of capitalized interest paid, which previously was presented under the group referred to as cash used in investment activities. These expenses are now recorded under the item interest paid. This change enables: (i) the direct identification of the total amount paid as interest; and (ii) greater accuracy in determining the net cash from operations. The amount reclassified in the period ended June 30, 2016 was R\$252,722.

- (b) In 2017, the Company changed the classification of provision for profit sharing to standardize such classification among all companies, whether or not productive, and because it deemed the current classification more appropriate, since this provision does not present recurring elements or, even when recurring, the amounts differ from year to year.

In the period ended June 30, 2016, the amounts related to this item were reclassified from costs of products sold (R\$83,363), selling and distribution expenses (R\$3,994) and general and administrative expenses (R\$96,515) to the item other income (expenses), net (Note 23).

3. Available-for-sale assets and discontinued operations

On January 9, 2017, the Board of Directors approved the sale of the subsidiaries Quantiq Distribuidora Ltda and IQAG Armazens Gerais Ltda to the company GTM do Brasil Comércio de Produtos Químicos Ltda. The sale

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

agreement, in the amount of R\$550 million, was signed on the following day, and in January the operation was approved by Brazil's antitrust agency CADE (*Conselho Administrativo de Defesa Econômica*). The approval of the sale plan was made by Management during the second half of 2016. The transfer of control to the buyer company was concluded on April 3, 2017. On the same date, Braskem received R\$450 million. The remaining R\$100 million will be received within 12 months, subject to adjustments typical to operations of this nature. The capital gain from the operation was R\$276,816 (Total income of R\$550,000 (-) net assets of R\$273,184) registered in the second quarter.

Assets and liabilities classified as held for sale and profit or loss from discontinued operations until the date of transfer of control are shown below:

| | Mar/2017 | Dec/2016 |
|---|-----------------|-----------------|
| Assets and liabilities classified as held for sale | | |
| Assets | | |
| Cash and cash equivalents | 40,216 | 76,146 |
| Trade accounts receivable | 119,076 | 65,626 |
| Inventories | 82,815 | 84,296 |
| Taxes recoverable | 46,858 | 45,859 |
| Property, plant and equipment | 61,591 | 61,037 |
| Intangible assets | 6,729 | 6,665 |
| Other assets | 17,932 | 20,075 |
| Total assets | 375,217 | 359,704 |
| Liabilities | | |
| Trade payables | 75,852 | 62,692 |
| Payroll and related charges | 7,099 | 11,170 |
| Dividends | 6,371 | 6,371 |
| Taxes payable | 9,668 | 7,064 |
| Other payables | 3,043 | 8,099 |
| Total liabilities | 102,033 | 95,396 |
| Net assets (Assets (-) Liabilities) | 273,184 | 264,308 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

| | Mar/2017 | Dec/2016 |
|---|-----------------|-----------------|
| Result with discontinued operations | | |
| Net sales revenue | 212,238 | 211,915 |
| Cost of products sold and services provided | (176,957) | (169,739) |
| Gross profit | 35,281 | 42,176 |
| Income (expenses) | | |
| Selling and distribution | (10,164) | (11,617) |
| General and administrative | (12,067) | (20,021) |
| Other income (expenses), net | (1,298) | 1,691 |
| Operating profit | 11,752 | 12,229 |
| Financial results | 1,747 | 4,074 |
| Profit before income tax and social contribution | 13,499 | 16,303 |
| Current and deferred income tax and social contribution | (4,623) | (5,415) |
| Result with discontinued operations | 8,876 | 10,888 |

4. Cash and cash equivalents

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

| | Jun/2017 | Dec/2016 |
|-------------------|------------------|------------------|
| Cash and banks | (i) 2,567,561 | 2,178,611 |
| Cash equivalents: | | |
| Domestic market | 1,743,939 | 2,914,685 |
| Foreign market | (i) 1,399,950 | 1,608,568 |
| Total | 5,711,450 | 6,701,864 |

- (i) On June 30, 2017, it includes cash and banks of R\$243,796 (R\$172,390 on December 31, 2016) and cash equivalents of R\$49,996 (R\$29,169 on December 31, 2016) of the subsidiary Braskem Idesa, available for its exclusive use.

5. Financial investments

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

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

| | | Jun/2017 | Dec/2016 |
|------------------------------|------|------------------|------------------|
| Loans and receivables | | | |
| Time deposit investments | (i) | 440,568 | 434,015 |
| Held-for-trading | | | |
| <i>LFT s and LF s</i> | (ii) | 2,236,755 | 755,712 |
| Other | | 496 | 756 |
| Total | | 2,677,819 | 1,190,483 |
| Current assets | | 2,677,819 | 1,190,483 |
| Total | | 2,677,819 | 1,190,483 |

- (i) This investment was given as guarantee to cover Braskem's obligation related to the constitution of a reserve account for the Project finance of the subsidiary Braskem Idesa.
- (ii) Government bonds held-for-trading refers to Brazilian floating-rate government bonds (LFTs) issued by the Brazilian federal government and Financial Bills (LF s) are issued by financial institutions. These financial investments have maturity above three months, immediate liquidity and expected realization in the short term.

6. Trade accounts receivable

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

| | | Jun/2017 | Dec/2016 |
|---------------------------------|--|------------------|------------------|
| Customers | | | |
| Domestic market | | 1,029,501 | 869,306 |
| Foreign market | | 1,871,579 | 1,215,626 |
| Allowance for doubtful accounts | | (377,869) | (380,559) |
| Total | | 2,523,211 | 1,704,373 |
| Current assets | | 2,460,514 | 1,634,137 |
| Non-current assets | | 62,697 | 70,236 |

| | | |
|-------|------------------|------------------|
| Total | 2,523,211 | 1,704,373 |
|-------|------------------|------------------|

7. Inventories

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

| | Jun/2017 | Dec/2016 |
|--|------------------|------------------|
| Finished goods | 3,789,850 | 3,444,898 |
| Raw materials, production inputs and packaging | 1,376,142 | 1,407,399 |
| Maintenance materials | 359,627 | 312,167 |
| Advances to suppliers | 409,468 | 103,267 |
| Imports in transit and other | 26,590 | 31,816 |
| Total | 5,961,677 | 5,299,547 |
| Current assets | 5,907,679 | 5,238,014 |
| Non-current assets | 53,998 | 61,533 |
| Total | 5,961,677 | 5,299,547 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****8. Related parties**

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

| | Balances at June 30, 2017 | | | | Balances at December 31, 2016 | | | |
|-----------------------------------|--|----------------------------|---------------|----------------|--|----------------------------|---------------|----------------|
| | 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 |
| Balance sheet | | | | | | | | |
| Assets | | | | | | | | |
| Current | | | | | | | | |
| Trade accounts receivable | 7,381 | 20,494 | 31,116 | 58,991 | 5,634 | 33,843 | 28,390 | 67,867 |
| Inventories | 155,507 8(a.iv) | 37,625 | | 193,132 | | 5,434 | | 5,434 |
| Dividends and interest on capital | | | 20,729 | 20,729 | | | 14,986 | 14,986 |
| Other | 42 | | | 42 | 50 | | | 50 |
| Total assets | 162,930 | 58,119 | 51,845 | 272,894 | 5,684 | 39,277 | 43,376 | 88,337 |
| Liabilities | | | | | | | | |
| Current | | | | | | | | |
| Trade payables | 42,704 | 478,921 | 333 | 521,958 | 77,461 | 904,090 | 1,226 | 982,777 |
| Total liabilities | 42,704 | 478,921 | 333 | 521,958 | 77,461 | 904,090 | 1,226 | 982,777 |
| Transactions | | | | | | | | |
| | Six-month period ended June 30, 2017 | | | | Six-month period ended June 30, 2016 | | | |
| | 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 |

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| | | | | | | | | |
|---|-------------|-----------|---------|-----------|-------------|-----------|---------|-----------|
| Sales of products | 25,008 | 833,004 | 323,616 | 1,181,628 | 30,707 | 1,009,837 | 275,852 | 1,316,396 |
| Purchases of raw materials, finished goods services and utilities | 403,618 (i) | 6,691,063 | 2,657 | 7,097,338 | 859,246 (i) | 5,826,466 | 39,933 | 6,725,645 |
| Financial income (expenses) | 4,929 | (36,110) | | (31,181) | 160 | (104,399) | | (104,239) |
| General and administrative expenses | | | | | | | | |
| Post-employment benefits plan Odebrecht Previdência Privada (Odeprev) | | | 11,026 | 11,026 | | | 10,054 | 10,054 |

- (i) Includes expenses with the Braskem Idesa project, of which R\$62,584 related to the period ended June 30, 2017, and R\$539,096 related to the period ended June 30, 2016.

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****(a) Agreements executed and/or renewed with related companies**

In the period ended June 30, 2017, the following agreements were signed with related companies:

- (i) Sales of gasoil to Refinaria de Petróleo Riograndense (RPR) totaled R\$26,077. The product is used as feedstock in the diesel production process.
- (ii) As from January 2017, Braskem will maintain monthly negotiations for the sale of gasoline to RPR. Sales in the period amounted to R\$171,733.
- (iii) Since January 2017, Braskem has held agreements for the sale of gasoline to Petrobras Distribuidora S.A., which are renewed monthly. Sales in the period amounted to R\$443,665.
- (iv) In March 2017, the Company entered into an agreement for supply of hydrous ethanol with Usina Conquista do Pontal S.A. and Agro Energia Santa Luzia S.A. Ethanol is the feedstock consumed by Braskem to produce green ethylene. The agreement is guaranteed by Odebrecht Agroindustrial Participações S.A. and Rio Claro Agroindustrial S.A.. The agreement also provides for a commercial discount and other flexibilities in the process of Braskem's acquisition of the product. It also includes an advance of R\$150,000, to be restated at market rates. The advance is guaranteed by a pledge of the sugarcane crop, its products and subproducts at net market value in an amount greater than the value of the advance, with the pledged asset insured through a policy contracted from a premium insurer and with a provision for subrogation. The agreement is valid through April 30, 2018.

(b) Key management personnel

| Income statement transactions | Jun/2017 | Jun/2016 |
|--------------------------------------|-----------------|-----------------|
| Remuneration | | |
| Short-term benefits | 25,873 | 16,065 |
| Post-employment benefit | 219 | 174 |
| Total | 26,092 | 16,239 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

9. Taxes recoverable

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

| | Jun/2017 | Dec/2016 |
|--|------------------|------------------|
| Parent Company and subsidiaries in Brazil | | |
| IPI | 26,525 | 38,909 |
| Value-added tax on sales and services (ICMS) - normal operations | 523,473 | 495,339 |
| ICMS - credits from PP&E | 126,132 | 125,145 |
| Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations | 26,740 | 32,823 |
| PIS and COFINS - credits from PP&E | 246,208 | 253,503 |
| Income tax and social contribution (IR and CSL) | 658,765 | 605,058 |
| REINTEGRA program | 66,618 | 53,129 |
| Federal supervenience | 161,494 | 155,533 |
| Other | 8,808 | 1,046 |
| Foreign subsidiaries | | |
| Value-added tax | 249,219 | 132,152 |
| Income tax (IR) | 233,125 | 19,103 |
| Other | 5,499 | 2,628 |
| Total | 2,332,606 | 1,914,368 |
| Current assets | 1,184,187 | 826,015 |
| Non-current assets | 1,148,419 | 1,088,353 |
| Total | 2,332,606 | 1,914,368 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****10. Investments**

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

(a) Impacts on consolidation of Braskem Idesa

In compliance with IFRS 12, 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 | Braskem Idesa consolidated (i) | Jun/2017 | Dec/2016 | Jun/2017 | Dec/2016 | Jun/2017 | Dec/2016 |
| Assets | | | | | | | | |
| Current | | | | | | | | |
| Cash and cash equivalents | 5,417,658 | 6,500,265 | 293,792 | 201,599 | | | 5,711,450 | 6,701,864 |
| Financial investments | 2,677,819 | 1,190,483 | | | | | 2,677,819 | 1,190,483 |
| Trade accounts receivable | 2,047,055 | 1,455,893 | 501,111 | 247,465 | (87,652) | (69,221) | 2,460,514 | 1,634,133 |
| Inventories | 5,520,262 | 4,862,571 | 387,417 | 375,443 | | | 5,907,679 | 5,238,016 |
| Prepaid expenses | 1,095,362 | 710,982 | 88,825 | 115,033 | | | 1,184,187 | 826,015 |
| Other receivables | 467,541 | 278,865 | 68,690 | 27,170 | | | 536,231 | 306,030 |
| | 17,225,697 | 14,999,059 | 1,339,835 | 966,710 | (87,652) | (69,221) | 18,477,880 | 15,896,541 |
| Non-current | | | | | | | | |
| Assets held for sale | | 359,704 | | | | | | 359,704 |
| | 17,225,697 | 15,358,763 | 1,339,835 | 966,710 | (87,652) | (69,221) | 18,477,880 | 16,256,245 |
| Liabilities | | | | | | | | |
| Current | | | | | | | | |

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| | | | | | | | | | |
|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|-------------------|------------------|--|
| es | | | | | | | | | |
| coverable | 1,148,362 | 1,088,304 | 57 | 49 | | | 1,148,419 | 1,088,35 | |
| ferred tax | 133,746 | 189,613 | 892,582 | 1,463,502 | | | 1,026,328 | 1,653,11 | |
| ated parties | 4,917,597 | 4,690,672 | | (ii) | (4,917,597) | (4,690,672) | | | |
| er | | | | | | | | | |
| ivables | 650,855 | 648,511 | 34,656 | 29,823 | | | 685,511 | 678,33 | |
| roperty, plant | | | | | | | | | |
| equipment | 18,553,724 | 18,814,175 | 12,622,298 | 11,171,400 (iii) | (727,940) | (648,865) | 30,448,082 | 29,336,71 | |
| ngible | 2,621,169 | 2,667,708 | 164,742 | 141,379 | | | 2,785,911 | 2,809,08 | |
| | 28,025,453 | 28,098,983 | 13,714,335 | 12,806,153 | (5,645,537) | (5,339,537) | 36,094,251 | 35,565,55 | |
| al assets | 45,251,150 | 43,457,746 | 15,054,170 | 13,772,863 | (5,733,189) | (5,408,758) | 54,572,131 | 51,821,85 | |
| ilities and | | | | | | | | | |
| reholders | | | | | | | | | |
| ity | | | | | | | | | |
| urrent | | | | | | | | | |
| de payables | 5,100,510 | 6,335,452 | 244,835 | 278,905 | (87,652) | (69,221) | 5,257,693 | 6,545,13 | |
| rowings | 4,216,322 | 2,594,463 | | | | | 4,216,322 | 2,594,46 | |
| skem Idesa | | | | | | | | | |
| rowings | | | 10,195,823 | 10,437,791 | | | 10,195,823 | 10,437,79 | |
| roll and | | | | | | | | | |
| ated charges | 460,983 | 540,405 | 15,984 | 22,050 | | | 476,967 | 562,45 | |
| ces payable | 935,411 | 611,231 | 12,269 | 12,849 | | | 947,680 | 624,08 | |
| er payables | 1,460,900 | 2,053,031 | 79,099 | 125,955 | | | 1,539,999 | 2,178,98 | |
| | 12,174,126 | 12,134,582 | 10,548,010 | 10,877,550 | (87,652) | (69,221) | 22,634,484 | 22,942,91 | |
| n-current | | | | | | | | | |
| ilities held | | | | | | | | | |
| sale | | 95,396 | | | | | | 95,39 | |
| | 12,174,126 | 12,229,978 | 10,548,010 | 10,877,550 | (87,652) | (69,221) | 22,634,484 | 23,038,30 | |
| n-current | | | | | | | | | |
| n | | | | | | | | | |
| reements | 19,385,947 | 20,736,604 | | | | | 19,385,947 | 20,736,60 | |
| counts | | | | | | | | | |
| able to | | | | | | | | | |
| ated parties | | | 4,869,590 | 4,698,881 (ii) | (4,869,590) | (4,698,881) | | | |
| n | | | | | | | | | |
| reement | | | | | | | | | |
| eno XXI | | | | | | | | | |
| ject | | (v) | 1,679,492 | 1,620,519 | | | 1,679,492 | 1,620,51 | |
| vision for | | | | | | | | | |
| ses on | | | | | | | | | |
| nsidiaries | 2,117,544 | 3,053,637 | | (iv) | (2,117,544) | (3,053,637) | | | |
| er payables | 5,127,670 | 4,698,937 | 4,523 | 6,774 | | | 5,132,193 | 4,705,71 | |
| | 26,631,161 | 28,489,178 | 6,553,605 | 6,326,174 | (6,987,134) | (7,752,518) | 26,197,632 | 27,062,83 | |

| | | | | | | | | | |
|---------------------|------------------|------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|--|
| Shareholders | | | | | | | | | |
| Equity | | | | | | | | | |
| Attributable to | | | | | | | | | |
| Company's | | | | | | | | | |
| Shareholders | 6,445,863 | 2,738,590 | (2,047,445) | (3,430,861) | 2,047,445 | 3,430,861 | 6,445,863 | 2,738,590 | |
| Non-controlling | | | | | | | | | |
| Interest in | | | | | | | | | |
| Braskem Idesa | | | | | (705,848) | (1,017,880) | (705,848) | (1,017,880) | |
| | 6,445,863 | 2,738,590 | (2,047,445) | (3,430,861) | 1,341,597 | 2,412,981 | 5,740,015 | 1,720,710 | |

| | | | | | | | | | |
|--------------------------|------------|------------|------------|------------|-------------|-------------|------------|------------|--|
| Total liabilities | | | | | | | | | |
| Shareholders | | | | | | | | | |
| Equity | 45,251,150 | 43,457,746 | 15,054,170 | 13,772,863 | (5,733,189) | (5,408,758) | 54,572,131 | 51,821,850 | |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

- (i) Consolidation of Braskem Idesa with its direct subsidiary Braskem Idesa Serviços.
- (ii) Loan from Braskem Holanda as part of shareholders' contribution to Braskem Idesa's project.
- (iii) Adjustment corresponding to the capitalization of a portion of financial charges of the loan mentioned above.
- (iv) Provision recorded in the subsidiary Braskem Holanda for the negative shareholders' equity of Braskem Idesa.
- (v) Loan owed to the non-controlling shareholder as part of shareholders' contribution to the project.

Statement of operations

| | Consolidated Braskem | | Braskem Idesa consolidated | | Eliminations | | Consolidated | |
|---------------------------------|-----------------------------|---------------------------|----------------------------|-----------------|------------------|-----------------|-------------------|-------------------|
| | Ex consolidated Jun/2017 | Braskem Idesa Jun/2016 | Jun/2017 | Jun/2016 | Jun/2017 | Jun/2016 | Jun/2017 | Jun/2016 |
| Continued operations | | | | | | | | Restated |
| Net sales revenue | 22,879,823 | 23,370,965 | 1,857,606 | 318,476 | (267,271) | (52,909) | 24,470,158 | 23,636,532 |
| Cost of products sold | (17,126,516) | (16,851,407) | (1,038,061) | (259,479) | 273,587 | 36,687 | (17,890,990) | (17,074,199) |
| | 5,753,307 | 6,519,558 | 819,545 | 58,997 | 6,316 | (16,222) | 6,579,168 | 6,562,333 |
| Income (expenses) | | | | | | | | |
| Selling and distribution | (619,997) | (604,596) | (84,589) | (44,048) | | | (704,586) | (648,644) |
| General and administrative | (575,857) | (521,977) | (61,369) | (88,759) | 14,842 | 24,112 | (622,384) | (586,624) |
| Research and development | (72,145) | (82,628) | | | | | (72,145) | (82,628) |
| Results from equity investments | 500,665 | (466,953) | | | (477,814) | 480,330 | 22,851 | 13,377 |
| Other income (expenses), net | 35,910 | (349,243) | (19,103) | (14,262) | | | 16,807 | (363,505) |
| | 5,021,883 | 4,494,161 | 654,484 | (88,072) | (456,656) | 488,220 | 5,219,711 | 4,894,309 |

| | | | | | | | | |
|---|--------------------|--------------------|----------------|------------------|------------------|----------------|--------------------|--------------------|
| Financial results | | | | | | | | |
| Financial expenses | (1,293,569) | (1,519,787) | (494,436) | (200,265) | 131,918 | 27,893 | (1,656,087) | (1,692,159) |
| Financial income | 445,771 | 497,102 | 2,677 | 1,876 | (131,918) | (123,223) | 316,530 | 375,755 |
| Exchange rate variations, net | (446,018) | (1,642,834) | 778,735 | (510,952) | (56,113) | 91,094 | 276,604 | (2,062,692) |
| | (1,293,816) | (2,665,519) | 286,976 | (709,341) | (56,113) | (4,236) | (1,062,953) | (3,379,096) |
| Profit before income tax and social contribution | | | | | | | | |
| | 3,728,067 | 1,828,642 | 941,460 | (797,413) | (512,769) | 483,984 | 4,156,758 | 1,515,213 |
| IR and CSL current and deferred | | | | | | | | |
| | (839,543) | (616,545) | (269,420) | 153,320 | | | (1,108,963) | (463,225) |
| Profit for the period of continued operations | | | | | | | | |
| | 2,888,524 | 1,212,097 | 672,040 | (644,093) | (512,769) | 483,984 | 3,047,795 | 1,051,988 |
| Discontinued operations results | | | | | | | | |
| Profit from discontinued operations | 13,499 | 27,200 | | | | | 13,499 | 27,200 |
| IR and CSL current and deferred | (4,623) | (8,927) | | | | | (4,623) | (8,927) |
| | 8,876 | 18,273 | | | | | 8,876 | 18,273 |
| Profit for the period | | | | | | | | |
| | 2,897,400 | 1,230,370 | 672,040 | (644,093) | (512,769) | 483,984 | 3,056,671 | 1,070,261 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****Statement of cash flows**

| | Consolidated Braskem | | Braskem Idesa consolidated | | Eliminations | | Consolidated | |
|--|-------------------------------|---------------|----------------------------|----------------------------|--------------|--------------|--------------|--------------|
| | Ex consolidated Braskem Idesa | Braskem Idesa | Braskem Idesa consolidated | Braskem Idesa consolidated | Eliminations | Eliminations | Consolidated | Consolidated |
| | Jun/2017 | Jun/2016 | Jun/2017 | Jun/2016 | Jun/2017 | Jun/2016 | Jun/2017 | Jun/2016 |
| | | | | | | | | Restated |
| Profit before income tax and social contribution and for the result with discontinued operations | 3,728,067 | 1,855,842 | 941,460 | (797,413) | (512,769) | 483,984 | 4,156,758 | 1,542,413 |
| Adjustments for reconciliation of profit (loss) | | | | | | | | |
| Depreciation, amortization and depletion | 1,091,056 | 1,192,158 | 354,304 | 59,707 | (21,158) | (7,890) | 1,424,202 | 1,243,975 |
| Results from equity investments | (500,665) | 466,953 | | | 477,814 | (480,330) | (22,851) | (13,377) |
| Interest and monetary and exchange variations, net | 1,360,610 | 721,003 | (124,505) | 206,470 | 56,113 | 4,236 | 1,292,218 | 931,709 |
| Gain from divestment in subsidiary | (276,816) | | | | | | (276,816) | |
| Provision for losses and write-offs of long-lived assets | 25,402 | 12,936 | 328 | 23 | | | 25,730 | 12,959 |

| | | | | | | | | |
|---|------------------|------------------|------------------|------------------|----------|----------|------------------|--------------------|
| | 5,427,654 | 4,248,892 | 1,171,587 | (531,213) | | | 6,599,241 | 3,717,679 |
| Changes in operating working capital | | | | | | | | |
| Held-for-trading financial investments | (1,430,383) | (466,498) | | | | | (1,430,383) | (466,498) |
| Trade accounts receivable | (585,091) | 741,723 | (253,646) | (27,197) | 18,431 | 18,130 | (820,306) | 732,656 |
| Inventories | (644,312) | 417,859 | (19,543) | (43,913) | | | (663,855) | 373,946 |
| Taxes recoverable | 156,471 | 626,156 | 27,569 | 60,621 | | | 184,040 | 686,777 |
| Prepaid expenses | (73,496) | 23,420 | (29,201) | (15,498) | | | (102,697) | 7,922 |
| Other receivables | (15,035) | (17,521) | (31,640) | (7,886) | | | (46,675) | (25,407) |
| Trade payables | (1,293,533) | (2,141,753) | (34,070) | (204,469) | (18,431) | (18,130) | (1,346,034) | (2,364,352) |
| Taxes payable | (21,779) | (267,212) | (155,434) | 257,397 | | | (177,213) | (9,815) |
| Advances from customers | (63,951) | (47,760) | (7,767) | 612 | | | (71,718) | (47,148) |
| Leniency agreement | (607,358) | | | | | | (607,358) | |
| Other payables | (280,448) | (333,998) | 50,617 | 159,868 | | | (229,831) | (174,130) |
| Cash from operations | 568,739 | 2,783,308 | 718,472 | (351,678) | | | 1,287,211 | 2,431,630 |
| Interest paid | (777,700) | (663,335) | (247,242) | (275,633) | | | (1,024,942) | (938,968) |
| Income tax and social contribution paid | (600,908) | (668,126) | (1,370) | | | | (602,278) | (668,126) |
| Net cash generated by operating activities | (809,869) | 1,451,847 | 469,860 | (627,311) | | | (340,009) | 824,536 |
| Proceeds from the sale of fixed assets | 450,000 | | | | | | 450,000 | |
| Acquisitions to property, plant and equipment and intangible assets | (701,863) | (910,625) | (62,971) | (322,521) | | | (764,834) | (1,233,146) |
| Other investments | 1,468 | 38,467 | | | | | 1,468 | 38,467 |
| | (250,395) | (872,158) | (62,971) | (322,521) | | | (313,366) | (1,194,679) |

**Net cash used
in investing
activities**

| | | | | | |
|------------------------------------|-------------|-------------|-----------|-----------|-------------------------|
| Short-term and long-term debt | | | | | |
| Obtained | 1,486,963 | 1,937,284 | | | 1,486,963 1,937,284 |
| Payments | (1,513,356) | (1,865,492) | | | (1,513,356) (1,865,492) |
| Braskem Idesa borrowings | | | | | |
| Obtained | | | 187,959 | 153,126 | 187,959 153,126 |
| Payments | | | (448,525) | (227,201) | (448,525) (227,201) |
| Related parties | | | | | |
| Obtained loans (payment of loans) | | | | | |
| | 20,637 | (925,183) | (20,637) | 925,183 | |
| Dividends paid | (41) | (998,982) | | | (41) (998,982) |

**Net provided
(used) in
financing
activities**

| | | | | | |
|--|---------|-------------|-----------|---------|-----------------------|
| | (5,797) | (1,852,373) | (281,203) | 851,108 | (287,000) (1,001,265) |
|--|---------|-------------|-----------|---------|-----------------------|

| | | | | | |
|--|----------|---------|----------|--------|------------------|
| Exchange variation on cash of foreign subsidiaries | | | | | |
| | (16,546) | 539,202 | (33,493) | 29,578 | (50,039) 568,780 |

**Increase
(decrease) in
cash and cash
equivalents**

| | | | | | |
|--|-------------|-----------|--------|----------|---------------------|
| | (1,082,607) | (733,482) | 92,193 | (69,146) | (990,414) (802,628) |
|--|-------------|-----------|--------|----------|---------------------|

Represented by

| | | | | | |
|---|-----------|-----------|---------|---------|---------------------|
| Cash and cash equivalents at the beginning for the period | | | | | |
| | 6,500,265 | 6,908,623 | 201,599 | 134,639 | 6,701,864 7,043,262 |
| Cash and cash equivalents at the end for the period | | | | | |
| | 5,417,658 | 6,175,141 | 293,792 | 65,493 | 5,711,450 6,240,634 |

**Increase
(decrease) in
cash and cash
equivalents**

| | | | | | |
|--|-------------|-----------|--------|----------|---------------------|
| | (1,082,607) | (733,482) | 92,193 | (69,146) | (990,414) (802,628) |
|--|-------------|-----------|--------|----------|---------------------|

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information**at **June 30, 2017**

All amounts in thousands, unless otherwise stated

11. Property, plant and equipment

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

| | Jun/2017 | | | Dec/2016 | | |
|---|-------------------|---|-------------------|-------------------|---|-------------------|
| | Cost | Accumulated depreciation/ depletion | Net | Cost | Accumulated depreciation/ depletion | Net |
| Land | 481,773 | | 481,773 | 471,655 | | 471,655 |
| Buildings and improvements | 6,109,166 | (1,313,069) | 4,796,097 | 5,530,714 | (1,111,642) | 4,419,072 |
| Machinery, equipment and installations | 38,728,299 | (17,768,071) | 20,960,228 | 36,804,409 | (16,595,497) | 20,208,912 |
| Projects and stoppage in progress | 3,490,516 | | 3,490,516 | 3,495,965 | | 3,495,965 |
| Other | 1,450,691 | (731,223) | 719,468 | 1,404,759 | (663,653) | 741,106 |
| Total | 50,260,445 | (19,812,363) | 30,448,082 | 47,707,502 | (18,370,792) | 29,336,710 |

Capitalized charges in the six-month period ended June 30, 2017 were R\$73,186 (R\$298,804 on June 30, 2016).

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

12. Intangible assets

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

| | Jun/2017 | | | Dec/2016 | | |
|---|-----------|-----------------------------|-----------|-----------|-----------------------------|-----------|
| | Cost | Accumulated amortization | Net | Cost | Accumulated amortization | Net |
| Goodwill based on future profitability | 3,187,722 | (1,128,848) | 2,058,874 | 3,187,722 | (1,128,848) | 2,058,874 |

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| | | | | | | |
|--|------------------|--------------------|------------------|------------------|--------------------|------------------|
| Trademarks and patents | 361,059 | (115,914) | 245,145 | 339,512 | (110,880) | 228,632 |
| Software and use rights | 588,019 | (384,481) | 203,538 | 566,673 | (364,336) | 202,337 |
| Contracts with customers and suppliers | 780,645 | (502,291) | 278,354 | 772,888 | (453,644) | 319,244 |
| Total | 4,917,445 | (2,131,534) | 2,785,911 | 4,866,795 | (2,057,708) | 2,809,087 |

There were no significant events or circumstances in the period ended June 30, 2017 that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in the end of 2016, or that indicated the need to perform an impairment testing of intangible assets with definite useful life.

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

13. Borrowings

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

- (a) The Company has borrowings contracted from financial institutions and the capital markets that include restrictive clauses (covenants) requiring the presentation of its audited financial statements within the legal deadline (or within 120 days from the end of the fiscal year).

On the base date for the condensed interim financial information of June 30, 2017, these clauses were not being complied with on the base date of these financial statements within the legal deadline for the following contracts. For this reason, the amounts indicated in the column "Reclassification to current liabilities" in the following table, have been reclassified to current liabilities, in compliance with accounting standard IAS 1 (Presentation of Financial Statements).

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

Additionally, said clauses will be automatically complied with once the audited financial statements are presented, as of when said creditors will no longer be entitled to request the immediate repayment of short-term obligations, with the amounts in the following table from current liabilities to non-current liabilities.

Original maturity reclassified to current liabilities

| Maturity | Local currency Government Agents |
|---------------------|---|
| 2018 | |
| 2019 | 2,793 |
| 2020 | 5,255 |
| 2021 | 5,255 |
| 2022 | 5,149 |
| 2023 | 4,896 |
| 2024 | 4,896 |
| 2025 | 4,896 |
| 2026 | 4,893 |
| 2027 and thereafter | 2,448 |

| | |
|--------------|---------------|
| Total | 40,481 |
|--------------|---------------|

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

(b) Borrowings position

| | Annual financial charges (%) | Jun/2017 | Dec/2016 |
|-----------------------------------|---|-------------------|-------------------|
| Foreign currency | | | |
| Bonds | US dollar exchange variation + interest between 5.38 and 7.38 | 14,239,556 | 14,216,539 |
| Advances on exchange contracts | US dollar exchange variation + 3.91% | 1,511,401 | 362,779 |
| Export prepayment BNDES | Note 13 (b) | 590,378 | 777,801 |
| | US dollar exchange variation + interest between 6.70 and 6.86 | 150,781 | 201,147 |
| Export credit notes | US dollar exchange variation + interest between 7.30 and 8.10 | 1,190,301 | 1,173,127 |
| Working capital | US dollar exchange variation + 1.77% above Libor | 1,464,528 | 1,644,487 |
| Transactions costs | | (185,344) | (199,570) |
| | | 18,961,601 | 18,176,310 |
| Current liabilities | | 2,848,157 | 1,128,525 |
| Non-current liabilities | | 16,113,444 | 17,047,785 |
| Total | | 18,961,601 | 18,176,310 |
| Local currency | | | |
| Export credit notes | 8.00 | 302,652 | 381,632 |
| Export credit notes | 105.00 e 112.50 of CDI (i) | 1,707,898 | 1,717,262 |
| BNDES | TJLP + interest between 0.00 and 3.58 | 1,242,629 | 1,527,765 |
| BNDES | SELIC + interest between 2.32 and 2.78 | 560,651 | 602,648 |
| BNDES | | 241,481 | 288,486 |

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| | Interest between 3.50 and 7.00 | | |
|---|--------------------------------|-------------------|-------------------|
| BNB/ FINEP/ FUNDES | 6.21 | 524,486 | 580,647 |
| FINAME | TJLP + 1.90 | 1,680 | 1,850 |
| Fundo de Desenvolvimento do Nordeste (FDNE) | 6.50 | 44,510 | 46,991 |
| Other | CDI + 0.04 | 24,400 | 19,321 |
| Transactions costs | | (9,719) | (11,845) |
| | | 4,640,668 | 5,154,757 |
| Current liabilities | | 1,368,165 | 1,465,938 |
| Non-current liabilities | | 3,272,503 | 3,688,819 |
| Total | | 4,640,668 | 5,154,757 |
| <u>Foreign currency and local currency</u> | | | |
| Current liabilities | | 4,216,322 | 2,594,463 |
| Non-current liabilities | | 19,385,947 | 20,736,604 |
| Total | | 23,602,269 | 23,331,067 |

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

(c) Export prepayments

| Issue date | Initial amount of the transaction (US\$) | Maturity | Charges (% per year) | Jun/2017 | Dec/2016 |
|--------------|--|----------|--|----------------|----------------|
| Jan-2013 | 200,000 | Nov-2022 | US dollar exchange variation + semiannual Libor + 1.10 | 364,691 | 391,923 |
| May-2016 | 50,000 | May-2017 | US dollar exchange variation + quarterly Libor + 3.25 | | 163,564 |
| Dec-2016 | 68,000 | Nov-2019 | US dollar exchange variation + quarterly Libor + 2.60 | 225,687 | 222,314 |
| Total | 318,000 | | | 590,378 | 777,801 |

(d) Payment schedule

The payment schedule below shows the original long-term maturities, not including the reclassification to current liabilities arising from the breach of contractual covenants related to the presentation of audited financial statements within the legal term (Note 13(a)).

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

| | Jun/2017 | Dec/2016 |
|---------------------|-------------------|-------------------|
| 2018 | 1,015,015 | 2,379,757 |
| 2019 | 3,138,233 | 3,310,384 |
| 2020 | 2,479,107 | 2,442,493 |
| 2021 | 3,724,233 | 3,667,632 |
| 2022 | 1,771,643 | 1,745,936 |
| 2023 | 13,760 | 13,772 |
| 2024 | 2,497,899 | 2,461,086 |
| 2025 | 3,827 | 3,839 |
| 2026 | 1,379 | 1,391 |
| 2027 and thereafter | 4,781,332 | 4,710,314 |
| Total | 19,426,428 | 20,736,604 |

(e) Guarantees

Braskem gave collateral for part of its borrowings as follows:

| Loans | Maturity | Total debt Jun/2017 | Total guaranteed | Guarantees |
|--------------|-----------------|--------------------------------|-----------------------------|--|
| BNB | Dec-2022 | 122,222 | 122,222 | Mortgage of plants, pledge of machinery and equipment |
| BNB | Aug-2024 | 202,649 | 202,649 | Bank surety |
| BNDES | Jan-2022 | 2,195,542 | 2,195,542 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FUNDES | Jun-2020 | 95,843 | 95,843 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FINEP | Jul-2024 | 103,772 | 103,772 | Bank surety |
| FINAME | Feb-2022 | 1,680 | 1,680 | Pledge of equipment |
| Total | | 2,721,708 | 2,721,708 | |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****14. Braskem Idesa borrowings**

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

| Instrument | Initial value of operation US\$ | Maturity | Charges (% per year) | Jun/2017 | Dec/2016 |
|-------------------|---------------------------------------|---------------|---|-------------------|-------------------|
| Finance | | (i) | | | |
| Finance I | 700,000 | Feb-2027 | Us dollar exchange variation + quarterly Libor + 3.25 | 2,242,709 | 2,274,754 |
| Finance II | 189,996 | Feb-2027 | Us dollar exchange variation + 6.17 | 642,356 | 663,856 |
| Finance III | 600,000 | Feb-2029 | Us dollar exchange variation + 4.33 | 1,866,837 | 1,911,857 |
| Finance IV | 680,004 | Feb-2029 | Us dollar exchange variation + quarterly Libor + 3.88 | 2,067,783 | 2,111,234 |
| Finance V | 400,000 | Feb-2029 | Us dollar exchange variation + quarterly Libor + 4.65 | 1,246,933 | 1,276,449 |
| Finance VI | 89,994 | Feb-2029 | Us dollar exchange variation + quarterly Libor + 2.73 | 279,729 | 286,480 |
| Finance VII | 533,095 | Feb-2029 | Us dollar exchange variation + quarterly Libor + 4.64 | 1,661,814 | 1,701,229 |
| Operations costs | | | | (110,906) | (104,157) |
| | 3,193,089 | | | 9,897,255 | 10,121,702 |
| Borrowings | | | | | |
| Borrowings | | (ii) Nov-2029 | 2.00% above TIEE (*) | | 13,500 |
| Loans for working | | Aug-2017 | Usdollar exchange variation + quarterly Libor + 3.18 | 298,568 | 302,589 |
| | | | | 298,568 | 316,089 |
| | | | | 10,195,823 | 10,437,791 |
| Liabilities | | | | 10,195,823 | 10,437,791 |
| | | | | 10,195,823 | 10,437,791 |

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

- (i) Financing without resource or with resource limited to shareholders.
 - (ii) Financing obtained in Mexican peso and paid exclusively with IVA refund, settled in January 2017.
- This kind of Project finance includes restrictive contractual clauses (covenants), among others, that require the presentation of the audited financial statements within the legal deadline (or within 120 days from the end of the fiscal year).

At the reporting date for the condensed interim financial information as of June 30, 2017, these clauses were not being complied with on the base date of these financial statements within the legal term, as well as other obligations customary in contracts of this nature. In this sense, the entire balance of non-current liabilities, in the amount of R\$9,146,643, was reclassified to current liabilities, in accordance with accounting standard IAS 1 (Presentation of Financial Statements).

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

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

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

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

| | Jun/2017 | Dec/2016 |
|---------------------|------------------|------------------|
| 2018 | 361,079 | 709,793 |
| 2019 | 736,980 | 736,885 |
| 2020 | 864,851 | 864,149 |
| 2021 | 988,253 | 986,914 |
| 2022 | 823,285 | 822,235 |
| 2023 | 1,090,310 | 1,088,155 |
| 2024 | 1,179,751 | 1,177,017 |
| 2025 | 1,179,390 | 1,176,346 |
| 2026 | 1,038,472 | 1,035,586 |
| 2027 and thereafter | 884,272 | 894,606 |
| Total | 9,146,643 | 9,491,686 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information**

at June 30, 2017

All amounts in thousands, unless otherwise stated

15. Financial instruments

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

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

| | Note | Classification by category | Fair value hierarchy | Book value | | Fair value | |
|----------------------------------|------|----------------------------|----------------------|------------------|------------------|------------------|------------------|
| | | | | Jun/2017 | Dec/2016 | Jun/2017 | Dec/2016 |
| Cash and cash equivalents | 4 | | | | | | |
| Cash and banks | | | | 2,567,561 | 2,178,611 | 2,567,561 | 2,178,611 |
| Financial investments in Brazil | | Loans and receivables | | 1,743,939 | 2,914,685 | 1,743,939 | 2,914,685 |
| Financial investments abroad | | Held-for-trading | Level 2 | 1,399,950 | 1,608,568 | 1,399,950 | 1,608,568 |
| | | | | 5,711,450 | 6,701,864 | 5,711,450 | 6,701,864 |
| Financial investments | 5 | | | | | | |
| <i>LFT s and LF s</i> | | Held-for-trading | Level 2 | 2,236,755 | 755,712 | 2,236,755 | 755,712 |
| Time deposit investments | | Loans and receivables | Level 2 | 440,568 | 434,015 | 440,568 | 434,015 |
| Other | | Held-to-maturity | Level 2 | 496 | 756 | 496 | 756 |
| | | | | 2,677,819 | 1,190,483 | 2,677,819 | 1,190,483 |
| Trade accounts receivable | 6 | | | 2,523,211 | 1,704,373 | 2,523,211 | 1,704,373 |
| Trade payables | | | | 5,530,604 | 6,746,822 | 5,530,604 | 6,746,822 |
| Borrowings | 13 | | | | | | |
| Foreign currency Bond | | | Level 1 | 14,239,556 | 14,216,539 | 15,039,361 | 12,509,981 |

| | | | | | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| Foreign currency other borrowings | | 4,907,389 | 4,159,341 | 4,907,389 | 4,159,341 |
| Local currency | | 4,650,387 | 5,166,602 | 4,650,387 | 5,166,602 |
| | | 23,797,332 | 23,542,482 | 24,597,137 | 21,835,924 |
| Braskem Idesa borrowings | 14 | 10,306,729 | 10,541,948 | 10,306,729 | 10,541,948 |
| Loan ton non-controlling shareholder of Braskem Idesa | | 1,679,492 | 1,620,519 | 1,679,492 | 1,620,519 |
| Leniency agreement | 19.3 | 2,314,344 | 2,853,230 | 2,314,344 | 2,853,230 |
| Other payables (BNDESPAR) | | | 176,846 | | 176,846 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

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

15.2.1 Changes

| Identification | Note | Fair value hierarchy | Principal exposure | Operation characteristics Derivatives | Accumulated OCI (equity) | Net | Change in fair value | Financial settlement | Net |
|---|---------------|----------------------|--------------------|--|--------------------------|--------------------|----------------------|----------------------|--------------------|
| | | | | | | Liability Dec/2016 | | | Liability Jun/2017 |
| <u>Hedge accounting transactions</u> | | | | | | | | | |
| Dollar put option | 15.2.1 (a.i) | Level 2 | Real | Dollar | | (4,184) | 5,139 | | 955 |
| Exchange swap | 15.2.1 (a.ii) | Level 2 | CDI | Dollar + Interests | 533,134 | 857,099 | 14,484 | (9,148) | 862,435 |
| Interest rate swaps | | Level 2 | Libor | Fixed rates | 302,399 | (266) | (1,316) | 5,207 | 3,625 |
| | | | | | 835,533 | 852,649 | 18,307 | (3,941) | 867,015 |
| <u>Derivatives operations</u> | | | | | | | | | |
| Current assets | | | | | | (8,387) | | | |
| Non-current assets | | | | | | (29,308) | | | (14,820) |
| Current liabilities | | | | | | 29,042 | | | 41,350 |
| Non-current liabilities | | | | | | 861,302 | | | 840,485 |
| | | | | | 852,649 | 852,649 | | | 867,015 |

(a) Operations designated for hedge accounting

(a.i) U.S. dollar Put Options

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

As of June 30, 2017, Braskem held a total notional value of put options of R\$3,258, with a maximum term of 18 months and average strike price of 2.97 R\$/US\$. Braskem also held a total notional value of short positions in call option contracts in the amount of R\$2,261. The average strike price of the short position in call options was R\$4.28.

This type of strategy involving options, called Collar, offers protection in the event the Brazilian real appreciates while simultaneously enabling the capture of competitiveness gains in the event of currency depreciation, until limited to the strike price of the options.

Such operations were designed for the hedge accounting of cash flows as from January 1, 2017, and seek to hedge future dollar-denominated revenues with maturities in months coinciding with the maturity of the derivatives and that said it s been accounted in compliance with Company s cash flow hedge accounting policy.

The US Dollar put options were initially recognized at fair value and is being subsequently remeasured to its fair value at the end of each reporting period. The gain or loss relating to the effective portion of US Dollar options in-the-money (intrinsic value) is recognized in other comprehensive income in equity. The gain or loss relating to the ineffective portion and the extrinsic value of the option is recognized immediately in profit or loss within financial expenses or financial income.

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****(a.ii) Swaps related to export credit notes (NCE)**

| Identification | Nominal value | Hedge | | Fair value | |
|--------------------------------------|----------------------|-------------------------------------|-----------------|-------------------|-----------------|
| | | Financial charges for year | Maturity | Jun/2017 | Dec/2016 |
| Swap NCE I to III | 400,000 | Exchange variation + 6.15% | Aug-2019 | 439,611 | 438,201 |
| Swap NCE IV to VII | 450,000 | Exchange variation + 4.93% to 7.90% | Apr-2019 | 422,824 | 418,898 |
| Total | 850,000 | | | 862,435 | 857,099 |
| <u>Derivatives operations</u> | | | | | |
| Current assets | | | | | (4,203) |
| Current liabilities | | | | 21,950 | |
| Non-Current liabilities | | | | 840,485 | 861,302 |
| Total | | | | 862,435 | 857,099 |

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

On June 30, 2017, exports that were designated and not yet realized are shown below:

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2017 | 420,273 |
| 2018 | 787,894 |
| 2019 | 733,980 |
| 2020 | 724,000 |
| 2021 | 716,000 |
| 2022 | 719,000 |
| 2023 | 718,372 |
| 2024 | 688,854 |

5,508,373

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

| | Dec/2016 | US\$ Hedge discontinued | Jun/2017 |
|--------------------|-----------------|--|-----------------|
| Designated balance | 5,301,099 | (402,325) | 4,898,774 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

On June 30, 2017, the maturities of financial liabilities designated are as follows:

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2017 | 889,595 |
| 2018 | 772,104 |
| 2019 | 449,736 |
| 2020 | 570,782 |
| 2021 | 1,017,703 |
| 2022 | 510,000 |
| 2024 | 688,854 |
| | 4,898,774 |

Considering the strong cash generation in recent quarters, the Management of the Company believed it was appropriate to advance the payment of dollar-denominated obligations, including liabilities designated for this hedge. As a result of the decision, the amount of US\$609,598 was discontinued prospectively (US\$402,325 for the period ended June 30, 2017). Exchange variation on the discontinued amount, of R\$771,222 (R\$495,860 for the period ended June 30, 2017), which is recorded under Shareholders' Equity as Other comprehensive income (OCI) will be taken to net financial income (expenses) as of July 2017, as the hedged exports are realized.

| | Total nominal value US\$ | Conversion rate at Inception R\$/US\$ | Closing rate R\$/US\$ | Gross nominal value |
|---|-------------------------------------|--|----------------------------------|--------------------------------|
| Hedge discontinued - Third quarter 2017 | 207,273 | 2.0017 | 3.3302 | 275,362 |
| Hedge discontinued - Fourth quarter 2017 | 213,000 | 2.0017 | 3.1684 | 248,507 |
| Hedge discontinued - First quarter 2018 | 189,325 | 2.0017 | 3.3082 | 247,353 |
| | 609,598 | | | 771,222 |

The following table provides the balances of exchange variation recognized in the Company's net financial income (expenses) due to the realization of exports designated for this hedge for the six-month period ended June 30, 2017:

| | Total nominal value US\$ | Conversion rate at Inception MXN/US\$ | Closing rate MXN/US\$ | Gross nominal value |
|----------------|-------------------------------------|--|----------------------------------|--------------------------------|
| First quarter | 201,277 | 2.0017 | 3.2400 | 249,241 |
| Second quarter | 208,135 | 2.0017 | 3.2015 | 249,721 |
| | 409,412 | | | 498,962 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

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

| | Exchange variation | IR and CSL | Net effect |
|---|-------------------------------|-------------------|-----------------------|
| At December 31, 2016 | (7,439,927) | 2,529,575 | (4,910,352) |
| Exchange variation recorded in the period on OCI / IR and CSL | (230,507) | 78,372 | (152,135) |
| Exchange variation transferred to profit or loss / IR and CSL | 498,962 | (169,647) | 329,315 |
| At June 30, 2017 | (7,171,472) | 2,438,300 | (4,733,172) |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****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, 2017, sales designated and not yet realized are as follows:

| | Nominal value US\$ |
|------|-------------------------------|
| 2017 | 106,182 |
| 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 |
| | 3,048,244 |

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

| | US\$ | | | |
|--------------------|-----------------|------------------------------|-------------------------------|-----------------|
| | Dec/2016 | Sales in the year | Hedge discontinued | Jun/2017 |
| Designated balance | 3,125,315 | (77,070) | (12,091) | 3,036,154 |

On June 30, 2017, the maturities of financial liabilities designated were distributed as follows:

| | Nominal value US\$ |
|------|-------------------------------|
| 2017 | 105,992 |

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| | |
|------|------------------|
| 2018 | 221,390 |
| 2019 | 228,850 |
| 2020 | 266,187 |
| 2021 | 302,816 |
| 2022 | 252,723 |
| 2023 | 332,458 |
| 2024 | 358,788 |
| 2025 | 357,221 |
| 2026 | 308,650 |
| 2027 | 150,419 |
| 2028 | 124,348 |
| 2029 | 26,312 |
| | 3,036,154 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

The following table provides the balance of exchange variation of the discontinued amount, net of realization already occurred, on June 30, 2017, 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:

| | Total nominal value US\$ | Conversion rate at Inception MXN/US\$ | Closing rate MXN/US\$ | Total nominal value MXN | Gross nominal value |
|--------------------|-------------------------------------|--|----------------------------------|--|--------------------------------|
| Hedge discontinued | 12,091 | 13.4541 | 17.9915 | 54,860 | 10,039 |
| | | | | 54,860 | 10,039 |

The following table provides the balances of exchange variation recognized in Braskem Idesa's financial income (expenses) due to the realization of sales designated for this hedge over the course of the six-month period ended June 30, 2017:

| | Total nominal value US\$ | Conversion rate at Inception MXN/US\$ | Closing rate MXN/US\$ | Total nominal value MXN | Gross nominal value |
|----------------|-------------------------------------|--|----------------------------------|------------------------------------|--------------------------------|
| First quarter | 29,174 | 13.6650 | 20.0871 | 187,361 | 30,918 |
| Second quarter | 47,896 | 13.6560 | 18.5659 | 235,167 | 42,992 |
| | 77,070 | | | 422,528 | 73,910 |

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, 2016 | (4,182,052) | 1,255,350 | (2,926,702) |
| Exchange variation recorded in the period on OCI / IR | 1,403,603 | (421,081) | 982,522 |
| Exchange variation transferred to profit or loss / IR | 73,910 | (22,173) | 51,737 |

At June 30, 2017

(2,704,539)

812,096

(1,892,443)

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****15.4. Credit quality of financial assets****(a) Trade accounts receivable**

On June 30, 2017, the credit ratings for the domestic market were as follows:

| | (%) | |
|------------------|----------|----------|
| | Jun/2017 | Dec/2016 |
| 1 Minimum risk | 12.58 | 8.92 |
| 2 Low risk | 38.61 | 39.98 |
| 3 Moderate risk | 25.63 | 30.51 |
| 4 High risk | 18.60 | 16.48 |
| 5 Very high risk | (i) 4.58 | 4.11 |

- (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

| | Last 12 months | |
|-------------------|--------------------|------------------|
| | Domestic Market | Export Market |
| June 30, 2017 | 0.49% | 0.08% |
| December 31, 2016 | 0.18% | 0.04% |
| June 30, 2016 | 0.27% | 0.10% |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****(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.

| | Jun/2017 | Dec/2016 |
|---|------------------|------------------|
| Financial assets with risk assessment | | |
| AAA | 4,288,374 | 3,871,105 |
| AA+ | 3,362 | 241,359 |
| AA | 60,023 | 5,370 |
| AA- | 638,249 | 654,232 |
| A+ | 1,601,138 | 2,426,078 |
| A | 1,521,426 | 364,198 |
| A- | 147,455 | 209,175 |
| BBB+ | 3,060 | 116,987 |
| BBB | 122,538 | |
| | 8,385,625 | 7,888,504 |
| Financial assets without risk assessment | | |
| Other financial assets with no risk assessment | (i) 3,644 | 3,843 |
| | 3,644 | 3,843 |
| Total | 8,389,269 | 7,892,347 |

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

15.5.Sensitivity analysis

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

(a) Selection of risks

On June 30, 2017, 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, not 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.

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Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

(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, 2017, with a probability of 5%, and under normal market conditions, was estimated by the Company at US\$28,144 for the NCE exchange rate swap (Note 15.2.1(a.ii)) and at US\$2,489 for put and call options (Note 15.2.1(a.i)) and null for the swap of Libor related to Braskem Idesa's project.

(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, 2017. According to the Market Readout, at the end of 2017, the U.S. dollar will appreciate by 1.2% against the Brazilian real, compared to the closing PTAX rate at June 30, 2017, while the Selic rate will be 8.5% p.a. The Selic rate is used as a reference for analyses of sensitivity to the CDI.

The probable scenario for the TJLP is a decrease of 0.50% from the current rate of 7.0%, 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 unaudited condensed consolidated interim financial information

at June 30, 2017

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 | Gain (losses) | |
|---|------------------|-----------------------------|----------------------------|
| | | Possible adverse (25%) | Extreme adverse (50%) |
| Brazilian real/U.S. dollar exchange rate | | | |
| Bonds | (177,707) | (3,516,094) | (7,032,189) |
| BNDES | (1,905) | (37,695) | (75,391) |
| Working capital / structured operations | (33,544) | (663,707) | (1,327,415) |
| Export prepayments | (7,331) | (145,053) | (290,107) |
| Braskem Idesa borrowings | (128,827) | (2,548,956) | (5,097,911) |
| Financial investments abroad | (19,097) | (377,850) | (755,700) |
| Swaps | (21,787) | (431,094) | (840,350) |
| Dollar put option | (1,852) | (25,013) | (77,752) |
| Financial investments abroad | 36,103 | 714,331 | 1,428,662 |
| Selic interest rate | | | |
| BNDES | 33,842 | (52,500) | (108,648) |
| Libor floating interest rate | | | |
| Working capital / structured operations | (643) | (3,217) | (6,433) |
| Export prepayments | (2,251) | (11,254) | (22,508) |
| Swaps | 2,060 | 10,233 | 20,300 |
| CDI interest rate | | | |
| Swaps NCE | 32,076 | (48,179) | (97,805) |
| Swaps NCA | 60,205 | (94,454) | (196,790) |
| Financial investments in local currency | (30,308) | 43,974 | 87,479 |
| Instrument / Sensitivity | Probable 6.5% | Possible adverse 7.5% | Extreme adverse 8.0% |
| TJLP interest rate | | | |
| BNDES | 26,540 | (26,993) | (54,443) |
| Other government agents | 37 | (37) | (75) |

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Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

16. Taxes payable

The information related to taxes payable was presented in the Company's 2016 annual financial statements, in Note 18.

| | Jun/2017 | Dec/2016 |
|-------------------------|----------------|----------------|
| Brazil | | |
| IPI | 65,110 | 59,323 |
| IR and CSL | 219,653 | 222,680 |
| ICMS | 211,500 | 182,034 |
| PIS and COFINS | 98,816 | 59,105 |
| Other | 50,103 | 62,743 |
| Other countries | | |
| IR | 214,252 | 46,670 |
| Value-added tax | 128,670 | 15,622 |
| Total | 988,104 | 648,177 |
| Current liabilities | 947,680 | 624,080 |
| Non-current liabilities | 40,424 | 24,097 |
| Total | 988,104 | 648,177 |

17. Income tax (IR) and social contribution (CSL)

The information related to income tax and social contribution was presented in the Company's 2016 annual financial statements, in Note 20.

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

| | Jun/2017 | Jun/2016 Restated |
|---------------------------------|------------------|----------------------|
| Income before IR and CSL | 4,156,758 | 1,515,213 |
| IR and CSL at the rate of 34% | (1,413,298) | (515,172) |

| Permanent adjustments to the IR and CSL calculation basis | | |
|--|--------------------|------------------|
| IR and CSL on equity in results of investees | 4,151 | 4,548 |
| Tax loss and negative basis - Installment Rectification | 38,403 | |
| Tax benefits (Sudene and PAT) | 41,654 | |
| Difference of rate applicable to each country | 166,406 | (4,335) |
| Other permanent adjustments | 53,721 | 51,734 |
| IR and CSL on results of operations | (1,108,963) | (463,225) |
| Breakdown of IR and CSL: | | |
| Current IR and CSL | (363,969) | (551,597) |
| Deferred IR and CSL | (744,994) | 88,372 |
| Total | (1,108,963) | (463,225) |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

(b) Breakdown of deferred income tax and social contribution

(b.i) According to tax collection records

| | Jun/2017 | Dec/2016 |
|---|------------------|------------------|
| Assets | | |
| Tax losses (IR) and negative base (CSL) | 1,864,478 | 2,420,376 |
| Goodwill amortized | 4,270 | 4,624 |
| Exchange variations | 255,357 | 464,947 |
| Temporary adjustments | 336,775 | 717,868 |
| Business combination | 192,101 | 191,250 |
| | 2,652,981 | 3,799,065 |
| Liabilities | | |
| Amortization of goodwill based on future profitability | 783,659 | 767,277 |
| Tax depreciation | 919,228 | 867,922 |
| Temporary adjustments | 313,414 | 316,991 |
| Business combination | 179,353 | 198,381 |
| Additional indexation PP&E | 54,325 | 118,202 |
| Amortization of fair value adjustments on the assets from the acquisition of Braskem Qpar | 398,904 | 263,808 |
| Other | 3,506 | 123,892 |
| | 2,652,389 | 2,656,473 |

(b.ii) Offset for the purpose of presentation in the balance sheet

| | Headquarters (Country) | Jun/2017 IR and CSL Tax calculation | Compensation | Balance |
|---------------|---------------------------|---|--------------|---------|
| Assets | | | | |
| Braskem S.A | Brazil | 1,523,548 | (1,523,548) | |

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| | | | | |
|---|-----------|------------------|--------------------|------------------|
| Braskem Chile | Chile | 90 | | 90 |
| Braskem Argentina | Argentina | 4,291 | | 4,291 |
| Braskem Alemanha | Germany | 25,420 | | 25,420 |
| Braskem Idesa | Mexico | 892,582 | | 892,582 |
| Braskem México Serviços | Mexico | 1,613 | | 1,613 |
| Braskem Petroquímica | Brazil | 103,105 | (103,105) | |
| Braskem Petroquímica business combination effects | Brazil | 102,332 | | 102,332 |
| | | 2,652,981 | (1,626,653) | 1,026,328 |

| | | | | |
|---|--------|------------------|--------------------|------------------|
| Liabilities | | | | |
| Braskem S.A | Brazil | 2,063,638 | (1,523,548) | 540,090 |
| Braskem America | USA | 305,228 | | 305,228 |
| Braskem Petroquímica | Brazil | 165,562 | (103,105) | 62,457 |
| Braskem Petroquímica business combination effects | Brazil | 117,961 | | 117,961 |
| | | 2,652,389 | (1,626,653) | 1,025,736 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

| | Headquarters (Country) | Dec/2016 IR and CSL Tax calculation | Compensation | Balance |
|---|-----------------------------------|--|---------------------|------------------|
| Assets | | | | |
| Braskem S.A | Brazil | 2,106,303 | (2,063,844) | 42,459 |
| Braskem Argentina | Argentina | 6,745 | | 6,745 |
| Braskem Alemanha | Germany | 36,932 | | 36,932 |
| Braskem Chile | Chile | 135 | (135) | |
| Braskem Idesa | Mexico | 1,463,502 | | 1,463,502 |
| Braskem México Serviços | Mexico | 1,994 | | 1,994 |
| Braskem Petroquímica | Brazil | 81,971 | (81,971) | |
| Braskem Petroquímica and Braskem Qpar business combination effects | Brazil | 101,483 | | 101,483 |
| | | 3,799,065 | (2,145,950) | 1,653,115 |
| Liabilities | | | | |
| Braskem S.A | Brazil | 2,063,844 | (2,063,844) | |
| Braskem America | USA | 305,289 | | 305,289 |
| Braskem Chile | Chile | 1,404 | (135) | 1,269 |
| Braskem Petroquímica | Brazil | 162,241 | (81,971) | 80,270 |
| Braskem Petroquímica and Braskem Qpar business combination effects | Brazil | 123,695 | | 123,695 |
| | | 2,656,473 | (2,145,950) | 510,523 |

(c) Realization of deferred income tax and social contribution

In the six-month period ended June 30, 2017, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

18. Sundry provisions

The information on sundry provisions was presented in the 2016 annual financial statements of the Company, in Note 22.

| | Jun/2017 | Dec/2016 |
|---|-----------------|-----------------|
| Provision for customers rebates | 32,123 | 41,475 |
| Provision for recovery of environmental damages | 229,397 | 254,040 |
| Other | 24,455 | 23,621 |
| Total | 285,975 | 319,136 |
| Current liabilities | 78,875 | 112,891 |
| Non-current liabilities | 207,100 | 206,245 |
| Total | 285,975 | 319,136 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****19. Contingencies****19.1. Claims with probable loss and arising from business combinations**

The description of the main contingent liabilities of the Company was presented in the 2016 annual financial statements, in Note 23.1.

| | Jun/2017 | Dec/2016 |
|---------------------------|------------------|-----------------|
| Labor claims | 200,193 | 207,827 |
| Tax claims | | |
| Normal operations | | |
| IR and CSL | 14,044 | 11,462 |
| PIS and COFINS | 208,444 | 204,516 |
| ICMS | 44,067 | 39,604 |
| Other tax claims | 18,578 | 19,586 |
| | 285,133 | 275,168 |
| Business Combination | | |
| IR and CSL | 48,158 | 45,656 |
| PIS and COFINS | 53,947 | 51,052 |
| ICMS interstate purchases | 235,859 | 223,071 |
| ICMS other | 17,308 | 16,379 |
| | 355,272 | 336,158 |
| Corporate claims | 110,084 | 105,175 |
| Civil claims and other | 65,200 | 60,909 |
| | 1,015,882 | 985,237 |

19.2. Claims with possible losses

The amount of claims and a description of the main claims with possible losses are presented in the financial statements for fiscal year 2016, in Note 23.2.

(a) Civil claims

In January 2017, the Company became defendant in a civil lawsuit filed by former reseller of solvents, claiming alleged breach of a tacit distribution agreement. On June 30, 2017, the damages claimed in the lawsuit amounted to R\$140 million.

Based on the opinion of external legal counsel accompanying the case, the Management believes that the lawsuit has a possible risk of loss within an eight-year period.

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

(b) Tax claims

In March 2017, the Company received a tax deficiency notice claiming that the methodology used to offset tax losses and tax loss carryforwards at Rio Polímeros failed to observe the limit of 30% of the Taxable Profit and Social Contribution calculation base when offsetting such liabilities with Income Tax and Social Contribution liabilities in its merger into Braskem Qpar S/A, in August 2013. On June 30, 2017, the restated value of the taxes recorded amounted to R\$247 million.

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Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

The Company's external legal advisors estimate that the administrative proceedings should be concluded by 2020.

Considering that the requirement to pay the tax liability has been suspended, currently no administrative, escrow or other type of guarantee deposit has been made for this proceeding.

19.3. Reports of irregularities and global settlement with authorities

Complete information on the reports of irregularities and on the global settlement with authorities was presented in Note 23.3 to the Company's annual financial statements for 2016.

(a) Global Settlement with authorities

The Leniency Agreement (Agreement) with the Federal Prosecution Office (MPF) and with U.S. and Swiss authorities (Global Settlement), in the approximate amount of US\$957 million (approximately R\$3.1 billion), were definitively ratifying in the following manner:

1. In Brazil, the Agreement was ratified by the 5th Coordination and Review Chamber of the MPF on December 15, 2016 and on June 6, 2017 by the Judge of the 13th Federal Court of Curitiba.
2. The agreement with U.S. Department of Justice (DoJ) was confirmed by sentence by the American justice on January 26, 2017.
3. The U.S. Securities and Exchange Commission (SEC) confirmed the agreement on February 28, 2017.
4. The agreement with Swiss authorities did not require ratification to produce effect.

Of the total amount of the Global Agreement, the Company has already paid approximately R\$1.3 billion in the following manner:

1. US\$94,894 (R\$296,591) to DoJ on February 8, 2017;

2. US\$65,000 (R\$206,460) to SEC on April 27, 2017;
3. CHF30,240 (R\$104,307) to the Office of the Attorney General of Switzerland on June 27, 2017;
4. R\$736,445 to MPF on July 6, 2017.

The outstanding amount of approximately R\$1.7 billion will be paid in the following manner:

1. CHF64,260 to the Office of the Attorney General of Switzerland in four equal annual and successive installments of CHF16,065 due on June 30 of each year as from 2018;
2. R\$1.5 billion to MPF in six annual installments adjusted for inflation by the variation in the IPCA inflation index due on January 30 of each year as from 2018. To guarantee payment of the installments coming due, Braskem offered fixed assets in an amount corresponding to one annual installment.

(b) Reimbursement for damages and other considerations

A significant portion of the total amount of R\$\$2.2 billion to be paid to MPF will be made available for use in reimbursing third parties for any damages caused by the wrongdoings.

Under the Agreement, the MPF undertook to coordinate actions with other authorities or government agencies with which Braskem comes to negotiate for entering into agreements involving the facts uncovered in connection with the Agreement, the public prosecution offices of states and cities in Brazil, state-owned companies and state-controlled companies for entering into similar agreements with such organizations, including for the purpose of preventing duplicate restitution with regard to the amount paid under the Agreement.

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

The Agreement does not prevent any third party from filing proceedings to seek reimbursement for any damages caused by Braskem, which could result in payments other than those provided for in the Agreement. Therefore, the Company cannot guarantee that the total amount available for reimbursement will be sufficient to fully reimburse any third parties affected by the wrongdoings, which means that the Company may be subject to the payment of damages or financial penalties other than those provided for in the Global Settlement.

With the exception of the amount mentioned above, as well as of the other non-monetary obligations imposed on the Company under the Global Settlement, it may have a material adverse effect on our business, reputation, financial condition, financial instruments and operational results, as well as on the liquidity and price of the securities of Braskem. Furthermore, the negative publicity resulting from the Global Settlement, could have a material adverse impact on our businesses, including reducing the demand for our products, our financial instruments and other effects that currently cannot be estimated or measured. In addition, other authorities with jurisdiction over our company may seek to impose additional monetary sanctions or fines or commence new investigations against us. Finally, as a result of the Global Settlement, the Company may be barred from entering into certain agreements with government authorities and may be subject to increased operating costs in connection with its obligations to improve its governance and anti-corruption practices, including the cost of the external monitorship.

It is not possible to predict the impacts on Braskem of others investigations or of any decision or action taken by authorities involving its largest shareholders, namely Odebrecht S.A. and Petróleo Brasileiro S.A. Petrobras, or any of their subsidiaries.

(d) Class action

On July 1, 2015, a putative class action lawsuit was filed against the Company and its certain of its current and former officers in the United States District Court for the Southern District of New York. In the operative complaint, the Lead Plaintiff, Boilermaker-Blacksmith National Pension Trust, alleges that the Defendants made misrepresentations or omissions that inflated the price of the Company's stock in violation of U.S. securities laws. The Company has engaged a U.S. law firm to represent it and filed motion to dismiss on July 6, 2016.

On March 31, 2017, the judge rendered a decision on the motion to dismiss granting it in part and denying it in part. With respect to the remaining claims, the class action is now in the discovery stage.

On August 29, 2017, the Lead Plaintiff, in agreement with the Company, has filed a letter requesting an amendment to the previously agreed schedule of the discovery, as the parties are currently engaged in settlement negotiations. Any definitive agreement that might be reached by the parties would be subject to a variety of conditions, including Court approval. The Company cannot foresee the outcome of this process, at this stage.

The Company may be named as a defendant in other legal actions. Furthermore, the Company may be required, in accordance with any applicable legal and regulatory limits, to indemnify directors, officers and employees that are defendants in the securities class action and any other related actions that may arise in the future. The litigation has required significant time and dedication of the Management of the Company and is expected to continue to require such time and attention in the future.

On September 14, 2017, the Company and the Lead Plaintiff in *In re Braskem Securities Litigation* (U.S. District Court for the Southern District of New York) have signed a proposed settlement agreement (Proposed Settlement) and submitted it to the mentioned Court for preliminary approval.

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated**

Under the terms of the Proposed Settlement, Braskem would pay US\$10 million to resolve all claims of a settlement class consisting of purchasers of Braskem American Depositary Receipts (ADRs) traded on the New York Stock Exchange during the period of July 15, 2010 through March 11, 2015, that arise out of or relates to the subject matter of the Class Action, with the exception of any such claims belonging to purchasers who file valid and timely requests to opt out of the settlement class.

In accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), the Company will record a provision in the amount of US\$10 million, equivalent to approximately R\$31 million, based on the fixed exchange rate of R\$3.13 to US\$1.00. The amount is deemed not material by management for the period ended June 30, 2017 and will be recognized in the statement of operations in the item Other income (expenses), net in the third quarter of 2017.

Braskem has made no admission of any wrongdoing or liability as part of the Proposed Settlement, and entered into the Proposed Settlement solely to avoid the risk, uncertainty, and expense of further litigation. The Proposed Settlement is subject to a number of conditions including Court approval.

20. Shareholders Equity

The information related to the Company's shareholders' equity was presented in its 2016 annual financial statements, in Note 26.

(a) Capital

| | Common | | Amount of shares | | | | Total | |
|--------------|--------------------|---------------|--------------------------|--------------|--------------------------|---------------|--------------------|--------------|
| | shares | % | Preferred shares class A | % | Preferred shares class B | % | | % |
| 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) | | 0.00% | 54,996,724 | 15.94 | | | 54,996,724 | 6.90 |
| Other | 12,907,077 | 2.86 | 133,834,903 | 38.79 | 578,330 | 100.00 | 147,320,310 | 18.48 |
| Total | 451,668,652 | 100.00 | 343,775,864 | 99.64 | 578,330 | 100.00 | 796,022,846 | 99.85 |

| | | | | | | | | | |
|-----------------|------|--------------------|---------------|--------------------|---------------|----------------|---------------|--------------------|---------------|
| Treasury shares | (ii) | | 1,234,758 | 0.36 | | | 1,234,758 | 0.15 | |
| Total | | 451,668,652 | 100.00 | 345,010,622 | 100.00 | 578,330 | 100.00 | 797,257,604 | 100.00 |

- (i) American Depositary Receipts traded on the New York Stock Exchange (USA);
- (ii) Includes 1,154,758 shares held by Braskem Petroquímica, considered treasury shares in the consolidated shareholders equity, amounting to R\$48,892.

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

(b) Other comprehensive income shareholders equity

| | Additional | | Attributed to shareholders | | interest | | Gain | Total | Non- | Total |
|---------------------------------|---------------|--------|----------------------------|-------------|------------|-------------|-----------------|--------------|-------------|-------------|
| | indexation of | Deemed | Defined | Foreign | Fair value | Foreign | (loss) | Braskem | controlling | |
| | of cost of | PP&E | plans | sales | of hedge | currency | on | shareholders | interest | |
| | PP&E | PP&E | actuarial | hedge | of hedge | translation | interest | interest | in | |
| | (i) | (i) | Gain (loss) | (iii) | (iii) | adjustment | in subsidiaries | interest | Braskem | |
| | (i) | (i) | (ii) | (iii) | (iii) | (iv) | (v) | interest | Idesa | Total |
| December 31, 2015 | 217,595 | 17,309 | (39,232) | (9,666,973) | (685,396) | 1,105,391 | (9,404) | (9,060,710) | (476,708) | (9,537,400) |
| Additional income tax provision | (20,635) | | | | | | | (20,635) | | (20,635) |
| Share-based compensation | 7,016 | | | | | | | 7,016 | | 7,016 |
| Goodwill impairment | | | | | | | | | | |
| Share-based compensation | | (730) | | | | | | (730) | | (730) |
| Share-based compensation | | 248 | | | | | | 248 | | 248 |
| Foreign sales | | | | | | | | | | |
| Foreign exchange rate | | | | 3,613,180 | | | | 3,613,180 | (273,493) | 3,339,687 |
| Transfer to result | | | | 777,966 | | | | 777,966 | 3,574 | 781,540 |
| Share-based compensation | | | | | | | | | | |
| Share-based compensation | | | | (1,522,163) | | | | (1,522,163) | 82,048 | (1,440,115) |
| Value of foreign flow hedge | | | | | 239,487 | | | 239,487 | (38,128) | 201,359 |

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| | | | | | | | | | | |
|-------------------------|----------------|---------------|-----------------|--------------------|------------------|------------------|----------------|--------------------|------------------|--------------------|
| Change in fair value | | | | | | | | | | |
| Transfer to result | | | | (14,876) | | | | (14,876) | (6,652) | (21,528) |
| Income tax and | | | | | | | | | | |
| Allocation | | | | (81,741) | | | | (81,741) | 13,434 | (68,307) |
| Change in value of cash | | | | | | | | | | |
| hedge from | | | | | | | | | | |
| Equity-controlled | | | | (12,765) | | | | (12,765) | | (12,765) |
| Foreign currency | | | | | | | | | | |
| translation | | | | | | | | | | |
| Adjustment | | | | | | (215,975) | | (215,975) | 191,986 | (23,989) |
| June 30, | 203,976 | 16,827 | (39,232) | (6,797,990) | (555,291) | 889,416 | (9,404) | (6,291,698) | (503,939) | (6,795,604) |
| September 31, | 190,359 | 16,344 | (43,351) | (7,105,377) | (539,518) | 1,169,088 | (9,404) | (6,321,859) | (548,601) | (6,870,402) |
| Additional | | | | | | | | | | |
| taxation | | | | | | | | | | |
| Provision | (20,437) | | | | | | | (20,437) | | (20,437) |
| Income tax and | | | | | | | | | | |
| Allocation | 6,949 | | | | | | | 6,949 | | 6,949 |
| Adjusted cost of | | | | | | | | | | |
| Equity-controlled | | | | | | | | | | |
| Adjustment | | | | | | | | | | |
| Provision | | (730) | | | | | | (730) | | (730) |
| Income tax and | | | | | | | | | | |
| Allocation | | 248 | | | | | | 248 | | 248 |
| Foreign sales | | | | | | | | | | |
| Change | | | | | | | | | | |
| Exchange rate | | | | 822,195 | | | | 822,195 | 350,901 | 1,173,096 |
| Transfer to result | | | | 554,394 | | | | 554,394 | 18,478 | 572,872 |
| Income tax and | | | | | | | | | | |
| Allocation | | | | | | | | | | |
| Provision | | | | (423,715) | | | | (423,715) | (110,814) | (534,529) |
| Change in value of | | | | | | | | | | |
| cash flow hedge | | | | | | | | | | |
| Change in fair | | | | | | | | | | |
| value | | | | | | | | | | |
| Transfer to result | | | | | (7,979) | | | (7,979) | (880) | (8,859) |
| Income tax and | | | | | 48,227 | | | 48,227 | 11,799 | 60,026 |
| Allocation | | | | | | | | | | |
| Provision | | | | | (12,374) | | | (12,374) | (3,277) | (15,651) |
| Change in value of cash | | | | | | | | | | |
| hedge from | | | | | | | | | | |
| Equity-controlled | | | | | 3,762 | | | 3,762 | | 3,762 |
| Adjustment | | | | | | (175,118) | | (175,118) | (113,447) | (288,565) |

ign currency
lation
stment

June 30,
7 **176,871** **15,862** **(43,351)** **(6,152,503)** **(507,882)** **993,970** **(9,404)** **(5,526,437)** **(395,841)** **(5,922,2**

- (i) Transfer to retained earnings as the asset is depreciated or written-off.
- (ii) Transfer to retained earnings when the extinction of the plan.
- (iii) Transfer to the income statement when maturity, prepayment or loss of efficacy for hedge accounting.
- (iv) Transfer to the income statement when write-off of subsidiary abroad.
- (v) Transfer to the income statement when divestment or transfer of control of subsidiary.

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

21. Earnings per share

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.

| | Basic and diluted Jun/2017 | Jun/2016 Restated |
|--|---------------------------------------|------------------------------|
| Profit for the period attributed to Company's shareholders of continued operations | 2,888,524 | 1,209,880 |
| Distribution of dividends attributable to priority: | | |
| Preferred shares class A | 208,416 | 208,409 |
| Preferred shares class B | 351 | 360 |
| | 208,767 | 208,769 |
| Distribution of 6% of unit value of common shares | 273,827 | 273,824 |
| Distribution of plus income, by class: | | |
| Common shares | 1,366,133 | 412,971 |
| Preferred shares class A | 1,039,797 | 314,316 |
| | 2,405,930 | 727,287 |
| Reconciliation of income available for distribution, by class (numerator): | | |
| Common shares | 1,639,960 | 686,795 |
| Preferred shares class A | 1,248,213 | 522,725 |
| Preferred shares class B | 351 | 360 |
| | 2,888,524 | 1,209,880 |
| Weighted average number of shares, by class (denominator): | | |
| Common shares | 451,668,652 | 451,668,652 |
| Preferred shares class A | 343,775,864 | 343,768,220 |
| Preferred shares class B | 578,330 | 593,618 |

796,022,846 796,030,490

| Profit per share (in R\$) | | |
|----------------------------------|--------|--------|
| Common shares | 3.6309 | 1.5206 |
| Preferred shares class A | 3.6309 | 1.5206 |
| Preferred shares class B | 0.6069 | 0.6065 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at June 30, 2017

All amounts in thousands, unless otherwise stated

22. Net sales revenues

| | Jun/2017 | Jun/2016 Restated |
|---------------------------------------|-------------------|----------------------|
| Sales revenue | | |
| Domestic market | 17,004,059 | 15,918,691 |
| Foreign market | 11,778,506 | 11,430,701 |
| | 28,782,565 | 27,349,392 |
| Sales and services deductions | | |
| Taxes | | |
| Domestic market | (4,158,457) | (3,476,669) |
| Foreign market | (15,165) | (13,456) |
| Customers rebates | | |
| Domestic market | (3,415) | (21,763) |
| Foreign market | (24,655) | (26,699) |
| Sales returns | | |
| Domestic market | (61,683) | (145,720) |
| Foreign market | (49,032) | (28,553) |
| | (4,312,407) | (3,712,860) |
| Net sales and services revenue | 24,470,158 | 23,636,532 |

23. Other net income (expenses)

| | Note | Jun/2017 | Jun/2016 Restated |
|---|------|-----------|----------------------|
| Participation of members in profits and results | (i) | (174,133) | (183,872) |
| Expense and depreciation with hibernate plants | | (97,724) | (100,613) |
| Expenses from fixed assets | | (30,911) | (30,575) |
| Capital gain sale of Quantiq | 3 | 276,816 | |
| Other | | 42,759 | (48,445) |

16,807 **(363,505)**

- (i) In the period ended June 30, 2016, the amounts related to this item were reclassified from costs of products sold (R\$83,363), selling and distribution expenses (R\$3,994) and general and administrative expenses (R\$96,515) (Note 2.5(b)).

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at June 30, 2017****All amounts in thousands, unless otherwise stated****24. Financial results**

| | Jun/2017 | Jun/2016 Restated |
|---|--------------------|------------------------------|
| Financial income | | |
| Interest income | 286,111 | 352,879 |
| Other | 30,419 | 22,876 |
| | 316,530 | 375,755 |
| Financial expenses | | |
| Interest expenses | (1,147,962) | (1,192,252) |
| Monetary variations on fiscal debts | (46,365) | (45,433) |
| Discounts granted | (60,255) | (54,182) |
| Loans transaction costs amortization | (25,469) | (29,392) |
| Adjustment to present value appropriation | (174,589) | (273,615) |
| Other | (201,447) | (97,285) |
| | (1,656,087) | (1,692,159) |
| Exchange rate variations, net | | |
| On financial assets | 209,373 | (1,010,274) |
| On financial liabilities | 67,231 | (1,052,418) |
| | 276,604 | (2,062,692) |
| Total | (1,062,953) | (3,379,096) |

The financial effects of the Leniency Agreement in the period ended June 30, 2017 were: R\$ 26,493 (inflation recorded under financial expenses - Other), R\$ 5,130 (Exchange rate variations on financial liabilities) and R\$36,849 (Adjustment to present value appropriation).

25. Expenses by nature and function

| | Jun/2017 | Jun/2016 Restated |
|--|---------------------|------------------------------|
| Classification by nature: | | |
| Raw materials other inputs | (14,509,167) | (13,773,204) |
| Personnel expenses | (1,074,155) | (1,151,829) |
| Outsourced services | (986,094) | (965,353) |
| Depreciation, amortization and depletion | (1,424,202) | (1,241,299) |
| Freights | (1,011,658) | (1,008,150) |
| Other expenses, net | (268,022) | (615,765) |
| Total | (19,273,298) | (18,755,600) |
| Classification by function: | | |
| Cost of products sold | (17,890,990) | (17,074,199) |
| Selling and distribution | (704,586) | (648,644) |
| General and administrative | (622,384) | (586,624) |
| Research and development | (72,145) | (82,628) |
| Other income (expenses), net | 16,807 | (363,505) |
| Total | (19,273,298) | (18,755,600) |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information**at **June 30, 2017**

All amounts in thousands, unless otherwise stated

26. Segment information

The information by segment was presented in the 2016 annual financial statements, in Note 33.

| | Net sales revenue | Cost of products sold | Gross profit | Jun/2017 | | | Consolidated Braskem |
|---|-------------------------|-----------------------------|------------------|--|---|------------------|-------------------------|
| | | | | Selling, general and distribution expenses | Operating expenses Results from equity investments (expenses), net | Other income | |
| Reporting segments | | | | | | | |
| Basic | | | | | | | |
| petrochemicals | 12,514,921 | (10,166,902) | 2,348,019 | (376,465) | | (79,907) | 1,891,647 |
| Polyolefins | 9,705,309 | (7,603,727) | 2,101,582 | (639,369) | | (62,170) | 1,400,043 |
| Vinyls | 1,457,179 | (1,252,403) | 204,776 | (76,209) | | (50,072) | 78,495 |
| USA and Europe | 4,734,490 | (3,577,997) | 1,156,493 | (296,192) | | (1,545) | 858,756 |
| Mexico | 1,821,095 | (1,025,393) | 795,702 | (134,618) | | (23,712) | 637,372 |
| Total | 30,232,994 | (23,626,422) | 6,606,572 | (1,522,853) | | (217,406) | 4,866,313 |
| Other segments | 7,220 | (8,659) | (1,439) | (129) | | (1,639) | (3,207) |
| Corporate unit | | | | 63,612 | 22,851 | 235,852 (i) | 322,315 |
| Braskem consolidated before eliminations and reclassifications | 30,240,214 | (23,635,081) | 6,605,133 | (1,459,370) | 22,851 | 16,807 | 5,185,421 |
| Eliminations and reclassifications | (5,770,056) | 5,744,091 | (25,965) | 60,255 | | | 34,290 |
| Total | 24,470,158 | (17,890,990) | 6,579,168 | (1,399,115) | 22,851 | 16,807 | 5,219,711 |

Jun/2016

| | Net | Cost of | Operating expenses | |
|--|-----|---------|--------------------|--------------|
| | | | Selling, general | Results from |

| | sales revenue | products sold | Gross profit | and distribution equity expenses | investments | Other income (expenses), net | Consolidated Braskem Restated |
|---|-------------------|---------------------|------------------|--|---------------|---------------------------------------|-------------------------------------|
| Reporting segments | | | | | | | |
| Basic | | | | | | | |
| petrochemicals | 12,105,795 | (9,721,997) | 2,383,798 | (306,891) | | (104,513) | 1,972,394 |
| Polyolefins | 10,407,556 | (8,183,726) | 2,223,830 | (619,844) | | (78,604) | 1,525,382 |
| Vinyls | 1,482,236 | (1,393,112) | 89,124 | (108,571) | | (15,362) | (34,809) |
| USA and Europe | 4,832,660 | (3,077,924) | 1,754,736 | (219,771) | | (29,865) | 1,505,100 |
| Mexico | 334,324 | (263,580) | 70,744 | (91,797) | | (58,781) | (79,834) |
| Total | 29,162,571 | (22,640,339) | 6,522,232 | (1,346,874) | | (287,125) | 4,888,233 |
| Other segments | 6,012 | (86,116) | (80,104) | (48,075) | | 20,367 | (107,812) |
| Corporate unit | | | | (64,824) | 13,377 | (11,279) | (62,726) |
| Braskem consolidated before eliminations and reclassifications | | | | | | | |
| | 29,168,583 | (22,726,455) | 6,442,128 | (1,459,773) | 13,377 | (278,037) | 4,717,695 |
| Eliminations and reclassifications | (5,532,051) | 5,652,256 | 120,205 | 141,877 | | (85,468) | 176,614 |
| Total | 23,636,532 | (17,074,199) | 6,562,333 | (1,317,896) | 13,377 | (363,505) | 4,894,309 |

(i) Includes gain from sale of the former chemical distribution segment in the amount of R\$276,816 (Note 3).

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: September 28, 2017

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, 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.