

Braskem S.A.
Quarterly Information (ITR) at
March 31, 2018
and Independent Auditors' Report Review

Report on review of interim financial information

To Shareholders, Members of the Board and Management
Braskem S.A.
Camaçari - Bahia

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Braskem S.A. (the "Company") included in the Quarterly Financial Information for the quarter ended March 31, 2018, which comprises the balance sheet as of March 31, 2018, the statements of profit or loss and comprehensive income for the three-month period then ended, changes in equity and cash flows for the three-month period then ended, and notes to the interim financial information.

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

Scope of review

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

Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

Other matters

Statements of value added

The individual and consolidated interim financial information related to the Statements of added value (DVA) for the three-month period ended March 31, 2018, prepared under the responsibility of the Company's management, presented herein as supplementary information for IAS 34 purposes, have been subject to review procedures jointly performed with the review of the Company's interim financial information - ITR. In order to form our conclusion, we assessed whether those statements are reconciled with the interim financial information and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement CPC 09 - Demonstração do Valor Adicionado. Based on our review, nothing has come to our attention that causes us to believe that the statements of added value referred to above were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, May 8, 2018

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
Anselmo Neves Macedo
Accountant CRC 1SP160482/O-6

Braskem S.A.

Balance sheet at March 31, 2018

All amounts in thousands of reais

Assets	Note	Consolidated		Parent company	
		Mar/2018	Dec/2017	Mar/2018	Dec/2017
Current assets					
Cash and cash equivalents	3	3,413,252	3,775,093	1,798,695	1,953,056
Financial investments	4	2,440,254	2,302,672	1,961,267	1,833,320
Trade accounts receivable	5	3,322,271	3,281,196	1,954,024	1,824,740
Inventories	6	6,679,689	6,846,923	4,856,644	4,800,860
Taxes recoverable	8	793,646	1,349,064	605,936	830,152
Dividends and interest on capital	7	10,859	10,859	13,335	10,859
Prepaid expenses		122,073	134,337	103,205	105,255
Related parties	7(b)			35,409	30,478
Derivatives operations	16.2	11,594	3,793	4,803	3,793
Other receivables		282,539	288,391	221,503	232,532
		17,076,177	17,992,328	11,554,821	11,625,045
Non-current assets					
Financial investments	4	9,915	10,336		
Trade accounts receivable	5	38,292	37,496	2,118,612	1,336,229
Advances to suppliers	6	42,696	46,464	42,696	46,464
Taxes recoverable	8	1,013,507	1,023,633	1,013,356	1,023,245
Deferred income tax and social contribution	18(b)	852,366	1,165,726		
Judicial deposits		288,949	289,737	277,128	278,006
Related parties	7(b)			16,273	16,053
Insurance claims		87,793	39,802	87,793	39,802
Derivatives operations	16.2	68,859	32,666		
Other receivables		157,517	112,997	113,942	109,129
Investments	9	104,418	101,258	6,069,984	4,915,609
Property, plant and equipment	10	30,356,045	29,761,610	16,120,097	16,326,216
Intangible assets	11	2,712,622	2,727,497	2,492,979	2,501,503
		35,732,979	35,349,222	28,352,860	26,592,256
Total assets		52,809,156	53,341,550	39,907,681	38,217,301

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

Braskem S.A.

Balance sheet at March 31, 2018

All amounts in thousands of reais

Continued

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		Mar/2018	Dec/2017	Mar/2018	Dec/2017
Current liabilities					
Trade payables		5,667,901	5,265,670	1,109,763	1,198,842
Borrowings	12	577,830	1,184,781	209,050	382,304
Braskem Idesa borrowings	13	9,582,653	9,691,450		
Debentures	14	27,428	27,183		
Derivatives operations	16.2		6,875		
Payroll and related charges		374,309	630,517	284,571	493,098
Taxes payable	17	962,611	1,261,204	746,815	774,391
Dividends		5,229	3,850	3,674	3,709
Advances from customers		224,299	353,222	81,536	187,304
Leniency agreement	20.3	264,374	257,347	208,572	202,892
Sundry provisions	19	119,888	178,676	104,675	125,130
Accounts payable to related parties	7(b)			817,074	783,181
Other payables		302,325	276,957	97,649	104,181
		18,108,847	19,137,732	3,663,379	4,255,032
Non-current liabilities					
Trade payables		260,879	259,737	15,039,929	13,845,472
Borrowings	12	21,332,383	22,176,640	2,734,417	2,823,692
Debentures	14	281,714	286,141		
Derivatives operations	16.2	5,570		5,570	
Taxes payable	17	58,004	52,802	56,309	50,815
Accounts payable to related parties	7(b)			7,231,951	7,197,573
Loan to non-controlling shareholders of Braskem Idesa		1,797,058	1,756,600		
Deferred income tax and social contribution	18(b)	815,199	940,079	589,610	715,938
Post-employment benefits		196,469	193,775	83,233	83,233
Provision for losses on subsidiaries				110,852	102,750
Contingencies	20	1,113,211	1,092,645	1,104,903	1,084,528
Leniency agreement	20.3	1,131,430	1,371,767	1,080,485	1,322,051
Sundry provisions	19	235,693	234,996	213,912	213,318
Other payables		136,592	148,286	4,832	5,048
		27,364,202	28,513,468	28,256,003	27,444,418
Shareholders' equity					
	21				
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		3,945,898	3,945,898	3,945,898	3,945,898
Equity valuation adjustments		(5,243,943)	(5,653,880)	(5,243,943)	(5,653,880)
Treasury shares		(49,819)	(49,819)	(49,819)	(49,819)
Retained earnings		1,060,511		1,060,511	
Total attributable to the Company's shareholders		7,988,299	6,517,851	7,988,299	6,517,851
Non-controlling interest in Braskem Idesa		(652,192)	(827,501)		
		7,336,107	5,690,350	7,988,299	6,517,851
Total liabilities and shareholders' equity		52,809,156	53,341,550	39,907,681	38,217,301

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, 2018

All amounts in thousands of reais

	Note	Consolidated		Parent company	
		Mar/2018	Mar/2017	Mar/2018	Mar/2017
Continued operations					
Net sales revenue	23	13,028,800	12,599,728	9,251,273	9,207,516
Cost of products sold		(10,327,132)	(8,935,171)	(7,925,740)	(7,199,166)
		2,701,668	3,664,557	1,325,533	2,008,350
Income (expenses)					
Selling and distribution		(367,518)	(346,302)	(223,511)	(224,492)
General and administrative		(308,830)	(310,563)	(225,237)	(199,802)
Research and development		(38,926)	(33,662)	(25,679)	(23,291)
Results from equity investments	9(c)	42	12,209	835,878	1,168,880
Other income (expenses), net	24	(72,399)	(77,971)	(82,982)	(77,563)
		1,914,037	2,908,268	1,604,002	2,652,082
Financial results	25				
Financial expenses		(670,945)	(835,509)	(347,752)	(559,412)
Financial income		103,965	164,980	87,730	151,092
Exchange rate variations, net		79,985	285,035	(265,192)	(213,275)
		(486,995)	(385,494)	(525,214)	(621,595)
Profit before income tax and social contribution		1,427,042	2,522,774	1,078,788	2,030,487
Current and deferred income tax and social contribution	18(a)	(276,020)	(617,400)	(25,197)	(231,811)
Profit for the period of continued operations		1,151,022	1,905,374	1,053,591	1,798,676
Discontinued operations results					
Profit from discontinued operations			13,499		8,876
Current and deferred income tax and social contribution			(4,623)		
			8,876		8,876
Profit for the period		1,151,022	1,914,250	1,053,591	1,807,552
Attributable to:					
Company's shareholders		1,053,591	1,807,552		
Non-controlling interest in subsidiaries		97,431	106,698		
Profit for the period		1,151,022	1,914,250		

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											
	Capital	Capital reserve	Revenue reserves				Attributed to shareholders' interest			Total Braskem shareholders' interest	Non-controlling interest in Braskem Idesa	Total shareholders' equity
			Legal reserve	Tax incentive	Retention of profits	Additional dividends proposed	Equity valuation adjustments	Treasury shares	Retained earnings			
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 period:												
Profit for the period									1,807,552	1,807,552	106,698	1,914,250
Exchange variation of foreign sales hedge, net of taxes							974,519			974,519	164,229	1,138,748
Fair value of cash flow hedge, net of taxes							53,990			53,990	5,711	59,701
Foreign subsidiaries currency translation adjustment							(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 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, 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
At December 31, 2017	8,043,222	232,430	434,142	71,745	1,940,011	1,500,000	(5,653,880)	(49,819)		6,517,851	(827,501)	5,690,350
Comprehensive income for the period:												
Profit for the period									1,053,591	1,053,591	97,431	1,151,022
Exchange variation of foreign sales hedge, net of taxes							494,424			494,424	129,683	624,107
Fair value of cash flow hedge, net of taxes							30,876			30,876	12,197	43,073
Foreign currency translation adjustment							(108,006)			(108,006)	(62,589)	(170,595)
							417,294		1,053,591	1,470,885	176,722	1,647,607
Equity valuation adjustments:												
Realization of additional property, plant and equipment price-level restatement, net of taxes							(6,679)		6,679			
Realization of deemed cost of jointly-controlled investment, net of taxes							(241)		241			
Fair value adjustments of trade accounts receivable							(437)			(437)		(437)
							(7,357)		6,920	(437)		(437)
Contributions to shareholders:												
Additional dividends approved in the board meeting											(1,413)	(1,413)
											(1,413)	(1,413)
At March 31, 2018	8,043,222	232,430	434,142	71,745	1,940,011	1,500,000	(5,243,943)	(49,819)	1,060,511	7,988,299	(652,192)	7,336,107

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

	Parent Company									
	Capital	Capital reserve	Legal reserve	Tax incentive	Retention of profits	Revenue reserves Additional dividends proposed	Equity valuation adjustments	Treasury shares	Retained earnings (losses)	Total shareholders' equity
At December 31, 2016	8,043,222	232,430	229,992		604,624		(6,321,859)	(927)		2,787,482
Comprehensive income for the period:										
Profit for the period									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 subsidiaries currency translation adjustment							(251,244)			(251,244)
							777,265		1,807,552	2,584,817
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, 2017	8,043,222	232,430	229,992		604,624		(5,551,644)	(927)	1,814,602	5,372,299
At December 31, 2017	8,043,222	232,430	434,142	71,745	1,940,011	1,500,000	(5,653,880)	(49,819)		6,517,851
Comprehensive income for the period:										
Profit for the period									1,053,591	1,053,591
Exchange variation of foreign sales hedge, net of taxes							494,424			494,424
Fair value of cash flow hedge, net of taxes							30,876			30,876
Foreign currency translation adjustment							(108,006)			(108,006)
							417,294		1,053,591	1,470,885
Equity valuation adjustments:										
Realization of deemed cost of jointly-controlled investment, net of taxes							(6,679)		6,679	
Realization of additional property, plant and equipment price-level restatement, net of taxes							(241)		241	
Fair value adjustments of trade accounts receivable							(437)			(437)
							(7,357)		6,920	
At March 31, 2018	8,043,222	232,430	434,142	71,745	1,940,011	1,500,000	(5,243,943)	(49,819)	1,060,511	7,988,299

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

Braskem S.A.

Statement of cash flows at March 31, 2018

All amounts in thousands of reais

	Note	Consolidated		Parent company	
		Mar/2018	Mar/2017	Mar/2018	Mar/2017
Profit before income tax and social contribution and for the result with discontinued operations		1,427,042	2,522,774	1,078,788	2,030,487
Adjustments for reconciliation of profit					
Depreciation, amortization and depletion		739,952	702,122	505,625	467,835
Results from equity investments	9(c)	(42)	(12,209)	(835,878)	(1,168,880)
Interest and monetary and exchange variations, net		501,034	214,931	449,432	561,345
Provision for losses and write-offs of long-lived assets		4,547	9,196	838	6,113
		2,672,533	3,436,814	1,198,805	1,896,900
Changes in operating working capital					
Trade accounts receivable		(43,285)	(604,109)	(873,783)	(1,174,538)
Inventories		183,523	(316,471)	(59,178)	80,275
Taxes recoverable		747,471	206,326	376,023	148,468
Prepaid expenses		12,264	27,967	2,050	30,186
Other receivables		(85,871)	3,851	(41,461)	89,843
Trade payables		354,483	(1,283,309)	1,056,489	(102,293)
Taxes payable		(675,139)	25,688	(224,593)	126,802
Advances from customers		(128,923)	(31,110)	(105,768)	11,166
Leniency agreement		(267,985)	(296,591)	(267,985)	
Sundry provisions		(37,525)	(13,123)	514	(6,602)
Other payables		(193,059)	(262,911)	(215,276)	(189,086)
Cash from operations		2,538,487	893,022	845,837	911,121
Financial investments (includes Letras financeiras do tesouro - LFT's and Letras Financeiras - LF's)		(103,135)	188,498	(98,454)	173,492
Cash generated from operations and handling of financial investments		2,435,352	1,081,520	747,383	1,084,613
Interest paid		(452,667)	(472,006)	(40,443)	(128,337)
Income tax and social contribution paid		(181,927)	(40,953)	(141,918)	(17,458)
Net cash generated by operating activities		1,800,758	568,561	565,022	938,818
Proceeds from the sale of fixed assets		977	263	(38,321)	125
Funds received in the investments' capital reduction		2,254		2,254	
Acquisitions of property, plant and equipment and intangible assets		(404,498)	(272,934)	(266,409)	(197,899)
Premium in the dollar put option		(2,082)	(2,153)	(2,082)	(2,153)
Net cash used in investing activities		(403,349)	(274,824)	(304,558)	(199,927)
Short-term and Long-term debit					
Obtained		645,461	660,324	317,540	660,324
Payments		(2,206,563)	(886,221)	(611,169)	(506,800)
Braskem Idesa borrowings					
Payments		(173,747)	(198,180)		
Related parties					
Captações				164	48,086
Pagamentos				(121,326)	(127,004)
Dividends paid		(34)	(31)	(34)	(31)
Net cash provided (used) by financing activities		(1,734,883)	(424,108)	(414,825)	74,575
Exchange variation on cash of foreign subsidiaries		(24,367)	45,668		
Increase (decrease) in cash and cash equivalents		(361,841)	(84,703)	(154,361)	813,466
Represented by					
Cash and cash equivalents at the beginning of the period		3,775,093	6,701,864	1,953,056	3,561,431
Cash and cash equivalents at the end of the period		3,413,252	6,617,161	1,798,695	4,374,897
Increase (decrease) in cash and cash equivalents		(361,841)	(84,703)	(154,361)	813,466

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

Braskem S.A.

Statement of value added at March 31, 2018

All amounts in thousands of reais

	Consolidated		Parent company	
	Mar/2018	Mar/2017	Mar/2018	Mar/2017
Revenue	15,523,095	14,705,650	11,690,647	11,360,841
Sale of goods, products and services	15,485,582	14,692,787	11,692,161	11,362,160
Other income (expenses), net	37,496	14,184	(8,078)	302
Allowance for doubtful accounts	17	(1,321)	6,564	(1,621)
Inputs acquired from third parties	(10,884,907)	(10,090,801)	(8,717,098)	(8,482,794)
Cost of products, goods and services sold	(10,375,765)	(9,608,786)	(8,351,558)	(8,138,161)
Material, energy, outsourced services and others	(487,652)	(466,071)	(354,863)	(328,509)
Impairment of assets	(21,490)	(15,944)	(10,677)	(16,124)
Gross value added	4,638,188	4,614,849	2,973,549	2,878,047
Depreciation, amortization and depletion	(739,952)	(702,122)	(505,625)	(467,835)
Net value added produced by the entity	3,898,236	3,912,727	2,467,924	2,410,212
Value added received in transfer	104,026	186,071	923,627	1,328,848
Results from equity investments	42	21,085	835,878	1,177,756
Financial income	103,965	164,980	87,730	151,092
Other	19	6	19	
Total value added to distribute	4,002,262	4,098,798	3,391,551	3,739,060
Personnel	352,438	342,267	250,700	240,357
Direct compensation	281,529	278,135	194,484	190,931
Benefits	55,546	48,209	40,343	33,265
FGTS (Government Severance Pay Fund)	15,363	15,923	15,873	16,161
Taxes, fees and contributions	1,839,438	1,233,310	1,416,505	868,462
Federal	1,216,941	747,824	808,648	408,297
State	602,622	475,481	602,538	452,759
Municipal	19,875	10,005	5,319	7,406
Remuneration on third parties' capital	659,364	608,971	670,755	822,689
Financial expenses (including exchange variation)	590,960	544,051	611,269	767,592
Rentals	68,404	64,920	59,486	55,097
Remuneration on own capital	1,151,022	1,914,250	1,053,591	1,807,552
Profit for the period	1,053,591	1,798,676	1,053,591	1,798,676
Non-controlling interest in subsidiaries	97,431	106,698		
Discontinued operations results		8,876		8,876
Value added distributed	4,002,262	4,098,798	3,391,551	3,739,060

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

Braskem S.A.

Notes to the financial statements at March 31, 2018

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

(b) Net Working Capital

On March 31, 2018, in compliance with CPC 26 and its corresponding IAS 1 (Presentation of Financial Statements), the subsidiary Braskem Idesa maintained as current liabilities its financial obligations whose original maturities were long term, since certain contractual covenants for which, on the reporting date of these quarterly financial statements, the Company was not in compliance (Note 13). Consequently, the consolidated net working capital was negative R\$1,032,670.

Note that Braskem Idesa has been settling its obligations in accordance with the original maturity schedule and none of its creditors has requested the immediate reimbursement of said obligations and, without the aforementioned reclassification, consolidated net working capital was positive R\$7,751,591.

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, 2017, with the exception of changes in the accounting policies described in Note 2.1.1.

2.1. Basis of preparation

This Quarterly Information includes the three-month period ended March 31, 2018 and should be read together with the financial statements of Braskem as of December 31, 2017, 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) in the Parent Company, in accordance with the accounting practices adopted in Brazil, in compliance with Federal Law 6,404/76, as amended, and with the standards issued by 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, 2017 financial statements.

Issue of these financial statements was authorized by the Executive Board on May 07, 2018.

Braskem S.A.

Notes to the financial statements at March 31, 2018

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2.1.1 Changes in key accounting policies

Except as described below, the accounting policies applied to this Quarterly Financial Information are the same as those applied to the consolidated financial statements of the Company for the fiscal year ended December 31, 2017.

These changes in accounting policies also will be reflected in the consolidated financial statements of the Company for the fiscal year ending December 31, 2018.

The Company adopted for the first time “CPC 47 / IFRS 15 – Revenue from Contracts with Customers” and “CPC 48/ IFRS 9 – Financial Instruments” as from January 1, 2018.

The effect from the first-time adoption of these standards is attributed mainly to the following: (i) presentation of variable considerations (bonuses) deducted directly from gross sales revenue (Note 23); (ii) replacement of the “incurred loss” model for the prospective model of “expected credit losses.” (Note 3); (iii) change in the classification and measurement of financial assets (Note 16); and (iv) change in the accounting of operations involving dollar put and call options designated for hedge accounting (Note 16.2.1.a).

As described in Note 2.3 to the financial statements dated December 31, 2017, the Company identified a performance obligation in its sales associated with freight contracts for product deliveries. The Company concluded that there is no material effect on its financial statements for recording this performance obligation separately from the performance obligation associated with product deliveries.

2.1.2 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.

2.1.3 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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All amounts in thousands of reais, unless otherwise stated

	Headquarters	Total and voting interest - %	
		Mar/2018	Dec/2017
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
Cetrel S.A. ("Cetrel")	Brazil	63.66	63.66
Distribuidora de Água Camaçari S.A. ("DAC")	Brazil	63.66	63.66
Lantana Trading Co. Inc. ("Lantana")	Bahamas	100.00	100.00
Specific Purpose Entity ("SPE")			
Fundo de Investimento Caixa Júpiter Multimercado			
Crédito Privado Longo Prazo ("FIM Júpiter")	Brazil	100.00	100.00

(i) In process of dissolution.

2.2. Foreign and functional currency

The information on functional and foreign currency was presented in the 2017 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			Average rate for period ended		
	Mar/2018	Dec/2017	Variation	Mar/2018	Mar/2018	Variation
U.S. dollar - Brazilian real	3.3238	3.3080	0.48%	3.2433	3.1279	3.69%
U.S. dollar - Mexican peso	18.2440	19.6890	-7.34%	18.7394	20.3151	-7.76%
U.S. dollar - Euro	0.8137	0.8464	-3.87%	0.8134	0.9388	-13.35%

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3. Cash and cash equivalents

The information on financial investments was presented in the 2017 annual financial statements of the Company, in Note 6.

		Consolidated	
		Mar/2018	Dec/2017
Cash and banks	(i)	1,413,338	1,428,766
Cash equivalents:			
Domestic market		1,316,083	1,706,784
Foreign market	(i)	683,831	639,543
Total		3,413,252	3,775,093

- (i) On March 31, 2018, it includes cash and banks of R\$360,946 (R\$247,285 on December 31, 2017) and cash equivalents of R\$78,129 (R\$47,400 on December 31, 2017) of the subsidiary Braskem Idesa, available for its exclusive use.

4. Financial investments

The information on financial investments was presented in the 2017 annual financial statements of the Company, in Note 7.

		Consolidated	
		Mar/2018	Dec/2017
Loans and receivables			
Time deposit investments	(i)	476,919	440,616
Held-for-trading			
Time deposit investments		43,766	15,764
<i>Letras financeiras do tesouro - LFT's</i> and <i>Letras Financeiras - LF's</i>	(ii)	1,916,796	1,816,889
Restricted funds investments	(iii)	11,983	12,404
Other		705	27,335
Total		2,450,169	2,313,008
Current assets		2,440,254	2,302,672
Non-current assets		9,915	10,336
Total		2,450,169	2,313,008

- (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. The guarantee was withdrawn in April 2018 and this amount will become fully available.
- (ii) Government bonds held for trade refer to Brazilian floating-rate government bonds ("LFTs") issued by the Brazilian federal government and floating-rate bonds ("LFs") issued by financial institutions. These bonds have maturity above three months, immediate liquidity and expected realization in the short term.
- (iii) Restricted funds represent bank deposits, yielding approximately 100% of Interbank Deposit Certificates ("CDI"), and their use is linked to the fulfillment of contractual obligations of debentures.

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Notes to the financial statements at March 31, 2018

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5. Trade accounts receivable

The information on trade accounts receivable was presented in the 2017 annual financial statements of the Company, in Note 8.

	Consolidated		Parent Company	
	Mar/2018	Dec/2017	Mar/2018	Dec/2017
Customers				
Domestic market	1,657,387	1,459,623	1,742,614	1,521,082
Foreign market	2,046,861	2,209,094	2,661,155	1,977,584
Allowance for doubtful accounts	(a) (343,685)	(350,025)	(331,133)	(337,697)
Total	3,360,563	3,318,692	4,072,636	3,160,969
Current assets	3,322,271	3,281,196	1,954,024	1,824,740
Non-current assets	38,292	37,496	2,118,612	1,336,229
Total	3,360,563	3,318,692	4,072,636	3,160,969

- (a) As disclosed in the annual financial statements for 2017 (Note 2.3), CPC48 / IFRS 9 substituted, as from January 1, 2018, the “incurred losses” model of CPC 38 / IAS 39 with a prospective model of “expected credit losses,” which requires greater judgment of how the changes in economic factors affect the expected credit losses, which are determined based on the following stages:

Stage 1 – when the securities are still performing, expected credit losses were calculated based on the actual experience of credit loss (write-off) over the last five years, segregating customers in accordance with their Operating Risk.

Stage 2 – when there is deterioration in the credit risk of the customer since the initial recognition. The Company considered as deterioration of credit risk any credits that were renegotiated and that must be collected in court.

Stage 3 – includes financial assets that have objective evidence of impairment on the reporting date.

The following table shows the Company’s expected credit loss for each stage:

				Mar/2018	
			Estimated loss percentage	Trade accounts receivable	Allowance for doubtful accounts
Stage 1	Performing	Operation risk 1	No risk	1,965,622	
		Operation risk 2	No risk	717,227	
		Operation risk 3	0.27%	400,177	1,238
		Operation risk 4	0.63%	190,016	1,237
		Operation risk 5	100%	12,863	1,297
				3,285,905	3,772
Stage 2	Significant Increase in Loss Risk	1° Renegotiation < 24 months	12% ou 100%	28,607	2,943
		2° Renegotiation or > 24 months	91% ou 100%	156,501	110,626
		Legal	100%	185,178	173,117
				370,286	286,686
Stage 3	No payment performance (Indicative of impairment)	Between 90 and 180 days	50% ou 100%	4,318	3,878
		Above 180 days	100%	43,739	49,349
				48,057	53,227
Total				3,704,248	343,685

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6. Inventories

The information on inventories was presented in the 2017 annual financial statements of the Company, in Note 9.

	Consolidated		Parent company	
	Mar/2018	Dec/2017	Mar/2018	Dec/2017
Finished goods	4,338,820	4,255,114	2,888,745	2,785,182
Raw materials, production inputs and packaging	1,720,365	1,715,757	1,562,417	1,549,001
Maintenance materials	381,907	365,803	168,345	165,073
Advances to suppliers	266,467	482,043	264,428	273,401
Imports in transit and other	14,826	74,670	15,405	74,667
Total	6,722,385	6,893,387	4,899,340	4,847,324
Current assets	6,679,689	6,846,923	4,856,644	4,800,860
Non-current assets	42,696	46,464	42,696	46,464
Total	6,722,385	6,893,387	4,899,340	4,847,324

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All amounts in thousands of reais, unless otherwise stated

7. Related parties

The information concerning related parties was presented in the 2017 annual financial statements of the Company, in Note 10.

(a) Consolidated

	Balances at March 31, 2018				Balances at December 31, 2017			
	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	11,376	45,966	37,630	94,972	7,634	45,184	60,502	113,320
Inventories	206,005	118		206,123	250,904	118		251,022
Dividends and interest on capital			10,859	10,859			10,859	10,859
Total assets	217,381	46,084	48,489	311,954	258,538	45,302	71,361	375,201
Liabilities								
Current								
Trade payables	18,273	130,432		148,705	21,530	149,058	700	171,288
Other		585	1	586	2,338	562	7,591	10,491
Total liabilities	18,273	131,017	1	149,291	23,868	149,620	8,291	181,779
	Three-month period ended March 31, 2018				Three-month period ended March 31, 2017			
	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		391,989	183,663	575,652	12,889	451,426	167,761	632,076
Purchases of raw materials, finished goods services and utilities	62,183	3,161,465	1,929	3,225,577	173,906	3,795,560	7,796	3,977,262
Financial income (expenses)	99	(34)		65	4,350	(20,225)		(15,875)
General and administrative expenses								
Post-employment benefits plan								
Odebrecht Previdência Privada ("Odeprev")			7,622	7,622			5,611	5,611

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All amounts in thousands of reais, unless otherwise stated

(b) Parent Company

	Associated companies, Jointly-controlled investment and associated companies						Related companies			Balances at March 31, 2018	
	Braskem Inc.	Braskem Holanda	Braskem Holanda Inc	Braskem America	Braskem Argentina	Other	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	FIM Júpiter	Total
										EPE	
Balance sheet											
Assets											
Current											
Cash and equivalents										836,074	836,074
Financial investments										1,916,794	1,916,794
Trade accounts receivable		7,659		64,047	130,148	54,093	7,579	45,966			309,492
Inventories							206,005	118			206,123
Dividends and interest on capital										13,335	13,335
Related parties	166	267		1,206	6	33,764					35,409
Non-current											
Trade accounts receivable		2,080,320									2,080,320
Related parties											
Loan agreements	15,388					885					16,273
Total assets	15,554	2,088,246		65,253	130,154	102,077	213,584	46,084		2,752,868	5,413,820
Liabilities											
Current											
Trade payables	25					13,339	15,073	130,432			158,869
Accounts payable to related parties											
Advance to export			146,359	670,715							817,074
Other payables						1		585			586
Non-current											
Trade Payables		14,779,049									14,779,049
Accounts payable to related parties											
Advance to export			6,943,312	275,875							7,219,187
Payable notes	12,764										12,764
Total liabilities	12,789	14,779,049	7,089,671	946,590		13,340	15,073	131,017			22,987,529
Three-month period ended March 31, 2018											
	Associated companies, Jointly-controlled investment and associated companies						Related companies			EPE	
	Braskem Inc.	Braskem Holanda	Braskem Holanda Inc	Braskem America	Braskem Argentina	Other	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	FIM Júpiter	Total
Transactions											
Sales of products		856,866		76,355	107,648	215,613		391,989			1,648,471
Purchases of raw materials, finished products services and utilities		2,570,084		239		38,533	62,183	3,161,465			5,832,504
Financial income (expenses)	154	(86,285)	(177,664)	(10,314)	698	102	99	(34)		53,889	(219,355)
General and administrative expenses - Odeprev									7,622		7,622

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

In the period ended March 31, 2018, the Company engaged in the following transactions with related parties, except for those with subsidiaries of the Company:

- (i) The sales of gasoline to Refinaria de Petróleo Riograndense S.A. (“RPR”) are carried out from monthly negotiations. In the period the sales amounted to R\$69,919.
- (ii) Since January 2018, 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\$241,254.

(d) Key management personnel

Income statement transactions	Consolidated	
	Mar/2018	Mar/2017
Remuneration		
Short-term benefits	14,632	12,152
Post-employment benefit	190	108
Total	14,822	12,260

8. Taxes recoverable

The information on taxes recoverable was presented in the 2017 annual financial statements of the Company, in Note 11.

	Consolidated		Parent Company	
	Mar/2018	Dec/2017	Mar/2018	Dec/2017
Parent Company and subsidiaries in Brazil				
IPI	17,244	18,226	17,244	18,226
Value-added tax on sales and services (ICMS) - normal operations	494,517	499,984	494,512	499,979
ICMS - credits from PP&E	147,608	140,904	147,608	140,904
Social integration program (PIS) and social contribution on revenue (COFINS) - normal operations	75,685	22,389	75,200	21,904
PIS and COFINS - credits from PP&E	237,098	223,297	237,007	222,964
Income tax and social contribution (IR and CSL)	453,043	691,697	445,390	684,570
REINTEGRA program	102,758	102,166	102,758	102,166
Federal supervenience	98,160	160,198	98,160	160,198
Other	3,299	4,322	1,413	2,486
Foreign subsidiaries				
Value-added tax	136,388	90,050		
Income tax (IR)	38,307	415,443		
Other	3,046	4,021		
Total	1,807,153	2,372,697	1,619,292	1,853,397
Current assets	793,646	1,349,064	605,936	830,152
Non-current assets	1,013,507	1,023,633	1,013,356	1,023,245
Total	1,807,153	2,372,697	1,619,292	1,853,397

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Notes to the financial statements at March 31, 2018

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9. Investments

The information related to investments was presented in the Company's 2017 annual financial statements, in Note 12.

(a) Information on investments

	Interest in total and voting capital (%) - 3/31/2018	Adjusted net profit (loss) for the period		Adjusted equity	
				Mar/2018	Dec/2017
		Direct and indirect	Mar/2018	Mar/2017	Mar/2018
Subsidiaries					
Braskem Alemanha	100.00	319,545	375,279	4,427,127	4,069,847
Braskem America	100.00	297,577	283,261	3,988,796	3,665,456
Braskem America Finance	100.00	127	119	(5,582)	(5,667)
Braskem Argentina	100.00	639	6,353	35,573	34,934
Braskem Austria	100.00	(58)	(38)		4,459
Braskem Chile	100.00	419	189	19,486	19,067
Braskem Holanda	100.00	908,831	1,080,998	5,214,769	4,006,132
Braskem Holanda Finance	100.00	(562)	(3)	(9,284)	(8,658)
Braskem Holanda Inc	100.00	1,131	460	5,085	3,909
Braskem Finance	100.00	(8,099)	4,983	(109,993)	(101,894)
Braskem Idesa	75.00	373,226	426,792	(2,890,343)	(3,586,358)
Braskem Idesa Serviços	75.00	(2,204)	7,666	14,483	15,450
Braskem Inc.	100.00	(13,966)	(21,343)	229,594	243,560
Braskem México	100.00	(9,939)	(9,560)	188,380	183,595
Braskem México Sofom	100.00	1,262	1,161	16,764	15,397
Braskem México Serviços	100.00	705	539	3,798	2,812
Braskem Petroquímica			32,375		
Cetrel	63.66	11,348		193,710	190,118
DAC	63.66	5,790		77,155	76,971
Lantana	100.00	(4)	24	(892)	(888)
Jointly-controlled investment					
RPR	33.20	6,667	29,435	209,770	201,038
Odebrecht Comercializadora de Energia S.A. ("OCE")	20.00	(42)	804	5,142	5,178
Associates					
Borealis	20.00	1,388	6,095	168,172	166,630

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All amounts in thousands of reais, unless otherwise stated

(b) Changes in investments – Parent Company

	Subsidiaries and jointly-controlled investment			Total
	Domestic subsidiaries	Foreign subsidiaries	Domestic associate	
Balance at December 31, 2017	188,818	4,693,385	33,406	4,915,609
Equity of investments				
Effect of results	6,969	904,043	308	911,320
Adjustment of profit in inventories		(67,309)		(67,309)
Equity valuation adjustments	686	425,640		426,326
Currency translation adjustments		(109,007)		(109,007)
Capital decrease			(2,254)	(2,254)
Provision for loss			2,173	2,173
Dividends and interest on equity	(2,476)	(4,398)		(6,874)
Balance at March 31, 2017	193,997	5,842,354	33,633	6,069,984

(c) Equity accounting results

	Parent company	
	Mar/2018	Mar/2017
Equity in results of subsidiaries, associate and jointly-controlled	844,011	1,170,817
Amortization of fair value adjustment		(7,318)
(Provision) reversal to subsidiaries with short-term liabilities	(8,103)	5,381
Dividends received / other	(30)	
	835,878	1,168,880

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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 with material effects on the Company's consolidated statements.

Balance sheet

Assets	Consolidated Braskem		Braskem Idesa consolidated (i)		Eliminations		Consolidated	
	Ex consolidated Mar/2018	Braskem Idesa Dec/2017	Mar/2018	Dec/2017	Mar/2018	Dec/2017	Mar/2018	Dec/2017
Current								
Cash and cash equivalents	2,974,177	3,480,407	439,075	294,687			3,413,252	3,775,094
Financial investments	2,440,254	2,302,672					2,440,254	2,302,672
Trade accounts receivable	2,812,213	2,809,034	606,921	620,531	(96,863)	(148,369)	3,322,271	3,281,196
Inventories	6,281,951	6,500,198	397,738	346,725			6,679,689	6,846,923
Taxes recoverable	746,749	1,286,035	46,897	63,029			793,646	1,349,064
Derivatives operations	4,802	3,793	6,792				11,594	3,793
Other receivables	369,080	388,957	46,391	44,629			415,471	433,586
	15,629,226	16,771,096	1,543,814	1,369,601	(96,863)	(148,369)	17,076,177	17,992,328
Non-current								
Taxes recoverable	1,013,451	1,023,581	56	52			1,013,507	1,023,633
Deferred tax	126,875	129,469	725,491	1,036,257			852,366	1,165,726
Related parties	5,049,926	5,051,706			(ii) (5,049,926)	(5,051,706)		
Other receivables	729,020	637,549	69,419	33,207			798,439	670,756
Property, plant and equipment	19,076,023	19,180,263	11,969,545	11,228,346	(iii) (689,523)	(646,999)	30,356,045	29,761,610
Intangible	2,549,385	2,575,567	163,237	151,930			2,712,622	2,727,497
	28,544,680	28,598,135	12,927,748	12,449,792	(5,739,449)	(5,698,705)	35,732,979	35,349,222
Total assets	44,173,906	45,369,231	14,471,562	13,819,393	(5,836,312)	(5,847,074)	52,809,156	53,341,550
Liabilities and shareholders' equity								
Current								
Trade payables	5,618,104	5,254,167	146,660	159,872	(96,863)	(148,369)	5,667,901	5,265,670
Borrowings	577,830	1,184,781					577,830	1,184,781
Debentures	27,428	27,183					27,428	27,183
Braskem Idesa Borrowings			9,582,653	9,691,450			9,582,653	9,691,450
Payroll and related charges	359,482	609,883	14,827	20,634			374,309	630,517
Taxes payable	948,828	1,248,137	13,783	13,067			962,611	1,261,204
Other payables	857,326	1,019,346	58,789	57,581			916,115	1,076,927
	8,388,998	9,343,497	9,816,712	9,942,604	(96,863)	(148,369)	18,108,847	19,137,732
Non-current								
Loan agreements	21,332,383	22,176,640					21,332,383	22,176,640
Debentures	281,714	286,141					281,714	286,141
Accounts payable to related parties			5,078,137	5,065,971	(ii) (5,078,137)	(5,065,971)		
Loan agreement Etleno XXI project			(v) 1,797,058	1,756,600			1,797,058	1,756,600
Provision for losses on subsidiaries	2,167,757	2,689,769			(iv) (2,167,757)	(2,689,769)		
Other payables	3,944,361	4,286,245	8,686	7,842			3,953,047	4,294,087
	27,726,215	29,438,795	6,883,881	6,830,413	(7,245,894)	(7,755,740)	27,364,202	28,513,468
Shareholders' equity								
Attributable to the Company's shareholders	7,988,299	6,517,850	(2,229,031)	(2,953,624)	2,229,031	2,953,625	7,988,299	6,517,851
Non-controlling interest in Braskem Idesa	70,394	69,089			(722,586)	(896,590)	(652,192)	(827,501)
	8,058,693	6,586,939	(2,229,031)	(2,953,624)	1,506,445	2,057,035	7,336,107	5,690,350
Total liabilities and shareholders' equity	44,173,906	45,369,231	14,471,562	13,819,393	(5,836,312)	(5,847,074)	52,809,156	53,341,550

- (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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All amounts in thousands of reais, unless otherwise stated

Statement of operations

	Consolidated Braskem				Eliminations		Consolidated	
	Ex consolidated	Braskem Idesa	Braskem Idesa consolidated					
	Mar/2018	Mar/2017	Mar/2018	Mar/2017	Mar/2018	Mar/2017	Mar/2018	Mar/2017
Continued operations								
Net sales revenue	12,293,121	11,813,476	855,372	894,112	(119,693)	(107,860)	13,028,800	12,599,728
Cost of products sold	(9,988,205)	(8,563,372)	(468,097)	(482,875)	129,170	111,076	(10,327,132)	(8,935,171)
	2,304,916	3,250,104	387,275	411,237	9,477	3,216	2,701,668	3,664,557
Income (expenses)								
Selling and distribution	(326,112)	(306,041)	(41,406)	(40,261)			(367,518)	(346,302)
General and administrative	(289,034)	(286,173)	(21,488)	(31,160)	1,692	6,770	(308,830)	(310,563)
Research and development	(38,926)	(33,662)					(38,926)	(33,662)
Results from equity investments	279,962	332,303			(279,920)	(320,094)	42	12,209
Other income (expenses), net	(96,012)	(89,010)	23,613	11,039			(72,399)	(77,971)
	1,834,794	2,867,521	347,994	350,855	(268,751)	(310,108)	1,914,037	2,908,268
Financial results								
Financial expenses	(490,318)	(655,695)	(245,446)	(243,331)	64,819	63,517	(670,945)	(835,509)
Financial income	165,594	227,158	3,190	1,339	(64,819)	(63,517)	103,965	164,980
Exchange rate variations, net	(307,074)	(215,555)	373,340	514,172	13,719	(13,582)	79,985	285,035
	(631,798)	(644,092)	131,084	272,180	13,719	(13,582)	(486,995)	(385,494)
Profit before income tax and social contribution	1,202,996	2,223,429	479,078	623,035	(255,032)	(323,690)	1,427,042	2,522,774
IR and CSL - current and deferred	(145,280)	(424,754)	(130,740)	(192,646)			(276,020)	(617,400)
Profit for the period of continued operations	1,057,716	1,798,675	348,338	430,389	(255,032)	(323,690)	1,151,022	1,905,374
Discontinued operations results								
Profit from discontinued operations		13,499						13,499
IR and CSL - current and deferred		(4,623)						(4,623)
		8,876						8,876
Profit for the period	1,057,716	1,807,551	348,338	430,389	(255,032)	(323,690)	1,151,022	1,914,250

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Statement of cash flows

	Consolidated Braskem		Braskem Idesa consolidated		Eliminations		Consolidated	
	Ex consolidated Mar/2018	Braskem Idesa Mar/2017	Mar/2018	Mar/2017	Mar/2018	Mar/2017	Mar/2018	Mar/2017
Profit before income tax and social contribution and for the result with discontinued operations	1,202,996	2,223,429	479,078	623,035	(255,032)	(323,690)	1,427,042	2,522,774
Adjustments for reconciliation of profit (loss)								
Depreciation, amortization and depletion	574,163	550,322	176,958	161,786	(11,169)	(9,986)	739,952	702,122
Results from equity investments	(279,962)	(332,303)			279,920	320,094	(42)	(12,209)
Interest and monetary and exchange variations, net	553,819	381,150	(39,066)	(179,801)	(13,719)	13,582	501,034	214,931
Provision for losses and write-offs of long-lived assets	1,943	8,957	2,604	239			4,547	9,196
	2,052,959	2,831,555	619,574	605,259			2,672,533	3,436,814
Changes in operating working capital								
Trade accounts receivable	(5,389)	(500,176)	13,610	(94,752)	(51,506)	(9,181)	(43,285)	(604,109)
Inventories	218,591	(286,431)	(35,068)	(30,040)			183,523	(316,471)
Taxes recoverable	731,070	167,203	16,401	39,123			747,471	206,326
Prepaid expenses	3,729	26,890	8,535	1,077			12,264	27,967
Other receivables	(75,557)	(11,279)	(10,314)	15,130			(85,871)	3,851
Trade payables	316,189	(1,217,873)	(13,212)	(74,617)	51,506	9,181	354,483	(1,283,309)
Taxes payable	(612,658)	93,143	(62,481)	(67,455)			(675,139)	25,688
Advances from customers	(137,234)	(27,533)	8,311	(3,577)			(128,923)	(31,110)
Leniency agreement	(267,985)	(296,591)					(267,985)	(296,591)
Other payables	(239,713)	(246,016)	9,129	(30,018)			(230,584)	(276,034)
Cash from operations	1,984,002	532,892	554,485	360,130			2,538,487	893,022
Financial investments (includes Letras financeiras do tesouro - LFT's and Letras Financeiras - LF's)	(103,135)	188,498					(103,135)	188,498
Cash generated from operations and handling of financial investments	1,880,867	721,390	554,485	360,130			2,435,352	1,081,520
Interest paid	(327,614)	(349,758)	(125,053)	(122,248)			(452,667)	(472,006)
Income tax and social contribution paid	(181,653)	(39,840)	(274)	(1,113)			(181,927)	(40,953)
Net cash generated by operating activities	1,371,600	331,792	429,158	236,769			1,800,758	568,561
Proceeds from the sale of fixed assets	977	263					977	263
Funds received in the investments' capital reduction	2,254						2,254	
Acquisitions to property, plant and equipment and intangible assets	(401,117)	(249,079)	(3,381)	(23,855)			(404,498)	(272,934)
Other investments	(2,082)	(2,153)					(2,082)	(2,153)
Net cash used in investing activities	(399,968)	(250,969)	(3,381)	(23,855)			(403,349)	(274,824)
Short-term and long-term debt								
Obtained	645,461	660,324					645,461	660,324
Payments	(2,206,563)	(886,221)					(2,206,563)	(886,221)
Braskem Idesa borrowings								
Payments			(173,747)	(198,180)			(173,747)	(198,180)
Related parties								
Obtained loans (payment of loans)	72,880	20,637	(72,880)	(20,637)				
Dividends paid	(34)	(31)					(34)	(31)
Net provided (used) in financing activities	(1,488,256)	(205,291)	(246,627)	(218,817)			(1,734,883)	(424,108)
Exchange variation on cash of foreign subsidiaries	10,394	59,075	(34,761)	(13,407)			(24,367)	45,668
Increase (decrease) in cash and cash equivalents	(506,230)	(65,393)	144,389	(19,310)			(361,841)	(84,703)
Represented by								
Cash and cash equivalents at the beginning of the period	3,480,407	6,500,265	294,686	201,599			3,775,093	6,701,864
Cash and cash equivalents at the end for the period	2,974,177	6,434,872	439,075	182,289			3,413,252	6,617,161
Increase (decrease) in cash and cash equivalents	(506,230)	(65,393)	144,389	(19,310)			(361,841)	(84,703)

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10. Property, plant and equipment

The information on property, plant and equipment was presented in the Company's 2017 annual financial statements, in Note 13.

	Mar/2018			Consolidated Dec/2017		
	Cost	Accumulated depreciation/ depletion	Net	Cost	Accumulated depreciation/ depletion	Net
Land	575,627		575,627	500,646		500,646
Buildings and improvements	6,312,983	(1,696,915)	4,616,068	6,058,259	(1,487,762)	4,570,497
Machinery, equipment and installations	41,073,456	(20,226,325)	20,847,131	39,211,042	(18,627,943)	20,583,099
Projects and stoppage in progress	3,646,999		3,646,999	3,274,665		3,274,665
Other	1,709,397	(1,039,177)	670,220	1,755,092	(922,389)	832,703
Total	53,318,462	(22,962,417)	30,356,045	50,799,704	(21,038,094)	29,761,610

Capitalized charges in the three-month period ended March 31, 2018 were R\$33,287 (R\$35,620 on March 31, 2017).

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

11. Intangible assets

The information on intangible assets was presented in the 2017 annual financial statements of the Company, in Note 14.

	Mar/2018			Consolidated Dec/2017		
	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	419,049	(182,407)	236,642	349,316	(119,229)	230,087
Software and use rights	730,686	(542,918)	187,768	607,528	(415,388)	192,140
Contracts with customers and suppliers	896,511	(667,173)	229,338	772,253	(525,857)	246,396
Total	5,233,968	(2,521,346)	2,712,622	4,916,819	(2,189,322)	2,727,497

There were no significant events or circumstances in the period ended March 31, 2018 that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in the end of 2017, or that indicated the need to perform an impairment testing of intangible assets with definite useful life.

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12. Borrowings

The information on borrowings was presented in the 2017 annual financial statements of the Company, in Note 15.

(a) Borrowings

	Annual financial charges (%)	Consolidated	
		Mar/2018	Dec/2017
Foreign currency			
Bonds	US dollar exchange variation + interest between 3.50 and 7.38	(i) 19,744,652	20,082,588
Export prepayment	US dollar exchange variation + Libor semianual + interest between 1.10 and 1.61	784,675	781,573
Export credit notes	US dollar exchange variation + 7.30	504,434	679,895
Working capital	US dollar exchange variation + 3.15%	55,043	883,181
Transactions costs		(274,773)	(285,657)
		20,814,031	22,141,580
Current liabilities		402,958	985,639
Non-current liabilities		20,411,073	21,155,941
Total		20,814,031	22,141,580
Local currency			
Export credit notes	105.00 and 108.00 of CDI	515,205	508,146
BNDES	TJLP + interest between 0.00 and 2.62	(ii) 31,347	31,347
BNDES	SELIC + 2.32	(ii) 22,039	22,039
BNDES	Interest between 3.50 and 7.00	(iii) 83,642	132,020
BNB/FINEP/FUNDES/FINISA/FINAME	6.17	456,285	486,227
FINAME	TJLP + interest between 1.90 and 6.00	2,148	2,293
Fundo de Desenvolvimento do Nordeste (FDNE)	6.50	42,703	42,045
Other	CDI + 0.04	600	655
Transactions costs		(4,401)	(4,931)
		1,096,182	1,219,841
Current liabilities		174,872	199,142
Non-current liabilities		921,310	1,020,699
Total		1,096,182	1,219,841
Foreign currency and local currency			
Current liabilities		577,830	1,184,781
Non-current liabilities		21,332,383	22,176,640
Total		21,910,213	23,361,421

(i) Bond matures in June 2018 settled in advance in the amount of R\$443,382 (US\$132,427).

(ii) Contracts settled in advance.

(iii) Part of the contracts settled in advance in the amount of R\$32,887.

	Parent company	
	Mar/2018	Dec/2017
Foreign currency		
Current liabilities	40,003	189,600
Non-current liabilities	1,821,906	1,813,113
	1,861,909	2,002,713
Local currency		
Current liabilities	169,047	192,704
Non-current liabilities	912,511	1,010,579
	1,081,558	1,203,283
Foreign currency and local currency		
Current liabilities	209,050	382,304
Non-current liabilities	2,734,417	2,823,692
Total	2,943,467	3,205,996

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Notes to the financial statements at March 31, 2018

All amounts in thousands of reais, unless otherwise stated

(b) Payment schedule

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

	Consolidated	
	Mar/2018	Dec/2017
2019	347,320	1,245,895
2020	2,187,145	2,199,869
2021	3,650,722	3,655,465
2022	1,810,406	1,801,844
2023	1,717,677	1,709,587
2024	2,551,261	2,539,216
2025	46,191	45,994
2026	44,440	44,239
2027	17,671	17,586
2028	4,153,507	4,133,762
2029 and thereafter	4,806,043	4,783,183
Total	21,332,383	22,176,640

(c) Guarantees

Braskem gave collateral for part of its borrowings as follows:

<u>Loans</u>	<u>Maturity</u>	<u>Total debt Mar/2018</u>	<u>Total guaranteed</u>	<u>Guarantees</u>
BNB	Dec-2022	108,164	108,164	Mortgage of plants, pledge of machinery and equipment
BNB	Aug-2024	180,352	180,352	Bank surety
BNDES	Jan-2021	83,642	83,642	Mortgage of plants, land and property, pledge of machinery and equipment
FUNDES	Jun-2020	71,894	71,894	Mortgage of plants, land and property, pledge of machinery and equipment
FINEP	Jul-2024	82,528	82,528	Bank surety
FINEP	Dec-2019	5,455	5,455	Bank surety, pledge of equipment and current account lockout (restricted fund)
FINAME	Feb-2022	3,795	3,795	Pledge of equipment
FINISA	Dec-2023	6,245	6,245	Bank surety
OTHER	Jul-2021	600	600	Pledge of equipment
Total		542,675	542,675	

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All amounts in thousands of reais, unless otherwise stated

13. Braskem Idesa borrowings

The information on Braskem Idesa borrowings was presented in the 2017 annual financial statements in Note 16.

Identification	Initial value of operation US\$	Maturity	Charges (% per year)	Consolidated	
				Mar/2018	Dec/2017
Project finance	(i)				
Project finance I	700,000	Feb-2027	Us dollar exchange variation + quarterly Libor + 3.25	2,150,110	2,179,981
Project finance II	210,000	Feb-2027	Us dollar exchange variation + 6.17	611,766	621,140
Project finance III	600,000	Feb-2029	Us dollar exchange variation + 4.33	1,809,086	1,827,811
Project finance IV	660,000	Feb-2029	Us dollar exchange variation + quarterly Libor + 3.88	2,016,118	2,032,093
Project finance V	400,000	Feb-2029	Us dollar exchange variation + quarterly Libor + 4.65	1,209,195	1,221,997
Project finance VI	89,994	Feb-2029	Us dollar exchange variation + quarterly Libor + 2.73	271,087	273,887
Project finance VII	533,095	Feb-2029	Us dollar exchange variation + quarterly Libor + 4.64	1,611,520	1,627,479
Transactions costs				(96,229)	(92,938)
Total	3,193,089			9,582,653	9,691,450
Current liabilities				9,582,653	9,691,450
Total				9,582,653	9,691,450

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

In keeping with the Company's Financial Policy, the investment in the construction of the Braskem Idesa plant is financed under a Project Finance structure, in which the construction loan must be repaid using exclusively the cash generated by the company itself and with the shareholders pledging limited guarantees. Accordingly, this financing structure includes guarantees typical to transactions of this kind, such as assets, receivables, cash generation and other rights of Braskem Idesa.

Project Finance borrowings include various contractual obligations (covenants) that are typical of contracts of this nature.

On the reporting date of the financial statements of March 31, 2018, the company was in unremedied breach of some of its non-financial contractual obligations. As a result, the entire balance of non-current liabilities, in the amount of R\$8,784,261 was reclassified to current liabilities, in accordance with CPC 26 and its corresponding accounting standard IAS 1 (Presentation of Financial Statements).

In accordance with the aforementioned accounting standards, reclassification is required in situations in which the breach of certain contractual obligations entitles creditors to request from Braskem Idesa the prepayment of obligations in the short term. In this context, note that none of the creditors requested said prepayment of obligations and that Braskem Idesa has been settling its debt service obligations in accordance with their original maturity schedule.

Furthermore, Braskem Idesa continued to negotiate approval of such breaches with its creditors in order to reclassify the entire amount reclassified from current liabilities back to non-current liabilities.

The following amortization schedule presents the original long-term maturities, excluding the reclassification to current liabilities arising from the aforementioned breach of contractual obligations.

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	<u>Mar/2018</u>	<u>Dec/2017</u>
2019	567,670	748,071
2020	882,962	877,450
2021	1,008,848	1,002,270
2022	840,454	835,009
2023	1,112,905	1,105,295
2024	1,204,125	1,195,682
2025	1,203,698	1,195,096
2026	1,059,838	1,052,156
2027	478,428	474,438
2028	365,305	362,629
2029 and thereafter	60,028	59,637
Total	<u>8,784,261</u>	<u>8,907,733</u>

14. Debentures

The information related to debentures was presented in the 2017 annual financial statements of the Company, in Note 17.

<u>Issue date</u>	<u>Series</u>	<u>Maturity</u>	<u>Annual financial charges (%)</u>	<u>Mar/2018</u>	<u>Dec/2017</u>
March-2013	Single	March-2025	IPCA + 6%	215,830	216,968
September-2013	Single	September-2025	126,5% of CDI	93,312	96,356
				<u>309,142</u>	<u>313,324</u>
Current liabilities				27,428	27,183
Non-current liabilities				281,714	286,141
Total				<u>309,142</u>	<u>313,324</u>

(a) Payment schedule

	<u>Consolidated</u>	
	<u>Mar/2018</u>	<u>Dec/2017</u>
2019	20,272	26,629
2020	44,317	43,674
2021	49,526	49,326
2022	49,548	49,326
2023	49,573	49,326
2024	49,600	49,326
2025	18,878	18,534
Total	<u>281,714</u>	<u>286,141</u>

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15. Changes in borrowings, debentures, and Braskem Idesa borrowings

	Balance at December 31, 2017	Obtained	Principal	Payments Interest paid	Interest, changes monetary and foreign exchange, net	Conversion of debts of subsidiaries abroad	Transferences	Consolidated Balance at March 31, 2018
Borrowings								
Current	1,184,781	645,461	(2,194,935)	(327,614)	345,310	(14,204)	939,031	577,830
Non-current	22,176,640				60,233	34,541	(939,031)	21,332,383
Total	23,361,421	645,461	(2,194,935)	(327,614)	405,543	20,337		21,910,213
Debentures								
Current	27,183		(11,628)		5,081		6,792	27,428
Non-current	286,141				2,365		(6,792)	281,714
Total	313,324		(11,628)		7,446			309,142
Total borrowings and debentures								
Current	1,211,964	645,461	(2,206,563)	(327,614)	350,391	(14,204)	945,823	605,258
Non-current	22,462,781				62,598	34,541	(945,823)	21,614,097
Total	23,674,745	645,461	(2,206,563)	(327,614)	412,989	20,337		22,219,355
Braskem Idesa financing								
Current	9,691,450		(173,747)	(125,053)	(570,957)	760,960		9,582,653
Total	9,691,450		(173,747)	(125,053)	(570,957)	760,960		9,582,653
Total geral								
Current	10,903,414	645,461	(2,380,310)	(452,667)	(220,566)	746,756	945,823	10,187,911
Non-current	22,462,781				62,598	34,541	(945,823)	21,614,097
Total	33,366,195	645,461	(2,380,310)	(452,667)	(157,968)	781,297		31,802,008

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16. Financial instruments

The information related to financial instruments was presented in the 2017 financial statements of the Company, in Note 19.

As of January 1, 2018, as disclosed in the annual financial statements of 2017 (Note 2.3), the financial instruments were classified and measured in accordance with its Business Model (CPC 48/IFRS 9).

The adoption of new classifications of financial instruments in accordance with CPC 48/IFRS 9 did not produce a significant effect on the Company's accounting policies, as shown in the following table:

16.1. Non-derivative financial instruments and leniency agreement (Note 20.3) – consolidated

	Note	Classification by category		Fair value hierarchy	Book value		Fair value	
		CPC 38 / IAS 39	CPC 48 / IFRS 9		Mar/2018	Dec/2017	Mar/2018	Dec/2017
Cash and cash equivalents	3							
Cash and banks		Loans and receivables	Amortized cost		1,413,338	1,428,766	1,413,338	1,428,766
Financial investments in Brazil		Loans and receivables	Fair value through profit or loss		1,316,083	1,706,784	1,316,083	1,706,784
Financial investments abroad		Held-for-trading	Fair value through profit or loss	Level 2	683,831	639,543	683,831	639,543
					3,413,252	3,775,093	3,413,252	3,775,093
Financial investments	4							
LFT's and LFs		Held-for-trading	Fair value through profit or loss	Level 2	1,916,796	1,816,889	1,916,796	1,816,889
Time deposit investments		Loans and receivables	Amortized cost	Level 2	476,919	440,616	476,919	440,616
Other		Held-for-trading	Fair value through profit or loss	Level 2	705	39,739	705	39,739
					2,394,420	2,297,244	2,394,420	2,297,244
Trade accounts receivable	5	Loans and receivables	Amortized cost		3,305,581	3,244,851	3,305,581	3,244,851
Trade accounts receivable	5	Loans and receivables	Fair value through other comprehensive income	Level 2	54,982	73,841	54,982	73,240
Trade payables		Financial liabilities not measured at fair value	Amortized cost		5,928,780	5,525,407	5,928,780	5,525,407
Borrowings	12	Financial liabilities not measured at fair value	Amortized cost					
Foreign currency - Bond				Level 1	19,744,652	20,082,588	20,257,447	21,230,567
Foreign currency - other borrowings				Level 2	1,344,152	2,344,649	1,242,895	2,228,608
Local currency				Level 2	1,100,583	1,224,772	951,915	1,039,873
					22,189,387	23,652,009	22,452,257	24,499,048
Braskem Idesa borrowings	13	Financial liabilities not measured at fair value	Amortized cost	Level 2	9,678,882	9,784,388	8,675,711	8,675,711
Debentures	14	Financial liabilities not measured at fair value	Amortized cost	Level 2	309,142	313,324	220,387	214,815
Loan to non-controlling shareholder of Braskem Idesa		Financial liabilities not measured at fair value	Amortized cost		1,797,058	1,756,600	1,797,058	1,756,600
Leniency agreement	20.3	Financial liabilities not measured at fair value	Amortized cost		1,395,804	1,629,114	1,395,804	1,629,114

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

16.2.1 Changes

Identification	Note	Fair value hierarchy	Operation characteristics		Accumulated OCI (equity)	Net (Asset)/	Change in fair value	Financial settlement	Net (Asset)/
			Principal exposure	Derivatives		Liability Dec/2017			Liability Mar/2018
<u>Hedge accounting transactions</u>									
Dollar put option	16.2.1 (a.i)	Level 2	Real	Dollar	4,959	(3,793)	(179)		(3,972)
IPCA swap	16.2.1 (a.ii)	Level 2	IPCA	Dollar + fixed rates	(4,740)		4,740		4,740
Interest rate swaps		Level 2	Libor	Fixed rates	211,798	(25,791)	(53,985)	4,125	(75,651)
					<u>212,017</u>	<u>(29,584)</u>	<u>(49,424)</u>	<u>4,125</u>	<u>(74,883)</u>
<u>Derivatives operations</u>									
Current assets						(3,793)			(11,594)
Non-current assets						(32,666)			(68,859)
Current liabilities						6,875			
Non-current liabilities									5,570
						<u>(29,584)</u>			<u>(74,883)</u>

(a) Operations designated for hedge accounting

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

On March 31, 2018, Braskem held a total notional amount of put options of US\$1.7 billion, with an average strike price of 2.96 R\$/US\$. Simultaneously, the Company also held a total notional amount of call options of US\$1.2 billion, with an average strike price of R\$4.30. The operations have a maximum term of 17 months.

According to IFRS 9, the accounting standard applicable as from January 1, 2018, any gain or loss related to the effective portion of dollar options (intrinsic value), as well as the extrinsic value and the premium of the operation, is recognized as other comprehensive income under shareholders' equity.

(a.ii) Swap IPCA

To maintain its strategy of managing risks related to currencies and interest rates, the Company opted to swap to fixed rates in U.S. dollar the portions not yet due under the Leniency agreement entered into with the Federal Prosecution Office (MPF), which originally were denominated in Brazilian real and pegged to the IPCA inflation index. For such, derivative instruments were contracted in the amount of R\$1.3 billion, divided into five annual installments due on January 30 of each year as from 2019. These operations were designated as cash flow hedge accounting, where the hedging instruments are currency derivatives and the hedged objects are the liabilities under the Agreement. Accordingly, the mark-to-market adjustment of the effective portion of the hedge will be recognized under shareholders equity in the line "Other comprehensive income" ("OCI") and will be recognized in the financial result only upon the maturity of each installment.

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16.3. Non-derivative liabilities designated for export hedge accounting

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

On March 31, 2018, exports that were designated and not yet realized are shown below:

	Total nominal value US\$
2019	733,980
2020	724,000
2021	716,000
2022	719,000
2023	718,371
2024	688,854
2028	1,250,000
	5,550,205

There were no changes in financial instruments designated for this hedge in the period ended March 31, 2018:

On March 31, 2018, the maturities of financial liabilities designated, within the scope of the consolidated balance sheet, were as follows:

	Total nominal value US\$
2019	733,980
2020	724,000
2021	716,000
2022	719,000
2023	718,371
2024	688,854
2028	1,250,000
	5,550,205

Considering the 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\$598,568 was discontinued prospectively. Exchange variation on the discontinued amount, of R\$775,428, which is recorded under Shareholders' Equity as OCI will be taken to net financial income (expenses) as of April 2018, as the hedged exports are realized.

	Total nominal value US\$	Conversion rate at Inception R\$/US\$	Closing rate R\$/US\$	Gross nominal value
Hedge discontinued - Second quarter 2018	208,405	2.0017	3.2769	265,758
Hedge discontinued - Third quarter 2018	193,190	2.0017	3.3080	252,364
Hedge discontinued - Fourth quarter 2018	196,973	2.0017	3.3080	257,306
	598,568			775,428

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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, 2018:

	Total nominal value US\$	Conversion rate at Inception R\$/US\$	Closing rate R\$/US\$	Gross nominal value
First quarter	189,325	2.0017	3.3082	247,353
	<u>189,325</u>			<u>247,353</u>

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

	Exchange variation	IR and CSL	Net effect
At December 31, 2017	(6,814,142)	2,316,808	(4,497,334)
Exchange variation recorded in the period on OCI / IR and CSL	(87,693)	29,816	(57,877)
Exchange variation transferred to profit or loss / IR and CSL	247,353	(84,100)	163,253
At March 31, 2018	<u>(6,654,482)</u>	<u>2,262,524</u>	<u>(4,391,958)</u>

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

On March 31, 2018, sales designated and not yet realized are as follows:

	Nominal value US\$
2018	167,901
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
	<u>2,888,173</u>

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

	Dec/2017	Realization in the period	Realization of discontinued hedge	US\$ Mar/2018
Designated balance	2,930,246	(53,889)	97	2,876,454

On March 31, 2018, the maturities of financial liabilities designated were distributed as follows:

	Nominal value US\$
2018	167,598
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
	2,876,454

The following table provides the balance of exchange variation of the discontinued amount, net of realization already occurred, in the period ended March 31, 2018 (US\$11,719), 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	11,719	13.4541	17.9915	53,174	9,688
				53,174	9,688

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, 2018:

	Total nominal value US\$	Conversion rate at Inception MXN/US\$	Closing rate MXN/US\$	Total nominal value MXN	Gross nominal value
First quarter	53,889	13.6537	18.3561	253,408	46,934
	53,889			253,408	46,934

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

	<u>Exchange variation</u>	<u>IR</u>	<u>Net effect</u>
At December 31, 2017	(3,545,639)	1,064,426	(2,481,213)
Exchange variation recorded in the period on OCI / IR	694,110	(208,233)	485,877
Exchange variation transferred to profit or loss / IR	46,934	(14,080)	32,854
At March 31, 2018	<u>(2,804,595)</u>	<u>842,113</u>	<u>(1,962,482)</u>

16.4. Credit quality of financial assets

(a) Trade accounts receivable

On March 31, 2018, the credit ratings for the domestic market were as follows:

	(%)	
	<u>Mar/2018</u>	<u>Dec/2017</u>
1 Minimum risk	27.21	18.84
2 Low risk	39.72	50.84
3 Moderate risk	17.65	13.33
4 High risk	12.34	13.40
5 Very high risk	(i) 3.08	3.59

(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

	<u>Last 12 months</u>	
	<u>Domestic Market</u>	<u>Export Market</u>
March 31, 2018	0.13%	0.06%
December 31, 2017	0.08%	0.19%
March 31, 2017	0.19%	0.05%

(b) Other financial assets

In order to determine the credit ratings of counterparties in financial assets classified as cash and cash equivalents classified as Fair value through profit or loss (“FVTPL”), 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.

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	<u>Mar/2018</u>	<u>Dec/2017</u>
Financial assets with risk assessment		
AAA	2,847,032	3,569,392
AA+	436,445	27,094
AA	8,170	8,047
AA-	107,586	209,389
A+	1,471,990	1,465,107
A	376,181	349,823
BBB+	611,970	453,367
	<u>5,859,374</u>	<u>6,082,219</u>
Financial assets without risk assessment		
Other financial assets with no risk assessment	(i) 4,047	5,882
	<u>4,047</u>	<u>5,882</u>
Total	<u>5,863,421</u>	<u>6,088,101</u>

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

16.5. Sensitivity analysis

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

(a) Selection of risks

On March 31, 2018, 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;
- TJLP interest rate;
- IPCA 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, 2018, with a probability of 5%, and under normal market conditions, was estimated by the Company at US\$4,838 for put and call options (Note 16.2.1(a.i)) and US\$11,144 for the swap of Libor related to Braskem Idesa's project.

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(c) Selection of scenarios

(c.1) Probable scenario

The *Market Readout* published by the Central Bank of Brazil was used to create the probable scenario for the U.S. dollar/Brazilian real exchange rate, Selic basic interest rate and the CDI interest rate, using the reference date of March 29, 2018. According to the Market Readout, at the end of 2018, the U.S. dollar will depreciate by approximately 0.72% against the Brazilian real, compared to the closing PTAX rate at September 29, 2017, while the Selic rate will be 6.25% p.a. The Selic rate is used as a reference for analyses of sensitivity to the CDI.

The probable scenario for the TJLP is a decrease of 0.25% from the current rate of 6.6%, i.e., the same magnitude as the projected decrease in the Selic rate. The Market Readout does not publish forecasts for the Libor interest rate. Therefore, to determine the probable scenario, Braskem considered 25% and 50% increases on current market levels.

(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	139,682	(4,876,835)	(9,753,671)
Working capital/ other	3,214	(112,211)	(224,422)
Export credit notes	3,612	(126,108)	(252,217)
Braskem Idesa borrowings	68,616	(2,395,663)	(4,791,327)
Export prepayments	2,405	(83,958)	(167,916)
Dollar put option	2,098	(170,735)	(1,047,529)
Financial investments abroad	11,678	(407,739)	(815,477)
Libor floating interest rate			
Working capital/ structured operations	(3,265)	(16,325)	(32,650)
Export prepayments	(1,643)	(8,216)	(16,433)
Swaps	12,615	38,103	96,667
Braskem Idesa borrowings	(76,187)	(380,933)	(761,865)
CDI interest rate			
Export credit notes	12,208	(27,340)	(61,117)
Debentures	25,657	(277)	(15,308)
Financial investments	(9,138)	63,988	128,016
IPCA interest rate			
Debentures	(9,249)	(22,049)	(45,117)
TJLP interest rate			
Other government agents	12	(81)	(164)
Brazilian real/Euro exchange rate			
Working capital/ other	(1,770)	(13,761)	(27,521)

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17. Taxes payable

The information related to taxes payable was presented in the Company's 2017 annual financial statements, in Note 20.

	Consolidated		Parent company	
	Mar/2018	Dec/2017	Mar/2018	Dec/2017
Brazil				
IPI	74,460	60,917	74,457	60,134
IR and CSL	269,214	405,567	243,421	400,544
ICMS	305,013	257,720	298,754	254,935
PIS and COFINS	166,057	82,140	163,382	80,591
Other	24,256	29,001	23,110	29,002
Other countries				
IR	106,275	434,563		
Value-added tax	63,699	20,173		
Other	11,641	23,925		
Total	1,020,615	1,314,006	803,124	825,206
Current liabilities	962,611	1,261,204	746,815	774,391
Non-current liabilities	58,004	52,802	56,309	50,815
Total	1,020,615	1,314,006	803,124	825,206

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

The information related to income tax and social contribution was presented in the Company's 2017 annual financial statements, in Note 21.

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

	Consolidated		Parent company	
	Mar/2018	Mar/2017	Mar/2018	Mar/2017
Income before IR and CSL	1,427,042	2,522,774	1,078,788	2,030,487
IR and CSL at the rate of 34%	(485,194)	(857,743)	(366,788)	(690,366)
Permanent adjustments to the IR and CSL calculation basis				
IR and CSL on equity in results of investees	14	4,151	284,199	397,419
Tax benefits (Sudene and PAT)	46,245	44,225	46,245	44,225
Difference of rate applicable to each country	147,596	123,024		
Other permanent adjustments	15,319	68,943	11,147	16,911
IR and CSL on results of operations	(276,020)	(617,400)	(25,197)	(231,811)
Breakdown of IR and CSL:				
Current IR and CSL	(315,379)	(331,517)	(202,510)	(161,139)
Deferred IR and CSL	39,359	(285,883)	177,313	(70,672)
Total	(276,020)	(617,400)	(25,197)	(231,811)

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(b) Breakdown of deferred income tax and social contribution

(b.i) According to tax collection records

Assets	Consolidated		Parent company	
	Mar/2018	Dec/2017	Mar/2018	Dec/2017
Tax losses (IR) and negative base (CSL)	1,652,509	1,878,809	58,421	58,421
Goodwill amortized	54,321	59,335	3,825	3,916
Exchange variations	508,446	388,293	508,446	388,293
Temporary adjustments	147,274	220,954	940,685	922,422
Business combination	185,023	183,785	174,836	183,785
	2,547,573	2,731,176	1,686,213	1,556,837
Liabilities				
Amortization of goodwill based on future profitability	712,896	712,873	712,896	712,873
Tax depreciation	985,584	960,202	985,584	960,202
Temporary adjustments	224,988	231,822		8,187
Business combination	10,111	9,664	1,302	1,302
Additional indexation PP&E	64,292	67,072	64,292	67,072
Amortization of fair value adjustments on the assets from the acquisition of Braskem Qpar	508,235	519,623	508,235	519,623
Other	4,300	4,273	3,514	3,516
	2,510,406	2,505,529	2,275,823	2,272,775

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

Assets	Headquarters (Country)	IR and CSL		Mar/2018
		Tax calculation	Compensation	Balance
Braskem S.A	Brazil	1,686,213	(1,686,213)	
Braskem Argentina	Argentina	4,833		4,833
Braskem Alemanha	Germany	17,624		17,624
Braskem Chile	Chile	184	(184)	
Braskem Idesa	Mexico	725,491		725,491
Braskem México Serviços	Mexico	1,030		1,030
DAC	Brazil	82,145	(1,559)	80,586
Cetrel	Brazil	30,053	(7,251)	22,802
		2,547,573	(1,695,207)	852,366
Liabilities				
Braskem S.A	Brazil	2,275,823	(1,686,213)	589,610
Braskem America	USA	224,987		224,987
Braskem Chile	Chile	786	(184)	602
DAC	Brazil	1,559	(1,559)	
Cetrel	Brazil	7,251	(7,251)	
		2,510,406	(1,695,207)	815,199

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	Headquarters (Country)	IR and CSL		Dec/2017
		Tax calculation	Compensation	Balance
				Revised
Assets				
Braskem S.A	Brazil	1,556,837	(1,556,837)	
Braskem Argentina	Argentina	3,398		3,398
Braskem Alemanha	Germany	19,353		19,353
Braskem Chile	Chile	251	(251)	
Braskem Idesa	Mexico	1,036,257		1,036,257
Braskem México Serviços	Mexico	1,334		1,334
Braskem Petroquímica	Brazil	29,268	(7,454)	21,814
Braskem Petroquímica and Braskem Qpar - business combination effects	Brazil	84,478	(908)	83,570
		2,731,176	(1,565,450)	1,165,726
Liabilities				
Braskem S.A	Brazil	2,272,775	(1,556,837)	715,938
Braskem America	USA	223,635		223,635
Braskem Chile	Chile	757	(251)	506
Braskem Petroquímica	Brazil	7,454	(7,454)	
Braskem Petroquímica and Braskem Qpar - business combination effects	Brazil	908	(908)	
		2,505,529	(1,565,450)	940,079

(c) Realization of deferred income tax and social contribution

In the three-month period ended March 31, 2018, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

19. Sundry provisions

The information on sundry provisions was presented in the 2017 annual financial statements of the Company, in Note 22.

	Consolidated		Parent company	
	Mar/2018	Dec/2017	Mar/2018	Dec/2017
Provision for customers rebates	39,424	87,913	24,211	34,367
Provision for recovery of environmental damages	289,950	300,249	289,950	300,249
Other	26,207	25,510	4,426	3,832
Total	355,581	413,672	318,587	338,448
Current liabilities	119,888	178,676	104,675	125,130
Non-current liabilities	235,693	234,996	213,912	213,318
Total	355,581	413,672	318,587	338,448

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20. Contingencies

20.1. Claims with probable loss and arising from business combinations

The description of the main contingent liabilities of the Company was presented in the 2017 annual financial statements, in Note 23.1.

	Consolidated		Parent company	
	Mar/2018	Dec/2017	Mar/2018	Dec/2017
Labor claims	251,756	255,938	245,894	247,821
Tax claims				
Normal operations				
IR and CSL	19,190	17,313	19,190	17,313
PIS and COFINS	154,022	155,681	153,381	155,681
ICMS	72,047	76,342	72,047	76,342
Other tax claims	41,211	8,985	39,406	8,985
	286,470	258,321	284,024	258,321
Business Combination				
IR and CSL	50,822	50,051	50,822	50,051
PIS and COFINS	57,026	56,135	57,026	56,135
ICMS - interstate purchases	267,764	263,538	267,764	263,538
	375,612	369,724	375,612	369,724
Corporate claims	136,619	135,779	136,619	135,779
Civil claims and other	62,754	72,883	62,754	72,883
	1,113,211	1,092,645	1,104,903	1,084,528

20.2. Claims with possible losses

The amount under claims and a description of the main claims with possible losses are presented in the financial statements for fiscal year 2017, in Note 23.2.

(a) Tax claims

(i) ICMS - Use and consumption credit

In January 2018, the Company was served a notice by the State of Rio Grande do Sul, charging, at the administrative level, ICMS and a fine of 120% for using ICMS credits in the acquisition of goods (“pallets”), which were considered by the Tax Authority as for use and consumption in the period from January 2013 to November 2017. On March 31, 2018, the updated amount of these deficiency notices amounted to R\$79 million.

The Company’s external legal advisors estimate that these administrative proceedings should be concluded in 2022.

There are no deposits or any other type of guarantee for these proceedings since they are still being disputed at the administrative level.

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20.3. Global Settlement with authorities

Complete information on the global settlement with authorities was presented in Note 23.3 to the Company's annual financial statements for 2017.

(a) Global Settlement with authorities

The Leniency Agreement ("Agreement") entered into in December 2016 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) was officially ratified as follows:

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

Of the aggregate amount of the Global Settlement, the Company already has paid approximately R\$1.6 billion, as follows:

1. US\$94,894 (R\$296,591) to the DoJ, paid on February 8, 2017;
2. US\$65,000 (R\$206,460) to the SEC, paid on April 27, 2017;
3. CHF30,240 (R\$104,307) to the Swiss Office of the Attorney General, paid on June 27, 2017;
4. R\$736,445 to the MPF, paid on July 6, 2017; and
5. R\$267,985 to the MPF, paid on January 30, 2018.

The outstanding amount, of approximately R\$1.5 billion, will be paid as follows:

1. CHF64,260 to the Swiss Office of the Attorney General in four annual installments of CHF16.065 due on June 30 of each year as from 2018;
2. R\$1.3 billion to the MPF in five annual installments adjusted for inflation by the variation in the IPCA inflation index due on January 30 of each year as from 2019. To guarantee payment of the installments coming due, Braskem gave as collateral assets from its property, plant and equipment corresponding to one annual installment.

(b) Reimbursement for damages and other considerations

A significant portion of the total of R\$2.2 billion of the Agreement entered into with MPF will be allocated to paying redress to third parties for damages incurred due to the facts that are the subject-matter of the Agreement.

Under the Agreement, the MPF undertook to coordinate actions with other authorities or government agencies, as well as state-owned companies and mixed-economy companies with which Braskem comes to negotiate for entering into agreements based on the facts object of the collaboration, including for the purpose of preventing duplicate restitution with regard to the amount paid under the Agreement.

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The Agreement does not prevent any third party with legitimate interest on the facts from filing proceedings to claim remedy 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 remedy any third parties affected by the wrongdoings, which means that the Company may be required to indemnify or be subject to the payment of financial penalties other than those provided for in the Global Settlement.

In addition, other authorities with jurisdiction over the Company may seek to impose additional monetary sanctions or fines or commence new investigations against Braskem. Finally, as a result of the Global Settlement, the Company may be subject to increased operating costs in connection with its obligations to improve its governance and anti-corruption practices.

It is not possible to predict the impacts on Braskem of others investigations or 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.

(c) Control deficiencies and Compliance Program

After the investigation conducted in 2016 and confirmation of wrongdoings, the Company identified material control deficiencies.

In 2016, it began developing a comprehensive Compliance Program to strengthen its governance with the goal of significantly reducing the possibility of other wrongdoings of the same kind from recurring. The Program also contains initiatives that have been implemented throughout 2017.

As of the period ended March 31, 2018, a series of Compliance initiatives are being implemented and/or improved, including:

- (i) Increase in the number of Team Members in the Compliance Department;
- (ii) Designation and engagement of independent monitors jointly with the DoJ and MPF, and beginning of analysis of the Company's processes and documents by said monitors;
- (iii) Approval of the following documents: Policy on Compliance in Acting Ethically with Integrity and Transparency; Internal Audit Directive; Corporate Credit Card Directive; Procedure for payment of commissions to agents; and Ethics Line Investigation Protocols;
- (iv) Continuing the training program with a focus on the Compliance System, applicable legislation and raising Team Member awareness;
- (v) Setting a corporate target related to Compliance for all Leaders at the Company;
- (vi) Approving the Directive and Procedure for Relations with Government Officials, which regulates interactions with politicians and executives at state-owned companies;
- (vii) Formally and effectively participating in working groups: UN Anticorruption and ETHOS Integrity;
- (viii) Improving the supplier registration and approval process by implementing a third-party risk and integrity assessment;
- (ix) Developing the Communication Plan for disseminating the Company's commitment to conducting its Business Ethically with Integrity and Transparency;
- (x) Approving the Procedure for the Ethics Line, considering the formal process for handling reports of violations and investigation protocols;
- (xi) Outsourcing of the Whistleblowing Channel and improving the tool for receiving reports of violations;

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- (xii) Mapping of risks and controls and beginning of assessment of the effectiveness of controls for the most relevant corporate processes in Brazil, United States, Mexico, Netherlands and Germany;
- (xiii) Review of the corporate guidance documentation (Policies, Directives, Procedures, etc.);
- (xiv) Incorporating anti-corruption clauses in agreements with third parties;
- (xv) Implementing improvements to internal controls with a view to remediating deficiencies identified in the past (especially material deficiencies) and preventing future vulnerabilities;
- (xvi) Publishing the new version of the Code of Conduct in Brazil, Mexico and United States, and training Team Members;
- (xvii) Defining the corporate methodology for Risk Management to be adopted in Brazil, United States, Mexico, Netherlands and Germany;
- (xviii) Conducting Internal Audit works to address points of concern and recommendations for improvements to areas involved in the processes assessed.

(d) Class actions

On July 1, 2015, a putative class action lawsuit was filed in the United States District Court for the Southern District of New York against the Company and certain of its then-current and former officers and directors. In the current lawsuit, titled *In re Braskem Securities Litigation*, 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.

After the decision on the motion to dismiss filed by the Company, partially granting its arguments, the Company and the Lead Plaintiff executed a proposal of resolution agreement ("Proposed Agreement"), which was ratified by the applicable Court, which issued a final decision ending all claims from all members of the class of Investors (as defined below).

Under the terms of the Proposed Settlement, Braskem paid US\$10 million (approximately R\$31,680) to resolve all claims arising out of or relating to the subject matter of the class action of a settlement class consisting of all persons who purchased or otherwise acquired a legal or beneficial ownership interest in Braskem American Depositary Receipts ("ADRs") between July 15, 2010 and March 11, 2015 inclusive. The amount under the agreement was deposited by Braskem in an Escrow Account on October 2, 2017.

On February 21, 2018, a hearing was held, in which the final approval decision of the agreement was pronounced in relation to all classes of investors and the extinction of the lawsuit. Such a decision has already been the subject of a final decision.

The individual distribution thereof will be made by the manager of the Escrow Account, by determination of the court, in accordance with the allocation plan ratified by the Court.

The Proposed Settlement was signed solely to avoid the risk, uncertainty, and expense of further litigation and does not represent the admission of any wrongdoing or liability by Braskem.

The Company may be named as a defendant in other legal actions. The Company may be required, in accordance with any applicable legal and regulatory limits, to indemnify directors, officers and employees that are defendants in this securities class action and any other related actions that may arise in the future.

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21. Shareholders' Equity

The information related to the Company's shareholders' equity was presented in its 2017 annual financial statements, in Note 25.

In February 2018, 78,000 class "B" preferred shares were converted into 39,000 class "A" preferred shares.

(a) Capital

	Amount of shares							
	Common shares	%	Preferred shares class A	%	Preferred 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)		56,710,784	16.19			56,710,784	7.01
Other	12,907,077	2.86	132,159,843	38.54	500,330	100.00	145,567,250	18.37
Total	<u>451,668,652</u>	<u>100.00</u>	<u>343,814,864</u>	<u>99.64</u>	<u>500,330</u>	<u>100.00</u>	<u>795,983,846</u>	<u>99.85</u>
Treasury shares			1,234,758	0.36			1,234,758	0.15
Total	<u>451,668,652</u>	<u>100.00</u>	<u>345,049,622</u>	<u>100.00</u>	<u>500,330</u>	<u>100.00</u>	<u>797,218,604</u>	<u>100.00</u>

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

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(b) Other comprehensive income - shareholders' equity

Consolidated											
	Ajustes de avaliação patrimonial			Attributed to shareholders' interest					Non-controlling interest in Braskem Idesa	Total	
	Goodwill in acquisition of subsidiary under common control (i)	Deemed cost and additional PP&E (ii)	Fair value adjustments of trade accounts receivable (iii)	Gain (loss) on interest in subsidiary (i)	Foreign sales hedge (iii)	Fair value of hedge (iii)	Defined benefit plans actuarial Gain (loss) (iv)	Foreign currency translation adjustment (v)			Total Braskem shareholders' interest
On December 31, 2016		206,703		(9,404)	(7,105,377)	(539,518)	(43,351)	1,169,088	(6,321,859)	(548,601)	(6,870,460)
Additional indecution											
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		199,653		(9,404)	(6,130,858)	(485,528)	(43,351)	917,844	(5,551,644)	(426,828)	(5,978,472)
On December 31, 2017	(488,388)	178,893		(9,404)	(6,358,242)	(145,267)	(52,005)	1,220,533	(5,653,880)	(477,975)	(6,131,855)
Additional indecution											
Realization		(10,120)							(10,120)		(10,120)
Income tax and social contribution		3,441							3,441		3,441
Deemed cost of jointly-controlled investment											
Realization		(365)							(365)		(365)
Income tax and social contribution		124							124		124
Fair value adjustments											
Accounts receivable			(437)						(437)		(437)
Foreign sales hedge											
Exchange rate					432,890				432,890	173,527	606,417
Transfer to result					282,553				282,553	11,734	294,287
Income tax and social contribution					(221,019)				(221,019)	(55,578)	(276,597)
Fair value of Cash flow hedge											
Change in fair value						32,653			32,653	11,140	43,793
Transfer to result						9,921			9,921	6,284	16,205
Income tax and social contribution						(12,384)			(12,384)	(5,227)	(17,611)
Fair value of cash flow hedge from jointly-controlled						686			686		686
Foreign currency translation adjustment								(108,006)	(108,006)	(62,589)	(170,595)
On March 31, 2018	(488,388)	171,973	(437)	(9,404)	(5,863,818)	(114,391)	(52,005)	1,112,527	(5,243,943)	(398,684)	(5,642,627)

- (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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22. Earnings per share

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

	Basic and diluted	
	Mar/2018	Mar/2017
Profit for the period attributed to Company's shareholders of continued operations	1,053,591	1,798,676
Distribution of dividends attributable to priority:		
Preferred shares class "A"	208,450	208,416
Preferred shares class "B"	303	351
	<u>208,753</u>	<u>208,767</u>
Distribution of 6% of unit value of common shares	273,840	273,827
Distribution of plus income, by class:		
Common shares	324,218	747,297
Preferred shares class "A"	246,780	568,785
	<u>570,998</u>	<u>1,316,082</u>
Reconciliation of income available for distribution, by class (numerator):		
Common shares	598,058	1,021,124
Preferred shares class "A"	455,230	777,201
Preferred shares class "B"	303	351
	<u>1,053,591</u>	<u>1,798,676</u>
Weighted average number of shares, by class (denominator):		
Common shares	451,668,652	451,668,652
Preferred shares class "A"	343,789,731	343,775,864
Preferred shares class "B"	550,597	578,330
	<u>796,008,980</u>	<u>796,022,846</u>
Profit per share (in R\$)		
Common shares	1.3241	2.2608
Preferred shares class "A"	1.3242	2.2608
Preferred shares class "B"	0.5503	0.6069

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(a) Share weighting

	Mar/2018			
	Preferred shares			
	Class "A"		Class "B"	
	Outstanding shares	Weighted average	Outstanding shares	Weighted average
Amount at beginning of the period	343,775,864	343,775,864	578,330	578,330
Conversion of preferred shares class "B" to "A"	39,000	13,867	(78,000)	(27,733)
Amount at the end of the period	343,814,864	343,789,731	500,330	550,597

23. Net sales revenues

	Consolidated		Parent company	
	Mar/2018	Mar/2017	Mar/2018	Mar/2017
Sales and services revenue				
Domestic market	9,599,640	8,486,659	9,567,204	8,953,038
Foreign market	5,961,663	6,253,628	2,173,473	2,436,107
	15,561,303	14,740,287	11,740,677	11,389,145
Sales and services deductions				
Taxes				
Domestic market	(2,446,918)	(2,085,738)	(2,440,888)	(2,154,644)
Foreign market	(9,864)	(7,321)		
Sales returns				
Domestic market	(46,289)	(25,449)	(46,289)	(25,041)
Foreign market	(29,432)	(22,051)	(2,227)	(1,944)
	(2,532,503)	(2,140,559)	(2,489,404)	(2,181,629)
Net sales and services revenue	13,028,800	12,599,728	9,251,273	9,207,516

As described in Note 2.1.1., with the adoption of CPC 47/IFRS 15 as from January 1, 2018, the Company started to present its variable considerations related to bonuses offered to customers by deducting them directly from gross sales revenue.

24. Other net income (expenses)

	Consolidated	
	Mar/2018	Mar/2017
Participation of members in profits and results	(87,259)	(86,369)
Reversal (provision) of legal and labor lawsuits	(17,684)	2,764
Fine on supply contract of raw material	(i) 45,389	(2,005)
Other	(12,845)	7,639
	(72,399)	(77,971)

(i) Contractual fine for non-supply of raw material for subsidiary Braskem Idesa.

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25. Financial results

	Consolidated		Parent company	
	Mar/2018	Mar/2017	Mar/2018	Mar/2017
Financial income				
Interest income	90,337	146,556	77,665	135,509
Other	13,628	18,424	10,065	15,583
	103,965	164,980	87,730	151,092
Financial expenses				
Interest expenses	(472,387)	(573,993)	(219,345)	(391,442)
Monetary variations on fiscal debts	(17,667)	(37,544)	(17,659)	(36,651)
Discounts granted	(34,846)	(33,875)	(34,786)	(30,201)
Loans transaction costs - amortization	(7,391)	(12,491)	(625)	(1,173)
Adjustment to present value - appropriation	(49,590)	(92,963)	(50,225)	(68,928)
Other	(89,064)	(84,643)	(25,112)	(31,017)
	(670,945)	(835,509)	(347,752)	(559,412)
Exchange rate variations, net				
On financial assets	37,048	(179,983)	59,682	(79,467)
On financial liabilities	42,937	465,018	(324,874)	(133,808)
	79,985	285,035	(265,192)	(213,275)
Total	(486,995)	(385,494)	(525,214)	(621,595)

26. Expenses by nature and function

	Consolidated		Parent company	
	Mar/2018	Mar/2017	Mar/2018	Mar/2017
Classification by nature:				
Raw materials other inputs	(8,499,210)	(7,219,540)	(6,621,082)	(5,962,057)
Personnel expenses	(566,895)	(545,269)	(427,681)	(430,000)
Outsourced services	(501,136)	(487,329)	(350,094)	(338,500)
Depreciation, amortization and depletion	(739,952)	(702,122)	(505,625)	(467,835)
Freights	(517,468)	(490,096)	(347,300)	(325,403)
Costs of idle industrial plants	(53,543)	(12,509)	(50,979)	(4,927)
Other expenses, net	(236,601)	(246,804)	(180,388)	(195,592)
Total	(11,114,805)	(9,703,669)	(8,483,149)	(7,724,314)
Classification by function:				
Cost of products sold	(10,327,132)	(8,935,171)	(7,925,740)	(7,199,166)
Selling and distribution	(367,518)	(346,302)	(223,511)	(224,492)
General and administrative	(308,830)	(310,563)	(225,237)	(199,802)
Research and development	(38,926)	(33,662)	(25,679)	(23,291)
Other income (expenses), net	(72,399)	(77,971)	(82,982)	(77,563)
Total	(11,114,805)	(9,703,669)	(8,483,149)	(7,724,314)

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27. Segment information

The information by segment was presented in the 2017 annual financial statements, in Note 32.

	Mar/2018						
	Operating expenses						
	Net sales revenue	Cost of products sold	Gross profit	Selling, general and distribution expenses	Results from equity investments	Other income (expenses), net	Consolidated Braskem
Reporting segments							
Chemicals	6,720,540	(5,815,940)	904,600	(175,610)		(29,330)	699,660
Polyolefins	5,271,190	(4,446,950)	824,240	(307,340)		(25,160)	491,740
Vinyls	657,290	(694,260)	(36,970)	(42,900)		(11,500)	(91,370)
USA and Europe	2,671,450	(2,024,370)	647,080	(128,740)		(9,210)	509,130
Mexico	869,490	(477,150)	392,340	(61,890)		29,610	360,060
Total	16,189,960	(13,458,670)	2,731,290	(716,480)		(45,590)	1,969,220
Other segments	71,873	(38,323)	33,550	(5,346)		(384)	27,820
Corporate unit				(28,294)	42	(26,425)	(54,677)
Braskem consolidated before eliminations and reclassifications	16,261,833	(13,496,993)	2,764,840	(750,120)	42	(72,399)	1,942,363
Eliminations and reclassifications	(3,233,033)	3,169,861	(63,172)	34,846			(28,326)
Total	13,028,800	(10,327,132)	2,701,668	(715,274)	42	(72,399)	1,914,037
	Mar/2017						
	Operating expenses						
	Net sales revenue	Cost of products sold	Gross profit	Selling, general and distribution expenses	Results from equity investments	Other income (expenses), net	Consolidated Braskem
Reporting segments							
Chemicals	6,563,577	(5,216,127)	1,347,450	(188,475)		(9,986)	1,148,989
Polyolefins	4,845,245	(3,805,946)	1,039,299	(330,566)		(37,132)	671,601
Vinyls	808,499	(690,460)	118,039	(37,962)		(17,710)	62,367
USA and Europe	2,424,663	(1,731,970)	692,693	(165,926)		6,701	533,468
Mexico	940,405	(505,361)	435,044	(66,431)		5,497	374,110
Total	15,582,389	(11,949,864)	3,632,525	(789,360)		(52,630)	2,790,535
Other segments	4,242	(4,694)	(452)			(692)	(1,144)
Corporate unit				64,958	12,209	(24,649)	52,518
Braskem consolidated before eliminations and reclassifications	15,586,631	(11,954,558)	3,632,073	(724,402)	12,209	(77,971)	2,841,909
Eliminations and reclassifications	(2,986,903)	3,019,387	32,484	33,875			66,359
Total	12,599,728	(8,935,171)	3,664,557	(690,527)	12,209	(77,971)	2,908,268

28. Subsequent events

- (a) On March 21, 2018, the Extraordinary Shareholders' Meeting approved the long-term share-based incentive plan ("ILP Plan"). The ILP Plan aims to align the interests of its participants with those of the Company's shareholders and to encourage participants' retention at the Company by offering eligible participants an opportunity to receive restricted shares in the Company by voluntarily investing own funds and holding such shares through the end of the three-year vesting period.

On March 28, 2018, the Board of Directors approved the "ILP Plan 2018," in accordance with the terms and conditions of the ILP Plan, which includes the list of eligible persons, the deadline for acquiring own shares by participants and the number of restricted shares to be delivered to participants as matching contribution for each

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own share acquired. The maximum number of shares the Company expects to deliver to the participants of the ILP Program 2018, after the vesting period and subject to compliance with all necessary requirements, is 685,195 shares. The shares to be delivered by the Company to participants of the ILP Program 2018 are those currently held in treasury or acquired through repurchase programs, and in the event said shares cannot be delivered, the Company will pay participants in cash the amount corresponding to the shares, based on the quote on the stock exchange on the second business day immediately prior to the respective payment date.

This plan should be accounted for in accordance with CPC 10 – Share-Based Payment and its corresponding standard IFRS 2, which requires the Company to calculate the value of equity instruments granted based on the fair value thereof on the grant date. The corresponding expense will be recognized by the accrual method over the vesting period for exercising the instruments.

- (b) On April 30, 2018, the Annual Shareholders' Meeting approved the payment of additional dividends considering the net income for fiscal year 2017, in the amount of R\$1,500,000, to be paid as from May 10, 2018.