

BRASKEM SA
Form 6-K
May 09, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16
OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May, 2016
(Commission File No. 1-14862)

BRASKEM S.A.
(Exact Name as Specified in its Charter)

N/A
(Translation of registrant's name into English)

Rua Eteno, 1561, Polo Petroquimico de Camacari
Camacari, Bahia - CEP 42810-000 Brazil
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1).

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7).

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to
the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____.

Braskem S.A.

Quarterly Information (ITR) at

March 31, 2016

and Independent Auditors' Report Review

Report on review of interim financial information

To Shareholders, Members of the Board and Management

Braskem S.A.

Camaçari - Bahia

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Braskem S.A. (the “Company”) included in the Quarterly Financial Information for the quarter ended March 31, 2016, which comprises the balance sheet as of March 31, 2016, the statements of profit or loss and comprehensive income for the three-month period then ended, changes in equity and cash flows for the three-month period then ended, and notes to the interim financial information.

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

Scope of review

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

Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

Emphasis of a matter

We draw attention to notes 18 (a) and (b) to the interim financial information that discloses the allegations, events and actions taken by the Company with respect to the ongoing internal investigations and the development of the class action brought in US courts. Our conclusion does not contain modifications in relation to these matters.

Other matters

Statements of value added

We also reviewed the individual and consolidated statements of value added for the three-month period ended March 31, 2016, prepared under the responsibility of the Company's management, whose presentation on the interim financial information is required under the standards issued by CVM - Brazilian Securities and Exchange Commission applicable to the preparation of Interim Financial Information and considered as additional information by IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 4, 2016

KPMG Auditores Independentes

CRC 2SP014428/O-6

Original report in Portuguese signed by

Anselmo Neves Macedo

Accountant CRC 1SP160482/O-6

Braskem S.A.

Balance sheet

at March 31, 2016

All amounts in thousands of
reais

| Assets | Note | Mar/2016 | Consolidated Dec/2015 | Mar/2016 | Parent company Dec/2015 |
|--|------|-------------------|--------------------------|-------------------|----------------------------|
| Current assets | | | | | |
| Cash and cash equivalents | 3 | 7,523,641 | 7,439,723 | 3,170,043 | 4,773,251 |
| Financial investments | 4 | 1,397 | 1,172 | 1,397 | 1,172 |
| Trade accounts receivable | 5 | 2,308,564 | 2,735,144 | 2,360,292 | 2,526,510 |
| Inventories | 6 | 5,145,074 | 5,517,206 | 3,742,812 | 4,131,128 |
| Taxes recoverable | 8 | 1,081,509 | 1,272,004 | 642,787 | 762,824 |
| Dividends and interest on capital | 7 | 2,350 | 1,998 | 101,468 | 87,655 |
| Prepaid expenses | | 157,901 | 166,170 | 140,643 | 139,668 |
| Related parties | 7 | 10,320 | 10,507 | 119,003 | 118,661 |
| Derivatives operations | 14.2 | 11,058 | 53,662 | 11,058 | 12,616 |
| Other receivables | | 180,185 | 300,901 | 124,487 | 248,488 |
| | | 16,421,999 | 17,498,487 | 10,413,990 | 12,801,973 |
| Non-current assets | | | | | |
| Financial investments | 4 | 37,457 | 46,193 | 37,457 | 46,193 |
| Trade accounts receivable | 5 | 11,871 | 19,822 | 3,933,938 | 4,279,433 |
| Advances to suppliers | 6 | 86,249 | 135,046 | 86,249 | 135,046 |
| Taxes recoverable | 8 | 1,273,060 | 1,304,056 | 1,168,630 | 1,198,301 |
| Deferred income tax and social contribution | 16 | 2,363,688 | 3,226,507 | 1,338,519 | 2,179,354 |
| Judicial deposits | | 278,139 | 277,093 | 269,848 | 268,572 |
| Related parties | 7 | 308,321 | 144,633 | 287,013 | 124,645 |
| Insurance claims | | 69,523 | 63,199 | 65,582 | 60,778 |
| Derivatives operations | 14.2 | | 12,280 | | |
| Other receivables | | 256,029 | 298,057 | 128,714 | 125,898 |
| Investments in subsidiaries and jointly-controlled investments | 9 | 73,964 | 82,290 | 5,036,801 | 4,589,947 |
| Other investments | | 4,064 | 4,064 | 3,828 | 3,828 |
| Property, plant and equipment | 10 | 32,836,812 | 33,961,963 | 16,273,692 | 16,542,078 |
| Intangible assets | 11 | 2,833,739 | 2,887,604 | 2,563,736 | 2,572,341 |

| | | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 40,432,916 | 42,462,807 | 31,194,007 | 32,126,414 |
| Total assets | 56,854,915 | 59,961,294 | 41,607,997 | 44,928,387 |

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

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

| Liabilities and shareholders' equity | Note | Consolidated | | Parent company | |
|---|-------------|---------------------|-------------------|-----------------------|-------------------|
| | | Mar/2016 | Dec/2015 | Mar/2016 | Dec/2015 |
| Current liabilities | | | | | |
| Trade payables | | 9,046,935 | 11,698,695 | 8,821,805 | 9,557,676 |
| Borrowings | 12 | 2,261,540 | 1,968,540 | 2,759,670 | 2,567,124 |
| Project finance | 13 | 392,181 | 302,266 | | |
| Derivatives operations | 14.2 | 43,615 | 57,760 | 1,515 | 8,351 |
| Payroll and related charges | | 675,049 | 605,059 | 505,234 | 446,125 |
| Taxes payable | 15 | 811,383 | 744,660 | 315,372 | 221,305 |
| Dividends | | 753,664 | 753,668 | 753,664 | 753,668 |
| Advances from customers | | 114,344 | 119,680 | 43,591 | 44,528 |
| Sundry provisions | 17 | 71,512 | 93,942 | 62,851 | 67,190 |
| Accounts payable to related parties | 7 | | | 2,619,928 | 4,297,735 |
| Other payables | | 299,649 | 337,959 | 192,135 | 207,730 |
| | | 14,469,872 | 16,682,229 | 16,075,765 | 18,171,432 |
| Non-current liabilities | | | | | |
| Trade payables | 7 | 100,917 | 57,148 | 1,815,401 | 3,420,281 |
| Borrowings | 12 | 23,117,215 | 25,370,260 | 7,531,694 | 8,207,012 |
| Project finance | 13 | 11,040,341 | 11,975,167 | | |
| Derivatives operations | 14.2 | 1,141,819 | 1,184,741 | 1,045,816 | 1,184,741 |
| Taxes payable | 15 | 29,574 | 26,716 | 28,294 | 25,825 |
| Accounts payable to related parties | 7 | | | 9,802,892 | 10,905,207 |
| Non-controlling loan in Braskem Idesa | | 1,580,402 | 1,538,784 | | |
| Deferred income tax and social contribution | 16 | 699,716 | 731,241 | | |
| Post-employment benefits | | 148,981 | 154,707 | 54,166 | 54,166 |
| Provision for losses on subsidiaries | | | | 110,673 | 137,013 |
| Sundry provisions | 17 | 671,399 | 653,972 | 589,239 | 571,349 |
| Other payables | | 212,617 | 248,618 | 170,746 | 179,873 |
| | | 38,742,981 | 41,941,354 | 21,148,921 | 24,685,467 |
| Shareholders' equity | | | | | |
| Capital | 19 | 8,043,222 | 8,043,222 | 8,043,222 | 8,043,222 |
| Capital reserve | | 232,430 | 232,430 | 232,430 | 232,430 |

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| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Revenue reserves | 2,882,019 | 2,882,019 | 2,882,019 | 2,882,019 |
| Other comprehensive income | (7,555,217) | (9,085,256) | (7,555,217) | (9,085,256) |
| Treasury shares | (49,819) | (49,819) | (927) | (927) |
| Accumulated profit | 781,784 | | 781,784 | |
| Total attributable to the Company's shareholders | 4,334,419 | 2,022,596 | 4,383,311 | 2,071,488 |
| Non-controlling interest in Braskem Idesa | (692,357) | (684,885) | | |
| | 3,642,062 | 1,337,711 | 4,383,311 | 2,071,488 |
| Total liabilities and shareholders' equity | 56,854,915 | 59,961,294 | 41,607,997 | 44,928,387 |

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

Braskem S.A.

Statement of operations and statement of comprehensive income

at March 31, 2016

All amounts in thousands of reais

| | | Consolidated | | | Parent company |
|---|------|--------------------|-------------------|--------------------|-------------------|
| | Note | Mar/2016 | Mar/2015 | Mar/2016 | Mar/2015 |
| Net sales revenue | 21 | 12,171,941 | 10,195,322 | 8,948,156 | 7,256,878 |
| Cost of products sold | | (8,924,605) | (8,590,489) | (7,153,761) | (6,067,009) |
| Gross profit | | 3,247,336 | 1,604,833 | 1,794,395 | 1,189,869 |
| Income (expenses) | | | | | |
| Selling and distribution | | (319,877) | (261,924) | (222,625) | (194,937) |
| General and administrative | | (348,717) | (297,096) | (194,041) | (209,415) |
| Research and development | | (42,594) | (39,819) | (23,065) | (27,360) |
| Results from equity investments | 9(c) | 1,687 | 2,003 | 785,629 | 64,691 |
| Other operating income (expenses), net | | (64,605) | (39,893) | (61,501) | 3,840 |
| Operating profit | | 2,473,230 | 968,104 | 2,078,792 | 826,688 |
| Financial results | 22 | | | | |
| Financial expenses | | (1,212,290) | (1,192,102) | (734,424) | (1,651,664) |
| Financial income | | (263,115) | 603,323 | (674,650) | 1,166,146 |
| | | (1,475,405) | (588,779) | (1,409,074) | (485,518) |
| Profit before income tax and social contribution | | 997,825 | 379,325 | 669,718 | 341,170 |
| Current and deferred income tax and social contribution | 16 | (250,928) | (175,333) | 105,016 | (89,767) |
| Profit for the period | | 746,897 | 203,992 | 774,734 | 251,403 |
| Attributable to: | | | | | |
| Company's shareholders | | 774,734 | 251,403 | | |

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| | | |
|--|----------------|----------------|
| Non-controlling interest in Braskem Idesa | (27,837) | (47,411) |
| Profit for the period | 746,897 | 203,992 |

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

Braskem S.A.

Statement of operations and statement of
comprehensive income

at March 31, 2016

All amounts in thousands of reais, except earnings per
share

Continued

| | | Consolidated | | | Parent company |
|---|------------|------------------|--------------------|------------------|--------------------|
| | Note | Mar/2016 | Mar/2015 | Mar/2016 | Mar/2015 |
| Profit for the period | | 746,897 | 203,992 | 774,734 | 251,403 |
| Other comprehensive income or loss: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Fair value of cash flow hedge | | 27,918 | (389,703) | 139,587 | (311,431) |
| Income tax and social contribution | | (13,959) | 122,966 | (47,460) | 105,887 |
| Fair value of cash flow hedge - Braskem Idesa | | | | (83,752) | (45,895) |
| Income tax and social contribution | | | | 25,126 | |
| Fair value of cash flow hedge from jointly-controlled | | (10,004) | | (10,004) | |
| | | 3,955 | (266,737) | 23,497 | (251,439) |
| Exchange variation of foreign sales hedge | 14.3(a.i) | 2,220,529 | (3,728,640) | 2,220,529 | (3,728,640) |
| Sales Hedge - transfer to profit or loss | 14.3(a.i) | 421,800 | | 421,800 | |
| Income tax and social contribution on exchange variation | | (898,392) | 1,267,738 | (898,392) | 1,267,738 |
| Exchange variation of foreign sales hedge - Braskem Idesa | 14.3(a.ii) | (179,723) | (379,332) | (134,792) | (284,499) |
| Income tax on exchange variation - Braskem Idesa | | 53,917 | 70,984 | 40,438 | 53,238 |
| | | 1,618,131 | (2,769,250) | 1,649,583 | (2,692,163) |
| Foreign subsidiaries currency translation adjustment | | (64,632) | 437,758 | (135,991) | 419,359 |
| Total | | 1,557,454 | (2,598,229) | 1,537,089 | (2,524,243) |
| Total comprehensive income (loss) for the year | | 2,304,351 | (2,394,237) | 2,311,823 | (2,272,840) |

Attributable to:

| | | |
|---|-----------|-------------|
| Company's shareholders | 2,311,823 | (2,272,840) |
| Non-controlling interest in Braskem Idesa | (7,472) | (121,397) |

Total comprehensive income (loss) for the period **2,304,351** **(2,394,237)**

| | Note | Mar/2016 Basic and diluted | Parent company Mar/2015 Basic and diluted |
|--|------|----------------------------------|---|
| Profit per share attributable to the shareholders of the Company of continued operations at the end of the period (R\$) | 20 | | |
| Earnings per share - common | | 0.9735 | 0.0944 |
| Earnings per share - preferred shares class "A" | | 0.9735 | 0.6061 |
| Earnings per share - preferred shares class "B" | | 0.6065 | 0.6062 |

The Management notes are an integral part of the financial statements

Braskem S.A.**Statement of changes in shareholder's equity****All amounts in thousands of reais**

| | Note | Capital reserve | Legal reserve | Retained earnings | Revenue res Addi divi pro | |
|--|-------|--------------------|------------------|----------------------|------------------------------------|----|
| At December 31, 2014 | | 8,043,222 | 232,430 | 71,542 | 394,121 | 27 |
| Comprehensive income for the period: | | | | | | |
| Profit for the period | | | | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | | | | |
| Fair value of cash flow hedge, net of taxes | | | | | | |
| Foreign subsidiaries currency translation adjustment | | | | | | |
| Equity valuation adjustments: | | | | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | | | |
| Contributions to shareholders: | | | | | | |
| Additional dividends proposed | 19(b) | | | | | |
| At March 31, 2015 | | 8,043,222 | 232,430 | 71,542 | 394,121 | 27 |
| At December 31, 2015 | | 8,043,222 | 232,430 | 229,992 | 2,404,663 | 24 |
| Comprehensive income for the period: | | | | | | |
| Profit for the period | | | | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | | | | |
| Fair value of cash flow hedge, net of taxes | | | | | | |
| Foreign currency translation adjustment | | | | | | |
| Equity valuation adjustments: | | | | | | |

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

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

At March 31, 2016

8,043,222 232,430 229,992 2,404,663 24

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

Braskem S.A.**Statement of changes in shareholder's equity****All amounts in thousands of reais**

| | | | | Revenue re | | |
|---|-------|------------------|----------------|----------------|------------------|-----------|
| | | Capital | Legal | Retained | Addi | |
| | Note | reserve | reserve | earnings | divi | |
| | | Capital | | | pro | |
| At December 31, 2014 | | 8,043,222 | 232,430 | 71,542 | 394,121 | 27 |
| Comprehensive income for the period: | | | | | | |
| Profit for the period | | | | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | | | | |
| Fair value of cash flow hedge, net of taxes | | | | | | |
| Foreign subsidiaries currency translation adjustment | | | | | | |
| Equity valuation adjustments: | | | | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | | | |
| Contributions to shareholders: | | | | | | |
| Additional dividends proposed | 19(b) | | | | | |
| At March 31, 2015 | | 8,043,222 | 232,430 | 71,542 | 394,121 | 27 |
| At December 31, 2015 | | 8,043,222 | 232,430 | 229,992 | 2,404,663 | 24 |
| Comprehensive income for the period: | | | | | | |
| Profit for the period | | | | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | | | | |
| Fair value of cash flow hedge, net of taxes | | | | | | |
| Foreign subsidiaries currency translation adjustment | | | | | | |
| Equity valuation adjustments: | | | | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | | | |

At March 31, 2016

8,043,222 232,430 229,992 2,404,663 24

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

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

| | Note | Consolidated | | Parent company | |
|--|-------------|---------------------|------------------|-----------------------|------------------|
| | | Mar/2016 | Mar/2015 | Mar/2016 | Mar/2015 |
| Profit before income tax and social contribution | | 997,825 | 379,325 | 669,718 | 341,170 |
| Adjustments for reconciliation of profit | | | | | |
| Depreciation, amortization and depletion | | 582,819 | 518,805 | 490,773 | 442,786 |
| Results from equity investments | 9(c) | (1,687) | (2,003) | (785,629) | (64,691) |
| Interest and monetary and exchange variations, net | | 386,645 | 998,244 | 560,859 | 1,144,124 |
| Other | | 19,584 | 3,790 | 19,582 | 2,029 |
| | | 1,985,186 | 1,898,161 | 955,303 | 1,865,418 |
| Changes in operating working capital | | | | | |
| Held-for-trading financial investments | | 17,252 | 8,330 | 17,250 | 17,653 |
| Trade accounts receivable | | 434,434 | (618,069) | 511,695 | (1,097,247) |
| Inventories | | 413,307 | 578,262 | 428,583 | 616,081 |
| Taxes recoverable | | 316,153 | 290,810 | 165,058 | 198,677 |
| Prepaid expenses | | 8,269 | 5,494 | (975) | 17,713 |
| Other receivables | | (8,479) | (252,734) | (47,434) | (255,658) |
| Trade payables | | (1,870,551) | 449,302 | (1,603,311) | 424,869 |
| Taxes payable | | (208,486) | 129,570 | 96,534 | 77,499 |
| Advances from customers | | (5,336) | 8,242 | (937) | 725 |
| Sundry provisions | | (5,003) | (28,869) | 13,551 | (9,561) |
| Other payables | | 32,171 | (40,600) | 27,820 | (292,697) |
| Cash from operations | | 1,108,917 | 2,427,899 | 563,137 | 1,563,472 |
| Interest paid | | (259,042) | (181,343) | (120,010) | (82,677) |
| Income tax and social contribution paid | | (94,662) | (10,459) | (15,350) | (9,124) |
| Net cash generated by operating activities | | 755,213 | 2,236,097 | 427,777 | 1,471,671 |

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| | | | | | |
|--|-------|------------------|------------------|--------------------|------------------|
| Proceeds from the sale of fixed assets | | 97 | 532 | 18 | 139 |
| Acquisitions to property, plant and equipment | (i) | (751,078) | (816,353) | (206,001) | (226,751) |
| Acquisitions of intangible assets | | (4,557) | (595) | (4,557) | (595) |
| Net cash used in investing activities | | (755,538) | (816,416) | (210,540) | (227,207) |
| Short-term and Long-term debit | | | | | |
| Obtained borrowings | | 803,625 | 1,394,810 | 823,523 | 699,973 |
| Payment of borrowings | | (968,354) | (1,886,696) | (925,757) | (1,087,288) |
| Project finance | 13 | | | | |
| Obtained borrowings | | 91,094 | 357,319 | | |
| Payment of borrowings | | (80,391) | (86,748) | | |
| Related parties | | | | | |
| Payment of loans | | | | (1,718,207) | (200,022) |
| Transactions current active | | | | | 1,766 |
| Dividends paid | | (4) | (6) | (4) | (6) |
| Repurchase of treasury shares | 19(b) | | (927) | | (927) |
| Net cash provided by (used in) financing activities | | (154,030) | (222,248) | (1,820,445) | (586,504) |
| Exchange variation on cash of foreign subsidiaries | | 238,273 | (119,521) | | |
| Increase (decrease) in cash and cash equivalents | | 83,918 | 1,077,912 | (1,603,208) | 657,960 |
| Represented by | | | | | |
| Cash and cash equivalents at the beginning of the period | | 7,439,723 | 3,993,359 | 4,773,251 | 2,416,288 |
| Cash and cash equivalents at the end of the period | | 7,523,641 | 5,071,271 | 3,170,043 | 3,074,248 |
| Increase (decrease) in cash and cash equivalents | | 83,918 | 1,077,912 | (1,603,208) | 657,960 |

(i) Includes capitalized financial charges paid: Mar/2016 – Consolidated – R\$188,725 and Parent Company – R\$16,974.

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

Braskem S.A.

Statement of value added

at March 31, 2016

All amounts in thousands of reais

| | Mar/2016 | Consolidated Mar/2015 | Mar/2016 | Parent company Mar/2015 |
|--|---------------------|--------------------------|--------------------|----------------------------|
| Revenue | 13,955,373 | 11,818,880 | 10,715,320 | 8,712,813 |
| Sale of goods, products and services | 14,033,485 | 11,868,714 | 10,788,593 | 8,718,300 |
| Other income (expenses), net | (55,538) | (34,135) | (52,648) | 9,427 |
| Allowance for doubtful accounts | (22,574) | (15,699) | (20,625) | (14,914) |
| Inputs acquired from third parties | (10,056,695) | (9,787,237) | (8,215,421) | (6,974,570) |
| Cost of products, goods and services sold | (9,664,181) | (9,482,475) | (7,945,185) | (6,764,592) |
| Material, energy, outsourced services and others | (391,518) | (304,826) | (269,468) | (209,978) |
| Impairment of assets | (996) | 64 | (768) | |
| Gross value added | 3,898,678 | 2,031,643 | 2,499,899 | 1,738,243 |
| Depreciation, amortization and depletion | (582,819) | (518,805) | (490,773) | (442,786) |
| Net value added produced by the entity | 3,315,859 | 1,512,838 | 2,009,126 | 1,295,457 |
| Value added received in transfer | (261,399) | 605,410 | 110,979 | 1,230,877 |
| Results from equity investments | 1,687 | 2,003 | 785,629 | 64,691 |
| Financial income | (263,115) | 603,323 | (674,650) | 1,166,146 |
| Other | 29 | 84 | | 40 |
| Total value added to distribute | 3,054,460 | 2,118,248 | 2,120,105 | 2,526,334 |
| Personnel | 309,578 | 270,091 | 179,975 | 147,831 |
| Direct compensation | 242,114 | 205,921 | 133,445 | 108,228 |
| Benefits | 49,932 | 50,869 | 29,232 | 28,699 |
| FGTS (Government Severance Pay Fund) | 17,532 | 13,301 | 17,298 | 10,904 |

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Taxes, fees and contributions | 722,469 | 386,913 | 379,055 | 419,112 |
| Federal | 181,029 | 16,001 | (58,180) | 121,199 |
| State | 530,014 | 363,551 | 429,267 | 295,334 |
| Municipal | 11,426 | 7,361 | 7,968 | 2,579 |
| Remuneration on third parties' capital | 1,275,516 | 1,257,252 | 786,341 | 1,707,988 |
| Financial expenses (including exchange variation) | 1,206,475 | 1,188,642 | 729,664 | 1,650,362 |
| Rentals | 69,041 | 68,610 | 56,677 | 57,626 |
| Remuneration on own capital | 746,897 | 203,992 | 774,734 | 251,403 |
| Profit for the year | 774,734 | 251,403 | 774,734 | 251,403 |
| Non-controlling interests in loss for the period | (27,837) | (47,411) | | |
| Value added distributed | 3,054,460 | 2,118,248 | 2,120,105 | 2,526,334 |

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

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

1. Operations

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

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

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

(b) Net working capital

On March 31, 2016, net working capital at the Parent Company was negative R\$5,661,775 (negative R\$5,369,459 on December 31, 2015). On the other hand, consolidated net working capital was positive R\$1,952,127 (positive R\$816,258 on December 31, 2015). The consolidated figures are used in the management of working capital, since the Company uses mechanisms to transfer funds between the companies efficiently without jeopardizing the fulfillment of the commitments of each of the entities forming the consolidated statements. For this reasons, any analysis of the Parent Company’s working capital will not reflect the actual liquidity position of the consolidated group.

2. Summary of significant accounting policies

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

2.1. Basis of preparation

This Quarterly Information should be read together with the financial statements of Braskem as of December 31, 2015, which were prepared and presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of the quarterly information requires the use of certain critical accounting estimates. It also requires the Management of the Company to exercise its judgment in the process of applying its accounting policies. There were no significant changes in the assumptions and judgments made by the Company's management in the use of estimates for the preparation of the Quarterly Information in relation to those used in the December 31, 2015 financial statements.

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

2.1.1 Consolidated and parent company quarterly information

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

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

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

2.1.2 Consolidated quarterly information

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

| | | Headquarters | Total interest - % | |
|---|-------|---------------------|---------------------------|-----------------|
| | | | Mar/2016 | Dec/2015 |
| Direct and Indirect subsidiaries | | | | |
| Alclor Química de Alagoas Ltda ("Alclor") | (i) | Brazil | 100.00 | 100.00 |
| Braskem America Finance Company ("Braskem America Finance") | | USA | 100.00 | 100.00 |
| Braskem America, Inc. (“Braskem America”) | | USA | 100.00 | 100.00 |
| Braskem Argentina S.A. (“Braskem Argentina”) | | Argentina | 100.00 | 100.00 |
| Braskem International GmbH ("Braskem Austria") | (ii) | Austria | 100.00 | 100.00 |
| Braskem Austria Finance GmbH ("Braskem Austria Finance") | (iii) | Austria | | 100.00 |
| Braskem Europe GmbH ("Braskem Alemanha") | | Germany | 100.00 | 100.00 |
| Braskem Finance Limited (“Braskem Finance”) | | Cayman Islands | 100.00 | 100.00 |
| Braskem Idesa 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 |

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| | | | |
|---|-------------|--------|--------|
| 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. ("Petroquímica Chile") | Chile | 100.00 | 100.00 |
| Braskem Petroquímica Ltda. ("Braskem Petroquímica") | Brazil | 100.00 | 100.00 |
| Quantiq Distribuidora Ltda. ("Quantiq") | Brazil | 100.00 | 100.00 |
| IQAG Armazéns Gerais Ltda. ("IQAG") | Brazil | 100.00 | 100.00 |
| Lantana Trading Co. Inc. ("Lantana") | Bahamas | 100.00 | 100.00 |
| Specific Purpose Entity ("SPE") | | | |
| Fundo de Investimento Multimercado Crédito Privado Sol ("FIM Sol") | Brazil | 100.00 | 100.00 |
| Fundo de Investimento Caixa Júpiter Multimercado | Brazil | 100.00 | 100.00 |

Crédito Privado Longo Prazo ("Fundo Júpiter")

- (i) In the process of merger.
- (ii) In process of extinction.
- (iii) Dissolved in January 2016.

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

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

(a) Brazilian real as functional currency

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

(b) Exchange variation effects

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

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

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

| | Shareholders' equity | | Profit for the period | |
|-------------------------------------|----------------------|------------------|-----------------------|----------------|
| | Mar/2016 | Dec/2015 | Mar/2016 | Dec/2015 |
| Parent company | 4,383,311 | 2,071,488 | 774,734 | 251,403 |
| Braskem shares owned by subsidiary | (48,892) | (48,892) | | |
| Non-controlling interest in Braskem | | | | |
| Idesa | (692,357) | (684,885) | (27,837) | (47,411) |
| Consolidated | 3,642,062 | 1,337,711 | 746,897 | 203,992 |

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****3. Cash and cash equivalents**

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

| | | Mar/2016 | Consolidated Dec/2015 | Mar/2016 | Parent Company Dec/2015 |
|-------------------|-----|------------------|----------------------------------|------------------|------------------------------------|
| Cash and banks | (i) | 772,528 | 873,966 | 117,308 | 270,965 |
| Cash equivalents: | | | | | |
| Domestic market | | 1,502,370 | 2,428,995 | 2,292,505 | 2,184,405 |
| Foreign market | (i) | 5,248,743 | 4,136,762 | 760,230 | 2,317,881 |
| Total | | 7,523,641 | 7,439,723 | 3,170,043 | 4,773,251 |

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

4. Financial investments

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

Consolidated**Parent Company**

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

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****5. Trade accounts receivable**

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

| | Mar/2016 | Consolidated Dec/2015 | Mar/2016 | Parent company Dec/2015 |
|---------------------------------|------------------|----------------------------------|------------------|------------------------------------|
| Consumers | | | | |
| Domestic market | 1,373,915 | 1,439,133 | 1,363,470 | 1,370,971 |
| Foreign market | 1,297,068 | 1,643,807 | 5,241,395 | 5,724,982 |
| Allowance for doubtful accounts | (350,548) | (327,974) | (310,635) | (290,010) |
| Total | 2,320,435 | 2,754,966 | 6,294,230 | 6,805,943 |
| Current assets | 2,308,564 | 2,735,144 | 2,360,292 | 2,526,510 |
| Non-current assets | 11,871 | 19,822 | 3,933,938 | 4,279,433 |
| Total | 2,320,435 | 2,754,966 | 6,294,230 | 6,805,943 |

6. Inventories

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

| | Mar/2016 | Consolidated Dec/2015 | Mar/2016 | Parent company Dec/2015 |
|--|-----------------|----------------------------------|-----------------|------------------------------------|
|--|-----------------|----------------------------------|-----------------|------------------------------------|

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| | | | | |
|--|------------------|------------------|------------------|------------------|
| Finished goods | 3,710,937 | 3,928,446 | 2,603,382 | 2,812,657 |
| Raw materials, production inputs and packaging | 802,912 | 1,008,217 | 656,505 | 879,608 |
| Maintenance materials | 292,757 | 289,568 | 188,229 | 196,432 |
| Advances to suppliers | 301,294 | 315,234 | 291,932 | 304,816 |
| Imports in transit and other | 123,423 | 110,787 | 89,013 | 72,661 |
| Total | 5,231,323 | 5,652,252 | 3,829,061 | 4,266,174 |
| | | | | |
| Current assets | 5,145,074 | 5,517,206 | 3,742,812 | 4,131,128 |
| Non-current assets | 86,249 | 135,046 | 86,249 | 135,046 |
| Total | 5,231,323 | 5,652,252 | 3,829,061 | 4,266,174 |

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

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

(a) Consolidated

| | Balances at March 31, 2016 | | | | Odebrecht and subsidiaries | Petrobras and subsidiaries |
|-----------------------------------|-----------------------------------|-----------------------------------|---------------|----------------|-----------------------------------|-----------------------------------|
| | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total | | |
| Balance sheet | | | | | | |
| Assets | | | | | | |
| Current | | | | | | |
| Trade accounts receivable | 8,304 | 121,548 | 34,182 | 164,034 | 12,851 | |
| Inventories | 167,4427(b.i) | | | 167,442 | 138,6197(b.i) | |
| Dividends and interest on capital | | | 2,350 | 2,350 | | |
| Related parties | | 10,320 | | 10,320 | | |
| Non-current | | | | | | |
| Advances to suppliers | 15,2227(b.i) | | | 15,222 | 58,4437(b.i) | |
| Related parties | | | | | | |
| Intracompany loan | | 80,175 | | 80,175 | | |
| Other receivables | | 228,146 | | 228,146 | | |
| Total assets | 190,968 | 440,189 | 36,532 | 667,689 | 209,913 | |
| Liabilities | | | | | | |

| | | | | | |
|--------------------------|----------------|------------------|--------------|------------------|----------------|
| Current | | | | | |
| Trade payables | 118,406 | 1,235,830 | 1,517 | 1,355,753 | 284,973 |
| Total liabilities | 118,406 | 1,235,830 | 1,517 | 1,355,753 | 284,973 |

| | Period ended March 31, 2016 | | | | Associated companies | |
|---|---|----------------------------|---------|-----------|----------------------------|----------------------------|
| | Associated companies, Jointly-controlled investment and Related companies | | | | Associated companies | |
| | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total | Odebrecht and subsidiaries | Petrobras and subsidiaries |
| Transactions | | | | | | |
| Sales of products | 15,569 | 695,947 | 117,856 | 829,372 | 12,688 | |
| Purchases of raw materials, finished goods services and utilities | 361,144 | (i) 2,536,367 | 22,165 | 2,919,676 | 829,358 | (i) |
| Financial income (expenses), net | 187 | (50,061) | | (49,874) | | |
| Post-employment benefits plan Odebrecht previdência Privada ("Odeprev") | | | 5,055 | 5,055 | | |

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

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

| | Associated companies, Jointly-controlled investment and associated comp | | | | | |
|-------------------------------------|--|----------------|-------------|----------------|----------------|----------------|
| | Braskem | Braskem | Braskem | Braskem | Braskem | Braskem |
| | Inc. | Holanda | Netherlands | Petroquímica | America | Argentina |
| Balance sheet | | | | | | |
| Assets | | | | | | |
| Current | | | | | | |
| Cash and equivalents | | | | | | |
| Trade accounts receivable | | 667,049 | | 146,614 | 84,402 | 180,072 |
| Inventories | | | | | | |
| Dividends and interest on capital | | | | 97,611 | | |
| Related parties | 50 | 45 | | 28,441 | 46,931 | |
| Non-current | | | | | | |
| Trade accounts receivable | 3,923,946 | | | | | |
| Advances to suppliers | | | | | | |
| Related parties | | | | | | |
| Loan agreements | 15,231 | | | | | |
| Other receivables | | | | | | |
| Total assets | 3,939,227 | 667,094 | | 272,666 | 131,333 | 180,072 |
| Liabilities | | | | | | |
| Current | | | | | | |
| Trade payables | | 3,307,990 | | 1,061,338 | 20 | |
| Accounts payable to related parties | | | | | | |
| Advance to export | | | 2,426,540 | | 8,714 | |
| Other payables | | | | 149,813 | 578 | |
| Non-current | | | | | | |

| | | | | | |
|-------------------------------------|------------------|------------------|-------------------|------------------|------------------|
| Trade payables | 1,723,588 | | | | |
| Accounts payable to related parties | | | | | |
| Advance to export | | | 8,780,610 | 1,007,169 | |
| Payable notes | 13,666 | | | 1,447 | |
| Total liabilities | 1,737,254 | 3,307,990 | 11,207,150 | 1,212,598 | 1,016,481 |

Associated companies, Jointly-controlled investment and associated comp

| | Braskem Inc. | Braskem Holanda | Braskem Netherlands Inc | Braskem Petroquímica | Braskem America | Braskem Argentina |
|---|-----------------|--------------------|----------------------------|-------------------------|--------------------|----------------------|
| Transactions | | | | | | |
| Sales of products | 43,911 | 711,702 | | 561,900 | 87,462 | 85,560 |
| Purchases of raw materials, finished products services and utilities | 160,378 | 1,042,868 | | 1,161,054 | | |
| Financial income (expenses), net | (180,369) | 265,944 | 964,824 | | 73,425 | (19,190) |
| General and administrative expenses - Odeprev | | | | | | |

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

| | Associated companies, Jointly-controlled investment and assoc | | | | | |
|-------------------------------------|--|--------------------|----------------------------|-------------------------|--------------------|----------------------|
| | Braskem Inc. | Braskem Holanda | Braskem Netherlands Inc | Braskem Petroquímica | Braskem America | Braskem Austria A |
| Balance sheet | | | | | | |
| Assets | | | | | | |
| Current | | | | | | |
| Cash and equivalents | | | | | | |
| Trade accounts receivable | | 645,621 | | 144,433 | 38,890 | |
| Inventories | | | | | | |
| Dividends and interest on capital | | | | 84,150 | | |
| Related parties | | | | 20,039 | 46,648 | |
| Non-current | | | | | | |
| Trade accounts receivable | 4,261,535 | | | | | |
| Advances to suppliers | | | | | | |
| Related parties | | | | | | |
| Loan agreements | 16,541 | | | | | |
| Other receivables | | | | | | |
| Total assets | 4,278,076 | 645,621 | | 248,622 | 85,538 | |
| Liabilities | | | | | | |
| Current | | | | | | |
| Trade payables | | 3,068,634 | | 686,084 | 21 | |
| Accounts payable to related parties | | | | | | |
| Advance to export | 15,629 | | 4,065,040 | | 22,171 | |
| Other payables | | 9,538 | | 149,520 | 689 | |
| Non-current | | | | | | |
| Trade payables | 3,280,511 | | | | | |
| Accounts payable to related parties | | | | | | |
| Advance to export | 149,684 | | 9,634,023 | | 1,105,058 | |
| Payable notes | 14,995 | | | 1,447 | | |

Total liabilities **3,460,819** **3,078,172** **13,699,063** **837,051** **1,127,939**

Associated companies, Jointly-controlled investment and assoc

| | Braskem Inc. | Braskem Holanda | Braskem Netherlands Inc | Braskem Petroquímica | Braskem America | Braskem Austria A |
|---|-----------------|--------------------|----------------------------|-------------------------|--------------------|----------------------|
| Transactions | | | | | | |
| Sales of products | 28,380 | 499,828 | | 581,020 | 934 | |
| Purchases of raw materials, finished products services and utilities | 823,890 | | | 121,041 | | |
| Financial income (expenses) | (708,341) | (1,946,565) | | | (150,472) | (87,037) |
| General and administrative expenses - Odeprev | | | | | | |

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

The main transactions with related companies in the period, except for those with subsidiaries of the Company, were:

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

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

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

(c) Key management personnel

| Income statement transactions | Mar/2016 | Consolidated Mar/2015 |
|---|-----------------|----------------------------------|
| Remuneration | | |
| Short-term benefits to employees and managers | 10,280 | 10,160 |
| Post-employment benefit | 76 | 59 |
| Total | 10,356 | 10,219 |

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****8. Taxes recoverable**

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

| | Mar/2016 | Consolidated Dec/2015 | Mar/2016 | Parent company Dec/2015 |
|---|------------------|----------------------------------|------------------|------------------------------------|
| Brazil | | | | |
| IPI | 47,511 | 23,996 | 45,798 | 22,615 |
| Value-added tax on sales and services (ICMS) - normal operations | 414,115 | 403,842 | 320,379 | 310,754 |
| ICMS - credits from PP&E | 124,033 | 121,954 | 117,688 | 115,354 |
| Social integration program (PIS) and social contribution | | | | |
| on revenue (COFINS) - normal operations | 21,415 | 69,431 | 21,009 | 69,004 |
| PIS and COFINS - credits from PP&E | 233,884 | 230,030 | 221,146 | 217,482 |
| Income tax and social contribution (IR and CSL) | 901,651 | 944,863 | 774,166 | 779,277 |
| REINTEGRA program | 138,936 | 274,654 | 137,100 | 271,823 |
| Federal supervenience | 173,042 | 173,436 | 167,642 | 168,507 |
| Other | 18,702 | 14,281 | 6,489 | 6,309 |
| Other countries | | | | |
| Value-added tax ("VAT") | 271,009 | 277,751 | | |
| Income tax | 5,449 | 40,263 | | |
| Other | 4,822 | 1,559 | | |
| Total | 2,354,569 | 2,576,060 | 1,811,417 | 1,961,125 |
| Current assets | 1,081,509 | 1,272,004 | 642,787 | 762,824 |
| Non-current assets | 1,273,060 | 1,304,056 | 1,168,630 | 1,198,301 |

| | | | | |
|-------|------------------|------------------|------------------|------------------|
| Total | 2,354,569 | 2,576,060 | 1,811,417 | 1,961,125 |
|-------|------------------|------------------|------------------|------------------|

Braskem S.A.**Notes to the financial statements**at **March 31, 2016**

All amounts in thousands, unless otherwise stated

9. Investments

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

(a) Information on investments

| | Interest in total capital total (%) - 3/31/2016 | Adjusted net profit (loss) for the period | | | Adjusted equity |
|-------------------------|--|--|-----------------|-----------------|----------------------------|
| | Direct e Indirect | Mar/2016 | Mar/2015 | Mar/2016 | Dec/2015 |
| Subsidiaries | | | | | |
| Alclor | 100.00 | (947) | (809) | 34,487 | 35,435 |
| Braskem Alemanha | 100.00 | 498,052 | (34,596) | 2,320,183 | 2,040,998 |
| Braskem America | 100.00 | 425,996 | 10,897 | 2,162,497 | 1,947,177 |
| Braskem America Finance | 100.00 | 93 | 85 | 2,911 | 3,065 |
| Braskem Argentina | 100.00 | (85) | (5,713) | 16,061 | 16,146 |
| Braskem Austria | 100.00 | (136) | (1,590) | 4,747 | 5,118 |
| Braskem Austria Finance | 100.00 | | (8) | 72 | 75 |
| Braskem Holanda | 100.00 | 580,053 | (16,893) | 1,278,304 | 958,377 |
| Braskem Holanda Finance | 100.00 | (4) | | (15) | (12) |
| Braskem Holanda Inc | 100.00 | (52) | | (194) | (158) |
| Braskem Finance | 100.00 | 26,340 | (91,620) | (110,673) | (137,013) |
| Braskem Idesa | 75.00 | (111,349) | (369,220) | (2,767,929) | (1,991,690) |
| Braskem Idesa Serviços | 75.00 | 631 | 4,088 | 7,376 | 8,860 |
| Braskem Inc. | 100.00 | (13,111) | 262,012 | 830,469 | 843,579 |

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| | | | | | |
|--|--------|---------|---------|-----------|-----------|
| Braskem México | 100.00 | 4,622 | 34,125 | 195,207 | 206,806 |
| Braskem México Sofom | 100.00 | 1,127 | | 6,018 | 1,566 |
| Braskem México Serviços | 100.00 | 612 | 2,117 | 4,934 | 3,424 |
| Braskem Petroquímica | 100.00 | 152,276 | 61,580 | 2,157,510 | 2,018,696 |
| IQAG | 100.00 | 2,932 | 1,346 | 19,866 | 16,934 |
| Lantana | 100.00 | 93 | (148) | (954) | (1,047) |
| Petroquímica Chile | 100.00 | 1,694 | 333 | 9,403 | 7,707 |
| Quantiq | 100.00 | 10,878 | (7,077) | 255,225 | 244,345 |
| Jointly-controlled investment | | | | | |
| RPR | 33.20 | 4,788 | 8,173 | 120,211 | 145,551 |
| Odebrecht Comercializadora de Energia S.A. ("OCE") | 20.00 | (82) | 216 | 11,360 | 11,441 |
| Associates | | | | | |
| Borealis | 20.00 | 796 | 8,529 | 158,887 | 158,366 |

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(b) Changes in investments – parent company**

| | Subsidiaries and jointly-controlled investment | | Domestic | Total |
|-------------------------------------|---|---------------------------------|-------------------|------------------|
| | Domestic subsidiaries | Foreign subsidiaries | associates | |
| Balance at Dec/2015 | 2,418,563 | 2,139,711 | 31,673 | 4,589,947 |
| Dividends and interest on capital | (13,461) | | | (13,461) |
| Equity of investments | | | | |
| Effect of results | 163,781 | 601,232 | 104 | 765,117 |
| Adjustment of profit in inventories | 1,706 | 421 | | 2,127 |
| Goodwill amortization | (7,954) | | | (7,954) |
| Equity valuation adjustments | (10,004) | (152,980) | | (162,984) |
| Currency translation adjustments | | (135,991) | | (135,991) |
| Balance at Mar/2016 | 2,552,631 | 2,452,393 | 31,777 | 5,036,801 |

(c) Equity accounting results - breakdown

| | Parent company | |
|---|-----------------------|-----------------|
| | Mar/2016 | Mar/2015 |
| Equity in results of subsidiaries, associate and jointly-controlled | 767,244 | 307,623 |
| Amortization of fair value adjustment | (7,954) | (7,775) |
| Provision for losses on investments | 26,339 | (235,159) |
| Other | | 2 |
| | 785,629 | 64,691 |

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

| Balance sheet | | | | | |
|----------------------------------|-------------------|-------------------|---|--------------------|--------------------|
| Assets | Mar/2016 | Dec/2015 | Liabilities | Mar/2016 | Dec/2015 |
| Current | | | Current | | |
| Cash and cash equivalents | 128,089 | 134,639 | Trade payables | 221,093 | 429,400 |
| Inventories | 159,145 | 173,129 | Project finance | 392,181 | 302,266 |
| Taxes recoverable | 178,903 | 219,071 | Other payables | 91,558 | 106,911 |
| Other receivables | 126,893 | 150,109 | | 704,832 | 838,577 |
| | 593,030 | 676,948 | Non-current | | |
| Non-current | | | Project finance | 11,040,341 | 11,975,167 |
| Deferred tax | 819,398 | 825,416 | Loan agreements | 6,211,364 | 5,911,266 |
| Other receivables | 18,221 | 32,080 | Other payables | 104,105 | 7,065 |
| Property, plant and equipment | 14,507,990 | 15,134,641 | | 17,355,810 | 17,893,498 |
| Intangible | 74,326 | 80,870 | | | |
| | 15,419,935 | 16,073,007 | Shareholders' equity | (2,047,677) | (1,982,120) |
| Total assets | 16,012,965 | 16,749,955 | Total liabilities and shareholders' equity | 16,012,965 | 16,749,955 |
| Statement of operations | | | Statement of cash flows | | |
| | Mar/2016 | Mar/2015 | | Mar/2016 | Mar/2015 |
| Gross profit (loss) | 2,564 | (4,717) | Cash flows from operating activities | | |
| Operating income (expenses), net | (29,825) | (18,589) | Net cash used by operating activities | (123,198) | (49,925) |
| Financial income (expenses), net | (45,711) | (28,460) | | | |

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| | | | | | |
|------------------------|-----------------|-----------------|---|------------------|------------------|
| Loss before income tax | (72,972) | (51,766) | Net cash used in investing activities | (569,535) | (548,290) |
| Income tax | (2,338) | (23,337) | Net cash provided by financing activities | | |
| Loss for the period | (75,310) | (75,103) | Project finance | 9,593 | 357,319 |
| | | | Related parties | 662,966 | 244,322 |
| | | | | 672,559 | 601,641 |
| | | | Exchange variation on cash | 13,624 | (35,096) |
| | | | Decrease in cash and cash equivalents | (6,550) | (31,670) |
| | | | Represented by | | |
| | | | Cash and cash equivalents at the beginning for the period | 134,639 | 333,864 |
| | | | Cash and cash equivalents at the end for the period | 128,089 | 302,194 |
| | | | Decrease in cash and cash equivalents | (6,550) | (31,670) |

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

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

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

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

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

Impairment test for property, plant and equipment

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

11. Intangible assets

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

| | Mar/2016 | | | Consolidated Dec/2015 | | |
|--|------------------|-----------------------------|------------------|--------------------------|-----------------------------|------------------|
| | Cost | Accumulated amortization | Net | Cost | Accumulated amortization | Net |
| Goodwill based on future profitability | 3,187,722 | (1,128,804) | 2,058,918 | 3,187,722 | (1,128,804) | 2,058,918 |
| Trademarks and patents | 289,504 | (101,951) | 187,553 | 298,438 | (100,782) | 197,656 |
| Software and use rights | 534,770 | (340,205) | 194,565 | 536,786 | (336,029) | 200,757 |
| Contracts with customers and suppliers | 743,353 | (350,650) | 392,703 | 795,782 | (365,509) | 430,273 |
| Total | 4,755,349 | (1,921,610) | 2,833,739 | 4,818,728 | (1,931,124) | 2,887,604 |

Impairment of intangible assets with definite and indefinite useful life

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

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

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

| | Annual financial charges | Mar/2016 |
|---|---|-------------------|
| <u>Foreign currency</u> | | |
| Bonds and Medium term notes (MTN) | Note 12 (a) | 15,537,988 |
| Advances on exchange contracts | US dollar exchange variation + 3.34% | 557,659 |
| Export prepayment | US dollar exchange variation + 1.10% + semiannual Libor | 501,538 |
| BNDES | Note 12 (b) | 333,295 |
| Export credit notes | Note 12 (c) | 1,285,417 |
| Working capital | US dollar exchange variation + 1.70% above Libor | 1,736,993 |
| Transactions costs | | (236,137) |
| | | 19,716,753 |
| Current liabilities | | 1,269,632 |
| Non-current liabilities | | 18,447,121 |
| Total | | 19,716,753 |
| <u>Local currency</u> | | |
| Export credit notes | Note 12 (c) | 2,122,870 |
| BNDES | Note 12 (b) | 2,866,296 |
| BNB/ FINAME/ FINEP/ FUNDES | 6.47% | 608,886 |
| BNB/ FINAME/ FINEP/ FUNDES | TJLP + 1.90% | 2,097 |
| Fundo de Desenvolvimento do Nordeste (FDNE) | 6.50% | 52,760 |

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| | | |
|-------------------------|-------------|-------------------|
| Other | CDI + 0.04% | 24,488 |
| Transactions costs | | (15,395) |
| | | 5,662,002 |
| Current liabilities | | 991,908 |
| Non-current liabilities | | 4,670,094 |
| Total | | 5,662,002 |
| Current liabilities | | 2,261,540 |
| Non-current liabilities | | 23,117,215 |
| Total | | 25,378,755 |

| | | Parent company | |
|--------------------------------|-------------------------|-----------------------|-------------------|
| | | Mar/2016 | Dec/2015 |
| <u>Foreign currency</u> | | | |
| | Current liabilities | 1,767,762 | 1,361,655 |
| | Non-current liabilities | 2,861,600 | 3,355,752 |
| | | 4,629,362 | 4,717,407 |
| <u>Local currency</u> | | | |
| | Current liabilities | 991,908 | 1,205,469 |
| | Non-current liabilities | 4,670,094 | 4,851,260 |
| | | 5,662,002 | 6,056,729 |
| Current liabilities | | 2,759,670 | 2,567,124 |
| Non-current liabilities | | 7,531,694 | 8,207,012 |
| Total | | 10,291,364 | 10,774,136 |

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

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

(b) BNDES borrowings

| Projects | Issue date | Maturity | Charges (% per year) | Mar/2016 | Consolidated Dec/2015 |
|--------------------------------|------------|----------------|-------------------------------------|----------|-----------------------|
| <u>Foreign currency</u> | | | | | |
| Other | 2006 | October - 2016 | US dollar exchange variation + 6.89 | 2,044 | 3,204 |
| Braskem Qpar expansion | 2007/2008 | April - 2016 | US dollar exchange variation + 6.89 | 549 | 2,426 |
| Green PE | 2009 | July - 2017 | | 22,528 | 29,352 |

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| | | | | | |
|------------------------------|-----------|------------------|--|------------------|------------------|
| | | | US dollar exchange variation + 6.67 | | |
| Limit of credit II | 2009 | January - 2017 | US dollar exchange variation + 6.67 | 33,199 | 47,353 |
| New plant PVC Alagoas | 2010 | January - 2020 | US dollar exchange variation + 6.67 | 110,209 | 128,806 |
| Limit of credit III | 2011 | October - 2018 | US dollar exchange variation + 6.51 to 6.54 | 122,788 | 149,495 |
| Butadiene | 2011 | January - 2021 | US dollar exchange variation + 6.54 | 41,978 | 48,440 |
| | | | | 333,295 | 409,076 |
| <u>Local currency</u> | | | | | |
| Other | 2006 | September - 2016 | TJLP + 2.80 | 9,032 | 13,501 |
| Braskem Qpar expansion | 2007/2008 | February - 2016 | TJLP + 2.15 to 3.30 | | 5,372 |
| Green PE | 2009 | June - 2017 | TJLP + 0.00 to 4.78 | 99,687 | 119,201 |
| Limit of credit II | 2009 | January - 2017 | TJLP + 2.58 to 3.58 | 65,619 | 85,004 |
| Limit of credit II | 2009 | January - 2021 | 4.00 to 4.50 | 92,141 | 96,698 |
| New plant PVC Alagoas | 2010 | December - 2019 | TJLP + 0.00 to 3.58 | 221,646 | 235,641 |
| New plant PVC Alagoas | 2010 | December - 2019 | 5.50 | 25,061 | 26,732 |
| Limit of credit III | 2011 | January - 2021 | TJLP + 0.00 to 3.58 | 1,081,689 | 1,154,552 |
| Limit of credit III | 2011 | January - 2021 | SELIC + 2.58 to 2.78 | 278,849 | 284,263 |
| Limit of credit III | 2011 | December - 2021 | 3.50 to 7.00 | 219,816 | 230,198 |
| Butadiene | 2011 | December - 2020 | TJLP + 0.00 to 3.45 | 91,911 | 96,407 |
| Finem | 2014 | March - 2021 | TJLP + 0.00 to 2.78 | 222,441 | 215,372 |
| Finem | 2014 | March - 2021 | SELIC + 2.78 | 170,109 | 160,603 |
| Finem | 2014 | March - 2021 | 6.00 | 6,664 | 6,664 |
| Limit of credit IV | 2015 | January - 2022 | TJLP + 0.00 a 2.62 | 144,175 | 140,024 |
| Limit of credit IV | 2015 | January - 2022 | SELIC + 2.32 | 137,456 | 131,544 |
| | | | | 2,866,296 | 3,001,776 |
| Total | | | | 3,199,591 | 3,410,852 |

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(c) Export credit notes (“NCE”)**

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

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| | | | | | |
|------------------|------|------------------|---------------------------|------------------|------------------|
| June - 2014 | (ii) | 50,000 | June - 2017 7.50 | 50,010 | 50,010 |
| June - 2014 | (ii) | 17,500 | June - 2017 8.00 | 17,504 | 17,504 |
| June - 2014 | (ii) | 10,000 | June - 2017 8.00 | 10,002 | 10,002 |
| September - 2014 | | 100,000 | August - 2020 108% of CDI | 101,029 | 104,642 |
| November - 2014 | (ii) | 150,000 | November - 8.00 2017 | 153,997 | 151,062 |
| Total | | 2,642,500 | | 2,122,870 | 2,350,965 |

(i) The Company enters into swap transactions to offset the variation in the Interbank Certificate of Deposit (CDI) rate (Note 14.2.1 (a.i)).

(ii) The Company enters into swap transactions for these contracts (from fixed rate to 67.10% to 92.70% of CDI) (Note 14.2.1).

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

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

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

(e) Guarantees

Braskem gave collateral for part of its borrowings as follows:

| Loans | Maturity | Total Mar/2016 | Total guaranteed | Guarantees |
|--------------|--------------------|---------------------------|-----------------------------|---|
| BNB | December - 2022 | 157,169 | 157,169 | Mortgage of plants, pledge of machinery and equipment |

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| | | | | |
|--------------|--------------------|------------------|------------------|--|
| BNB | August - 2024 | 239,899 | 239,899 | Bank surety |
| BNDES | December - 2021 | 3,199,591 | 3,199,591 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FUNDES | June - 2020 | 135,801 | 135,801 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FINEP | July - 2024 | 76,017 | 76,017 | Bank surety |
| FINAME | February - 2022 | 2,097 | 2,097 | Pledge of equipment |
| Total | | 3,810,574 | 3,810,574 | |

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

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

| <u>Identification</u> | Contract value | US\$ Value received | Maturity | Charges (% per year) | Consolidated | |
|------------------------------|-----------------------|----------------------------|-----------------|---|---------------------|-------------------|
| | | | | | Mar/2016 | Dec/2015 |
| Project finance I | 700.000 | 700.000 | February - 2027 | Us dollar exchange variation + quarterly Libor + 3.25 | 2,529,725 | 2,720,874 |
| Project finance II | 210.000 | 189.996 | February - 2027 | Us dollar exchange variation + 6.17 | 761,033 | 740,902 |
| Project finance III | 600.000 | 600.000 | February - 2029 | Us dollar exchange variation + 4.33 | 2,169,555 | 2,334,133 |
| Project finance IV | 660.000 | 680.004 | February - 2029 | Us dollar exchange variation + quarterly Libor + 3.88 | 2,388,521 | 2,645,645 |
| Project finance V | 400.000 | 400.000 | February - 2029 | Us dollar exchange variation + quarterly Libor + 4.65 | 1,448,033 | 1,557,360 |
| Project finance VI | 90.000 | 89.994 | February - 2029 | Us dollar exchange variation + quarterly Libor + 2.73 | 325,095 | 349,464 |
| Project finance VII | 533.095 | 533.095 | February - 2029 | Us dollar exchange variation + quarterly Libor + 4.64 | 1,929,525 | 2,075,524 |
| Transactions costs | | | | | (153,480) | (173,240) |
| Total | 3,193,095 | 3,193,089 | | | 11,398,007 | 12,250,662 |
| VAT borrowings (i) | | | November - 2029 | 2.00% above TIE (ii) | 34,515 | 26,771 |
| | | | | | 34,515 | 26,771 |

| | | |
|-------------------------|-------------------|-------------------|
| | 11,432,522 | 12,277,433 |
| Current liabilities | 392,181 | 302,266 |
| Non-current liabilities | 11,040,341 | 11,975,167 |
| Total | 11,432,522 | 12,277,433 |

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

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

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

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

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

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

14.1. Non-derivative financial instruments – consolidated

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

| | | | 38,854 | 47,365 | 38,854 | 47,365 |
|--|----|-----------------------|-------------------|-------------------|-------------------|-------------------|
| Trade accounts receivable | 5 | | 2,320,435 | 2,754,966 | 2,320,435 | 2,754,966 |
| Related parties credits | 7 | Loans and receivables | 318,641 | 155,140 | 318,641 | 155,140 |
| Trade payables | | | 9,147,852 | 11,755,843 | 9,147,852 | 11,755,843 |
| Borrowings | 12 | | | | | |
| Foreign currency - Bond | | Nível 1 | 15,537,988 | 17,004,617 | 12,250,933 | 14,434,854 |
| Foreign currency - other borrowings | | | 4,414,902 | 4,526,293 | 4,414,902 | 4,526,293 |
| Local currency | | | 5,677,397 | 6,073,310 | 5,677,397 | 6,073,310 |
| | | | 25,630,287 | 27,604,220 | 22,343,232 | 25,034,457 |
| Project finance | 13 | | 11,586,002 | 12,450,673 | 11,586,002 | 12,450,673 |
| Non-controlling loan in Braskem Idesa | | | 1,580,402 | 1,538,784 | 1,580,402 | 1,538,784 |
| Other payables (BNDESPAR) | | | 279,861 | 273,294 | 279,861 | 273,294 |

(a) Fair value hierarchy

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

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

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****14.2. Derivative financial instruments designated and not designated for hedge accounting****14.2.1 Changes**

| Identification | Note | Fair value hierarchy | Operation characteristics | | Net (Asset)Liability Dec/2015 | Change in fair value settlement | Net (Asset)Liability Mar/2016 | |
|---|-----------------|----------------------|---------------------------|------------------|-------------------------------|---------------------------------|-------------------------------|------------------|
| | | | Principal exposure | Derivatives | | | | |
| <u>Non-hedge accounting transactions</u> | | | | | | | | |
| Exchange swap | | Level 2 | Argentine peso | Dollar | (38,990) | (5,348) | 47,880 | 3,542 |
| Interest rate swaps | | Level 2 | Fixed rate | CDI | 8,351 | (2,380) | (4,456) | 1,515 |
| | | | | | (30,639) | (7,728) | 43,424 | 5,057 |
| <u>Hedge accounting transactions</u> | | | | | | | | |
| Exchange swap | 14.2.1 (a.i) | Level 2 | CDI | Dollar+Interests | 1,172,125 | (138,043) | 675 | 1,034,757 |
| Interest rate swaps | 14.2.1 (a.ii.i) | Level 2 | Libor | Fixed price | 35,073 | 117,643 | (18,154) | 134,562 |
| | | | | | 1,207,198 | (20,400) | (17,479) | 1,169,319 |
| <u>Derivatives operations</u> | | | | | | | | |
| Current assets | | | | | (53,662) | | | (11,058) |
| Non-current assets | | | | | (12,280) | | | |

| | | |
|-------------------------|------------------|------------------|
| Current liabilities | 57,760 | 43,615 |
| Non-current liabilities | 1,184,741 | 1,141,819 |
| | 1,176,559 | 1,174,376 |

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

| Identification | Nominal value | Hedge | | Maturity | Fair value, net | |
|--------------------------------------|----------------------|-----------------------------------|--|------------------|------------------------|------------------|
| | | Financial charges per year | | | Mar/2016 | Dec/2015 |
| Swap NCE I | 200,000 | Exchange variation + 6,15% | | August - 2019 | 267,631 | 301,325 |
| Swap NCE II | 100,000 | Exchange variation + 6,15% | | August - 2019 | 130,426 | 147,021 |
| Swap NCE III | 100,000 | Exchange variation + 6,15% | | August - 2019 | 128,076 | 144,496 |
| Swap NCE IV | 100,000 | Exchange variation + 5,50% | | April - 2019 | 109,006 | 124,071 |
| Swap NCE V | 100,000 | Exchange variation + 5,50% | | April - 2019 | 108,909 | 123,966 |
| Swap NCE VI | 150,000 | Exchange variation + 7,90% | | April - 2019 | 178,159 | 203,675 |
| Swap NCE VII | 100,000 | Exchange variation + 4,93% | | April - 2019 | 112,550 | 127,571 |
| Total | 850,000 | | | | 1,034,757 | 1,172,125 |
| <u>Derivatives operations</u> | | | | | | |
| Current assets | | | | | (11,058) | (12,616) |
| Non-Current liabilities | | | | | 1,045,815 | 1,184,741 |
| Total | | | | | 1,034,757 | 1,172,125 |

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

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

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

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

Derivatives operations

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

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

On May 1, 2013, Braskem S.A. designated non-derivative financial instrument liabilities, denominated in U.S. dollars, as hedge for the flow of its highly probable future exports. Thus, the impact of exchange rates on future cash flows in dollars derived from these exports will be offset by the foreign exchange variation on the designated liabilities, partly

eliminating the volatility of results.

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

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

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

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

For the portion of hedge accounting discontinued, Braskem will follow the international accounting standards CPCs 38-39-40, IAS 39-32 and IFRS 7. In other words, if the hedging instrument expires or is sold, terminated or exercised, and the hedge was effective before this event (expiration, sale, termination or exercise), the cumulative gain or loss resulting from such hedging instrument will continue to be retained in equity since the period the hedge was in place, and continue to be recognized under shareholders' equity until the future hedged exports occur.

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

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

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

| | Dec/2015 | Exports in the period | Hedge discontinued | US\$ Mar/2016 |
|-----------------------|-----------------|----------------------------------|-------------------------------|--------------------------|
| Designated balance | 6,757,231 | (206.951) | (210.751) | 6,339,529 |

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

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2016 | 1,664.035 |
| 2017 | 281.802 |
| 2018 | 1,152.280 |
| 2019 | 444.236 |
| 2020 | 570.782 |
| 2021 | 1,017.703 |
| 2022 | 519.837 |
| 2024 | 688.854 |
| | 6,339.529 |

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

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

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

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

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

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2016 | 67.774 |
| 2017 | 183.253 |
| 2018 | 221.790 |
| 2019 | 229.270 |
| 2020 | 266.690 |
| 2021 | 303.392 |
| 2022 | 253.204 |
| 2023 | 333.093 |
| 2024 | 359.559 |
| 2025 | 357.903 |
| 2026 | 309.240 |
| 2027 | 152.103 |
| 2028 | 124.654 |

2029 31.164
3,193.089

The changes in the exchange variation and the IR under “Other comprehensive income” are as follows:

| | Exchange variation | IR | Net effect |
|---|-------------------------------|----------------|-----------------------|
| At December 31, 2015 | (2,246,820) | 674,046 | (1,572,774) |
| Exchange variation recorded in the period on OCI / IR | (179,723) | 53,917 | (125,806) |
| At March 31, 2016 | (2,426,543) | 727,963 | (1,698,580) |

14.4 Credit quality of financial assets

(a) Trade accounts receivable

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

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

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

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

Default indicators for the periods ended:

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

(b) Other financial assets

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

| | Mar/2016 | Dec/2015 |
|---|-----------------|-----------------|
| Financial assets with risk assessment | | |
| AAA | 5,656,534 | 5,982,393 |
| AA+ | 30 | |
| AA | 4 | 27,753 |
| AA- | 153,781 | 163,188 |
| A+ | 1,397,662 | 1,076,803 |
| A | 145,357 | 69,576 |
| A- | 170,134 | 120,219 |
| | 7,523,502 | 7,439,932 |
| Financial assets without risk assessment | | |
| Quotas of investment funds in credit rights | (i) 37,457 | 46,193 |

| | | |
|--|------------------|------------------|
| Other financial assets with no risk assessment | 1,536 | 963 |
| | 38,993 | 47,156 |
| Total | 7,562,495 | 7,487,088 |

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

14.5 Sensitivity analysis

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

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

(a) Selection of risks

On March 31, 2016, the main risks that can affect the value of Braskem's financial instruments are:

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

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

(b) Value at risk

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

(c) Selection of scenarios

(c.1) Probable scenario

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

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

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(c.2) Possible and extreme adverse scenarios**

The sensitivity values in the table below are the changes in the value of the financial instruments in each scenario:

| Instrument / Sensitivity | Probable | Possible adverse (25%) | Extreme adverse (50%) |
|--|-----------------|---------------------------------------|--------------------------------------|
| Brazilian real/U.S. dollar exchange rate | | | |
| Bonds | (2,544,201) | (3,829,537) | (7,659,074) |
| BNDES | (55,357) | (83,324) | (166,647) |
| Working capital / structured operations | (501,994) | (755,602) | (1,511,205) |
| Export prepayments | (80,797) | (121,616) | (243,233) |
| Project finance | (1,893,102) | (2,849,502) | (5,699,003) |
| Financial investments abroad | (62,498) | (94,072) | (188,143) |
| Swaps | (322,238) | (485,033) | (647,828) |
| Exchange rate contracts | 843,758 | 1,270,026 | 2,540,052 |
| Brazilian real/Mexican Peso exchange rate | | | |
| Project Finance | (8,136) | (8,629) | (17,258) |
| Selic interest rate | | | |
| BNDES | | (97,994) | (208,897) |
| Libor floating interest rate | | | |
| Working capital / structured operations | (2,212) | (11,062) | (22,124) |
| Export prepayments | (2,137) | (10,686) | (21,372) |
| Swaps | (2,773) | (13,961) | (28,165) |
| CDI interest rate | | | |
| NCE | | (56,270) | (117,047) |
| NCA | | (180,248) | (389,329) |
| Swaps NCE | | (224) | (446) |

| | | | |
|---|-----------------|-----------------|----------------|
| Financial investments in local currency | | 61,675 | 122,973 |
| | Probable | Possible | Extreme |
| Instrument / Sensitivity | 8.0% | adverse | adverse |
| | | 8.5% | 9.0% |
| TJLP interest rate | | | |
| BNDES | (53,429) | (108,080) | (163,975) |
| Other government agents | (59) | (119) | (181) |

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

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

| | Mar/2016 | Consolidated Dec/2015 | Parent company Mar/2016 | Dec/2015 |
|--|-----------------|----------------------------------|------------------------------------|-----------------|
| Parent Company and subsidiaries in Brazil | | | | |
| IPI | 75,906 | 61,784 | 60,037 | 48,579 |
| IR and CSL | 150,700 | 175,963 | 29,721 | 31,325 |
| ICMS | 206,254 | 149,811 | 178,295 | 110,669 |
| Other | 97,368 | 88,198 | 75,613 | 56,557 |
| Other countries | | | | |
| Income tax | 247,754 | 238,645 | | |
| Value-added tax | 62,975 | 56,975 | | |
| Total | 840,957 | 771,376 | 343,666 | 247,130 |
| Current liabilities | 811,383 | 744,660 | 315,372 | 221,305 |
| Non-current liabilities | 29,574 | 26,716 | 28,294 | 25,825 |
| Total | 840,957 | 771,376 | 343,666 | 247,130 |

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

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

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

| | Mar/2016 | Consolidated Mar/2015 | Mar/2016 | Parent company Mar/2015 |
|--|------------------|--------------------------|----------------|----------------------------|
| Income before IR and CSL | 997,825 | 379,325 | 669,718 | 341,170 |
| IR and CSL at the rate of 34% | (339,261) | (128,974) | (227,704) | (115,998) |
| Permanent adjustments to the IR and CSL calculation basis | | | | |
| IR and CSL on equity in results of investees | 573 | 681 | 267,114 | 24,595 |
| Other permanent adjustments | 87,760 | (47,040) | 65,606 | 1,636 |
| Effect of IR and CSL on results of operations | (250,928) | (175,333) | 105,016 | (89,767) |
| Breakdown of IR and CSL: | | | | |
| Current IR and CSL | (331,825) | (50,302) | | (2,960) |
| Deferred IR and CSL | 80,897 | (125,031) | 105,016 | (86,807) |
| Total IR and CSL on income statement | (250,928) | (175,333) | 105,016 | (89,767) |

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

| | | Consolidated | | Parent company | |
|--|------------------|---------------------|------------------|-----------------------|--|
| Assets | Mar/2016 | Dec/2015 | Mar/2016 | Dec/2015 | |
| Tax losses (IR) and negative base (CSL) | 1,635,962 | 2,144,798 | 548,657 | 288,285 | |
| Goodwill amortized | 5,669 | 6,017 | 5,669 | 6,017 | |
| Exchange variations | 1,847,995 | 2,925,895 | 1,839,595 | 2,917,700 | |
| Temporary adjustments | 763,315 | 50,628 | 815,480 | 823,784 | |
| Business combination | 189,832 | 189,403 | 89,769 | 89,770 | |
| Deferred charges - write-off | 20,848 | 20,848 | 20,848 | 20,848 | |
| | 4,463,621 | 5,337,589 | 3,320,018 | 4,146,404 | |
| Liabilities | | | | | |
| Amortization of goodwill based on future profitability | 743,505 | 735,019 | 654,673 | 646,194 | |
| Tax depreciation | 835,316 | 815,243 | 764,950 | 746,432 | |
| Temporary differences | 470,409 | 521,030 | 11,246 | 11,702 | |
| Business combination | 208,868 | 217,182 | 74,066 | 79,154 | |
| Additional indexation PP&E | 104,242 | 110,731 | 104,242 | 110,731 | |
| Amortization of fair value adjustments on the assets from the acquisition of Quattor | | 289,528 | 289,528 | 289,529 | |
| Other | 147,781 | 153,590 | 82,794 | 83,308 | |
| | 2,799,649 | 2,842,323 | 1,981,499 | 1,967,050 | |
| Net | 1,663,972 | 2,495,266 | 1,338,519 | 2,179,354 | |
| Presentation in the Balance Sheet: | | | | | |
| Assets | 2,363,688 | 3,226,507 | 1,338,519 | 2,179,354 | |
| (-) Liabilities | 699,716 | 731,241 | | | |

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

| | Headquarters (Country) | Asset | IR and CSL Liability | Mar/2016 Balance |
|---|-----------------------------------|------------------|---------------------------------|-----------------------------|
| Assets | | | | |
| Braskem S.A. | Brazil | 3,320,019 | (1,981,500) | 1,338,519 |
| Braskem Argentina | Argentina | 12,664 | | 12,664 |
| Braskem Alemanha | Germany | 83,636 | | 83,636 |
| Braskem Idesa | Mexico | 879,419 | (60,022) | 819,397 |
| Braskem México Serviços | Mexico | 2,488 | | 2,488 |
| Quantiq | Brazil | 8,564 | (1,643) | 6,921 |
| Braskem Petroquímica - business combination effects | Brazil | 100,063 | | 100,063 |
| | | 4,406,853 | (2,043,165) | 2,363,688 |
| Liabilities | | | | |
| Braskem America | USA | | (459,163) | (459,163) |
| Braskem Petroquímica | Brazil | 56,601 | (162,350) | (105,749) |
| Braskem Petroquímica - business combination effects | Brazil | | (134,802) | (134,802) |
| Petroquímica Chile | Chile | 168 | (170) | (2) |
| | | 56,769 | (756,485) | (699,716) |
| Dec/2015 | | | | |
| | Headquarters (Country) | Asset | IR and CSL Liability | Balance |
| Assets | | | | |
| Braskem S.A. | Brazil | 4,146,404 | (1,967,050) | 2,179,354 |
| Braskem Argentina | Argentina | 8,235 | | 8,235 |
| Braskem Alemanha | Germany | 104,785 | | 104,785 |
| Braskem Idesa | Mexico | 890,723 | (65,306) | 825,417 |

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| | | | | |
|---|--------|------------------|--------------------|------------------|
| Braskem México Serviços | Brasil | 2,894 | | 2,894 |
| Quantiq | Brasil | 7,811 | (1,623) | 6,188 |
| Braskem Petroquímica - business combination effects | Brazil | 99,634 | | 99,634 |
| | | 5,260,486 | (2,033,979) | 3,226,507 |

Liabilities

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

(d) Realization of deferred income tax and social contribution

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

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

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

| | Consolidated | | Parent company | |
|---|---------------------|-----------------|-----------------------|-----------------|
| | Mar/2016 | Dec/2015 | Mar/2016 | Dec/2015 |
| Provision for customers rebates | 30,600 | 46,929 | 23,417 | 22,606 |
| Provision for recovery of environmental damages | 114,026 | 127,227 | 100,786 | 112,887 |
| Judicial and administrative provisions | 580,254 | 554,479 | 525,825 | 501,292 |
| Other | 18,031 | 19,279 | 2,062 | 1,754 |
| Total | 742,911 | 747,914 | 652,090 | 638,539 |
| Current liabilities | 71,512 | 93,942 | 62,851 | 67,190 |
| Non-current liabilities | 671,399 | 653,972 | 589,239 | 571,349 |
| Total | 742,911 | 747,914 | 652,090 | 638,539 |

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

| | Consolidated | | Parent company | |
|------------------------------------|---------------------|-----------------|-----------------------|-----------------|
| | Mar/2016 | Dec/2015 | Mar/2016 | Dec/2015 |
| Labor claims | 164,878 | 158,711 | 155,310 | 148,884 |
| Tax claims | | | | |
| Income tax and social contribution | 49,512 | 48,252 | 8,029 | 8,029 |
| PIS and COFINS | 50,724 | 49,266 | 50,724 | 49,266 |
| ICMS - interstate purchases | 201,759 | 195,320 | 201,759 | 195,320 |
| ICMS - other | 37,433 | 36,965 | 37,433 | 36,965 |
| Other tax claims | 47,146 | 38,337 | 47,121 | 38,317 |

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| | | | | |
|----------------------------|----------------|----------------|----------------|----------------|
| Societary claims and other | 28,802 | 27,628 | 25,449 | 24,511 |
| | 580,254 | 554,479 | 525,825 | 501,292 |

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Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

18. Contingencies

(a) Allegations

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

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

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

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

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

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

Braskem S.A.

Notes to the financial statements

at March 31, 2016

All amounts in thousands, unless otherwise stated

(b) Class actions

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

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

(c) Labor

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

(c.2) In the class action suits filed by the Trade Union of Petrochemical and Chemical Workers of Triunfo, Rio Grande do Sul, in the third quarter of 2010, claiming the payment of overtime related to breaks during work shifts and the inclusion of overtime in the calculation of the weekly remunerated rest, in the restated amount of R\$369,895, the following developments occurred: (i) the Superior Labor Court ("TST") upheld the appeal by Braskem to eliminate breaks during work shifts, with the Trade Union filing an appeal at the TST, where it is pending trial; and (ii) judgment for plaintiff in the suit involving the inclusion of overtime in the calculation of the weekly remunerated rest, which was upheld by the Regional Appellate Labor Court ("TRT"), for which Braskem appealed to the TST, which ordered the case to be sent back to the TRT for a new trial. However, as the TRT did not judge on the merits, Braskem appealed once again to the TST.

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

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

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****19. Shareholders' Equity**

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

(a) Capital

| | Common shares | | Preferred shares class A | | Preferred shares class B | | Amount of shares Total | |
|---|--------------------|----------------|--------------------------|----------------|--------------------------|----------------|------------------------|----------------|
| | shares | % | shares | % | shares | % | shares | % |
| OSP e Odebrecht | 226,334,623 | 50.11% | 79,182,498 | 22.95% | | | 305,517,121 | 38.32% |
| Petrobras | 212,426,952 | 47.03% | 75,753,239 | 21.96% | | | 288,180,191 | 36.15% |
| ADR (i) | | | 26,859,246 | 7.79% | | | 26,859,246 | 3.37% |
| Other | 12,907,077 | 2.86% | 161,973,237 | 46.95% | 593,618 | 100.00% | 175,473,932 | 22.01% |
| Total | 451,668,652 | 100.00% | 343,768,220 | 99.65% | 593,618 | 100.00% | 796,030,490 | 99.85% |
| Treasury shares | | | | | | | | |
| Braskem shares owned by subsidiary (ii) | | | 1,234,758 | 0.35% | | | 1,234,758 | 0.15% |
| Total | 451,668,652 | 100.00% | 345,002,978 | 100.00% | 593,618 | 100.00% | 797,265,248 | 100.00% |

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

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

(b) Stock buyback programs

On February 11, 2015, Braskem's Board of Directors approved the fifth program for the repurchase of shares effective for the period between February 19, 2015 and February 19, 2016, through which the Company may acquire up to 3,500,000 class A preferred shares at market price.

Only one repurchase was made under this program, on March 11, 2015, at the average price of R\$11.58.

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****(c) Other comprehensive income - shareholders' equity**

| | Additional indexation of PP&E (i) | Deemed cost of PP&E (i) | Defined benefit plan actuarial Gain (loss) (ii) | Foreign sales hedge (iii) | Cash flow hedge (iii) | Fore curre translat adjustm |
|---|--|--|--|--|--------------------------------------|--|
| On December 31, 2014 | 244,831 | 18,275 | (11,647) | (3,263,732) | (289,667) | 387, |
| Additional indexation | | | | | | |
| Realization by depreciation or write-off assets | (10,317) | | | | | |
| Income tax and social contribution | 3,507 | | | | | |
| Deemed cost of jointly-controlled investment | | | | | | |
| Realization by depreciation or write-off assets | | (365) | | | | |
| Income tax and social contribution | | 124 | | | | |
| Foreign sales hedge | | | | | | |
| Exchange rate | | | | (4,013,139) | | |
| Income tax and social contribution | | | | 1,320,976 | | |
| Fair value of Cash flow hedge | | | | | | |
| Change in fair value | | | | | (347,224) | |
| Transfer to profit or loss | | | | | (22,911) | |
| Income tax and social contribution | | | | | 118,696 | |
| Foreign currency translation adjustment | | | | | | 419, |
| On March 31, 2015 | 238,021 | 18,034 | (11,647) | (5,955,895) | (541,106) | 806, |
| On December 31, 2015 | 217,595 | 17,309 | (12,496) | (9,666,973) | (728,296) | 1,097, |
| Additional indexation | | | | | | |

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| | | | | | | |
|---|----------------|---------------|-----------------|--------------------|------------------|-------------|
| Realization by depreciation or write-off assets | (10,317) | | | | | |
| Income tax and social contribution | 3,508 | | | | | |
| Deemed cost of jointly-controlled investment | | | | | | |
| Realization by depreciation or write-off assets | (365) | | | | | |
| Income tax and social contribution | 124 | | | | | |
| Foreign sales hedge | | | | | | |
| Exchange rate | | | | 2,085,737 | | |
| Transfer to profit or loss | | | | 421,800 | | |
| Income tax and social contribution | | | | (857,954) | | |
| Fair value of Cash flow hedge | | | | | | |
| Change in fair value | | | | | 53,931 | |
| Transfer to result | | | | | 1,904 | |
| Income tax and social contribution | | | | | (22,334) | |
| Fair value of cash flow hedge from jointly-controlled | | | | | | (10,004) |
| Foreign currency translation adjustment | | | | | | (135,9 |
| On March 31, 2016 | 210,786 | 17,068 | (12,496) | (8,017,390) | (704,799) | 961, |

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

Braskem S.A.**Notes to the financial statements****at March 31, 2016****All amounts in thousands, unless otherwise stated****20. Earnings per share**

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

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

| | Mar/2016 | Basic and diluted Mar/2015 |
|---|-----------------|---------------------------------------|
| Profit for the period attributed to Company's shareholders | 774,734 | 251,403 |
| Distribution of dividends attributable to priority: | | |
| Preferred shares class "A" | 208,409 | 208,409 |
| Preferred shares class "B" | 360 | 360 |
| | 208,769 | 208,769 |
| Distribution of 6% of unit value of common shares | 273,824 | 42,634 |
| Distribution of plus income, by class | | |
| Common shares | 165,885 | |
| Preferred shares class "A" | 126,256 | |
| | 292,141 | |
| Reconciliation of income available for distribution, by class (numerator): | | |
| Common shares | 439,709 | 42,634 |
| Preferred shares class "A" | 334,665 | 208,409 |
| Preferred shares class "B" | 360 | 360 |
| | 774,734 | 251,403 |

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

| | | |
|----------------------------|-------------|-------------|
| Common shares | 451,668,652 | 451,668,652 |
| Preferred shares class "A" | 343,768,220 | 343,830,342 |
| Preferred shares class "B" | 593,618 | 593,818 |
| | 796,030,490 | 796,092,812 |

Profit per share (in R\$)