

Braskem S.A.
Quarterly Information (ITR) at
March 31, 2017
and Independent Auditors' Report Review

Braskem S.A.

Balance sheet at March 31, 2017

All amounts in thousands of reais

Assets	Note	Consolidated		Parent company	
		Mar/2017	Dec/2016	Mar/2017	Dec/2016
Current assets					
Cash and cash equivalents	4	6,617,161	6,701,864	4,374,897	3,561,431
Financial investments	5	1,011,223	1,190,483	587,773	741,086
Trade accounts receivable	6	2,243,287	1,634,137	1,252,534	952,689
Inventories	7	5,546,050	5,238,014	3,706,576	3,795,899
Taxes recoverable	9	592,413	826,015	351,717	543,275
Dividends and interest on capital	8	14,986	14,986	31,421	31,421
Prepaid expenses		73,780	101,747	53,066	83,252
Related parties	8(b)			55,009	172,344
Derivatives operations	15.3	4,592	8,387	4,592	8,387
Other receivables		177,509	180,915	152,795	128,231
		16,281,001	15,896,548	10,570,380	10,018,015
Non-current assets held for sale	3	375,217	359,704	273,183	263,912
		16,656,218	16,256,252	10,843,563	10,281,927
Non-current assets					
Trade accounts receivable	6	64,932	70,236	3,669,457	2,794,889
Advances to suppliers	7	57,766	61,533	57,766	61,533
Taxes recoverable	9	1,156,582	1,088,353	1,058,587	998,039
Deferred income tax and social contribution	17(b.ii)	1,182,197	1,653,115		42,459
Judicial deposits		237,246	233,320	230,712	226,894
Related parties	8(b)			14,206	14,472
Insurance claims		50,848	50,653	50,848	50,653
Derivatives operations	15.3	30,321	29,308		
Other receivables		135,894	140,971	128,108	129,704
Investments in subsidiaries and jointly-controlled investments	10(b)	105,102	92,313	5,555,196	4,132,529
Property, plant and equipment	11	29,606,664	29,336,710	15,745,870	15,963,127
Intangible assets	12	2,780,955	2,809,087	2,504,611	2,521,243
		35,408,507	35,565,599	29,015,361	26,935,542
Total assets		52,064,725	51,821,851	39,858,924	37,217,469

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

Braskem S.A.

Balance sheet at March 31, 2017

All amounts in thousands of reais

Continued

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		Mar/2017	Dec/2016	Mar/2017	Dec/2016
Current liabilities					
Trade payables		5,070,441	6,545,136	2,254,368	2,056,661
Borrowings	13	3,011,605	2,594,463	2,671,129	2,117,409
Braskem Idesa borrowings	14	9,911,068	10,437,791		
Derivatives operations	15.3	30,130	29,042	9,052	
Payroll and related charges		376,210	562,455	293,913	431,688
Taxes payable	16	1,048,893	624,080	704,909	424,088
Dividends		3,052	3,083	3,052	3,083
Advances from customers		219,846	203,216	39,366	28,200
Leniency agreement	19.3	1,291,488	1,354,492	1,195,646	948,286
Sundry provisions	18	83,441	112,891	64,053	87,084
Accounts payable to related parties	8(b)			1,020,978	956,609
Other payables		397,041	476,262	248,173	295,233
		21,443,215	22,942,911	8,504,639	7,348,341
Non-current liabilities held for sale	3	102,033	95,396		
		21,545,248	23,038,307	8,504,639	7,348,341
Non-current liabilities					
Trade payables		229,489	201,686	8,368,970	8,832,553
Borrowings	13	19,635,082	20,736,604	6,025,913	6,463,032
Derivatives operations	15.3	799,004	861,302	799,004	861,302
Taxes payable	16	31,371	24,097	30,948	23,830
Accounts payable to related parties	8(b)			8,004,902	8,234,053
Loan to non-controlling shareholders of Braskem Idesa		1,597,072	1,620,519		
Deferred income tax and social contribution	17(b.ii)	808,828	510,523	295,113	
Post-employment benefits		161,160	162,136	71,899	71,899
Provision for losses on subsidiaries				87,382	92,365
Advances from customers		115,215	162,955		
Contingencies	19	1,001,716	985,237	942,808	926,819
Leniency agreement	19.3	1,276,507	1,498,738	1,179,105	1,400,224
Sundry provisions	18	206,093	206,245	169,939	169,499
Other payables		123,942	92,792	6,003	6,070
		25,985,479	27,062,834	25,981,986	27,081,646
Shareholders' equity	20				
Capital		8,043,222	8,043,222	8,043,222	8,043,222
Capital reserve		232,430	232,430	232,430	232,430
Revenue reserves		834,616	834,616	834,616	834,616
Other comprehensive income		(5,551,644)	(6,321,859)	(5,551,644)	(6,321,859)
Treasury shares		(49,819)	(49,819)	(927)	(927)
Retained earnings		1,814,602		1,814,602	
Total attributable to the Company's shareholders		5,323,407	2,738,590	5,372,299	2,787,482
Non-controlling interest in Braskem Idesa		(789,409)	(1,017,880)		
		4,533,998	1,720,710	5,372,299	2,787,482
Total liabilities and shareholders' equity		52,064,725	51,821,851	39,858,924	37,217,469

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, 2017

All amounts in thousands of reais

Continued operations	Note	Consolidated		Parent company	
		Mar/2017	Mar/2016 Restated	Mar/2017	Mar/2016 Restated
Net sales revenue	22	12,599,728	11,914,595	9,207,516	9,020,651
Cost of products sold		(8,911,633)	(8,613,285)	(7,183,595)	(7,148,985)
		3,688,095	3,301,310	2,023,921	1,871,666
Income (expenses)					
Selling and distribution		(346,302)	(306,756)	(224,492)	(222,625)
General and administrative		(310,563)	(285,256)	(199,802)	(169,918)
Research and development		(33,662)	(42,594)	(23,291)	(23,065)
Results from equity investments	10(c)	12,209	1,687	1,168,880	791,874
Other income (expenses), net	23	(101,509)	(137,623)	(93,134)	(109,697)
		2,908,268	2,530,768	2,652,082	2,138,235
Financial results	24				
Financial expenses		(835,509)	(790,382)	(559,412)	(737,307)
Financial income		164,980	165,494	151,092	144,063
Exchange rate variations, net		285,035	(860,396)	(213,275)	(821,635)
		(385,494)	(1,485,284)	(621,595)	(1,414,879)
Profit before income tax and social contribution		2,522,774	1,045,484	2,030,487	723,356
Current and deferred income tax and social contribution	17(a)	(617,400)	(260,818)	(231,811)	86,929
Profit for the period of continued operations		1,905,374	784,666	1,798,676	810,285
Discontinued operations results	3				
Profit from discontinued operations		13,499	16,303	8,876	13,106
Current and deferred income tax and social contribution		(4,623)	(5,415)		
		8,876	10,888	8,876	13,106
Profit for the period		1,914,250	795,554	1,807,552	823,391
Attributable to:					
Company's shareholders		1,807,552	823,391		
Non-controlling interest in Braskem Idesa		106,698	(27,837)		
Profit for the period		1,914,250	795,554		

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, 2017

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

Continued

	Note	Consolidated		Parent company	
		Mar/2017	Mar/2016 Restated	Mar/2017	Mar/2016 Restated
Profit for the period		1,914,250	795,554	1,807,552	823,391
Other comprehensive income or loss:					
Items that will be reclassified subsequently to profit or loss					
Fair value of cash flow hedge		87,578	27,918	54,945	139,587
Income tax and social contribution		(28,471)	(13,959)	(18,681)	(47,460)
Fair value of cash flow hedge - Braskem Idesa				24,474	(83,752)
Income tax and social contribution				(7,342)	25,126
Fair value of cash flow hedge from jointly-controlled		594	(10,004)	594	(10,004)
		<u>59,701</u>	<u>3,955</u>	<u>53,990</u>	<u>23,497</u>
Exchange variation of foreign sales hedge	15.3(a.i)	480,810	2,220,529	480,810	2,220,529
Sales Hedge - transfer to profit or loss	15.3(a.i)	249,240	421,800	249,240	421,800
Income tax and social contribution on exchange variation		(248,217)	(898,392)	(248,217)	(898,392)
Exchange variation of foreign sales hedge - Braskem Idesa	15.3(a.ii)	907,532	(179,723)	680,649	(134,792)
Sales Hedge - transfer to profit or loss - Braskem Idesa	15.3(a.ii)	30,918		23,188	
Income tax on exchange variation - Braskem Idesa		(281,535)	53,917	(211,151)	40,438
		<u>1,138,748</u>	<u>1,618,131</u>	<u>974,519</u>	<u>1,649,583</u>
Foreign subsidiaries currency translation adjustment		(299,411)	(64,632)	(251,244)	(135,991)
Total		899,038	1,557,454	777,265	1,537,089
Total comprehensive income for the period		2,813,288	2,353,008	2,584,817	2,360,480
Attributable to:					
Company's shareholders		2,584,817	2,360,480		
Non-controlling interest in Braskem Idesa		228,471	(7,472)		
Total comprehensive income for the period		2,813,288	2,353,008		
Profit per share attributable to the shareholders of the Company of continued operations at the end of the period (R\$) (expressed in reais)					
	Note			Mar/2017	Mar/2016
				Basic and diluted	Basic and diluted
					Restated
Earnings per share - common				2.2608	1.0182
Earnings per share - preferred shares class "A"				2.2608	1.0182
Earnings per share - preferred shares class "B"				<u>0.6069</u>	<u>0.6065</u>

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

Consolidated												
Note	Attributed to shareholders' interest											
	Capital	Revenue reserves			Other comprehensive income	Treasury shares	Retained earnings (losses)	Total Braskem shareholders' interest	Non-controlling interest in Braskem Idesa	Total shareholders' equity		
		Capital reserve	Legal reserve	Retention of profits							Additional dividends proposed	
At December 31, 2015 - restated	2.4	8,043,222	232,430	229,992	2,404,663	247,364	(9,060,710)	(49,819)	(416,768)	1,630,374	(684,885)	945,489
Comprehensive income for the year:												
Profit for the period - restated												
Exchange variation of foreign sales hedge, net of taxes												
Fair value of cash flow hedge, net of taxes												
Foreign subsidiaries currency translation adjustment												
							1,649,583		823,391	823,391	(27,837)	795,554
							23,497			23,497	(19,542)	3,955
							(135,991)			(135,991)	71,359	(64,632)
							1,537,089		823,391	2,360,480	(7,472)	2,353,008
Equity valuation adjustments:												
Realization of additional property, plant and equipment price-level restatement, net												
Realization of deemed cost of jointly-controlled investment, net of taxes												
							(6,809)		6,809			
							(241)		241			
							(7,050)		7,050			
At March 31, 2016 - restated	2.4	8,043,222	232,430	229,992	2,404,663	247,364	(7,530,671)	(49,819)	413,673	3,990,854	(692,357)	3,298,497
At December 31, 2016		8,043,222	232,430	229,992	604,624		(6,321,859)	(49,819)		2,738,590	(1,017,880)	1,720,710
Comprehensive income for the year:												
Loss for the year												
Exchange variation of foreign sales hedge, net of taxes												
Fair value of cash flow hedge, net of taxes												
Foreign currency translation adjustment												
									1,807,552	1,807,552	106,698	1,914,250
							974,519			974,519	164,229	1,138,748
							53,990			53,990	5,711	59,701
							(251,244)			(251,244)	(48,167)	(299,411)
							777,265		1,807,552	2,584,817	228,471	2,813,288
Equity valuation adjustments:												
Realization of additional property, plant and equipment price-level restatement, net												
Realization of deemed cost of jointly-controlled investment, net of taxes												
							(6,809)		6,809			
							(241)		241			
							(7,050)		7,050			
At March 31, 2017		8,043,222	232,430	229,992	604,624		(5,551,644)	(49,819)	1,814,602	5,323,407	(789,409)	4,533,998

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	Parent Company								Total shareholders' equity	
	Capital	Capital reserve	Legal reserve	Retention of profits	Revenue reserves Additional dividends proposed	Other comprehensive income	Treasury shares	Retained earnings (losses)		
At December 31, 2015 - restated	2.4	<u>8,043,222</u>	<u>232,430</u>	<u>229,992</u>	<u>2,404,663</u>	<u>247,364</u>	<u>(9,060,710)</u>	<u>(927)</u>	<u>(416,768)</u>	<u>1,679,266</u>
Comprehensive income for the year:										
Profit for the year									823,391	823,391
Exchange variation of foreign sales hedge, net of taxes							1,649,583			1,649,583
Fair value of cash flow hedge, net of taxes							23,497			23,497
Foreign subsidiaries currency translation adjustment							(135,991)			(135,991)
							1,537,089		823,391	2,360,480
Equity valuation adjustments:										
Realization of additional property, plant and equipment price-level restatement, net of taxes							(6,809)		6,809	
Realization of deemed cost of jointly-controlled investment, net of taxes							(241)		241	
							(7,050)		7,050	
At March 31, 2016 - restated	2.4	<u>8,043,222</u>	<u>232,430</u>	<u>229,992</u>	<u>2,404,663</u>	<u>247,364</u>	<u>(7,530,671)</u>	<u>(927)</u>	<u>413,673</u>	<u>4,039,746</u>
At December 31, 2016		<u>8,043,222</u>	<u>232,430</u>	<u>229,992</u>	<u>604,624</u>		<u>(6,321,859)</u>	<u>(927)</u>		<u>2,787,482</u>
Comprehensive income for the year:										
Loss for the year									1,807,552	1,807,552
Exchange variation of foreign sales hedge, net of taxes							974,519			974,519
Fair value of cash flow hedge, net of taxes							53,990			53,990
Foreign currency translation adjustment							(251,244)			(251,244)
							777,265		1,807,552	2,584,817
Equity valuation adjustments:										
Realization of deemed cost of jointly-controlled investment, net of taxes							(6,809)		6,809	
Realization of additional property, plant and equipment price-level restatement, net of taxes							(241)		241	
							(7,050)		7,050	
At March 31, 2017		<u>8,043,222</u>	<u>232,430</u>	<u>229,992</u>	<u>604,624</u>		<u>(5,551,644)</u>	<u>(927)</u>	<u>1,814,602</u>	<u>5,372,299</u>

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

Braskem S.A.

Statement of cash flows at March 31, 2017

All amounts in thousands of reais

	Note	Consolidated		Parent company	
		Mar/2017	Mar/2016 Restated	Mar/2017	Mar/2016 Restated
Profit (loss) before income tax and social contribution and for the result with discontinued operations	2.4	2.522.774	1.061.787	2.030.487	736.462
Adjustments for reconciliation of profit					
Depreciation, amortization and depletion		702.122	571.104	467.835	490.773
Results from equity investments	10(c)	(12.209)	(1.687)	(1.168.880)	(804.980)
Interest and monetary and exchange variations, net		214.931	364.706	561.345	541.291
Provision for losses and write-offs of long-lived assets		9.196	19.583	6.113	19.582
		3.436.814	2.015.493	1.896.900	983.128
Changes in operating working capital					
Held-for-trading financial investments		188.498	(278.826)	173.492	(287.992)
Trade accounts receivable		(604.109)	525.108	(1.174.538)	439.200
Inventories		(316.471)	277.618	80.275	447.880
Taxes recoverable		206.326	316.153	148.468	165.058
Prepaid expenses		27.967	8.269	30.186	(975)
Other receivables		3.851	(8.479)	89.843	(47.434)
Trade payables		(1.283.309)	(1.883.587)	(102.293)	(1.603.311)
Taxes payable		25.688	(202.681)	126.802	102.339
Advances from customers		(31.110)	(5.336)	11.166	(937)
Leniency agreement		(296.591)			
Sundry provisions		(13.123)	(5.003)	(6.602)	13.551
Other payables		(262.911)	32.171	(189.086)	27.820
Cash from operations		1.081.520	790.900	1.084.613	238.327
Interest paid		(472.006)	(447.767)	(128.337)	(136.984)
Income tax and social contribution paid		(40.953)	(94.662)	(17.458)	(15.350)
Net cash generated by operating activities		568.561	248.471	938.818	85.993
Proceeds from the sale of fixed assets		263	97	125	18
Acquisitions to property, plant and equipment and intangible assets	(i)	(272.934)	(566.910)	(197.899)	(193.584)
Premium in the dollar put option		(2.153)		(2.153)	
Net cash used in investing activities		(274.824)	(566.813)	(199.927)	(193.566)
Short-term and Long-term debit					
Obtained		660.324	803.625	660.324	823.523
Payments		(886.221)	(968.354)	(506.800)	(925.757)
Project finance					
Obtained funds			91.094		
Payment of borrowings		(198.180)	(80.391)		
Related parties					
Obtained				48.086	
Payments				(127.004)	(1.718.207)
Dividends paid		(31)	(4)	(31)	(4)
Repurchase of treasury shares					
Net cash provided by financing activities		(424.108)	(154.030)	74.575	(1.820.445)
Exchange variation on cash of foreign subsidiaries		45.668	238.273		
Increase (decrease) in cash and cash equivalents		(84.703)	(234.099)	813.466	(1.928.018)
Represented by					
Cash and cash equivalents at the beginning of the year		6.701.864	7.043.262	3.561.431	4.415.764
Cash and cash equivalents at the end of the year		6.617.161	6.809.163	4.374.897	2.487.746
Increase (decrease) in cash and cash equivalents		(84.703)	(234.099)	813.466	(1.928.018)

(i) In the first quarter of 2016, the capitalized interest paid that was included in this item (R\$188,725 Consolidated, R\$16,974 Parent Company) was reclassified to "Interest paid" (Note 2.5(a)).

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

Braskem S.A.

Statement of value added at March 31, 2017

All amounts in thousands of reais

	Nota	Consolidated		Parent company	
		Mar/2017	Mar/2016 Restated	Mar/2017	Mar/2016 Restated
	2.4				
Revenue		14,705,650	13,876,808	11,360,841	10,799,926
Sale of goods, products and services, including discontinued operations		14,692,787	13,942,809	11,362,160	10,861,088
Other income (expenses), net		14,184	(43,427)	302	(40,537)
Allowance for doubtful accounts		(1,321)	(22,574)	(1,621)	(20,625)
Inputs acquired from third parties		(10,090,801)	(9,920,081)	(8,482,794)	(8,246,829)
Cost of products, goods and services sold		(9,608,786)	(9,527,567)	(8,138,161)	(7,976,593)
Material, energy, outsourced services and others		(466,071)	(391,518)	(328,509)	(269,468)
Impairment of assets		(15,944)	(996)	(16,124)	(768)
Gross value added		4,614,849	3,956,727	2,878,047	2,553,097
Depreciation, amortization and depletion		(702,122)	(571,104)	(467,835)	(490,773)
Net value added produced by the entity		3,912,727	3,385,623	2,410,212	2,062,324
Value added received in transfer		186,071	167,213	1,328,848	949,043
Results from equity investments		21,085	1,687	1,177,756	804,980
Financial income		164,980	165,494	151,092	144,063
Other		6	32		
Total value added to distribute		4,098,798	3,552,836	3,739,060	3,011,367
Personnel		342,267	309,578	240,357	179,975
Direct compensation		278,135	242,114	190,931	133,445
Benefits		48,209	49,932	33,265	29,232
FGTS (Government Severance Pay Fund)		15,923	17,532	16,161	17,298
Taxes, fees and contributions		1,233,310	737,774	868,462	397,142
Federal		747,824	196,334	408,297	(40,093)
State		475,481	530,014	452,759	429,267
Municipal		10,005	11,426	7,406	7,968
Remuneration on third parties' capital		608,971	1,709,930	822,689	1,610,859
Financial expenses (including exchange variation)		544,051	1,640,889	767,592	1,554,182
Rentals		64,920	69,041	55,097	56,677
Remuneration on own capital		1,914,250	795,554	1,807,552	823,391
Profit (loss) for the year, including discontinued operations		1,798,676	812,503	1,798,676	810,285
Non-controlling interest in Braskem Idesa		106,698	(27,837)		
Discontinued operations results		8,876	10,888	8,876	13,106
Value added distributed		4,098,798	3,552,836	3,739,060	3,011,367

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

Braskem S.A.

Notes to the financial statements at March 31, 2017

All amounts in thousands of reais, 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 operating events impacting these financial statements

- (i) In January 2017, Braskem’s new line to produce ultra-high molecular weight polyethylene (UHMWPE), known commercially as UTEC®, started operations. Located in La Porte, Texas, the plant will complement the production capacity of the existing line in Brazil at the Petrochemical Complex in Camaçari.
- (ii) On January 27, 2017, the Board of Directors of the Company authorized the execution of a purchase agreement with Odebrecht Utilities S.A., through which Braskem undertook to purchase all shares held by the seller in Cetrel S.A., which represent 63.7% of its voting capital, for the aggregate amount of R\$610 million, to be paid upon the consummation of the transaction. The consummation of the acquisition is subject to a vote by the Shareholders' Meeting of Braskem, in accordance with Article 256 of Federal Law 6,404/76, and to the conditions precedent typical to transactions of this nature. As of the date on which the issue of these financial statements was authorized, the Meeting had yet to be called.

The Shareholders' Meeting to deliberate the approval of this transaction was convened for August 25, 2017.

(b) Net working capital

On March 31, 2017, consolidated net working capital was negative R\$5,162,214. This situation, however, does not reflect the Company’s actual liquidity position. Note that, without the reclassification mentioned in the paragraph below, consolidated net working capital is positive at R\$3,852,610.

In compliance with CPC 26 and its corresponding accounting standard IAS 1 (Presentation of Financial Statements), its subsidiary Braskem Idesa, reclassified to current liabilities financial obligations in the form of Project finance originally maturing in the long term. These obligations include restrictive contractual clauses (covenants) that at the base date of this quarterly information, were in default (Note 14).

Note that Braskem Idesa has been settling these obligations in accordance with their original maturity schedule.

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, 2016 financial statements.

2.1. Basis of preparation

This Quarterly Information includes the three-month period ended March 31, 2017 and should be read together with the financial statements of Braskem as of December 31, 2016, which were prepared and presented (i) in the consolidated, 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) and (ii)

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in the Parent Company, in accordance with accounting practices adopted in Brazil, in compliance with the Law 6,404/76 and subsequent adjustments and the standards issued by the CPC.

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, 2016 financial statements.

Issue of these financial statements was authorized by the Executive Board on August 14, 2017.

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.

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

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:

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	Headquarters	Total and voting interest - %	
		Mar/2017	Dec/2016
Direct and Indirect subsidiaries			
Braskem America Finance Company ("Braskem America Finance")	EUA	100,00	100,00
Braskem America, Inc. ("Braskem America")	EUA	100,00	100,00
Braskem Argentina S.A. ("Braskem Argentina")	Argentina	100,00	100,00
Braskem International GmbH ("Braskem Austria")	(i) Austria	100,00	100,00
Braskem Europe GmbH ("Braskem Alemanha")	Germany	100,00	100,00
Braskem Finance Limited ("Braskem Finance")	Cayman Islands	100,00	100,00
Braskem Idesa S.A.P.I. ("Braskem Idesa")	Mexico	75,00	75,00
Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços")	Mexico	75,00	75,00
Braskem Incorporated Limited ("Braskem Inc")	Cayman Islands	100,00	100,00
Braskem Mexico Proyectos S.A. de C.V. SOFOM ("Braskem México Sofom")	Mexico	100,00	100,00
Braskem Mexico, S. de RL de CV ("Braskem México")	Mexico	100,00	100,00
Braskem Mexico Servicios S. RL de CV ("Braskem México Serviços")	Mexico	100,00	100,00
Braskem Netherlands B.V. ("Braskem Holanda")	Netherlands	100,00	100,00
Braskem Netherlands Finance B.V. ("Braskem Holanda Finance")	Netherlands	100,00	100,00
Braskem Netherlands Inc. B.V. ("Braskem Holanda Inc")	Netherlands	100,00	100,00
Braskem Petroquímica Chile Ltda. ("Braskem Chile")	Chile	100,00	100,00
Braskem Petroquímica Ltda. ("Braskem Petroquímica")	Brazil	100,00	100,00
Lantana Trading Co. Inc. ("Lantana")	Bahamas	100,00	100,00
Specific Purpose Entity ("SPE")			
Fundo de Investimento Multimercado Crédito Privado Sol ("FIM Sol")	Brazil	100,00	100,00
Fundo de Investimento Caixa Júpiter Multimercado		100,00	100,00
Crédito Privado Longo Prazo ("FIM Júpiter")	Brazil		

(i) In the process of dissolution.

2.2. Foreign and functional currency

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

Exchange variation effects

The main effects from exchange variation in this Quarterly Information are shown below:

	Final rate			End of period rate at		
	Mar/2017	Dec/2016	Variation	Mar/2017	Dec/2016	Variation
U.S. dollar - Brazilian real	3.1684	3.2591	-2.78%	3.1279	3.9022	-19.84%
U.S. dollar - Mexican peso	18.8370	20.6352	-8.71%	20.3151	18.0244	12.71%
U.S. dollar - Euro	0.9321	0.9479	-1.66%	0.9388	0.9068	3.53%

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

	Shareholders' equity		Profit for the year	
	Mar/2017	Dec/2016	Mar/2017	Dec/2016
Parent company	5,367,050	2,791,110	1,798,676	798,639
Braskem shares owned by subsidiary Braskem Petroquímica	(48,892)	(48,892)		
Non-controlling interest of Braskem Idesa	(789,409)	(1,017,880)	106,698	(27,837)
Consolidated	<u>4,528,749</u>	<u>1,724,338</u>	<u>1,905,374</u>	<u>770,802</u>

2.4. Restatement

The statements of operations and of cash flows for the first quarter of 2016 and the starting balance of equity in December 2015 were restated due to the inflation adjustment of taxes recognized from prior periods and other prior-year adjustments. The information related to this restatement was reported in the 2016 annual financial statements of the Company, in Note 2.4. The effect on the first quarter result corresponding to the update by the SELIC, recorded under "Financial expenses", was R\$5,805.

Additionally, the statement of cash flows for the period ended March 31, 2016 was restated due to the reclassification of Brazilian government bonds from "cash and cash equivalents" to "financial investments" (Note 5).

2.5. Change in accounting policy

- (a) Braskem's Management decided to change, in the statement of cash flows, the presentation of interest paid that were presented in the group called "net cash used in investing activities". These amounts are now presented as "interest paid". This change provides (i) the direct identification of the total amount paid as interest and (ii) greater accuracy in determining the net cash generated by operating activities. The reclassified amounts for the first quarter of 2016 were R\$188,725 and R\$16,974 in the consolidated and the Parent Company cash flows, respectively.
- (b) In 2017, the Company changed the classification of the bonus provision in order to standardize the classification for all companies, whether productive or not, and to understand that the current classification is more appropriate due to the characteristic of this provision of not present recurring elements or, when they recur, do not repeat their amount year by year. In the first quarter of 2016, the consolidated amounts related to this item were reclassified from "costs of products sold" (R\$38,494), "selling and distribution expenses" (R\$1,504) and "general and administrative expenses" (R\$43,439) to the group called "other net income (expenses)" (Note 23).

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3 Assets held for sale and discontinued operations

On January 9, 2017, the Board of Directors approved the sale of the subsidiaries Quantiq Distribuidora Ltda. and IQAG Armazens Gerais Ltda. to the company GTM do Brasil Comércio de Produtos Químicos Ltda. The sale agreement, in the amount of R\$550 million, was signed on the following day, and in January the operation was approved by Brazil's antitrust agency CADE (Conselho Administrativo de Defesa Econômica).

This sale was consummated on April 3, 2017, date on which the control was transferred to the buyer and the receipt of the amount of R\$450 million. The balance of R\$100 million will be received in up to 12 months, and may undergo customary adjustments in this type of operation.

The assets and liabilities classified as held for sale and the result with discontinued operations are stated as follows:

	<u>Mar/2016</u>	<u>Dec/2016</u>
Assets and liabilities classified as held for sale		
Assets		
Cash and cash equivalents	40,216	76,146
Trade accounts receivable	119,076	65,626
Inventories	82,815	84,296
Taxes recoverable	46,858	45,859
Property, plant and equipment	61,591	61,037
Intangible assets	6,729	6,665
Other assets	17,932	20,075
Total assets	<u>375,217</u>	<u>359,704</u>
Liabilities		
Trade payables	75,852	62,692
Payroll and related charges	7,099	11,170
Dividends	6,371	6,371
Taxes payable	9,668	7,064
Other payables	3,043	8,099
Total liabilities	<u>102,033</u>	<u>95,396</u>
Result with discontinued operations	<u>Mar/2016</u>	<u>Dec/2016</u>
Net sales revenue	212,238	211,915
Cost of products sold and services provided	(176,957)	(169,739)
Gross profit	<u>35,281</u>	<u>42,176</u>
Income (expenses)		
Selling and distribution	(10,164)	(11,617)
General and administrative	(12,067)	(20,021)
Other income (expenses), net	(1,298)	1,691
Operating profit	<u>11,752</u>	<u>12,229</u>
Financial results	1,747	4,074
Profit before income tax and social contribution	<u>13,499</u>	<u>16,303</u>
Current and deferred income tax and social contribution	(4,623)	(5,415)
Result with discontinued operations	<u>8,876</u>	<u>10,888</u>

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4 Cash and cash equivalents

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

		Consolidated	
		Mar/2017	Dec/2016
Cash and banks	(i)	2,055,074	2,178,611
Cash equivalents:			
Domestic market		2,824,040	2,914,685
Foreign market	(i)	1,738,047	1,608,568
Total		6,617,161	6,701,864

- (i) On March 31, 2017, it includes cash and banks of R\$162,346 (R\$172,390 on December 31, 2016) and cash equivalents of R\$19,943 (R\$29,169 on December 31, 2016) of the subsidiary Braskem Idesa, available for its exclusive use.

5 Financial investments

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

		Consolidated	
		Mar/2017	Dec/2016
Loans and receivables			
Time deposit investments	(i)	421,957	434,015
Held-for-trading			
<i>Letras Financeiras do Tesouro - LFT</i>	(ii)	588,614	755,712
Other		652	756
Total		1,011,223	1,190,483
Current assets		1,011,223	1,190,483
Total		1,011,223	1,190,483

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

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6 Trade accounts receivable

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

	Consolidated		Parent Company	
	Mar/2017	Dec/2016	Mar/2017	Dec/2016
Consumers				
Domestic market	1,060,610	869,306	1,282,288	969,072
Foreign market	1,629,489	1,215,626	4,000,203	3,137,384
Allowance for doubtful accounts	(381,880)	(380,559)	(360,500)	(358,878)
Total	2,308,219	1,704,373	4,921,991	3,747,578
Current assets	2,243,287	1,634,137	1,252,534	952,689
Non-current assets	64,932	70,236	3,669,457	2,794,889
Total	2,308,219	1,704,373	4,921,991	3,747,578

7 Inventories

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

	Consolidated		Parent company	
	Mar/2017	Dec/2016	Mar/2017	Dec/2016
Finished goods	3,814,406	3,444,898	2,496,218	2,314,755
Raw materials, production inputs and packaging	965,013	1,407,399	797,769	1,266,323
Maintenance materials	335,572	312,167	165,635	162,568
Advances to suppliers	439,030	103,267	261,713	82,618
Imports in transit and other	49,795	31,816	43,007	31,168
Total	5,603,816	5,299,547	3,764,342	3,857,432
In current assets	5,546,050	5,238,014	3,706,576	3,795,899
In non-current assets	57,766	61,533	57,766	61,533
Total	5,603,816	5,299,547	3,764,342	3,857,432

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Notes to the financial statements at March 31, 2017

All amounts in thousands of reais, unless otherwise stated

8 Related parties

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

(a) Consolidated

	Balances at March 31, 2017				Consolidated Balances at December 31, 2016			
	Associated companies, Jointly-controlled investment and Related companies				Associated companies, Jointly-controlled investment and Related companies			
	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total
Balance sheet								
Assets								
Current								
Trade accounts receivable	6,492	41,306	42,678	90,476	5,634	33,843	28,390	67,867
Inventories	151,965 8(c.iv)	36,294		188,259		5,434		5,434
Dividends and interest on capital			14,986	14,986			14,986	14,986
Other	73			73	50			50
Total assets	158,530	77,600	57,664	293,794	5,684	39,277	43,376	88,337
Liabilities								
Current								
Trade payables	51,599	809,672	2,112	863,383	77,461	904,090	1,226	982,777
Total liabilities	51,599	809,672	2,112	863,383	77,461	904,090	1,226	982,777
	Three-month period ended March 31, 2016				Three-month period ended March 31, 2016			
	Associated companies, Jointly-controlled investment and Related companies				Associated companies, Jointly-controlled investment and Related companies			
	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total
Transactions								
Sales of products	12,889	451,426	167,761	632,076	15,569	695,947	117,856	829,372
Purchases of raw materials, finished goods services and utilities	173,906 (i)	3,795,560	7,796	3,977,262	436,042 (i)	2,536,367	22,165	2,994,574
Financial income (expenses)	4,350	(20,225)		(15,875)	(18,014)	(50,061)		(68,075)
General and administrative expenses								
Post-employment benefits plan ("EPE")								
Odebrecht Previdência Privada ("Odeprev")			5,611	5,611			5,055	5,055

(i) Includes expenses with the Braskem Idesa project, of which R\$27,091 related to the period ended March 31, 2017, and R\$330,406 related to the period ended March 31, 2016.

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(c) Agreements executed and/or renewed with related companies

In the period ended March 31, 2017, the following agreements were signed with related companies, except for those with subsidiaries of the Company:

- (i) In the first quarter of 2017, the sale of gasoil to Refinaria de Petróleo Riograndense S.A. (“RPR”) totaled R\$26,077. The product is used as feedstock in the diesel production process.
- (ii) As from January 2017, Braskem will maintain monthly negotiations for the sale of gasoline to RPR. Sales in the quarter amounted to R\$81,741.
- (iii) Since January 2017, Braskem has held agreements for the sale of gasoline to Petrobrás Distribuidora S.A., which are renewed monthly. Sales in the period amounted to R\$218,309.
- (iv) In March 2017, the Company entered into an agreement with Usina Conquista do Pontal S.A. and Agro Energia Santa Luzia S.A., both as sellers, and with the guarantors Odebrecht Agroindustrial Participações S.A and Rio Claro Agroindustrial S.A., to ensure the supply of hydrous ethanol for producing Green Ethanol. The agreement granted a commercial discount and established flexibilities for acquisition. The agreement involves an advance in the amount of R\$150 million, guaranteed by a Pledge Agreement secured by the sugarcane crop and its products and subproducts at a net market value that exceeds the amount of the advance. During the existence of an advance balance, the asset pledged shall remain duly insured by a prime insurer and with subrogation of insurance. The duration of this contract is up to April 30, 2018 and during the period the balance of the amount advanced shall be restated at market interest rates.

(d) Key management personnel

Income statement transactions	Consolidated	
	Mar/2017	Mar/2016
Remuneration		
Short-term benefits	12,152	10,280
Post-employment benefit	108	76
Total	12,260	10,356

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9 Taxes recoverable

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

	Consolidated		Parent Company	
	Mar/2017	Dec/2016	Mar/2017	Dec/2016
Parent Company and subsidiaries in Brazil				
IPi	31,827	38,909	29,626	37,859
Value-added tax on sales and services (ICMS) - normal operations	501,195	495,339	419,765	420,625
ICMS - credits from PP&E	122,153	125,145	115,909	118,984
Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations	31,048	32,823	23,442	28,386
PIS and COFINS - credits from PP&E	260,988	253,503	249,433	242,475
Income tax and social contribution (IR and CSL)	391,414	605,058	315,848	487,079
REINTEGRA program	99,934	53,129	96,710	51,414
Federal supervenience	159,003	155,533	154,955	151,798
Other	3,742	1,046	4,616	2,694
Foreign subsidiaries				
Value-added tax	130,822	132,152		
Income tax (IR)	10,830	19,103		
Other	6,039	2,628		
Total	1,748,995	1,914,368	1,410,304	1,541,314
Current assets	592,413	826,015	351,717	543,275
Non-current assets	1,156,582	1,088,353	1,058,587	998,039
Total	1,748,995	1,914,368	1,410,304	1,541,314

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10 Investments

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

(a) Information on investments

	Interest in total and voting capital (%) - 31/03/2017	Adjusted net profit (loss) for the year		Adjusted equity	
		Mar/2017	Mar/2016	Mar/2017	Dec/2016
Subsidiaries					
Braskem Alemanha	100.00	375,279	522,804	3,184,490	2,883,238
Braskem America	100.00	283,261	450,748	2,814,019	2,582,061
Braskem America Finance	100.00	119	93	(6,280)	(6,573)
Braskem Argentina	100.00	6,353	(85)	30,443	24,090
Braskem Austria	100.00	(38)	(136)	4,074	4,170
Braskem Chile	100.00	189	1,694	14,874	14,685
Braskem Holanda	100.00	1,080,998	516,541	2,631,232	1,320,056
Braskem Holanda Finance	100.00	(3)	(4)	(28)	(25)
Braskem Holanda Inc	100.00	460	(52)	2,555	2,150
Braskem Finance	100.00	4,983	26,340	(87,382)	(92,365)
Braskem Idesa	75.00	426,792	(111,349)	(3,157,636)	(4,071,517)
Braskem Idesa Serviços	75.00	7,666	631	66,152	9,241
Braskem Inc.	100.00	(21,343)	(13,111)	262,566	283,909
Braskem México	100.00	(9,560)	4,622	174,803	173,590
Braskem México Sofom	100.00	1,161	1,127	10,233	8,667
Braskem México Serviços	100.00	539	612	1,536	1,952
Braskem Petroquímica	100.00	32,375	152,276	2,114,276	2,081,901
Lantana	100.00	24	93	(851)	(874)
Jointly-controlled investment					
RPR	33.20	29,435	4,788	207,121	175,896
Odebrecht Comercializadora de Energia S.A. ("OCE")	20.00	804	(82)	6,526	5,721
Associates					
Borealis Brasil S.A. ("Borealis")	20.00	6,095	796	173,940	162,629

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(b) Changes in investments – Parent Company

	Subsidiaries and jointly-controlled investment		Domestic associate	Total
	Domestic subsidiaries	Foreign subsidiaries		
Balance at December 31, 2016	2,191,179	1,908,823	32,527	4,132,529
Equity of investments				
Effect of results	42,310	1,055,968	2,261	1,100,539
Adjustment of profit in inventories	4,209	66,069		70,278
Goodwill amortization	(7,318)			(7,318)
Equity valuation adjustments	594	509,818		510,412
Currency translation adjustments		(251,244)		(251,244)
Capital increase			511	511
Provision for loss			(511)	(511)
Balance at March 31, 2017	2,230,974	3,289,434	34,788	5,555,196

(c) Equity accounting results

	Parent company	
	Mar/2017	Mar/2016
Equity in results of subsidiaries, associate and jointly-controlled	1,170,817	773,489
Amortization of fair value adjustment	(7,318)	(7,954)
Reversal to subsidiaries with short-term liabilities	5,381	26,339
	1,168,880	791,874

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(d) Impacts on consolidation of Braskem Idesa

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

Balance sheet	Consolidated Braskem without the effect of				Eliminations		Consolidated	
	Braskem Idesa consolidated		Braskem Idesa consolidated (i)		Mar/2017	Dec/2016	Mar/2017	Dec/2016
	Mar/2017	Dec/2016	Mar/2017	Dec/2016				
Assets								
Current								
Cash and cash equivalents	6,434,872	6,500,265	182,289	201,600			6,617,161	6,701,865
Financial investments	1,011,223	1,190,483					1,011,223	1,190,483
Trade accounts receivable	1,961,110	1,455,893	342,217	247,465	(60,040)	(69,221)	2,243,287	1,634,137
Inventories	5,138,960	4,862,571	407,090	375,443			5,546,050	5,238,014
Taxes recoverable	515,393	710,982	77,020	115,033			592,413	826,015
Other receivables	259,918	278,865	10,949	27,169			270,867	306,034
	15,321,476	14,999,059	1,019,565	966,710	(60,040)	(69,221)	16,281,001	15,896,548
Non-current assets held for sale	375,217	359,704					375,217	359,704
	15,696,693	15,358,763	1,019,565	966,710	(60,040)	(69,221)	16,656,218	16,256,252
Non-current								
Taxes recoverable	1,156,530	1,088,304	52	49			1,156,582	1,088,353
Deferred tax	134,100	189,613	1,048,097	1,463,502			1,182,197	1,653,115
Related parties	4,638,139	4,690,672			(ii) (4,638,139)	(4,690,672)		
Other receivables	651,259	648,511	30,850	29,823			682,109	678,334
Property, plant and equipment	18,539,531	18,814,175	11,747,448	11,171,400	(iii) (680,315)	(648,865)	29,606,664	29,336,710
Intangible	2,629,261	2,667,708	151,694	141,379			2,780,955	2,809,087
	27,748,820	28,098,983	12,978,141	12,806,153	(5,318,454)	(5,339,537)	35,408,507	35,565,599
Total assets	43,445,513	43,457,746	13,997,706	13,772,863	(5,378,494)	(5,408,758)	52,064,725	51,821,851
Liabilities and shareholders' equity								
Current								
Trade payables	4,926,193	6,335,452	204,288	278,905	(60,040)	(69,221)	5,070,441	6,545,136
Borrowings	3,011,605	2,594,463					3,011,605	2,594,463
Braskem Idesa Borrowings	(1)		9,911,069	10,437,791			9,911,068	10,437,791
Payroll and related charges	361,140	540,405	15,070	22,050			376,210	562,455
Taxes payable	1,034,933	611,231	13,960	12,849			1,048,893	624,080
Other payables	1,934,046	2,053,031	90,952	125,955			2,024,998	2,178,986
	11,267,916	12,134,582	10,235,339	10,877,550	(60,040)	(69,221)	21,443,215	22,942,911
Non-current liabilities held for sale	102,033	95,396					102,033	95,396
	11,369,949	12,229,978	10,235,339	10,877,550	(60,040)	(69,221)	21,545,248	23,038,307
Non-current								
Loan agreements							19,635,082	20,736,604
Braskem Idesa Borrowings	19,635,082	20,736,604						
Accounts payable to related parties			4,634,108	4,698,881	(ii)			
Non-controlling loan in Braskem Idesa			(v) 1,597,072	1,620,519	(4,634,108)	(4,698,881)	1,597,072	1,620,519
Provision for losses on subsidiaries	2,368,227	3,053,637			(iv) (2,368,227)	(3,053,637)		
Other payables	4,748,848	4,698,937	4,477	6,774			4,753,325	4,705,711
	26,752,157	28,489,178	6,235,657	6,326,174	(7,002,335)	(7,752,518)	25,985,479	27,062,834
Shareholders' equity								
Attributable to the Company's shareholders	5,323,407	2,738,590	(2,473,290)	(3,430,861)	2,473,290	3,430,861	5,323,407	2,738,590
Non-controlling interest in Braskem Idesa					(789,409)	(1,017,880)	(789,409)	(1,017,880)
	5,323,407	2,738,590	(2,473,290)	(3,430,861)	1,683,881	2,412,981	4,533,998	1,720,710
Total liabilities and shareholders' equity	43,445,513	43,457,746	13,997,706	13,772,863	(5,378,494)	(5,408,758)	52,064,725	51,821,851

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

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Statement of operations

	Consolidated Braskem				Eliminations		Consolidated	
	Ex consolidated	Braskem Idesa	Braskem Idesa consolidated				Restated	
	Mar/2017	Mar/2016	Mar/2017	Mar/2016	Mar/2017	Mar/2016	Mar/2017	Mar/2016
Continued operations								
Net sales revenue	11,813,476	11,816,928	894,112	120,817	(107,860)	(23,150)	12,599,728	11,914,595
Cost of products sold	(8,539,834)	(8,507,267)	(482,875)	(118,253)	111,076	12,235	(8,911,633)	(8,613,285)
	3,273,642	3,309,661	411,237	2,564	3,216	(10,915)	3,688,095	3,301,310
Income (expenses)								
Selling and distribution	(306,041)	(290,409)	(40,261)	(16,347)			(346,302)	(306,756)
General and administrative	(286,173)	(284,050)	(31,160)	(12,121)	6,770	10,915	(310,563)	(285,256)
Research and development	(33,662)	(42,594)					(33,662)	(42,594)
Results from equity investments	332,303	(81,825)			(320,094)	83,512	12,209	1,687
Other income (expenses), net	(112,548)	(136,265)	11,039	(1,358)			(101,509)	(137,623)
	2,867,521	2,474,518	350,855	(27,262)	(310,108)	83,512	2,908,268	2,530,768
Financial results								
Financial expenses	(655,695)	(767,841)	(243,331)	(22,541)	63,517		(835,509)	(790,382)
Financial income	227,158	237,841	1,339	1,360	(63,517)	(73,707)	164,980	165,494
Exchange rate variations, net	(215,555)	(873,534)	514,172	(24,530)	(13,582)	37,668	285,035	(860,396)
	(644,092)	(1,403,534)	272,180	(45,711)	(13,582)	(36,039)	(385,494)	(1,485,284)
Profit (loss) before income tax and social contribution	2,223,429	1,070,984	623,035	(72,973)	(323,690)	47,473	2,522,774	1,045,484
IR and CSL - current and deferred	(424,754)	(258,480)	(192,646)	(2,338)			(617,400)	(260,818)
Profit (loss) for the year of continued operations	1,798,675	812,504	430,389	(75,311)	(323,690)	47,473	1,905,374	784,666
Discontinued operations results								
Profit (loss) from discontinued operations	13,499	16,303					13,499	16,303
IR and CSL - current and deferred	(4,623)	(5,415)					(4,623)	(5,415)
	8,876	10,888					8,876	10,888
Profit (loss) for the year	1,807,551	823,392	430,389	(75,311)	(323,690)	47,473	1,914,250	795,554

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All amounts in thousands of reais, unless otherwise stated

	Consolidated Braskem				Eliminations		Consolidated	
	Ex consolidated	Braskem Idesa	Braskem Idesa consolidated		Mar/2017	Mar/2016	Mar/2017	Mar/2016
	Mar/2017	Mar/2016	Mar/2017	Mar/2016				
Profit (loss) before income tax and social contribution and for the result with discontinued operations	2,223,429	1,087,287	623,035	(72,973)	(323,690)	47,473	2,522,774	1,061,787
Adjustments for reconciliation of profit (loss)								
Depreciation, amortization and depletion	550,322	570,863	161,786	241	(9,986)		702,122	571,104
Results from equity investments	(332,303)	81,825			320,094	(83,512)	(12,209)	(1,687)
Interest and monetary and exchange variations, net	381,150	494,882	(179,801)	(166,215)	13,582	36,039	214,931	364,706
Provision for losses and write-offs of long-lived assets	8,957	19,583	239				9,196	19,583
	2,831,555	2,254,440	605,259	(238,947)			3,436,814	2,015,493
Changes in operating working capital								
Held-for-trading financial investments	188,498	(278,826)					188,498	(278,826)
Trade accounts receivable	(500,176)	436,346	(94,752)	19,541	(9,181)	69,221	(604,109)	525,108
Inventories	(286,431)	263,634	(30,040)	13,984			(316,471)	277,618
Taxes recoverable	167,203	279,675	39,123	36,478			206,326	316,153
Prepaid expenses	26,890	(1,750)	1,077	10,019			27,967	8,269
Other receivables	(11,279)	(3,709)	15,130	(4,770)			3,851	(8,479)
Trade payables	(1,217,873)	(1,606,059)	(74,617)	(208,307)	9,181	(69,221)	(1,283,309)	(1,883,587)
Taxes payable	93,143	(289,836)	(67,455)	87,155			25,688	(202,681)
Advances from customers	(27,533)	(5,050)	(3,577)	(286)			(31,110)	(5,336)
Other payables	(542,607)	(48,571)	(30,018)	75,739			(572,625)	27,168
Cash from operations	721,390	1,000,294	360,130	(209,394)			1,081,520	790,900
Interest paid	(349,758)	(447,767)	(122,248)				(472,006)	(447,767)
Income tax and social contribution paid	(39,840)	(94,662)	(1,113)				(40,953)	(94,662)
Net cash generated by operating activities	331,792	457,865	236,769	(209,394)			568,561	248,471
Acquisitions to property, plant and equipment and intangible assets	(249,079)	(242,834)	(23,855)	(324,076)			(272,934)	(566,910)
Other investments	(1,890)	97					(1,890)	97
Net cash used in investing activities	(250,969)	(242,737)	(23,855)	(324,076)			(274,824)	(566,813)
Short-term and long-term debt								
Obtained	660,324	803,625					660,324	803,625
Payments	(886,221)	(968,354)					(886,221)	(968,354)
Braskem Idesa borrowings								
Obtained				91,094				91,094
Payments			(198,180)	(80,391)			(198,180)	(80,391)
Related parties								
Obtained loans (payment of loans)	20,637	(502,593)	(20,637)	502,593				
Dividends paid	(31)	(4)					(31)	(4)
Net provided (used) in financing activities	(205,291)	(667,326)	(218,817)	513,296			(424,108)	(154,030)
Exchange variation on cash of foreign subsidiaries	59,075	224,649	(13,407)	13,624			45,668	238,273
Increase (decrease) in cash and cash equivalents	(65,393)	(227,549)	(19,310)	(6,550)			(84,703)	(234,099)
Represented by								
Cash and cash equivalents at the beginning for the period	6,500,265	6,908,623	201,599	134,639			6,701,864	7,043,262
Cash and cash equivalents at the end for the period	6,434,872	6,681,074	182,289	128,089			6,617,161	6,809,163
Increase (decrease) in cash and cash equivalents	(65,393)	(227,549)	(19,310)	(6,550)			(84,703)	(234,099)

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11 Property, plant and equipment

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

	Mar/2017			Consolidated Dec/2016		
	Cost	Accumulated depreciation/ depletion	Net	Cost	Accumulated depreciation/ depletion	Net
Land	471,955		471,955	471,655		471,655
Buildings and improvements	5,763,777	(1,202,572)	4,561,205	5,530,714	(1,111,642)	4,419,072
Machinery, equipment and installations	37,416,158	(17,126,342)	20,289,816	36,804,409	(16,595,497)	20,208,912
Projects and stoppage in progress	3,570,964		3,570,964	3,495,965		3,495,965
Other	1,404,699	(691,975)	712,724	1,404,759	(663,653)	741,106
Total	48,627,553	(19,020,889)	29,606,664	47,707,502	(18,370,792)	29,336,710

Capitalized charges in the three-month period ended March 31, 2017 were R\$35,620 (R\$219,536 on March 31, 2016).

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

12 Intangible assets

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

	Mar/2017			Consolidated Dec/2016		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Goodwill based on future profitability	3,187,722	(1,128,848)	2,058,874	3,187,722	(1,128,848)	2,058,874
Trademarks and patents	348,301	(112,847)	235,454	339,512	(110,880)	228,632
Software and use rights	562,082	(372,224)	189,858	566,673	(364,336)	202,337
Contracts with customers and suppliers	759,342	(462,573)	296,769	772,888	(453,644)	319,244
Total	4,857,447	(2,076,492)	2,780,955	4,866,795	(2,057,708)	2,809,087

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

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13 Borrowings

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

	Annual financial charges (%)	Consolidated	
		Mar/2017	Dec/2016
Foreign currency			
Bonds	US dollar exchange variation + interest between 5.38 and 7.38	13,653,541	14,216,539
Advances on exchange contracts	US dollar exchange variation + 3.90%	909,917	362,779
Export prepayment	Note 13 (a)	601,509	777,801
BNDES	US dollar exchange variation + interest between 6.71 and 6.90	168,548	201,147
Export credit notes	US dollar exchange variation + interest between 7.30 and 8.10	1,144,206	1,173,127
Working capital	US dollar exchange variation + 1.77% above Libor	1,397,482	1,644,487
Transactions costs		(191,377)	(199,570)
		17,683,826	18,176,310
Current liabilities		1,553,188	1,128,524
Non-current liabilities		16,130,638	17,047,786
Total		17,683,826	18,176,310
Local currency			
Export credit notes	Interest between 7.50 and 8.00	383,049	381,632
Export credit notes	105,00 e 112,50 of CDI	(i) 1,735,172	1,717,262
BNDES	TJLP + interest between 0.00 and 4.78	1,383,635	1,527,765
BNDES	SELIC + interest between 2.32 and 2.78	584,878	602,648
BNDES	Interest between 3.50 and 7.00	264,868	288,486
BNB/ FINEP/ FUNDES	6.20	552,644	580,647
FINAME	TJLP + 1.90	1,767	1,850
Fundo de Desenvolvimento do Nordeste (FDNE)	6.50	47,726	46,991
Other	CDI + 0.04	19,899	19,321
Transactions costs		(10,777)	(11,845)
		4,962,861	5,154,757
Current liabilities		1,458,417	1,465,938
Non-current liabilities		3,504,444	3,688,819
Total		4,962,861	5,154,757
Foreign currency and local currency			
Current liabilities		3,011,605	2,594,462
Non-current liabilities		19,635,082	20,736,605
Total		22,646,687	23,331,067

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

	Parent company	
	Mar/2017	Dec/2016
Foreign currency		
Current liabilities	1,212,712	651,471
Non-current liabilities	2,521,469	2,774,213
	3,734,181	3,425,684
Local currency		
Current liabilities	1,458,417	1,465,938
Non-current liabilities	3,504,444	3,688,819
	4,962,861	5,154,757
Foreign currency and local currency		
Current liabilities	2,671,129	2,117,409
Non-current liabilities	6,025,913	6,463,032
Total	8,697,042	8,580,441

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(a) Export prepayments

Issue date	Initial amount of the transaction (US\$ thousand)	Maturity	Charges (% per year)	Consolidated	
				Mar/2017	Dec/2016
January-2013	200,000	November-2022	US dollar exchange variation + semiannual Libor + 1.10	383,287	391,923
May-2016	50,000	May-2017	US dollar exchange variation + quarterly Libor + 3.25 (i)		163,564
December-2016	68,000	November-2019	US dollar exchange variation + quarterly Libor + 2.60	218,222	222,314
Total	318,000			601,509	777,801

(i) With early settlement in January 2017.

(b) Payment schedule

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

	Consolidated	
	Mar/2017	Dec/2016
2018	1,902,211	2,379,757
2019	3,070,847	3,310,384
2020	2,395,031	2,442,493
2021	3,576,802	3,667,632
2022	1,698,910	1,745,936
2023	13,795	13,772
2024	2,393,084	2,461,086
2025	3,861	3,839
2026	1,413	1,391
2027 and thereafter	4,579,128	4,710,315
Total	19,635,082	20,736,605

(c) Guarantees

Braskem gave collateral for part of its borrowings as follows:

Loans	Maturity	Total debt Mar/2017	Total guaranteed	Guarantees
BNB	December-2022	127,808	127,808	Mortgage of plants, pledge of machinery and equipment
BNB	August-2024	210,125	210,125	Bank surety
BNDES	January-2022	2,401,929	2,401,929	Mortgage of plants, land and property, pledge of machinery and equipment
FUNDES	June-2020	103,847	103,847	Mortgage of plants, land and property, pledge of machinery and equipment
FINEP	July-2024	110,864	110,864	Bank surety
FINAME	February-2022	1,767	1,767	Pledge of equipment
Total		2,956,340	2,956,340	

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14 Braskem Idesa borrowings

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

Identification	Initial value of operation US\$	Maturity	Charges (% per year)	Consolidated	
				Mar/2017	Dec/2016
Project finance					
		(i)			
Project finance I	700,000	February-2027	Us dollar exchange variation + quarterly Libor + 3.25	2,200,090	2,274,754
Project finance II	189,996	February-2027	Us dollar exchange variation + 6.17	633,943	663,856
Project finance III	600,000	February-2029	Us dollar exchange variation + 4.33	1,832,510	1,911,857
Project finance IV	680,004	February-2029	Us dollar exchange variation + quarterly Libor + 3.88	2,026,302	2,111,234
Project finance V	400,000	February-2029	Us dollar exchange variation + quarterly Libor + 4.65	1,223,692	1,276,449
Project finance VI	89,994	February-2029	Us dollar exchange variation + quarterly Libor + 2.73	274,597	286,480
Project finance VII	533,095	February-2029	Us dollar exchange variation + quarterly Libor + 4.64	1,630,841	1,701,229
Transactions costs				(106,472)	(104,157)
Total	3,193,089			9,715,503	10,121,702
Other borrowings					
VAT borrowings		(ii) November-2029	2.00% above TIIE(*)		13,500
Borrowings for working capital		August-2017	Us dollar exchange variation + quarterly Libor + 4.90	195,565	302,589
				195,565	316,089
				9,911,068	10,437,791
Current liabilities				9,911,068	10,437,791
Total				9,911,068	10,437,791

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

(i) Financing without recourse or with recourse limited to shareholders.

(ii) Financing obtained in Mexican peso and paid exclusively with IVA refund, settled in January 2017.

This Project finance includes restrictive contractual clauses (covenants), customary in contracts of this nature.

At the reporting date for the quarterly information as of March 31, 2017, these clauses were not being complied with part of this restrictive contractual clauses. In this sense, the entire balance of non-current liabilities, in the amount of R\$9,014,823, was reclassified to current liabilities, in accordance with CPC 26 and its corresponding accounting standard IAS 1 (Presentation of Financial Statements).

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

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

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

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	<u>Mar/2017</u>	<u>Dec/2016</u>
2018	520,077	709,793
2019	713,094	736,885
2020	836,613	864,149
2021	955,798	986,914
2022	796,270	822,235
2023	1,054,265	1,088,155
2024	1,140,608	1,177,017
2025	1,140,150	1,176,346
2026	1,003,848	1,035,586
2027 and thereafter	854,100	894,606
Total	<u>9,014,823</u>	<u>9,491,686</u>

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Notes to the financial statements at March 31, 2017

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15 Financial instruments

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

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

	Note	Classification by category	Fair value hierarchy	Book value		Fair value	
				Mar/2017	Dec/2016	Mar/2017	Dec/2016
Cash and cash equivalents	4						
Cash and banks				2,055,074	2,178,611	2,055,074	2,178,611
Financial investments in Brazil		Loans and receivables		2,824,040	2,914,685	2,824,040	2,914,685
Financial investments abroad		Held-for-trading	Level 2	1,738,047	1,608,568	1,738,047	1,608,568
				6,617,161	6,701,864	6,617,161	6,701,864
Financial investments	5						
<i>Letras Financeiras do Tesouro - LFT</i>		Held-for-trading	Level 2	588,614	755,712	588,614	755,712
Time deposit investments		Loans and receivables	Level 2	421,957	434,015	421,957	434,015
Other		Held-to-maturity	Level 2	652	756	652	756
				1,011,223	1,190,483	1,011,223	1,190,483
Trade accounts receivable	6			2,308,219	1,704,373	2,308,219	1,704,373
Trade payables				5,299,930	6,746,822	5,299,930	6,746,822
Borrowings	13						
Foreign currency - Bond			Level 1	13,653,541	14,216,539	14,410,690	12,509,981
Foreign currency - other borrowings				4,221,662	4,159,341	4,221,662	4,159,341
Local currency				4,973,638	5,166,602	4,973,638	5,166,602
				22,848,841	23,542,482	23,605,990	21,835,924
Braskem Idesa borrowings	14			10,017,540	10,541,948	10,017,540	10,541,948
Loan ton non-controlling shareholder of Braskem Idesa				1,597,072	1,620,519	1,597,072	1,620,519
Leniency agreement	19.3			2,567,995	2,853,230	2,567,995	2,853,230
Other payables (BNDESPAR)				181,030	176,846	181,030	176,846

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

15.2.1 Changes

Identification	Note	Fair value hierarchy	Operation characteristics		Accumulated OCI (equity)	Net	Change in fair value	Financial settlement	Net
			Principal exposure	Derivatives		(Asset)/ Liability Dec/2016			(Asset)/ Liability Mar/2017
Hedge accounting transactions									
Dollar put option	15.2.1 (a.i)	Level 2	Real	Dollar		(4,184)	1,745	(2,153)	(4,592)
Exchange swap	15.2.1 (a.ii)	Level 2	CDI	Dollar + Interests	485,683	857,099	(55,677)	6,634	808,056
Interest rate swaps		Level 2	Libor	Fixed rates	313,441	(266)	(126)	(8,851)	(9,243)
					<u>799,124</u>	<u>852,649</u>	<u>(54,058)</u>	<u>(4,370)</u>	<u>794,221</u>
Derivatives operations									
Current assets						(8,387)			(4,592)
Non-current assets						(29,308)			(30,321)
Current liabilities						29,042			30,130
Non-current liabilities						861,302			799,004
						<u>852,649</u>			<u>794,221</u>

(a) Operations designated for hedge accounting

(a.i) U.S. dollar put option

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

As of March 31, 2017, Braskem held a total notional value of put options of R\$602,000 (US\$190,001), with a maximum term of 9 months and average strike price of 3.05 R\$/US\$.

Such operations were designed for the hedge accounting of cash flows as from January 1, 2017, and seek to hedge future dollar-denominated revenues with maturities in months coinciding with the maturity of the derivatives.

(a.ii) Swaps related to export credit notes (NCE)

Identification	Nominal value	Hedge Financial charges for year	Maturity	Fair value	
				Mar/2017	Dec/2016
Swap NCE I to III	400,000	Exchange variation + 6,15%	August-2019	413,639	438,201
Swap NCE IV to VII	450,000	Exchange variation + 4,93% to 7,90%	April-2019	394,417	418,898
Total	<u>850,000</u>			<u>808,056</u>	<u>857,099</u>
Derivatives operations					
Current assets					(4,203)
Current liabilities				9,052	
Non-Current liabilities				799,004	861,302
Total				<u>808,056</u>	<u>857,099</u>

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15.3. Non-derivative liabilities designated for export hedge accounting

(a.i) Future exports in U.S. dollars

On March 31, 2017, exports that were designated and not yet realized are shown below:

	Total nominal value US\$
2017	628,408
2018	787,893
2019	733,980
2020	724,000
2021	716,000
2022	719,000
2023	718,372
2024	688,854
	5,716,507

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

	Dec/2016	Sales in the year	Hedge discontinued	Mar/2017
Designated balance	5,917,784	(201,277)	(628,408)	5,088,099

On March 31, 2017, the maturities of financial liabilities designated, within the scope of the consolidated balance sheet, were as follows:

	Total nominal value US\$
2017	1,121,866
2018	729,159
2019	449,736
2020	570,782
2021	1,017,703
2022	510,000
2024	688,854
	5,088,099

Considering the strong cash generation in recent quarters, the Management of the Company believed it was appropriate to advance the payment of dollar-denominated obligations, including liabilities designated for this hedge. As a result of the decision, the amount of US\$628,408 was discontinued prospectively. Exchange variation on the discontinued amount, of R\$773,589, which is recorded under Shareholders' Equity as "Other comprehensive income" will be taken to net financial income (expenses) as of April 2017, as the hedged exports are realized.

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	<u>Total nominal value US\$</u>	<u>at Inception R\$/US\$</u>	<u>Closing rate R\$/US\$</u>	<u>Gross nominal value</u>
Hedge discontinued - First quarter 2017	208.135	2.0017	3.2015	249,720
Hedge discontinued - Second quarter 2017	207.273	2.0017	3.3302	275,362
Hedge discontinued - Third quarter 2017	213.000	2.0017	3.1684	248,507
				<u><u>773,589</u></u>

The following table provides the balances of exchange variation recognized in the Company's net financial income (expenses) due to the realization of exports designated for this hedge for the three-month period ended March 31, 2017:

	<u>Total nominal value US\$</u>	<u>Conversion rate at Inception MXN/US\$</u>	<u>Closing rate MXN/US\$</u>	<u>Gross nominal value</u>
First quarter	201.277	2.0017	3.2400	249,240
				<u><u>249,240</u></u>

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

	<u>Exchange variation</u>	<u>IR and CSL</u>	<u>Net effect</u>
At December 31, 2016	(7,439,927)	2,529,575	(4,910,352)
Exchange variation recorded in the period on OCI / IR and CSL	480,810	(163,475)	317,335
Exchange variation transferred to profit or loss / IR and CSL	249,240	(84,742)	164,498
At March 31, 2017	<u><u>(6,709,877)</u></u>	<u><u>2,281,358</u></u>	<u><u>(4,428,519)</u></u>

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

On March 31, 2017, sales designated and not yet realized are as follows:

	Nominal value US\$
2017	154,079
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
	3,096,141

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

	US\$			
	Dec/2016	Sales in the year	Hedge discontinued	Mar/2017
Designated balance	3,125,315	(29,174)	(12,091)	3,084,050

On March 31, 2017, the maturities of financial liabilities designated were distributed as follows:

	Nominal value US\$
2017	153,804
2018	221,390
2019	228,850
2020	266,187
2021	302,816
2022	252,723
2023	332,458
2024	358,873
2025	357,221
2026	308,650
2027	150,419
2028	124,347
2029	26,312
	3,084,050

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The following table provides the balance of exchange variation of the discontinued amount, net of realization already occurred, on March 31, 2017, which is recorded in Braskem Idesa's shareholders' equity under "Other comprehensive income" and will be transferred to financial income (expenses) according to the schedule of future hedged sales:

	Total nominal value US\$	Conversion rate at Inception MXN/US\$	Closing rate MXN/US\$	Total nominal value MXN	Gross nominal value
Hedge discontinued	12.091	13.4541	17.9915	54,860	9,233
				<u>54,860</u>	<u>9,233</u>

The following table provides the balances of exchange variation recognized in Braskem Idesa's financial income (expenses) due to the realization of sales designated for this hedge over the course of the three-month period ended March 31, 2017:

	Total nominal value US\$	Conversion rate at Inception MXN/US\$	Closing rate MXN/US\$	Total nominal value MXN	Gross nominal value
First quarter	29.174	13.6650	20.0870	187,361	30,918
				<u>187,361</u>	<u>30,918</u>

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

	Exchange variation	IR	Net effect
At December 31, 2016	(4,182,052)	1,255,350	(2,926,702)
Exchange variation recorded in the period on OCI / IR	907,532	(272,260)	635,272
Exchange variation transferred to profit or loss / IR	30,918	(9,275)	21,643
At March 31, 2017	(3,243,602)	973,815	(2,269,787)

15.4. Credit quality of financial assets

(a) Trade accounts receivable

On March 31, 2017, the credit ratings for the domestic market were as follows:

	(%)	
	Mar/2017	Dec/2016
1 Minimum risk	9.27	8.92
2 Low risk	44.47	39.98
3 Moderate risk	28.38	30.51
4 High risk	13.81	16.48
5 Very high risk	(i) 4.07	4.11

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

Default indicators

	Last 12 months	
	Domestic Market	Export Market
March 31, 2017	0.19%	0.05%
December 31, 2016	0.18%	0.04%
March 31, 2016	0.48%	0.11%

(b) Other financial assets

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

	Mar/2017	Dec/2016
Financial assets with risk assessment		
AAA	3,672,400	3,871,105
AA+	154,053	241,359
AA	58,352	5,370
AA-	332,381	654,232
A+	2,302,762	2,426,078
A	584,861	364,198
A-	387,631	209,175
BBB+	131,246	116,987
	<u>7,623,686</u>	<u>7,888,504</u>
Financial assets without risk assessment		
Other financial assets with no risk assessment	(i) 4,698	3,843
	<u>4,698</u>	<u>3,843</u>
Total	<u><u>7,628,384</u></u>	<u><u>7,892,347</u></u>

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

15.5. Sensitivity analysis

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

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(a) Selection of risks

On March 31, 2017, the main risks that can affect the value of Braskem's financial instruments are:

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

For the purposes of the risk sensitivity analysis, Braskem presents the exposures to currencies as if they were independent, that is, not reflecting in the exposure to a foreign exchange rate the risks of the variation in other foreign exchange rates that could be directly influenced by it.

(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, 2017, with a probability of 5%, and under normal market conditions, was estimated by the Company at US\$26,570 for the NCE exchange rate swap (Note 15.2.1(a.ii)) and at US\$616.9 for the swap of Libor related to Braskem Idesa's project.

(c) Selection of scenarios

(c.1) Probable scenario

The *Market Readout* published by the Central Bank of Brazil was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate, Selic basic interest rate and the CDI interest rate, using the reference date of March 31, 2017. According to the Market Readout, at the end of 2017, the U.S. dollar will appreciate by 4.1% against the Brazilian real, compared to the closing PTAX rate at March 31, 2017, while the Selic rate will be 8.5% p.a. The Selic rate is used as a reference for analyses of sensitivity to the CDI.

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

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(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	Gain (losses)		
	Probable	Possible adverse (25%)	Extreme adverse (50%)
Brazilian real/U.S. dollar exchange rate			
Bonds	(559,594)	(3,368,195)	(6,736,390)
BNDES	(7,001)	(42,137)	(84,274)
Working capital/ structured operations	(105,569)	(635,422)	(1,270,844)
Export prepayments	(24,543)	(147,723)	(295,447)
Braskem Idesa borrowings	(411,658)	(2,477,767)	(4,955,534)
Exchange rate contracts	(37,794)	(227,479)	(454,959)
Swaps	(69,892)	(420,681)	(771,469)
Dollar put option	(2,446)	(4,547)	(4,592)
Financial investments abroad	140,104	843,288	1,686,576
Selic interest rate			
BNDES	76,699	(69,029)	(144,192)
Libor floating interest rate			
Working capital/ structured operations	(725)	(3,626)	(7,253)
Export prepayments	(2,574)	(12,872)	(25,744)
Swaps	2,060	10,233	20,300
CDI interest rate			
Swaps NCE	75,610	(64,811)	(132,423)
Swaps NCA	134,149	(122,943)	(258,939)
Financial investments in local currency	(102,159)	82,906	165,358
Instrument / Sensitivity	Probable 8.0%	Possible adverse 8.5%	Extreme adverse 9.0%
TJLP interest rate			
BNDES	31,006	(31,569)	(63,708)
Other government agents	40	(41)	(83)

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16 Taxes payable

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

	Consolidated		Parent company	
	Mar/2017	Dec/2016 Restated	Mar/2017	Dec/2016 Restated
Brazil				
IPI	70,796	59,323	67,247	57,191
IR and CSL	330,167	222,680	249,487	119,573
ICMS	287,406	182,034	279,828	173,915
PIS and COFINS	108,363	59,105	107,592	58,252
Other	47,105	62,743	31,703	38,987
Other countries				
IR	173,299	46,670		
Value-added tax	63,128	15,622		
Total	1,080,264	648,177	735,857	447,918
Current liabilities	1,048,893	624,080	704,909	424,088
Non-current liabilities	31,371	24,097	30,948	23,830
Total	1,080,264	648,177	735,857	447,918

17 Income tax ("IR") and social contribution ("CSLL")

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

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

	Consolidated		Parent company	
	Mar/2017	Mar/2016 Restated	Mar/2017	Mar/2016 Restated
Income (loss) before IR and CSL and after discontinued operations	2,522,774	1,045,484	2,030,487	723,356
IR and CSL at the rate of 34%	(857,743)	(355,465)	(690,366)	(245,941)
Permanent adjustments to the IR and CSL calculation basis				
IR and CSL on equity in results of investees	4,151	574	397,419	269,237
Tax benefits (Sudene and PAT)	44,225		44,225	
Difference of rate applicable to each country	123,024	66,194		
Other permanent adjustments	68,943	27,879	16,911	63,633
Effect of IR and CSL on results of operations	(617,400)	(260,818)	(231,811)	86,929
Breakdown of IR and CSL:				
Current IR and CSL	(331,517)	(331,825)	(161,139)	
Deferred IR and CSL	(285,883)	71,007	(70,672)	86,929
Total	(617,400)	(260,818)	(231,811)	86,929

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(b) Composition of the deferred income tax and social contribution

(b.i) According to tax calculation

<u>Assets</u>	<u>Consolidado</u>		<u>Controladora</u>	
	<u>Mar/2017</u>	<u>Dec/2016</u>	<u>Mar/2017</u>	<u>Dec/2016</u>
Tax losses (IR) and negative base (CSL)	1,940,446	2,420,376	127,430	215,413
Goodwill amortized	4,447	4,624	4,447	4,623
Exchange variations	297,028	464,947	289,389	456,816
Temporary adjustments	611,341	717,868	1,271,267	1,337,849
Business combination	191,707	191,250	91,601	91,602
	<u>3,044,969</u>	<u>3,799,065</u>	<u>1,784,134</u>	<u>2,106,303</u>
<u>Liabilities</u>				
Amortization of goodwill based on future profitability	775,468	767,277	688,301	680,111
Tax depreciation	895,855	867,922	818,984	792,869
Temporary adjustments	317,339	316,990	11,247	11,701
Business combination	194,879	198,381	74,056	76,959
Additional indexation PP&E	114,694	118,202	114,694	96,700
Amortization of fair value adjustments on the assets from the acquisition of Quattor	257,412	263,808	257,412	266,004
Other	115,953	123,893	114,553	139,500
	<u>2,671,600</u>	<u>2,656,473</u>	<u>2,079,247</u>	<u>2,063,844</u>

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(b.ii) Net balance of deferred income and social contribution tax assets and liabilities (consolidated)

	Mar/2017		
	Headquarters	IR and CSL	
	(Country)	Tax calculation	Compensation
			Balance
Assets			
Braskem S.A	Brazil	1,784,134	(1,784,134)
Braskem Argentina	Argentina	5,645	5,645
Braskem Alemanha	Germany	20,309	20,309
Braskem Chile	Chile	80	(80)
Braskem Idesa	Mexico	1,048,097	1,048,097
Braskem México Serviços	Mexico	6,210	6,210
Braskem Petroquímica	Brazil	78,558	(78,558)
Braskem Petroquímica - business combination effects	Brazil	101,936	101,936
		3,044,969	(1,862,772)
			1,182,197
Liabilities			
Braskem S.A	Brazil	2,079,247	(1,784,134)
Braskem America	USA	306,092	306,092
Braskem Chile	Chile	1,387	(80)
Braskem Petroquímica	Brazil	164,050	(78,558)
Braskem Petroquímica - business combination effects	Brazil	120,824	120,824
		2,671,600	(1,862,772)
			808,828
Dec/2016			
	Headquarters	IR and CSL	
	(Country)	Tax calculation	Compensation
Assets			
Braskem S.A	Brazil	2,106,303	(2,063,844)
Braskem Argentina	Argentina	6,745	6,745
Braskem Alemanha	Germany	36,932	36,932
Braskem Chile	Chile	135	(135)
Braskem Idesa	Mexico	1,463,502	1,463,502
Braskem México Serviços	Mexico	1,994	1,994
Braskem Petroquímica	Brazil	81,971	(81,971)
Braskem Petroquímica and Braskem Qpar - business combination effects	Brazil	101,483	101,483
		3,799,065	(2,145,950)
			1,653,115
Liabilities			
Braskem S.A	Brazil	2,063,844	(2,063,844)
Braskem America	USA	305,289	305,289
Braskem Chile	Chile	1,404	(135)
Braskem Petroquímica	Chile	162,241	(81,971)
Braskem Petroquímica and Braskem Qpar - business combination effects	Brazil	123,695	123,695
		2,656,473	(2,145,950)
			510,523

(c) Realization of deferred income tax and social contribution

In the three-month period ended March 31, 2017, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

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18 Sundry provisions

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

	Consolidated		Parent company	
	Mar/2017	Dec/2016	Mar/2017	Dec/2016
Provision for customers rebates	23,639	41,475	11,740	24,167
Provision for recovery of environmental damages	242,386	254,040	218,014	228,618
Other	23,509	23,621	4,238	3,798
Total	289,534	319,136	233,992	256,583
Current liabilities	83,441	112,891	64,053	87,084
Non-current liabilities	206,093	206,245	169,939	169,499
Total	289,534	319,136	233,992	256,583

19 Contingencies

19.1 Claims with probable loss and arising from business combinations

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

	Consolidated		Parent company	
	Mar/2017	Dec/2016	Mar/2017	Dec/2016
Labor claims	199,146	207,827	189,657	197,452
Tax claims				
Normal operations				
IR and CSL	13,866	11,462	11,632	11,462
PIS and COFINS	208,253	204,516	208,066	204,333
ICMS	42,570	39,604	42,570	39,604
Other tax claims	16,889	19,586	16,888	17,382
	281,578	275,168	279,156	272,781
Business Combination				
IR and CSL	46,997	45,656		
PIS and COFINS	52,604	51,052	52,604	51,052
ICMS - interstate purchases	229,929	223,071	229,929	223,071
ICMS - other	16,877	16,379	16,877	16,379
	346,407	336,158	299,410	290,502
Corporate claims	109,390	105,175	109,390	105,175
Civil claims and other	65,195	60,909	65,195	60,909
	1,001,716	985,237	942,808	926,819

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19.2 Claims with possible losses

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

(a) Civil

In January 2017, the Company became defendant in a civil lawsuit filed by former reseller of solvents, claiming alleged breach of a tacit distribution agreement. On March 31, 2017, the damages claimed in the lawsuit amounted to R\$118 million.

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

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

(b) Tax

In March 2017, the Company received a tax deficiency notice claiming that the methodology used to offset tax losses and tax loss carryforwards at Rio Polímeros failed to observe the limit of 30% of the Taxable Profit and Social Contribution calculation base when offsetting such liabilities with Income Tax and Social Contribution liabilities in its merger into Braskem Qpar S/A, in August 2013. On March 31, 2017, the restated value of the taxes recorded amounted to R\$238 million.

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

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

19.3 Reports of irregularities and global settlement with authorities

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

(a) Global Settlement with authorities

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

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

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

1. US\$94,894 (R\$296,591) to DoJ on February 8, 2017;
2. US\$65,000 (R\$206,460) to SEC on April 27, 2017;
3. CHF30,240 (R\$104,307) to the Office of the Attorney General of Switzerland on June 27, 2017;
4. R\$736,445 to MPF on July 6, 2017.

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

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

(b) Reimbursement for damages and other considerations

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

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

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

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

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

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(c) Control deficiencies and Compliance Program

Based upon the investigative process and the confirmation of illicit acts, the Company identified material deficiencies within its internal controls.

A broad Compliance Program was launched in 2016 to strengthen its governance to significantly reduce the likelihood of other deviations of the same nature occur again.

A series of actions have been implemented and reported periodically.

In the period ended March 31, 2017, several Compliance initiatives were completed, including:

- (i) Increase in the number of Compliance staff members for the Internal Control, Risk Management, Compliance and Internal Audit areas, with emphasis on hiring Compliance Officers for the United States and Mexico;
- (ii) Appointment and hiring of independent monitors with the DoJ and MPF;
- (iii) Approval of the following documentation: Internal Audit Directive, Corporate Credit Card Directive and Research Protocols for Ethics Line;
- (iv) Continuation of the training program, focusing on the Compliance System, applicable laws and awareness;
- (v) Definition of the corporate goal related to Compliance applicable to all company leaders;
- (vi) Approval of the Multi-Year Global Compliance Communication plan;
- (vii) Elaboration of the Procedure for Relations with Public Agents, regulating interactions with politicians and executives of public companies;
- (viii) Formal and effective participation in working groups: UN Anti-Corruption and ETHOS Integrity;
- (ix) Improvement in the processes of supplier's registration and homologation with implementation of risk assessment and third-party integrity.

(d) Class actions

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

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

The Company cannot foresee the outcome of this process. The Company may be named as a defendant in other legal actions. Furthermore, the Company may be required, in accordance with any applicable legal and regulatory limits, to indemnify directors, officers and employees that are defendants in the securities class action and any other related actions that may arise in the future. The litigation has required significant time and dedication of the Management of the Company and is expected to continue to require such time and attention in the future.

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20 Shareholders' Equity

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

(a) Capital

	Common		Preferred		Preferred		Amount of shares	
	shares	%	shares class A	%	shares class B	%	Total	%
Odebrecht	226,334,623	50.11	79,182,498	22.95			305,517,121	38.32
Petrobras	212,426,952	47.03	75,761,739	21.96			288,188,691	36.15
ADR	(i) 12,907,077	2.86	47,520,324	13.77			47,520,324	5.96
Other			141,311,303	40.96	578,330	100.00	154,796,710	19.42
Total	451,668,652	100.00	343,775,864	99.64	578,330	100.00	796,022,846	99.85
Treasury shares	(ii)		1,234,758	0.36			1,234,758	0.15
Total	451,668,652	100.00	345,010,622	100.00	578,330	100.00	797,257,604	100.00

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

(ii) Includes 1,154,758 shares held by Braskem Petroquímica considered as "treasury shares" in the consolidated shareholders' equity, in the amount of R\$48,892.

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All amounts in thousands of reais, unless otherwise stated

(b) Other comprehensive income - shareholders' equity

	Consolidated									
	Attributed to shareholders' interest									
	Additional indexation of PP&E (i)	Deemed cost of PP&E (i)	Defined benefit plans actuarial Gain (loss) (ii)	Foreign sales hedge (iii)	Fair value of hedge (iii)	Foreign currency translation adjustment (iv)	Gain (loss) on interest in subsidiary (v)	Total Braskem shareholders' interest	Non-controlling interest in Braskem Idesa	Total
On December 31, 2015	217,595	17,309	(39,232)	(9,666,973)	(685,396)	1,105,391	(9,404)	(9,060,710)	(476,708)	(9,537,418)
Additional indexation										
Realization	(10,317)							(10,317)		(10,317)
Income tax and social contribution	3,508							3,508		3,508
Deemed cost of jointly-controlled investment										
Realization		(365)						(365)		(365)
Income tax and social contribution		124						124		124
Foreign sales hedge										
Exchange rate				2,085,737				2,085,737	(44,931)	2,040,806
Transfer to result				421,800				421,800		421,800
Income tax and social contribution				(857,954)				(857,954)	13,479	(844,475)
Fair value of Cash flow hedge										
Change in fair value					53,931			53,931	(27,812)	26,119
Transfer to result					1,904			1,904	(105)	1,799
Income tax and social contribution					(22,334)			(22,334)	8,375	(13,959)
Fair value of cash flow hedge from jointly-controlled					(10,004)			(10,004)		(10,004)
Foreign currency translation adjustment						(135,991)		(135,991)	71,359	(64,632)
On March 31, 2016	210,786	17,068	(39,232)	(8,017,390)	(661,899)	969,400	(9,404)	(7,530,671)	(456,343)	(7,987,014)
On December 31, 2016	190,359	16,344	(43,351)	(7,105,377)	(539,518)	1,169,088	(9,404)	(6,321,859)	(548,601)	(6,870,460)
Additional indexation										
Realization	(10,317)							(10,317)		(10,317)
Income tax and social contribution	3,508							3,508		3,508
Deemed cost of jointly-controlled investment										
Realization		(365)						(365)		(365)
Income tax and social contribution		124						124		124
Foreign sales hedge										
Exchange rate				1,161,459				1,161,459	226,883	1,388,342
Transfer to result				272,428				272,428	7,730	280,158
Income tax and social contribution				(459,368)				(459,368)	(70,384)	(529,752)
Fair value of Cash flow hedge										
Change in fair value					55,007			55,007	1,989	56,996
Transfer to result					24,412			24,412	6,170	30,582
Income tax and social contribution					(26,023)			(26,023)	(2,448)	(28,471)
Fair value of cash flow hedge from jointly-controlled					594			594		594
Foreign currency translation adjustment						(251,244)		(251,244)	(48,167)	(299,411)
On March 31, 2017	183,550	16,103	(43,351)	(6,130,858)	(485,528)	917,844	(9,404)	(5,551,644)	(426,828)	(5,978,472)

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

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21 Earnings per share

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

	<u>Mar/2017</u>	<u>Basic and diluted Mar/2016 Restated</u>
Profit for the year attributed to Company's shareholders of continued operations	1,798,676	810,285
Distribution of dividends attributable to priority:		
Preferred shares class "A"	208,416	208,409
Preferred shares class "B"	351	360
	<u>208,767</u>	<u>208,769</u>
Distribution of 6% of unit value of common shares	273,827	273,824
Distribution of plus income, by class:		
Common shares	747,297	186,072
Preferred shares class "A"	568,785	141,620
	<u>1,316,082</u>	<u>327,692</u>
Reconciliation of income available for distribution, by class (numerator):		
Common shares	1,021,124	459,896
Preferred shares class "A"	777,201	350,029
Preferred shares class "B"	351	360
	<u>1,798,676</u>	<u>810,285</u>
Weighted average number of shares, by class (denominator):		
Common shares	451,668,652	451,668,652
Preferred shares class "A"	343,775,864	343,768,220
Preferred shares class "B"	578,330	593,618
	<u>796,022,846</u>	<u>796,030,490</u>
Profit (loss) per share (in R\$)		
Common shares	2.2608	1.0182
Preferred shares class "A"	2.2608	1.0182
Preferred shares class "B"	0.6069	0.6065

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22 Net sales revenues

	Consolidated		Parent company	
	Mar/2017	Mar/2016 Restated	Mar/2017	Mar/2016 Restated
Sales revenue				
Domestic market	8,489,926	8,122,507	8,955,667	8,470,511
Foreign market	6,264,476	5,709,840	2,435,778	2,475,828
	<u>14,754,402</u>	<u>13,832,347</u>	<u>11,391,445</u>	<u>10,946,339</u>
Sales and services deductions				
Taxes				
Domestic market	(2,085,738)	(1,787,039)	(2,154,644)	(1,840,437)
Foreign market	(7,321)	(6,601)		
Customers rebates				
Domestic market	(3,267)	(10,048)	(2,629)	(10,048)
Foreign market	(10,848)	(11,979)	329	(434)
Sales returns				
Domestic market	(25,449)	(87,271)	(25,041)	(66,866)
Foreign market	(22,051)	(14,814)	(1,944)	(7,903)
	<u>(2,154,674)</u>	<u>(1,917,752)</u>	<u>(2,183,929)</u>	<u>(1,925,688)</u>
Net sales and services revenue	<u>12,599,728</u>	<u>11,914,595</u>	<u>9,207,516</u>	<u>9,020,651</u>

23 Other net income (expenses)

	Consolidated	
	Mar/2017	Mar/2016 Restated
Participation of members in profits and results	(i) (86,369)	(83,437)
Expense and depreciation with hibernate plants	(30,196)	(20,597)
Expenses from fixed assets	(8,630)	(23,988)
Allowance for judicial and labor claims	2,764	(11,441)
Other	20,922	1,840
	<u>(101,509)</u>	<u>(137,623)</u>

- (i) In the first quarter of 2016, the amounts related to this item were reclassified from “costs of goods sold” (R\$38,494), “selling and distribution expenses” (R\$1,504) and “general and administrative expenses” (R\$43,439) (Note 2.5(a)).

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24 Financial results

	Consolidated		Parent company	
	Mar/2017	Mar/2016	Mar/2017	Mar/2016
Financial income		Restated		Restated
Interest income	146,556	152,060	135,509	131,655
Other	18,424	13,434	15,583	12,408
	164,980	165,494	151,092	144,063
Financial expenses				
Interest expenses	(573,993)	(534,713)	(391,442)	(533,716)
Monetary variations on fiscal debts	(37,544)	(27,486)	(36,651)	(25,867)
Discounts granted	(33,875)	(20,844)	(30,201)	(15,866)
Loans transaction costs - amortization	(12,491)	(15,100)	(1,173)	(1,299)
Adjustment to present value - appropriation	(92,963)	(138,159)	(68,928)	(131,434)
Other	(84,643)	(54,080)	(31,017)	(29,125)
	(835,509)	(790,382)	(559,412)	(737,307)
Exchange rate variations, net				
On financial assets	(179,983)	(429,956)	(79,467)	(818,713)
On financial liabilities	465,018	(430,440)	(133,808)	(2,922)
	285,035	(860,396)	(213,275)	(821,635)
Total	(385,494)	(1,485,284)	(621,595)	(1,414,879)

25 Expenses by nature and function

	Consolidated		Parent company	
	Mar/2017	Mar/2016	Mar/2017	Mar/2016
Classification by nature:				
Raw materials other inputs	(7,219,540)	(7,014,876)	(5,962,057)	(5,871,950)
Personnel expenses	(545,269)	(567,574)	(430,000)	(432,839)
Outsourced services	(487,329)	(456,096)	(338,500)	(326,826)
Depreciation, amortization and depletion	(702,122)	(569,771)	(467,835)	(490,773)
Freights	(490,096)	(498,644)	(325,403)	(360,731)
Other income (expenses), net	(259,313)	(278,553)	(200,519)	(191,171)
Total	(9,703,669)	(9,385,514)	(7,724,314)	(7,674,290)
Classification by function:				
Cost of products sold	(8,911,633)	(8,613,285)	(7,183,595)	(7,148,985)
Selling and distribution	(346,302)	(306,756)	(224,492)	(222,625)
General and administrative	(310,563)	(285,256)	(199,802)	(169,918)
Research and development	(33,662)	(42,594)	(23,291)	(23,065)
Other income (expenses), net	(101,509)	(137,623)	(93,134)	(109,697)
Total	(9,703,669)	(9,385,514)	(7,724,314)	(7,674,290)

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All amounts in thousands of reais, unless otherwise stated

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Segment information

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

	Mar/2017						
	Net sales revenue	Cost of products sold	Gross profit	Operating expenses			Operating profit (loss)
				Selling, general and distribution expenses	Results from equity investments	Other operating income (expenses), net	
Reporting segments							
Basic petrochemicals	6,563,577	(5,199,511)	1,364,066	(188,475)		(26,601)	1,148,990
Polyolefins	4,845,245	(3,805,242)	1,040,003	(330,566)		(37,835)	671,602
Vinyls	808,499	(690,460)	118,039	(37,962)		(17,710)	62,367
USA and Europe	2,424,663	(1,725,752)	698,911	(165,926)		482	533,467
Mexico	940,405	(505,361)	435,044	(66,431)		5,498	374,111
Total	15,582,389	(11,926,326)	3,656,063	(789,360)		(76,166)	2,790,537
Other segments	4,242	(4,694)	(452)			(694)	(1,146)
Corporate unit				64,958	12,209	(24,649)	52,518
Braskem consolidated before eliminations and reclassifications	15,586,631	(11,931,020)	3,655,611	(724,402)	12,209	(101,509)	2,841,909
Eliminations and reclassifications	(2,986,903)	3,019,387	32,484	33,875			66,359
Total	12,599,728	(8,911,633)	3,688,095	(690,527)	12,209	(101,509)	2,908,268
	Mar/2016						
	Net sales revenue	Cost of products sold	Gross profit	Operating expenses			Operating profit (loss)
				Selling, general and distribution expenses	Results from equity investments	Other operating income (expenses), net	
Reporting segments							
Basic petrochemicals	5,949,856	(4,798,149)	1,151,707	(151,058)		(52,521)	948,128
Polyolefins	5,091,772	(4,031,689)	1,060,083	(309,518)		(33,163)	717,402
Vinyls	746,358	(671,390)	74,968	(54,302)		(6,253)	14,413
USA and Europe	2,534,641	(1,598,961)	935,680	(110,844)		(9,996)	814,840
Mexico	167,972	(161,670)	6,302	(30,248)		(1,121)	(25,067)
Total	14,490,599	(11,261,859)	3,228,740	(655,970)		(103,054)	2,469,716
Other segments	3,162	(3,751)	(589)	(1,196)		(2,211)	(3,996)
Corporate unit				(19,834)	1,687	(8,206)	(26,353)
Braskem consolidated before eliminations and reclassifications	14,493,761	(11,265,610)	3,228,151	(677,000)	1,687	(113,471)	2,439,367
Eliminations and reclassifications	(2,579,166)	2,652,325	73,159	42,394		(24,152)	91,401
Total	11,914,595	(8,613,285)	3,301,310	(634,606)	1,687	(137,623)	2,530,768

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27 Events after the reporting period

- (a) On June 21, 2017, the Board of Directors approved the construction of a new polypropylene production facility in the city of La Porte, Texas, in the United States. The approximate amount investment is up to US\$675 million to the production of 450 thousand tons per year. Completion of this project is planned for 2020.
- (b) On June 30, 2017 the Company was in default of contractual obligations borrowings contracted (covenants) from financial institutions and the capital markets related to the presentation of audited financial statements. That restrictive clause requires the presentation of its audited financial statements within the legal deadline (or within 120 days from the end of the fiscal year).

For this reason, in the quarterly information of June 30, the amount of R\$40,481, was reclassified to current liabilities, in compliance with CPC 26 and its corresponding accounting standard IAS 1 (Presentation of Financial Statements).

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

Additionally, noncompliance with said clauses of the Parent company will be automatically complied with once the audited financial statements are presented, as of when said creditors will no longer be entitled to request the immediate repayment of short-term obligations, reversing the amount of R\$40,481 from current liabilities to non-current liabilities.