

BRASKEM SA
Form 6-K
November 14, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

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

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

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

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

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

Form 20-F Form 40-F

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

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

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

Yes No

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

Braskem S.A.

Quarterly Information (ITR) at

September 30, 2016

and Independent Auditors' Report Review

Report on review of interim financial information

To Shareholders, Members of the Board and Management

Braskem S.A.

Camaçari - Bahia

Introduction

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

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

Scope of review

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

Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

Emphasis of a matter

The Notes 2.4 and 19 (a), (b) and (c) to the interim financial information disclose that, as a result of the progress in the investigation process of the operation called “Lava Jato”, specialized law firms identified that the Company made, during the years from 2011 to 2014, payments for the services of companies located abroad, without evidence of the effective delivery of such services, which resulted in tax adjustments to the interim financial information in the amount of R\$ 284,641 thousand. They also disclose that, due to the matters that are under independent internal investigation, negotiations with the competent authorities are in progress, among which are the Department of Justice (DoJ) and the Securities and Exchange Commission (SEC), and the class action filed in the US Courts. Considering the current stage of this matter, it is not possible for the Company to reliably estimate the potential losses to be recorded in view of these negotiations and the class action, and, accordingly, no provision was recorded in the interim financial information. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

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

São Paulo, November 9, 2016

KPMG Auditores Independentes

CRC 2SP014428/O-6

Original report in portuguese signed by

Anselmo Neves Macedo

Accountant CRC 1SP160482/O-6

Braskem S.A.**Balance sheet****at September 30, 2016****All amounts in thousands of reais**

| Assets | Note | Consolidated | | Parent company | |
|---|-------|-------------------|---------------------|-------------------|---------------------|
| | | Sep/2016 | Dec/2015 Revised | Sep/2016 | Dec/2015 Revised |
| Current assets | | | | | |
| Cash and cash equivalents | 3 | 8,200,168 | 7,439,723 | 5,320,288 | 4,773,251 |
| Financial investments | 4 | 433,009 | 1,172 | 699 | 1,172 |
| Trade accounts receivable | 5 | 2,189,805 | 2,735,144 | 1,756,433 | 2,526,510 |
| Inventories | 6 | 4,873,736 | 5,517,206 | 3,302,685 | 4,131,128 |
| Taxes recoverable | 8 | 804,454 | 1,272,004 | 361,138 | 762,824 |
| Dividends and interest on capital | 7 | | 1,998 | 6,030 | 87,655 |
| Prepaid expenses | | 140,304 | 166,170 | 110,181 | 139,668 |
| Related parties | 7 | | 10,507 | 32,962 | 118,661 |
| Derivatives operations | 14.3 | 17,053 | 53,662 | 17,053 | 12,616 |
| Other assets | | 217,813 | 300,901 | 137,900 | 248,488 |
| | | 16,876,342 | 17,498,487 | 11,045,369 | 12,801,973 |
| Non-current assets | | | | | |
| Financial investments | 4 | | 46,193 | | 46,193 |
| Trade accounts receivable | 5 | 18,884 | 19,822 | 2,845,629 | 4,279,433 |
| Advances to suppliers | 6 | 65,300 | 135,046 | 65,300 | 135,046 |
| Taxes recoverable | 8 | 993,936 | 1,304,056 | 889,014 | 1,198,301 |
| Deferred income tax and social contribution | 16(c) | 1,437,580 | 3,196,239 | 32,541 | 2,149,086 |
| Judicial deposits | | 269,221 | 277,093 | 260,751 | 268,572 |
| Related parties | 7 | 322,486 | 144,633 | 299,720 | 124,645 |
| Insurance claims | | 71,345 | 63,199 | 71,345 | 60,778 |
| Derivatives operations | 14.3 | | 12,280 | | |
| Other assets | | 287,151 | 298,057 | 132,157 | 125,898 |
| Investments | 9(b) | 98,209 | 86,354 | 5,053,173 | 4,593,775 |
| Property, plant and equipment | 10 | 29,844,159 | 33,961,963 | 15,899,804 | 16,542,078 |
| Intangible assets | 11 | 2,818,208 | 2,887,604 | 2,525,050 | 2,572,341 |

| | | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 36,226,479 | 42,432,539 | 28,074,484 | 32,096,146 |
| Total assets | 53,102,821 | 59,931,026 | 39,119,853 | 44,898,119 |

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

Braskem S.A.**Balance sheet**

at September 30, 2016

All amounts in thousands of reais

Continued

| Liabilities and shareholders' equity | Note | Consolidated | | Parent company | |
|---|-------|-------------------|---------------------|-------------------|---------------------|
| | | Sep/2016 | Dec/2015 Revised | Sep/2016 | Dec/2015 Revised |
| | 2.4 | | | | |
| Current liabilities | | | | | |
| Trade payables | | 7,165,374 | 11,698,695 | 8,947,087 | 9,557,676 |
| Borrowings | 12 | 2,093,926 | 1,968,540 | 2,255,147 | 2,567,124 |
| Project finance | 13 | 856,060 | 302,266 | | |
| Derivatives operations | 14.3 | 20,464 | 57,760 | 735 | 8,351 |
| Payroll and related charges | | 507,920 | 605,059 | 393,348 | 446,125 |
| Taxes payable | 15 | 1,047,290 | 982,873 | 694,865 | 459,518 |
| Dividends | 20(b) | 1,002,082 | 753,668 | 1,002,082 | 753,668 |
| Advances from customers | 17 | 184,987 | 119,680 | 18,212 | 44,528 |
| Sundry provisions | 18 | 71,665 | 93,942 | 55,736 | 67,190 |
| Accounts payable to related parties | 7 | | | 3,008,819 | 4,297,735 |
| Other payables | | 447,005 | 337,959 | 280,277 | 207,730 |
| | | 13,396,773 | 16,920,442 | 16,656,308 | 18,409,645 |
| Non-current liabilities | | | | | |
| Trade payables | | 174,858 | 57,148 | 1,731,131 | 3,420,281 |
| Borrowings | 12 | 20,930,017 | 25,370,260 | 6,694,466 | 8,207,012 |
| Project finance | 13 | 9,695,197 | 11,975,167 | | |
| Derivatives operations | 14.3 | 972,042 | 1,184,741 | 873,249 | 1,184,741 |
| Taxes payable | 15 | 29,767 | 26,716 | 29,638 | 25,825 |
| Accounts payable to related parties | 7 | | | 6,869,173 | 10,905,207 |
| Non-controlling loan in Braskem Idesa | | 1,597,726 | 1,538,784 | | |
| Deferred income tax and social contribution | 16(c) | 662,848 | 731,241 | | |
| Post-employment benefits | | 141,912 | 154,707 | 54,166 | 54,166 |
| Provision for losses on subsidiaries | | | | 89,439 | 137,013 |
| Advances from customers | 17 | 221,332 | 31,116 | | 12,813 |
| Sundry provisions | 18 | 793,459 | 653,972 | 712,805 | 571,349 |
| Other payables | | 93,038 | 217,502 | 5,759 | 167,060 |
| | | 35,312,196 | 41,941,354 | 17,059,826 | 24,685,467 |
| Shareholders' equity | | | | | |
| Capital | 20 | 8,043,222 | 8,043,222 | 8,043,222 | 8,043,222 |

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| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Capital reserve | 232,430 | 232,430 | 232,430 | 232,430 |
| Revenue reserves | 1,634,655 | 2,882,019 | 1,634,655 | 2,882,019 |
| Other comprehensive income | (6,323,673) | (9,085,256) | (6,323,673) | (9,085,256) |
| Treasury shares | (49,819) | (49,819) | (927) | (927) |
| Retained (loss) earnings | 1,818,012 | (268,481) | 1,818,012 | (268,481) |
| | | | | |
| Total attributable to the Company's shareholders | 5,354,827 | 1,754,115 | 5,403,719 | 1,803,007 |
| | | | | |
| Non-controlling interest in Braskem Idesa | (960,975) | (684,885) | | |
| | 4,393,852 | 1,069,230 | 5,403,719 | 1,803,007 |
| | | | | |
| Total liabilities and shareholders' equity | 53,102,821 | 59,931,026 | 39,119,853 | 44,898,119 |

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

Braskem S.A.**Statement of operations and statement of comprehensive income****at September 30, 2016****All amounts in thousands of reais, except for earnings per share****Continued**

| | | Consolidated | | | |
|---|-------------|---------------------|--------------------|-------------------|--------------------|
| | Note | 3Q2016 | YTD2016 | 3Q2015 | YTD2015 |
| | | | | Revised | Revised |
| Net sales revenue | 22 | 12,162,428 | 36,220,543 | 13,163,620 | 34,950,716 |
| Cost of products sold | | (8,929,357) | (26,486,061) | (9,960,382) | (27,378,478) |
| Gross profit | | 3,233,071 | 9,734,482 | 3,203,238 | 7,572,238 |
| Income (expenses) | | | | | |
| Selling and distribution | | (376,292) | (1,051,707) | (293,776) | (816,167) |
| General and administrative | | (393,046) | (1,115,323) | (322,669) | (919,552) |
| Research and development | | (37,219) | (119,847) | (37,718) | (119,875) |
| Results from equity investments | 9(c) | 9,800 | 23,177 | (8,038) | 1,701 |
| Other income (expenses), net | 23 | (132,309) | (322,992) | (75,004) | (164,752) |
| | | 2,304,005 | 7,147,790 | 2,466,033 | 5,553,593 |
| Financial results | 24 | | | | |
| Financial expenses | | (1,351,444) | (4,090,549) | (1,146,961) | (3,012,975) |
| Financial income | | 208,587 | (423,447) | 966,877 | 1,617,534 |
| | | (1,142,857) | (4,513,996) | (180,084) | (1,395,441) |
| Profit before income tax and social contribution | | 1,161,148 | 2,633,794 | 2,285,949 | 4,158,152 |
| Current and deferred income tax and social contribution | 16(a) | (343,126) | (799,973) | (810,484) | (1,434,382) |
| Profit for the period | | 818,022 | 1,833,821 | 1,475,465 | 2,723,770 |

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

Braskem S.A.

Statement of operations and statement of comprehensive income

at September 30, 2016

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

Continued

| | | | | Parent company | |
|---|-------|------------------|--------------------|-------------------|--------------------|
| | Note | 3Q2016 | YTD2016 | 3Q2015 Revised | YTD2015 Revised |
| Net sales revenue | 22 | 8,961,293 | 26,653,802 | 9,782,169 | 25,109,242 |
| Cost of products sold | | (6,923,100) | (20,735,565) | (7,206,375) | (19,292,455) |
| Gross profit | | 2,038,193 | 5,918,237 | 2,575,794 | 5,816,787 |
| Income (expenses) | | | | | |
| Selling and distribution | | (250,255) | (702,377) | (212,289) | (590,095) |
| General and administrative | | (202,468) | (605,166) | (217,234) | (640,225) |
| Research and development | | (25,265) | (75,983) | (22,049) | (74,075) |
| Results from equity investments | 9(c) | 352,063 | 1,419,933 | 140,643 | 597,700 |
| Other income (expenses), net | | (79,954) | (213,441) | (21,962) | (17,192) |
| | | 1,832,314 | 5,741,203 | 2,242,903 | 5,092,900 |
| Financial results | 24 | | | | |
| Financial expenses | | (922,382) | (2,304,508) | (2,023,278) | (4,187,421) |
| Financial income | | 236,169 | (1,058,438) | 2,075,919 | 3,171,444 |
| | | (686,213) | (3,362,946) | 52,641 | (1,015,977) |
| Profit before income tax and social contribution | | 1,146,101 | 2,378,257 | 2,295,544 | 4,076,923 |
| Current and deferred income tax and social contribution | 16(a) | (256,668) | (312,915) | (728,496) | (1,172,764) |
| Profit for the period | | 889,433 | 2,065,342 | 1,567,048 | 2,904,159 |

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

Braskem S.A.

Statement of operations and statement of comprehensive income

at September 30, 2016

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

Continued

| | | | Consolidated | | |
|---|------------|-----------------|------------------|--------------------|--------------------|
| | Note | 3Q2016 | YTD2016 | 3Q2015 | YTD2015 |
| | 2.4 | | | Revised | Revised |
| Profit for the period | | 818,022 | 1,833,821 | 1,475,465 | 2,723,770 |
| Other comprehensive income or loss: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Fair value of cash flow hedge | | (13,927) | 165,904 | (465,466) | (737,095) |
| Income tax and social contribution | | 5,660 | (62,647) | 152,060 | 243,864 |
| Fair value of cash flow hedge from jointly-controlled - RPR | | 6,493 | (6,272) | 8,162 | 8,162 |
| | | (1,774) | 96,985 | (305,244) | (485,069) |
| Exchange variation of foreign sales hedge | 14.4(a.i) | (226,015) | 4,207,644 | (5,880,819) | (8,897,247) |
| Sales Hedge - transfer to profit or loss | 14.4(a.i) | 267,896 | 1,035,139 | | |
| Income tax and social contribution on exchange variation | | (14,239) | (1,782,546) | 1,999,478 | 3,025,064 |
| Exchange variation of foreign sales hedge - Braskem Idesa | 14.4(a.ii) | (306,283) | (1,400,255) | (1,277,240) | (1,842,976) |
| Sales Hedge - transfer to profit or loss - Braskem Idesa | 14.4(a.ii) | 21,067 | 35,364 | | |
| Income tax on exchange variation - Braskem Idesa | | 82,010 | 410,202 | 383,172 | 552,893 |
| | | (175,564) | 2,505,548 | (4,775,409) | (7,162,266) |
| Foreign subsidiaries currency translation adjustment | | 159,621 | 135,632 | 626,692 | 927,934 |
| Total | | (17,717) | 2,738,165 | (4,453,961) | (6,719,401) |
| Total comprehensive income (loss) for the period | | 800,305 | 4,571,986 | (2,978,496) | (3,995,631) |

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

Braskem S.A.

Statement of operations and statement of comprehensive income

at September 30, 2016

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

Continued

| | Note | 3Q2016 | YTD2016 | 3Q2015 Revised | Parent |
|---|------------|----------------|------------------|--------------------|------------|
| Profit for the period | 2.4 | 889,433 | 2,065,342 | 1,567,048 | |
| Other comprehensive income or loss: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Fair value of cash flow hedge | | (37,057) | 321,896 | (310,511) | |
| Income tax and social contribution | | 12,599 | (109,445) | 105,574 | |
| Fair value of cash flow hedge - Braskem Idesa | | 17,349 | (116,993) | (116,217) | |
| Income tax and social contribution | | (5,205) | 35,098 | 34,865 | |
| Fair value of cash flow hedge from jointly-controlled - RPR | | 6,493 | (6,272) | 8,162 | |
| | | (5,821) | 124,284 | (278,127) | |
| Exchange variation of foreign sales hedge | 14.4(a.i) | (226,015) | 4,207,644 | (5,880,819) | (8) |
| Sales Hedge - transfer to profit or loss | 14.4(a.i) | 267,896 | 1,035,139 | | |
| Income tax and social contribution on exchange variation | | (14,239) | (1,782,546) | 1,999,478 | |
| Exchange variation of foreign sales hedge - Braskem Idesa | 14.4(a.ii) | (229,712) | (1,050,191) | (957,930) | (1) |
| Sales Hedge - transfer to profit or loss - Braskem Idesa | 14.4(a.ii) | 15,800 | 26,523 | | |
| Income tax on exchange variation - Braskem Idesa | | 61,507 | 307,651 | 287,379 | |
| | | (124,763) | 2,744,220 | (4,551,892) | (6) |
| Foreign subsidiaries currency translation adjustment | | 130,205 | (85,770) | 638,629 | |
| Total | | (379) | 2,782,734 | (4,191,390) | (6) |
| Total comprehensive income (loss) for the period | | 889,054 | 4,848,076 | (2,624,342) | (3) |

Note

Parent
YTD2016
Basic and diluted Basic an

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

21

| | |
|--|--------|
| Earnings per share - common | 2.5960 |
| Earnings per share - preferred shares class "A " | 2.5960 |
| Earnings per share - preferred shares class "B " | 0.6069 |

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

Braskem S.A.

Statement of changes in shareholder's equity

All amounts in thousands of reais

| | Note | Capital | Capital reserve | Legal reserve |
|---|------|-----------|-----------------|---------------|
| At December 31, 2014 | 2.4 | 8,043,222 | 232,430 | 71,5 |
| Comprehensive income for the period: | | | | |
| Profit for the period | | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | | |
| Fair value of cash flow hedge, net of taxes | | | | |
| Foreign currency translation adjustment | | | | |
| Equity valuation adjustments: | | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | |
| Contributions to shareholders: | | | | |
| Losses in controlling interest | | | | |
| Repurchase of treasury shares | | | | |
| Additional dividends proposed | | | | |
| At September 30, 2015 | | 8,043,222 | 232,430 | 71,5 |
| At December 31, 2015 | 2.4 | 8,043,222 | 232,430 | 229,9 |
| Comprehensive income for the period: | | | | |
| Profit for the period | | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | | |

Fair value of cash flow hedge, net of taxes
Foreign currency translation adjustment

Equity valuation adjustments:

Realization of additional property, plant and equipment price-level restatement, net of taxes
Realization of deemed cost of jointly-controlled investment, net of taxes

Contributions to shareholders:

20(b)

Additional dividends proposed

Interim dividends approved by Board of Directors

At September 30, 2016

8,043,222 232,430 229,9

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

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

| | Note | Capital reserve | Leg reserve | |
|---|------|--------------------|----------------|-------|
| At December 31, 2014 (revised) | 2.4 | 8,043,222 | 232,430 | 71,5 |
| Comprehensive income for the period: | | | | |
| Profit for the period | | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | | |
| Fair value of cash flow hedge, net of taxes | | | | |
| Foreign subsidiaries currency translation adjustment | | | | |
| Equity valuation adjustments: | | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | |
| Contributions to shareholders: | | | | |
| Losses in controlling interest | | | | |
| Repurchase of treasury shares | | | | |
| Additional dividends proposed | | | | |
| At September 30, 2015 | | 8,043,222 | 232,430 | 71,5 |
| At December 31, 2015 | 2.4 | 8,043,222 | 232,430 | 229,9 |
| Comprehensive income for the period: | | | | |
| Profit for the period | | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | | |
| Fair value of cash flow hedge, net of taxes | | | | |
| Foreign currency translation adjustment | | | | |

Equity valuation adjustments:

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

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

Contributions to shareholders:

20(b)

Additional dividends proposed

Interim dividends approved by Board of Directors

At September 30, 2016

8,043,222 232,430 229,9

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

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

| | Note | Consolidated | | Parent company | |
|--|-------------|---------------------|------------------|-----------------------|------------------|
| | | Sep/2016 | Sep/2015 | Sep/2016 | Sep/2015 |
| | | | Revised | | Revised |
| Profit before income tax and social contribution | 2.4 | 2,633,794 | 4,158,152 | 2,378,257 | 4,076,923 |
| Adjustments for reconciliation of profit | | | | | |
| Depreciation, amortization and depletion | | 1,966,757 | 1,574,343 | 1,552,065 | 1,327,692 |
| Results from equity investments | 9(c) | (23,177) | (1,701) | (1,419,933) | (597,700) |
| Interest and monetary and exchange variations, net | | 2,067,956 | 2,811,713 | 1,740,028 | 2,842,153 |
| Other | | 16,610 | 11,190 | 17,141 | 7,686 |
| | | 6,661,940 | 8,553,697 | 4,267,558 | 7,656,754 |
| Changes in operating working capital | | | | | |
| Held-for-trading financial investments | | (408,348) | 14,207 | 18,550 | 23,842 |
| Trade accounts receivable | | 545,846 | (650,156) | 2,203,767 | (2,774,321) |
| Inventories | | 701,999 | 97,992 | 788,046 | 95,739 |
| Taxes recoverable | | 993,223 | 543,182 | 775,975 | 307,184 |
| Prepaid expenses | | 25,866 | 33,919 | 29,487 | 50,175 |
| Other receivables | | (66,964) | (25,647) | 119,784 | 102,992 |
| Trade payables | | (2,999,940) | (2,695,881) | (884,068) | (1,539,287) |
| Taxes payable | | 154,230 | 417,367 | 150,798 | 134,460 |
| Advances from customers | | 255,523 | (12,006) | (26,316) | (15,487) |
| Sundry provisions | | 117,210 | (57,130) | 130,002 | (52,941) |
| Other payables | | (18,058) | 325,696 | (113,175) | (387,003) |
| Cash from operations | | 5,962,527 | 6,545,240 | 7,460,408 | 3,602,107 |
| Interest paid | | (1,093,878) | (675,960) | (359,799) | (295,498) |
| Income tax and social contribution paid | | (847,012) | (89,006) | (65,002) | (32,874) |
| Net cash generated by operating activities | | 4,021,637 | 5,780,274 | 7,035,607 | 3,273,735 |

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| | | | | | |
|--|-------------|--------------------|--------------------|--------------------|--------------------|
| Proceeds from the sale of fixed assets | | 431 | 1,245 | 114 | 568 |
| Acquisitions to property, plant and equipment | (i) | (2,002,210) | (2,936,945) | (759,784) | (687,382) |
| Acquisitions of intangible assets | | (20,909) | (12,590) | (20,620) | (12,572) |
| Premium in the dollar put option | 14.3.1(a.i) | (4,856) | | (4,856) | |
| Held-for-maturity financial investments | | 38,353 | (11) | 38,353 | (11) |
| Net cash used in investing activities | | (1,989,191) | (2,948,301) | (746,793) | (699,397) |
| Short-term and Long-term debit | | | | | |
| Obtained borrowings | | 2,821,945 | 4,505,278 | 2,787,182 | 1,934,729 |
| Payment of borrowings | | (3,755,480) | (4,947,701) | (3,963,058) | (3,376,103) |
| Project finance | 13 | | | | |
| Obtained borrowings | | 503,921 | 1,406,947 | | |
| Payment of borrowings | | (370,041) | (410,397) | | |
| Related parties | | | | | |
| Obtained loans | | | | 260,101 | 1,105,628 |
| Payment of loans | | | | (3,827,017) | (906,880) |
| Transactions current active | | | | | 1,766 |
| Dividends paid | | (998,985) | (482,114) | (998,985) | (482,114) |
| Repurchase of treasury shares | | | (927) | | (927) |
| Net cash provided by (used in) financing activities | | (1,798,640) | 71,086 | (5,741,777) | (1,723,901) |
| Exchange variation on cash of foreign subsidiaries | | 526,639 | (549,495) | | |
| Increase in cash and cash equivalents | | 760,445 | 2,353,564 | 547,037 | 850,437 |
| Represented by | | | | | |
| Cash and cash equivalents at the beginning of the period | | 7,439,723 | 3,993,359 | 4,773,251 | 2,416,288 |
| Cash and cash equivalents at the end of the period | | 8,200,168 | 6,346,923 | 5,320,288 | 3,266,725 |
| Increase in cash and cash equivalents | | 760,445 | 2,353,564 | 547,037 | 850,437 |

(i) Includes capitalized financial charges paid: Sep/2016 – Consolidated – R\$270,235 and Parent Company – R\$51,153.

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

Braskem S.A.

Statement of value added

at September 30, 2016

All amounts in thousands of reais

| | Nota | Consolidated | Parent company | |
|--|------|---------------------|---------------------|---------------------|
| | 2.4 | Sep/2016 | Sep/2016 | Sep/2015 |
| | | | | Revised |
| Revenue | | 41,606,240 | 39,613,725 | 32,023,733 |
| Sale of goods, products and services | | 41,836,208 | 39,771,848 | 32,219,277 |
| Other income (expenses), net | | (165,763) | (120,738) | 24,298 |
| Allowance for doubtful accounts | | (64,205) | (37,385) | (31,909) |
| Inputs acquired from third parties | | (29,706,754) | (31,212,774) | (24,149,538) |
| Cost of products, goods and services sold | | (28,272,128) | (30,217,176) | (23,160,177) |
| Material, energy, outsourced services and others | | (1,386,408) | (987,702) | (815,658) |
| Impairment of assets | | (48,218) | (7,896) | (8,731) |
| Gross value added | | 11,899,486 | 8,400,951 | 7,874,195 |
| Depreciation, amortization and depletion | | (1,966,757) | (1,574,343) | (1,552,065) |
| Net value added produced by the entity | | 9,932,729 | 6,826,608 | 6,322,130 |
| Value added received in transfer | | (400,124) | 1,619,433 | 361,825 |
| Results from equity investments | | 23,177 | 1,701 | 1,419,933 |
| Financial income | | (423,447) | 1,617,534 | (1,058,438) |
| Other | | 146 | 198 | 330 |
| Total value added to distribute | | 9,532,605 | 8,446,041 | 6,683,955 |
| Personnel | | 942,389 | 862,445 | 558,736 |
| Direct compensation | | 735,252 | 666,985 | 412,572 |
| Benefits | | 162,305 | 153,884 | 102,707 |
| FGTS (Government Severance Pay Fund) | | 44,832 | 41,576 | 43,457 |
| Taxes, fees and contributions | | 2,497,978 | 1,670,220 | 1,621,867 |
| Federal | | 1,160,726 | 1,465,314 | 484,541 |
| State | | 1,315,940 | 186,824 | 1,125,696 |
| Municipal | | 21,312 | 18,082 | 11,630 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Remuneration on third parties' capital | 4,258,417 | 3,189,606 | 2,437,680 | 4,340,494 |
| Financial expenses (including exchange variation) | 4,077,669 | 2,999,646 | 2,295,104 | 4,182,144 |
| Rentals | 180,748 | 189,960 | 142,576 | 158,350 |
| Remuneration on own capital | 1,833,821 | 2,723,770 | 2,065,672 | 2,904,159 |
| Profit for the period | 2,065,342 | 2,904,159 | 2,065,342 | 2,904,159 |
| Dividends | | | 330 | |
| Non-controlling interests in loss for the period | (231,521) | (180,389) | | |
| Value added distributed | 9,532,605 | 8,446,041 | 6,683,955 | 9,504,979 |

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

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands, unless otherwise stated

1. Operations

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

(a) Significant operating event which impacted these financial statements

In December 2015, began the start-up process of the petrochemical complex of Braskem Idesa S.A.P.I (“Braskem Idesa”) in Mexico, putting into operation the utilities area, followed by the cracker in March 2016. In April, it produced the first lot of polyethylene (“PE”). The complex houses a gas-based ethylene cracker and three polyethylene plants – two high-density and one low-density - with combined annual production of capacity of 1.05 million tons* of PE.

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

** not reviewed*

(b) Net working capital

On September 30, 2016, net working capital at the Parent Company was negative R\$5,610,939 (negative R\$5,607,672 on December 31, 2015). On the other hand, consolidated net working capital was positive R\$3,479,569 (positive R\$578,045 on December 31, 2015). The consolidated figures are used in the management of working capital, since the Company uses mechanisms to transfer funds between the companies efficiently without jeopardizing the

fulfillment of the commitments of each of the entities forming the consolidated statements. For this reasons, any analysis of the Parent Company's working capital will not reflect the actual liquidity position of the consolidated group.

2. Summary of significant accounting policies

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

2.1. Basis of preparation

This Quarterly Information includes the nine-month period ended September 30, 2016 and should be read together with the financial statements of Braskem as of December 31, 2015, which were prepared and presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands, unless otherwise stated

Issue of these financial statements was authorized by the Executive Board on November 4, 2016.

2.1.1 Consolidated and parent company quarterly information

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

All relevant information related exclusively to the interim financial statements is presented herein and corresponds to the information used by the management.

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

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands, unless otherwise stated****2.1.2 Consolidated quarterly information**

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

| | | | Total interest - % | |
|--|-------|---------------------|---------------------------|-----------------|
| | | Headquarters | Sep/2016 | Dec/2015 |
| Direct and Indirect subsidiaries | | | | |
| Alclor Química de Alagoas Ltda ("Alclor") | (i) | Brazil | | 100.00 |
| Braskem America Finance Company ("Braskem America Finance") | | USA | 100.00 | 100.00 |
| Braskem America, Inc. ("Braskem America") | | USA | 100.00 | 100.00 |
| Braskem Argentina S.A. ("Braskem Argentina") | | Argentina | 100.00 | 100.00 |
| Braskem International GmbH ("Braskem Austria") | (ii) | Austria | 100.00 | 100.00 |
| Braskem Austria Finance GmbH ("Braskem Austria Finance") | (iii) | Austria | | 100.00 |
| Braskem Europe GmbH ("Braskem Alemanha") | | Germany | 100.00 | 100.00 |
| Braskem Finance Limited ("Braskem Finance") | | Cayman Islands | 100.00 | 100.00 |
| Braskem Idesa | | Mexico | 75.00 | 75.00 |
| Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços") | | Mexico | 75.00 | 75.00 |
| Braskem Incorporated Limited ("Braskem Inc") | | Cayman Islands | 100.00 | 100.00 |
| Braskem Mexico Proyectos S.A. de C.V. SOFOM ("Braskem México Sofom") | | Mexico | 100.00 | 100.00 |
| Braskem Mexico, S. de RL de CV ("Braskem México") | | Mexico | 100.00 | 100.00 |
| Braskem Mexico Servicios S. RL de CV ("Braskem México Serviços") | | Mexico | 100.00 | 100.00 |
| Braskem Netherlands B.V. ("Braskem Holanda") | | Netherlands | 100.00 | 100.00 |

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

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

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands, unless otherwise stated

2.2. Functional and foreign currencies

The information on functional currency and foreign currency was presented in the 2015 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:

| | End of period rate | | | Average rate for period ended | | |
|------------------------------|---------------------------|-----------------|------------------|--------------------------------------|-----------------|------------------|
| | Sep/2016 | Dec/2015 | Variation | Sep/2016 | Sep/2015 | Variation |
| U.S. dollar - Brazilian real | 3.2462 | 3.9048 | -16.87% | 3.5450 | 3.1684 | 11.89% |
| U.S. dollar - Mexican peso | 19.3404 | 17.3700 | 11.34% | 18.3130 | 15.5877 | 17.48% |
| U.S. dollar - Euro | 0.8898 | 0.9187 | -3.15% | 0.8958 | 0.8979 | -0.23% |

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

Shareholders' equity Profit for the period

| | Sep/2016 | Dec/2015 Revised | Sep/2016 | Sep/2015 Revised |
|---|------------------|-----------------------------|------------------|-----------------------------|
| Parent company | 5,403,719 | 1,803,007 | 2,065,342 | 2,904,159 |
| Braskem shares owned by subsidiary | (48,892) | (48,892) | | |
| Non-controlling interest in Braskem Idesa | (960,975) | (684,885) | (231,521) | (180,389) |
| Consolidated | 4,393,852 | 1,069,230 | 1,833,821 | 2,723,770 |

2.4. Restatement

The 2015 financial statements were restated to reflect taxes from prior periods that were recognized fiscally in 2016, as mentioned in Note 19(b).

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands, unless otherwise stated****3. Cash and cash equivalents**

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

| | | Sep/2016 | Consolidated Dec/2015 |
|-------------------|-----|------------------|----------------------------------|
| Cash and banks | (i) | 1,970,131 | 873,966 |
| Cash equivalents: | | | |
| Domestic market | | 5,037,433 | 2,428,995 |
| Foreign market | (i) | 1,192,604 | 4,136,762 |
| Total | | 8,200,168 | 7,439,723 |

(i) On September 30, 2016, it includes cash and banks of R\$366,693 (R\$96,830 on December 31, 2015) and cash equivalents of R\$66,896 (R\$37,809 on December 31, 2015) of the subsidiary Braskem Idesa, available for its exclusive use.

4. Financial investments

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

| | | Sep/2016 | Consolidated Dec/2015 |
|---|-----|-----------------|----------------------------------|
| Held-for-trading | | | |
| Time deposit investments | (i) | 432,308 | |
| Other | | 701 | 1,172 |
| Held-to-maturity | | | |
| Quotas of investment funds in credit rights | | | 46,193 |
| Total | | 433,009 | 47,365 |
| | | | |
| Current assets | | 433,009 | 1,172 |
| Non-current assets | | | 46,193 |
| Total | | 433,009 | 47,365 |

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

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands, unless otherwise stated****5. Trade accounts receivable**

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

| | | Consolidated | | Parent company | |
|---------------------------------|------------------|---------------------|------------------|-----------------------|--|
| | Sep/2016 | Dec/2015 | Sep/2016 | Dec/2015 | |
| Consumers: | | | | | |
| Domestic market | 1,181,631 | 1,439,133 | 1,225,039 | 1,370,971 | |
| Foreign market | 1,419,237 | 1,643,807 | 3,727,155 | 5,724,982 | |
| Allowance for doubtful accounts | (392,179) | (327,974) | (350,132) | (290,010) | |
| Total | 2,208,689 | 2,754,966 | 4,602,062 | 6,805,943 | |
| Current assets | 2,189,805 | 2,735,144 | 1,756,433 | 2,526,510 | |
| Non-current assets | 18,884 | 19,822 | 2,845,629 | 4,279,433 | |
| Total | 2,208,689 | 2,754,966 | 4,602,062 | 6,805,943 | |

6. Inventories

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

| | | Consolidated | Parent company | |
|--|------------------|---------------------|-----------------------|------------------|
| | Sep/2016 | Dec/2015 | Sep/2016 | Dec/2015 |
| Finished goods | 3,495,536 | 3,928,446 | 2,255,328 | 2,812,657 |
| Raw materials, production inputs and packaging | 960,365 | 1,008,217 | 790,372 | 879,608 |
| Maintenance materials | 326,645 | 289,568 | 183,927 | 196,432 |
| Advances to suppliers | 128,242 | 315,234 | 119,575 | 304,816 |
| Imports in transit and other | 28,248 | 110,787 | 18,783 | 72,661 |
| Total | 4,939,036 | 5,652,252 | 3,367,985 | 4,266,174 |
| Current assets | 4,873,736 | 5,517,206 | 3,302,685 | 4,131,128 |
| Non-current assets | 65,300 | 135,046 | 65,300 | 135,046 |
| Total | 4,939,036 | 5,652,252 | 3,367,985 | 4,266,174 |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****7. Related parties**

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

(a) Consolidated

| | Balances at September 30, 2016 | | | | Associated companies and Related companies | Associated companies |
|---------------------------|--|-----------------------------------|-----------------------------------|---------------|---|-----------------------------|
| | Associated companies, Jointly-controlled investment and Related companies | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | | |
| Balance sheet | | | | | | |
| Assets | | | | | | |
| Current | | | | | | |
| Trade accounts receivable | | 7,861 | 23,644 | 38,530 | 70,035 | 12,851 |
| Inventories | | 35,1847(b.i) | 2,185 | | 37,369 | 138,6197(b.i) |
| Related parties | | | | | | |
| Non-current | | | | | | |
| Advances to suppliers | | | | | | 58,4437(b.i) |
| Related parties | | | | | | |
| Intracompany loan | | | 84,020 | | 84,020 | |
| Other receivables | | | 238,466 | | 238,466 | |
| Total assets | | 43,045 | 348,315 | 38,530 | 429,890 | 209,913 |
| Liabilities | | | | | | |
| Current | | | | | | |
| Trade payables | | 83,166 | 1,374,912 | 2,207 | 1,460,285 | 284,973 |
| Total liabilities | | 83,166 | 1,374,912 | 2,207 | 1,460,285 | 284,973 |

| | Nine-month period ended September 30, 2016 | | | | Nine-month | |
|---|---|----------------------------|---------|------------|----------------------------|-----|
| | Associated companies, Jointly-controlled investment and Related companies | | | | Associated companies | |
| | Odebrecht and subsidiaries | Petrobras and subsidiaries | Other | Total | Odebrecht and subsidiaries | Pe |
| Transactions | | | | | | |
| Sales of products | 37,853 | 1,406,078 | 437,317 | 1,881,248 | 41,355 | |
| Purchases of raw materials, finished goods services and utilities | 1,228,830 | (i) 8,882,908 | 47,685 | 10,159,423 | 2,443,448 | (i) |
| Financial income (expenses), net | 163 | (158,281) | | (158,118) | | |
| General and administrative expenses | | | | | | |
| Post-employment benefits plan | | | | | | |
| Odebrecht previdência Privada ("Odeprev") | | | 25,828 | 25,828 | | |

(i) Includes expenses with the Braskem Idesa project, of which R\$663,799 related to the period ended September 30, 2016, and R\$2,308,751 related to the period ended September 30, 2015 (Note 13).

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****(b) Parent Company****Associated companies, Jointly-controlled investment and associated companies**

| | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Argentina | Other |
|-------------------------------------|------------------|--------------------|------------------------|-------------------------|--------------------|----------------------|----------------|
| Balance sheet | | | | | | | |
| Assets | | | | | | | |
| Current | | | | | | | |
| Cash and equivalents | | | | | | | |
| Trade accounts receivable | | 436,799 | | 145,141 | 5,830 | 91,865 | 100,000 |
| Inventories | | | | | | | |
| Dividends and interest on capital | | | | | | | 6,000 |
| Related parties | | 14 | | 451 | 20,262 | 17 | 12,000 |
| Non-current | | | | | | | |
| Trade accounts receivable | 2,827,949 | | | | | | |
| Related parties | | | | | | | |
| Loan agreements | 14,178 | | | | | | |
| Other receivables | | | | | | | |
| Total assets | 2,842,127 | 436,813 | | 145,592 | 26,092 | 91,882 | 118,000 |
| Liabilities | | | | | | | |
| Current | | | | | | | |
| Trade payables | | 4,859,326 | | 999,026 | 18 | | 1,000 |
| Accounts payable to related parties | | | | | | | |
| Advance to export | | | 2,165,511 | | 657,301 | | |
| Other payables | | | | 185,396 | 600 | | |
| Non-current | | | | | | | |
| Trade payables | 1,568,867 | | | | | | |
| Accounts payable to related parties | | | | | | | |
| Advance to export | | | 6,587,273 | | 269,435 | | |
| Payable notes | 12,465 | | | | | | |

| | | | | | | |
|--------------------------|------------------|------------------|------------------|------------------|----------------|-----------|
| Total liabilities | 1,581,332 | 4,859,326 | 8,752,784 | 1,184,422 | 927,354 | 1, |
|--------------------------|------------------|------------------|------------------|------------------|----------------|-----------|

Associated companies, Jointly-controlled investment and associated companies

| | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Argentina | Other |
|---|----------------|--------------------|------------------------|-------------------------|--------------------|----------------------|-------|
| Transactions | | | | | | | |
| Sales of products | 107,479 | 2,254,169 | | 1,585,396 | 108,291 | 194,775 | 664, |
| Purchases of raw materials, finished products services and utilities | 160,378 | 3,726,804 | | 2,939,756 | | | 53, |
| Financial income (expenses), net | (384,047) | 477,725 | 1,592,816 | (4) | 128,682 | (29,436) | (11,3 |
| General and administrative expenses - Odeprev | | | | | | | |

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

| | Associated companies, Jointly-controlled investment and associated companies | | | | | |
|-------------------------------------|---|--------------------|------------------------|-------------------------|--------------------|--------------------|
| Balance sheet | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Austria |
| Assets | | | | | | |
| Current | | | | | | |
| Cash and equivalents | | | | | | |
| Trade accounts receivable | | 645,621 | | 144,433 | 38,890 | 20,039 |
| Inventories | | | | | | |
| Dividends and interest on capital | | | | 84,150 | | |
| Related parties | | | | 20,039 | 46,648 | |
| Non-current | | | | | | |
| Trade accounts receivable | 4,261,535 | | | | | |
| Advances to suppliers | | | | | | |
| Related parties | | | | | | |
| Loan agreements | 16,541 | | | | | |
| Other receivables | | | | | | |
| Total assets | 4,278,076 | 645,621 | | 248,622 | 85,538 | 20,039 |
| Liabilities | | | | | | |
| Current | | | | | | |
| Trade payables | | 3,068,634 | | 686,084 | 21 | |
| Accounts payable to related parties | | | | | | |
| Advance to export | 15,629 | | 4,065,040 | | 22,171 | |
| Other payables | | 9,538 | | 149,520 | 689 | |
| Non-current | | | | | | |
| Trade payables | 3,280,511 | | | | | |
| Accounts payable to related parties | | | | | | |
| Advance to export | 149,684 | | 9,634,023 | | 1,105,058 | |
| Payable notes | 14,995 | | | 1,447 | | |
| Total liabilities | 3,460,819 | 3,078,172 | 13,699,063 | 837,051 | 1,127,939 | |

Associated companies, Jointly-controlled investment and associa

| | Braskem Inc | Braskem Holanda | Braskem Holanda Inc | Braskem Petroquímica | Braskem America | Braskem Austria | Br Arg |
|---|----------------|--------------------|------------------------|-------------------------|--------------------|--------------------|-----------|
| Transactions | | | | | | | |
| Sales of products | 130,465 | 2,532,348 | | 1,941,542 | 31,986 | | 19 |
| Purchases of raw materials, finished products services and utilities | 1,179,615 | 2,155,300 | | 1,148,732 | | | |
| Financial income (expenses) | (871,064) | (5,416,968) | | (15) | (370,946) | 81,774 | 0 |
| General and administrative expenses - Odeprev | | | | | | | |

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

The main transactions with related companies in the period ended September 30, 2016, except for those with subsidiaries of the Company, were:

- (i) In February 2016, an agreement was extended with Petrobras for the sale of aliphatic solvent, under the same terms and conditions as the agreement signed in July 2015, with duration to March 2017.
- (ii) In March 2016, an agreement was entered into with Usina Conquista do Pontal S.A., with Agro Energia Santa Luzia S.A. and with Odebrecht Agroindustrial Participações S.A. to ensure the continued supply of hydrous ethanol to the Company, with technical flexibilities and differentiated commercial conditions, through an advance duly restated by the market rate and guaranteed by Odebrecht S.A. The Companies that are parties to the agreement are indirectly controlled by Odebrecht S.A. The price of hydrous ethanol is based on the Monthly Rate published by the Luiz de Queiroz College of Agriculture (ESALQ) Hydrous Fuel – São Paulo, in R\$/liter, of the reference month and with a discount. The agreement has an estimated maximum amount of R\$305,000 and is valid through April 30, 2017.
- (iii) In March 2016, an agreement was entered into with Refinaria de Petróleo Rio Grandense S.A. (“RPR”) for the acquisition of gasoil from RPR to be used as feedstock in the diesel oil production process, which is renewed on a monthly basis. The amount accrued in the period is R\$72,488.
- (iv) Since March 2016, Braskem maintains agreements for the sale of gasoline to RPR, which is renewable on a monthly basis. In the nine-month period, the amount accrued is R\$194,043.
- (v) Since June 2016, Braskem maintains agreements for the sale of gasoline to Petrobras Distribuidora, a wholly-owned subsidiary of Petrobras, which is renewable on a monthly basis. In the nine-month period, the amount accrued is R\$257,392.
- (vi) In June 2016, an agreement was renewed with Transpetro, a subsidiary of Petrobras, for the acquisition of naphtha and condensate handling and storage services by Braskem’s Basic Petrochemicals Unit, which is located in the Industrial Complex of Triunfo. The renewal is worth an estimated R\$8 million and is valid through December 2016.
- (vii) In July 2016, a service agreement was executed by Cetrel S.A. (“Cetrel”) to treat wastewater produced by the Braskem industrial units located in the Camaçari Petrochemical Complex. The agreement has an estimated maximum amount of R\$77,000 and is valid through December 31, 2019.
- (viii) In August 2016, an agreement was signed with Santo Antônio Energia S.A., an indirect subsidiary of Odebrecht, to acquire electricity for Braskem industrial units. The agreement has an estimated maximum value of R\$13 billion and is valid for 13 years as of January 1, 2017.

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****(c) Key management personnel**

| Income statement transactions | Sep/2016 | Consolidated Sep/2015 |
|---|-----------------|----------------------------------|
| Remuneration | | |
| Short-term benefits to employees and managers | 27,225 | 37,166 |
| Post-employment benefit | 269 | 187 |
| Total | 27,494 | 37,353 |

8. Taxes recoverable

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

| | Sep/2016 | Consolidated Dec/2015 | Parent company Sep/2016 | Dec/2015 |
|---|-----------------|----------------------------------|------------------------------------|-----------------|
| Brazil | | | | |
| IPI | 45,416 | 23,996 | 41,823 | 22,615 |
| Value-added tax on sales and services (ICMS) - normal operations | 354,109 | 403,842 | 259,710 | 310,754 |
| ICMS - credits from PP&E | 124,122 | 121,954 | 118,200 | 115,354 |
| Social integration program (PIS) and social contribution | | | | |
| on revenue (COFINS) - normal operations | 11,934 | 69,431 | 11,513 | 69,004 |
| PIS and COFINS - credits from PP&E | 250,311 | 230,030 | 237,318 | 217,482 |
| Income tax and social contribution (IR and CSL) | 528,062 | 944,863 | 365,060 | 779,277 |

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| | | | | |
|-------------------------|------------------|------------------|------------------|------------------|
| REINTEGRA program | 53,473 | 274,654 | 51,822 | 271,823 |
| Federal supervenience | 166,271 | 173,436 | 160,645 | 168,507 |
| Other | 10,522 | 14,281 | 4,061 | 6,309 |
| Other countries | | | | |
| Value-added tax ("VAT") | 234,595 | 277,751 | | |
| Income tax | 16,842 | 40,263 | | |
| Other | 2,733 | 1,559 | | |
| Total | 1,798,390 | 2,576,060 | 1,250,152 | 1,961,125 |
| Current assets | 804,454 | 1,272,004 | 361,138 | 762,824 |
| Non-current assets | 993,936 | 1,304,056 | 889,014 | 1,198,301 |
| Total | 1,798,390 | 2,576,060 | 1,250,152 | 1,961,125 |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****9. Investments**

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

(a) Information on investments

| | Interest in total capital | | Adjusted net profit (loss) for the period | | Adjusted equity |
|-------------------------|------------------------------|-------------------|--|-----------|--------------------|
| | (%) 9/30/2016 | Direct e Indirect | Sep/2016 | Sep/2015 | Dec/2015 |
| Subsidiaries | | | | | |
| Alclor | | | (1,248) | (2,407) | 35,435 |
| Braskem Alemanha | 100.00 | | 1,221,581 | 208,134 | 2,040,998 |
| Braskem America | 100.00 | | 1,009,731 | 149,923 | 1,947,177 |
| Braskem America Finance | 100.00 | | 398 | 667 | 3,065 |
| Braskem Argentina | 100.00 | | 1,584 | 3,326 | 16,146 |
| Braskem Austria | 100.00 | | (145) | 11,261 | 5,118 |
| Braskem Austria Finance | | | | (31) | 75 |
| Braskem Holanda | 100.00 | | 1,129,457 | (52,626) | 958,377 |
| Braskem Holanda Finance | 100.00 | | (13) | (7) | (12) |
| Braskem Holanda Inc | 100.00 | | 1,965 | (125) | (158) |
| Braskem Finance | 100.00 | | 47,574 | 38,458 | (137,013) |
| Braskem Idesa | 75.00 | | (926,086) | (300,783) | (1,991,690) |
| Braskem Idesa Serviços | 75.00 | | 2,804 | 5,636 | 8,860 |
| Braskem Inc | 100.00 | | (50,307) | 330,343 | 843,579 |
| Braskem México | 100.00 | | 22,224 | 103,123 | 206,806 |
| Braskem México Sofom | 100.00 | | 2,840 | (3,739) | 1,566 |
| Braskem México Serviços | 100.00 | | (696) | 1,735 | 3,424 |

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| | | | | | |
|--|--------|---------|---------|-----------|-----------|
| Braskem Petroquímica | 100.00 | 173,941 | 249,932 | 2,214,609 | 2,018,696 |
| IQAG | 100.00 | 7,786 | 5,000 | 13,084 | 16,934 |
| Lantana | 100.00 | 177 | (355) | (870) | (1,047) |
| Braskem Chile | 100.00 | 2,362 | (515) | 10,070 | 7,707 |
| Quantiq | 100.00 | 23,301 | (5,254) | 263,125 | 244,345 |
| Jointly-controlled investment | | | | | |
| RPR | 33.20 | 62,701 | 23,295 | 176,413 | 145,551 |
| Odebrecht Comercializadora de Energia S.A. ("OCE") | 20.00 | (255) | 11,491 | 11,187 | 11,441 |
| Associate | | | | | |
| Borealis | 20.00 | 10,538 | (4,151) | 168,629 | 158,366 |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****(b) Changes in investments**

| | Domestic subsidiaries | Subsidiaries and jointly-controlled investment Foreign subsidiaries | Domestic associate | Other | Total |
|--------------------------------------|----------------------------------|--|-------------------------------|--------------|------------------|
| Balance at December 31, 2015 | 2,418,563 | 2,139,711 | 31,673 | 3,828 | 4,593,775 |
| Dividends and interest on capital | (22,282) | | | | (22,282) |
| Equity of investments | | | | | |
| Effect of results | 218,010 | 1,174,323 | 2,053 | | 1,394,386 |
| Adjustment of profit in inventories | 12,325 | (11,254) | | | 1,071 |
| Write-off for impairment | | | | (395) | (395) |
| Goodwill amortization | (23,428) | | | | (23,428) |
| Equity valuation adjustments | (6,272) | (797,912) | | | (804,184) |
| Currency translation adjustments | | (85,770) | | | (85,770) |
| Balance at September 30, 2016 | 2,596,916 | 2,419,098 | 33,726 | 3,433 | 5,053,173 |

(c) Equity accounting results

| | |
|-----------------|-----------------------|
| | Parent company |
| Sep/2016 | Sep/2015 |

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| | | |
|---|------------------|----------------|
| Equity in results of subsidiaries, associate and jointly-controlled | 1,395,457 | 600,846 |
| Amortization of fair value adjustment | (23,428) | (23,563) |
| Provision for losses on investments | 47,574 | 20,406 |
| Other | 330 | 11 |
| | 1,419,933 | 597,700 |

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

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

| Balance sheet | Consolidated Braskem | | Braskem Idesa consolidated (i) | | Eliminations | | Se |
|-------------------------------|--|-------------------|---|-------------------|---------------------|--------------------|-------------|
| | Ex consolidated Braskem Idesa | | | | | | |
| Assets | Sep/2016 | Dec/2015 | Sep/2016 | Dec/2015 | Sep/2016 | Dec/2015 | |
| Curent | | | | | | | |
| Cash and cash equivalents | 7,766,578 | 7,305,084 | 433,590 | 134,640 | | | 8,2 |
| Financial investments | 433,009 | 1,172 | | | | | 4 |
| Trade accounts receivable | 1,968,678 | 2,632,142 | 265,542 | 120,848 | (44,415) | (17,846) | 2,1 |
| Inventories | 4,504,903 | 5,344,077 | 368,833 | 173,129 | | | 4,8 |
| Taxes recoverable | 658,968 | 1,052,933 | 145,486 | 219,071 | | | 8 |
| Other receivables | 311,164 | 504,034 | 64,006 | 29,260 | | (57) | 3 |
| | 15,643,300 | 16,839,442 | 1,277,457 | 676,948 | (44,415) | (17,903) | 16,8 |
| Non-current | | | | | | | |
| Taxes recoverable | 993,884 | 1,303,987 | 52 | 69 | | | 9 |
| Deferred tax | 174,963 | 2,370,823 | 1,262,617 | 825,416 | | | 1,4 |
| Related parties | 5,288,401 | 4,556,671 | | | (ii)(4,965,915) | (4,412,038) | 3 |
| Other receivables | 809,630 | 906,033 | 480 | 32,011 | | | 8 |
| Property, plant and equipment | 18,633,506 | 19,545,128 | 11,910,997 | 15,134,641 | (iii) (700,344) | (717,806) | 29,8 |
| Intangible | 2,667,359 | 2,806,734 | 150,849 | 80,870 | | | 2,8 |
| | 28,567,743 | 31,489,376 | 13,324,995 | 16,073,007 | (5,666,259) | (5,129,844) | 36,2 |
| Total assets | 44,211,043 | 48,328,818 | 14,602,452 | 16,749,955 | (5,710,674) | (5,147,747) | 53,1 |

Liabilities and shareholders' equity**Current**

| | | | | | | | |
|-----------------------------|-------------------|-------------------|------------------|----------------|-----------------|-----------------|-------------|
| Trade payables | 6,897,563 | 11,287,141 | 312,226 | 429,400 | (44,415) | (17,846) | 7,1 |
| Borrowings | 2,093,926 | 1,968,540 | | | | | 2,0 |
| Project finance | | | 856,060 | 302,266 | | | 8 |
| Payroll and related charges | 493,137 | 582,921 | 14,783 | 22,138 | | | 5 |
| Taxes payable | 1,004,078 | 947,908 | 43,212 | 34,965 | | | 1,0 |
| Other payables | 1,571,135 | 1,313,201 | 155,068 | 49,808 | | | 1,7 |
| | 12,059,839 | 16,099,711 | 1,381,349 | 838,577 | (44,415) | (17,846) | 13,3 |

Non-current

| | | | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|-------------|
| Loan agreements | 20,930,017 | 25,370,260 | | | | | 20,9 |
| Project finance | | | 9,695,197 | 11,975,167 | | | 9,6 |
| Accounts payable to related parties | | | 5,004,699 | 4,372,482 | (ii)(5,004,699) | (4,372,482) | |
| Non-controlling loan in Braskem Idesa | | | (v) 1,597,726 | 1,538,784 | | | 1,5 |
| Provision for losses on subsidiaries | 2,882,923 | 2,054,654 | | | (iv)(2,882,923) | (2,054,654) | |
| Other payables | 2,983,437 | 3,050,078 | 105,819 | 7,065 | | | 3,0 |
| | 26,796,377 | 30,474,992 | 16,403,441 | 17,893,498 | (7,887,622) | (6,427,136) | 35,3 |

Shareholders' equity

| | | | | | | | |
|--|------------------|------------------|--------------------|--------------------|------------------|------------------|------------|
| Attributable to the Company's shareholders | 5,354,827 | 1,754,115 | (3,182,338) | (1,982,120) | 3,182,338 | 1,982,120 | 5,3 |
| Non-controlling interest in Braskem Idesa | | | | | (960,975) | (684,885) | (9 |
| | 5,354,827 | 1,754,115 | (3,182,338) | (1,982,120) | 2,221,363 | 1,297,235 | 4,3 |

Total liabilities and shareholders' equity

| | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|-------------|
| | 44,211,043 | 48,328,818 | 14,602,452 | 16,749,955 | (5,710,674) | (5,147,747) | 53,1 |
|--|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|-------------|

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

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

| | Consolidated Braskem | | Braskem Idesa | | Eliminations | | Co |
|--|--------------------------------|--------------------|----------------------|------------------|---------------------|------------------|--------------------|
| | Ex consolidated Braskem | Idesa | consolidated | | | | |
| | Sep/2016 | Sep/2015 | Sep/2016 | Sep/2015 | Sep/2016 | Sep/2015 | Sep/2016 |
| Net sales revenue | 35,511,413 | 34,708,852 | 816,486 | 325,752 | (107,356) | (83,888) | 36,220,543 |
| Cost of products sold | (26,021,833) | (27,102,834) | (559,555) | (334,949) | 95,327 | 59,305 | (26,486,061) |
| | 9,489,580 | 7,606,018 | 256,931 | (9,197) | (12,029) | (24,583) | 9,734,482 |
| Income (expenses) | | | | | | | |
| Selling and distribution | (968,255) | (790,860) | (83,452) | (25,307) | | | (1,051,707) |
| General and administrative | (1,062,858) | (914,476) | (83,538) | (29,659) | 31,073 | 24,583 | (1,115,323) |
| Research and development | (119,847) | (119,875) | | | | | (119,847) |
| Results from equity investments | (671,387) | (530,217) | | 963 | 694,564 | 530,955 | 23,177 |
| Other income (expenses), net | (220,356) | (161,389) | (102,636) | (3,363) | | | (322,992) |
| | 6,446,877 | 5,089,201 | (12,695) | (66,563) | 713,608 | 530,955 | 7,147,790 |
| Financial results | | | | | | | |
| Financial expenses | (3,032,330) | (2,712,950) | (1,187,292) | (320,743) | 129,073 | 20,718 | (4,090,549) |
| Financial income | (271,791) | 1,976,458 | 42,911 | 82,565 | (194,567) | (441,489) | (423,447) |
| | (3,304,121) | (736,492) | (1,144,381) | (238,178) | (65,494) | (420,771) | (4,513,996) |
| Profit (loss) before income tax and social contribution | 3,142,756 | 4,352,709 | (1,157,076) | (304,741) | 648,114 | 110,184 | 2,633,794 |
| IR and CSL - current and deferred | (1,077,414) | (1,448,550) | 277,441 | 14,168 | | | (799,973) |
| | (1,077,414) | (1,448,550) | 277,441 | 14,168 | | | (799,973) |
| Profit (loss) for the period | 2,065,342 | 2,904,159 | (879,635) | (290,573) | 648,114 | 110,184 | 1,833,821 |

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

| Statement of cash flows | Consolidated Braskem | | | | | | | |
|---|--------------------------------------|------------------|-----------------------------------|-----------------|---------------------|------------------|---------------------|-------------------------|
| | Ex consolidated Braskem Idesa | | Braskem Idesa consolidated | | Eliminations | | Consolidated | |
| | Sep/2016 | Sep/2015 | Sep/2016 | Sep/2015 | Sep/2016 | Sep/2015 | Sep/2016 | Sep/2015 Revised |
| Profit (loss) before income tax and social contribution | 3,142,756 | 4,352,709 | (1,157,076) | (304,741) | 648,114 | 110,184 | 2,633,794 | 4,158,152 |
| Adjustments for reconciliation of profit or loss | | | | | | | | |
| Depreciation, amortization and depletion | 1,803,581 | 1,573,845 | 182,220 | 498 | (19,044) | | 1,966,757 | 1,574,343 |
| Results from equity investments | 671,387 | 529,254 | | | (694,564) | (530,955) | (23,177) | (1,701) |
| Interest and monetary and exchange variations, net | 907,890 | 1,968,076 | 1,245,069 | 843,637 | (85,003) | | 2,067,956 | 2,811,713 |
| Other | 16,375 | 11,190 | 235 | | | | 16,610 | 11,190 |
| | 6,541,989 | 8,435,074 | 270,448 | 539,394 | (150,497) | (420,771) | 6,661,940 | 8,553,697 |
| Changes in operating working capital | | | | | | | | |
| Held-for-trading financial investments | (408,348) | 14,207 | | | | | (408,348) | 14,207 |
| | 663,971 | (608,424) | (144,694) | (59,578) | 26,569 | 17,846 | 545,846 | (650,156) |

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| | | | | | | | | | |
|---|------------------|------------------|--------------------|--------------------|------------------|------------------|--------------------|--------------------|--|
| Trade accounts receivable | | | | | | | | | |
| Inventories | 810,789 | 35,014 | (108,790) | 62,978 | | | 701,999 | 97,992 | |
| Taxes recoverable | 921,535 | 250,922 | 71,688 | 292,260 | | | 993,223 | 543,182 | |
| Other receivables | (25,606) | 48,261 | (15,492) | (39,989) | | | (41,098) | 8,272 | |
| Trade payables | (2,856,197) | (2,414,635) | (117,174) | (263,400) | (26,569) | (17,846) | (2,999,940) | (2,695,881) | |
| Taxes payable | (153,173) | 391,025 | 307,403 | 26,342 | | | 154,230 | 417,367 | |
| Other payables | 120,189 | (448,976) | 234,486 | 705,536 | | | 354,675 | 256,560 | |
| Cash from operations | 5,615,149 | 5,702,468 | 497,875 | 1,263,543 | (150,497) | (420,771) | 5,962,527 | 6,545,240 | |
| Interest paid | (698,452) | (313,647) | (395,426) | (362,313) | | | (1,093,878) | (675,960) | |
| Income tax and social contribution paid | (847,012) | (89,006) | | | | | (847,012) | (89,006) | |
| Net cash generated by operating activities | 4,069,685 | 5,299,815 | 102,449 | 901,230 | (150,497) | (420,771) | 4,021,637 | 5,780,274 | |
| Proceeds from the sale of fixed assets | 431 | 1,245 | | | | | 431 | 1,245 | |
| Acquisitions to property, plant and equipment | (993,667) | (835,869) | (1,159,040) | (2,521,847) | 150,497 | 420,771 | (2,002,210) | (2,936,945) | |
| Acquisitions of intangible assets | (20,909) | (12,590) | | | | | (20,909) | (12,590) | |
| Held-for-maturity financial investments | 33,497 | (11) | | | | | 33,497 | (11) | |
| Net cash used in investing activities | (980,648) | (847,225) | (1,159,040) | (2,521,847) | 150,497 | 420,771 | (1,989,191) | (2,948,301) | |
| Short-term and long-term debt | | | | | | | | | |
| Obtained borrowings | 2,821,945 | 4,505,278 | | | | | 2,821,945 | 4,505,278 | |
| Payments of borrowings | (3,755,480) | (4,947,701) | | | | | (3,755,480) | (4,947,701) | |
| Project finance | | | | | | | | | |
| Obtained funds | | | 503,921 | 1,406,947 | | | 503,921 | 1,406,947 | |
| Payments | | | (370,041) | (410,397) | | | (370,041) | (410,397) | |
| Related parties | | | | | | | | | |
| Obtained loans (payment of | (1,184,419) | (460,808) | 1,184,419 | 460,808 | | | | | |

| | | | | | | |
|---|--------------------|--------------------|------------------|------------------|--------------------|------------------|
| loans) | | | | | | |
| Dividends paid | (998,985) | (482,114) | | | (998,985) | (482,114) |
| Repurchase of treasury shares | | (927) | | | | (927) |
| Net cash generated (used) in financing activities | (3,116,939) | (1,386,272) | 1,318,299 | 1,457,358 | (1,798,640) | 71,086 |
| Exchange variation on cash of foreign subsidiaries | 489,396 | (491,046) | 37,243 | (58,449) | 526,639 | (549,495) |
| Increase (decrease) in cash and cash equivalents | 461,494 | 2,575,272 | 298,951 | (221,708) | 760,445 | 2,353,564 |
| Represented by | | | | | | |
| Cash and cash equivalents at the beginning for the period | 7,305,084 | 3,659,495 | 134,639 | 333,864 | 7,439,723 | 3,993,359 |
| Cash and cash equivalents at the end for the period | 7,766,578 | 6,234,767 | 433,590 | 112,156 | 8,200,168 | 6,346,923 |
| Increase (decrease) in cash and cash equivalents | 461,494 | 2,575,272 | 298,951 | (221,708) | 760,445 | 2,353,564 |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****10. Property, plant and equipment**

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

| | Consolidated | | | | | |
|--|---------------------|--|-------------------|-------------------|--|-------------------|
| | Sep/2016 | | | Dec/2015 | | |
| | Cost | Accumulated depreciation/ depletion | Net | Cost | Accumulated depreciation/ depletion | Net |
| Land | 446,365 | | 446,365 | 479,621 | | 479,621 |
| Buildings and improvements | 5,140,784 | (1,038,974) | 4,101,810 | 5,435,600 | (904,324) | 4,531,276 |
| Machinery, equipment and installations | 36,343,234 | (15,862,719) | 20,480,515 | 37,401,007 | (14,513,744) | 22,887,263 |
| Projects and stoppage in progress | (i) 4,250,913 | | 4,250,913 | 5,506,044 | | 5,506,044 |
| Other | 1,223,903 | (659,347) | 564,556 | 1,212,365 | (654,606) | 557,759 |
| Total | 47,405,199 | (17,561,040) | 29,844,159 | 50,034,637 | (16,072,674) | 33,961,963 |

(i) On September 30, 2016, the main amounts included in this account refer to the expenses with the subsidiary Braskem Idesa project (R\$1,299,742), the strategic and operation expenses of Braskem America (R\$316,946), such as the construction of the new plant UTEC and expenses with planned shutdown maintenance in Brazil which is in preparation or in progress (R\$629,786). The balance corresponds mainly to diverse projects aimed at maintenance of plants' production capacity.

Capitalized charges in the nine-month period ended September 30, 2016 were R\$333,278 (R\$598,457 on September 30, 2015).

There were no significant events or circumstances in the period ended September 30, 2016 that indicate the need for impairment testing on the property, plant and equipment.

11. Intangible assets

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

| | Consolidated | | | | | |
|--|---------------------|-------------------------------------|------------------|------------------|-------------------------------------|------------------|
| | Sep/2016 | | | Dec/2015 | | |
| | Cost | Accumulated amortization | Net | Cost | Accumulated amortization | Net |
| Goodwill based on future profitability | 3,187,722 | (1,128,804) | 2,058,918 | 3,187,722 | (1,128,804) | 2,058,918 |
| Trademarks and patents | 344,969 | (105,820) | 239,149 | 298,438 | (100,782) | 197,656 |
| Software and use rights | 593,866 | (413,117) | 180,749 | 536,786 | (336,029) | 200,757 |
| Contracts with customers and suppliers | 696,255 | (356,863) | 339,392 | 795,782 | (365,509) | 430,273 |
| Total | 4,822,812 | (2,004,604) | 2,818,208 | 4,818,728 | (1,931,124) | 2,887,604 |

There were no significant events or circumstances in the period ended September 30, 2016 that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in the end of 2015, or that indicated the need to perform an impairment testing of intangible assets with definite useful life.

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****12. Borrowings**

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

| | Annual financial charges | Sep/2016 | Consolidated Dec/2015 |
|--|---------------------------------|-------------------|----------------------------------|
| <u>Foreign currency</u> | | | |
| Bonds | Note 12 (a) | 14,172,755 | 17,004,617 |
| | US dollar exchange variation + | | |
| Advances on exchange contracts | 3.35% | 98,754 | 255,809 |
| Export prepayment | Note 12 (b) | 588,865 | 549,036 |
| BNDES | Note 12 (c) | 234,357 | 409,076 |
| Export credit notes | Note 12 (d) | 1,172,666 | 1,405,227 |
| Working capital | US dollar exchange variation + | | |
| | 1.75% above Libor | 1,639,486 | 1,907,145 |
| Transactions costs | | (216,665) | (248,838) |
| | | 17,690,218 | 21,282,072 |
| Current liabilities | | 891,547 | 763,071 |
| Non-current liabilities | | 16,798,671 | 20,519,001 |
| Total | | 17,690,218 | 21,282,072 |
| <u>Local currency</u> | | | |
| Export credit notes | Note 12 (d) | 2,125,906 | 2,350,965 |
| BNDES | Note 12 (c) | 2,596,013 | 3,001,776 |
| BNB/ FINAME/ FINEP/ FUNDES | 6.46% | 550,152 | 642,739 |
| BNB/ FINAME/ FINEP/ FUNDES | TJLP + 1.90% | 1,933 | 2,177 |
| Fundo de Desenvolvimento do Nordeste (FDNE) | 6.50% | 50,247 | 51,939 |
| Other | CDI + 0.04% | 22,447 | 23,714 |
| Transactions costs | | (12,973) | (16,582) |
| | | 5,333,725 | 6,056,728 |

| | | |
|---|-------------------|-----------------------|
| Current liabilities | 1,202,379 | 1,205,469 |
| Non-current liabilities | 4,131,346 | 4,851,259 |
| Total | 5,333,725 | 6,056,728 |
| <u>Foreign currency and local currency</u> | | |
| Current liabilities | 2,093,926 | 1,968,540 |
| Non-current liabilities | 20,930,017 | 25,370,260 |
| Total | 23,023,943 | 27,338,800 |
| | | Parent company |
| | Sep/2016 | Dec/2015 |
| <u>Foreign currency</u> | | |
| Current liabilities | 1,052,768 | 1,361,655 |
| Non-current liabilities | 2,563,119 | 3,355,752 |
| | 3,615,887 | 4,717,407 |
| <u>Local currency</u> | | |
| Current liabilities | 1,202,379 | 1,205,469 |
| Non-current liabilities | 4,131,347 | 4,851,260 |
| | 5,333,726 | 6,056,729 |
| <u>Foreign currency and local currency</u> | | |
| Current liabilities | 2,255,147 | 2,567,124 |
| Non-current liabilities | 6,694,466 | 8,207,012 |
| Total | 8,949,613 | 10,774,136 |

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

| Issue date | Issue amount US\$ | Maturity | Interest (% per year) | Sep/2016 | Consolidated Dec/2015 |
|-------------------|------------------------------|------------------|----------------------------------|-------------------|----------------------------------|
| September - 2006 | 275,000 | January - 2017 | 8.00 | 183,952 | 225,637 |
| June - 2008 | 500,000 | June - 2018 | 7.25 | 439,840 | 539,327 |
| May - 2010 | 400,000 | May - 2020 | 7.00 | 159,073 | 188,088 |
| May - 2010 | 350,000 | May - 2020 | 7.00 | 1,167,762 | 1,380,764 |
| October - 2010 | 450,000 | no maturity date | 7.38 | 1,486,526 | 1,757,160 |
| April - 2011 | 750,000 | April - 2021 | 5.75 | 2,490,484 | 2,953,803 |
| July - 2011 | 500,000 | July - 2041 | 7.13 | 1,644,944 | 2,013,453 |
| February - 2012 | 250,000 | April - 2021 | 5.75 | 832,938 | 987,894 |
| February - 2012 | 250,000 | no maturity date | 7.38 | 825,848 | 976,200 |
| May - 2012 | 500,000 | May - 2022 | 5.38 | 1,658,966 | 1,969,307 |
| July - 2012 | 250,000 | July - 2041 | 7.13 | 822,472 | 1,006,727 |
| February - 2014 | (i) 500,000 | February - 2024 | 6.45 | 1,639,967 | 2,004,171 |
| May - 2014 | (ii) 250,000 | February - 2024 | 6.45 | 819,983 | 1,002,086 |
| Total | 5,225,000 | | | 14,172,755 | 17,004,617 |

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

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

(b) Export prepayments

| Issue date | Initial amount of the transaction US\$ | Maturity | Charges (% per year) | Sep/2016 |
|-------------------|---|-----------------|---|-----------------|
| January - 2013 | 200,000 | November - 2022 | US dollar exchange variation + semiannual Libor + 1.10% | 426,000 |
| May - 2016 | 50,000 | May - 2017 | US dollar exchange variation + semiannual Libor + 3.35% | 162,860 |

Total

250,000

588,86

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

(c) BNDES borrowings

| Projects | Issue date | Maturity Charges (% per year) | Sep/2016 | Consolidated Dec/2016 |
|-------------------------|------------|--|------------------|--------------------------|
| Foreign currency | | | | |
| Other | 2006 | October - 2016 US dollar exchange variation + 6.94 | 266 | 3,2 |
| Braskem Qpar expansion | 2007/2008 | April - 2016 US dollar exchange variation + 6.89 | | 2,4 |
| Green PE | 2009 | July - 2017 US dollar exchange variation + 6.72 | 12,841 | 29,3 |
| Limit of credit II | 2009 | January - 2017 US dollar exchange variation + 6.72 | 12,111 | 47,3 |
| New plant PVC Alagoas | 2010 | January - 2020 US dollar exchange variation + 6.72 | 87,397 | 128,8 |
| Limit of credit III | 2011 | October - 2018 US dollar exchange variation + 6.56 to 6.59 | 87,419 | 149,4 |
| Butadiene | 2011 | January - 2021 US dollar exchange variation + 6.59 | 34,323 | 48,4 |
| | | | 234,357 | 409,0 |
| Local currency | | | | |
| Other | 2006 | September - 2016 TJLP + 2.80 | | 13,5 |
| Braskem Qpar expansion | 2007/2008 | February - 2016 TJLP + 2.15 to 3.30 | | 5,3 |
| Green PE | 2008/2009 | June - 2017 TJLP + 0.00 to 4.78 | 60,226 | 119,2 |
| Limit of credit II | 2009 | January - 2017 TJLP + 2.58 to 3.58 | 26,430 | 85,0 |
| Limit of credit II | 2009 | January - 2021 4.00 to 4.50 | 81,156 | 96,6 |
| New plant PVC Alagoas | 2010 | December - 2019 TJLP + 0.00 to 3.58 | 193,320 | 235,6 |
| New plant PVC Alagoas | 2010 | December - 2019 5.50 | 21,716 | 26,7 |
| Limit of credit III | 2011 | December - 2021 TJLP + 0.00 to 3.58 | 933,338 | 1,154,5 |
| Limit of credit III | 2011 | December - 2021 SELIC + 2.32 to 2.78 | 266,280 | 284,2 |
| Limit of credit III | 2011 | December - 2021 3.50 to 7.00 | 201,584 | 230,1 |
| Butadiene | 2011 | December - 2020 TJLP + 0.00 to 3.45 | 82,808 | 96,4 |
| Finem | 2014 | March - 2021 TJLP + 0.00 to 2.78 | 201,587 | 215,3 |
| Finem | 2014 | March - 2021 SELIC + 2.78 | 163,743 | 160,6 |
| Finem | 2014 | March - 2021 6.00 | 5,996 | 6,6 |
| Limit of credit IV | 2015 | January - 2022 TJLP + 0.00 a 2.62 | 177,486 | 140,0 |
| Limit of credit IV | 2015 | January - 2022 SELIC + 2.32 | 180,343 | 131,5 |
| | | | 2,596,013 | 3,001,7 |
| Total | | | 2,830,370 | 3,410,8 |

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

| Issue date | Initial amount of the transaction | Maturity Charges (% per year) | Sep/2016 | Consolidat Dec/2016 |
|--------------------------------|--|---|------------------|--------------------------------|
| <u>Foreign currency</u> | US\$ | | | |
| November - 2006 | 167 | May - 2018 Us dollar exchange variation + 8.10 | 261,350 | 308,000 |
| April - 2007 | 102 | March - 2018 Us dollar exchange variation + 7.87 | 168,520 | 198,700 |
| May - 2007 | 146 | May - 2019 Us dollar exchange variation + 7.85 | 249,942 | 294,800 |
| January - 2008 | 266 | February - 2020 Us dollar exchange variation + 7.30 | 492,854 | 603,500 |
| | 681 | | 1,172,666 | 1,405,200 |
| <u>Local currency</u> | | | | |
| April - 2010 | | October - 2021 105% of CDI | 38,009 | 36,600 |
| June - 2010 | | October - 2021 105% of CDI | 152,035 | 146,600 |
| February - 2011 | | October - 2021 105% of CDI | 152,035 | 146,600 |
| April - 2011 | | April - 2019 112,5% of CDI | (i) 464,579 | 464,000 |
| June - 2011 | | October - 2021 105% of CDI | 60,814 | 58,600 |
| August - 2011 | | August - 2019 112,5% of CDI | (i) 405,465 | 405,400 |
| June - 2012 | | October - 2021 105% of CDI | 76,018 | 73,300 |
| September - 2012 | | October - 2021 105% of CDI | 228,053 | 219,900 |
| October - 2012 | | October - 2021 105% of CDI | 64,615 | 62,300 |
| February - 2013 | | September - 2017 8.00 | 101,139 | 101,100 |
| February - 2013 | | February - 2016 8.00 | | 101,200 |
| February - 2013 | | September - 2017 8.00 | 50,451 | 50,400 |
| February - 2013 | | February - 2016 8.00 | | 101,100 |
| March - 2013 | | March - 2016 8.00 | | 50,200 |
| June - 2014 | | June - 2017 7.50 | 50,000 | 50,000 |
| June - 2014 | | June - 2017 8.00 | 17,500 | 17,500 |
| June - 2014 | | June - 2017 8.00 | 10,000 | 10,000 |
| September - 2014 | | August - 2020 108% of CDI | 101,197 | 104,600 |
| November - 2014 | | November - 2017 8.00 | (ii) 153,996 | 151,000 |
| | | | 2,125,906 | 2,350,900 |

Total

3,298,572

3,756,1

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

(ii) The Company enters into swap transactions for this contract (from fixed rate to 67.10% to 68.15% of CDI) (Note 14.3.1 (b.ii)).

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

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

| | Sep/2016 | Consolidated Dec/2015 |
|---------------------|-------------------|----------------------------------|
| 2017 | 552,128 | 1,737,331 |
| 2018 | 2,360,146 | 2,633,143 |
| 2019 | 3,069,749 | 3,320,800 |
| 2020 | 2,422,550 | 2,757,234 |
| 2021 | 3,646,019 | 4,257,177 |
| 2022 | 1,730,281 | 2,071,030 |
| 2023 | 7,784 | 7,540 |
| 2024 | 2,451,019 | 2,944,726 |
| 2025 and thereafter | 4,690,341 | 5,641,279 |
| Total | 20,930,017 | 25,370,260 |

(f) Guarantees

Braskem gave collateral for part of its borrowings as follows:

| Loans | Maturity | Total Sep/2016 | Total guaranteed Guarantees |
|--------------|-----------------|---------------------------|---|
| BNB | December - 2022 | 138,889 | 138,889 Mortgage of plants, pledge of machinery and equipment |
| BNB | August - 2024 | 224,975 | 224,975 Bank surety |

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| | | | | |
|--------------|-----------------|------------------|------------------|--|
| BNDES | December - 2022 | 2,830,370 | 2,830,370 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FUNDES | June - 2020 | 119,804 | 119,804 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FINEP | July - 2024 | 66,484 | 66,484 | Bank surety |
| FINAME | February - 2022 | 1,933 | 1,933 | Pledge of equipment |
| Total | | 3,382,455 | 3,382,455 | |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****13. Project finance**

The information regarding the borrowings of Braskem Idesa was presented in the 2015 annual financial statements in Note 15.

| Identification | US\$ | Maturity Charges (% per year) | | Consolidated | Consolidated |
|--------------------------------|------------------|---|------|---------------------|----------------------|
| | | | | Sep/2016 | December 2015 |
| Project finance I | 700,000 | February - 2027 Us dollar exchange variation + quarterly Libor + 3.25 | | 2,285,388 | 2,700,000 |
| Project finance II | 189,996 | February - 2027 Us dollar exchange variation + 6.17 | | 675,024 | 700,000 |
| Project finance III | 600,000 | February - 2029 Us dollar exchange variation + 4.33 | | 1,936,708 | 2,300,000 |
| Project finance IV | 680,004 | February - 2029 Us dollar exchange variation + quarterly Libor + 3.88 | | 2,137,505 | 2,600,000 |
| Project finance V | 400,000 | February - 2029 Us dollar exchange variation + quarterly Libor + 4.65 | | 1,293,145 | 1,500,000 |
| Project finance VI | 89,994 | February - 2029 Us dollar exchange variation + quarterly Libor + 2.73 | | 290,232 | 300,000 |
| Project finance VII | 533,095 | February - 2029 Us dollar exchange variation + quarterly Libor + 4.64 | | 1,723,146 | 2,000,000 |
| Transactions costs | | | | (115,345) | (170,000) |
| Total | 3,193,089 | | | 10,225,803 | 12,200,000 |
| VAT borrowings | | November - 2029 2.00% above TIIIE (*) | (i) | 23,498 | 30,000 |
| Borrowings for working capital | | August - 2017 Us dollar exchange variation + quarterly Libor + 4.85 | (ii) | 301,955 | 300,000 |
| | | | | 325,453 | |
| | | | | 10,551,256 | 12,230,000 |
| Current liabilities | | | | 856,060 | 300,000 |
| Non-current liabilities | | | | 9,695,196 | 11,900,000 |
| Total | | | | 10,551,256 | 12,200,000 |

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

- (i) Financing in Mexican peso and paid exclusively with IVA refund.
- (ii) Financing obtained in September 2016.

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

| | Sep/2016 | Consolidated Dec/2015 |
|---------------------|------------------|----------------------------------|
| 2017 | 172,110 | 687,211 |
| 2018 | 710,852 | 840,247 |
| 2019 | 738,095 | 872,994 |
| 2020 | 865,796 | 1,025,621 |
| 2021 | 989,002 | 1,172,569 |
| 2022 | 823,950 | 977,593 |
| 2023 | 1,090,719 | 1,294,219 |
| 2024 | 1,179,947 | 1,400,843 |
| 2025 | 1,179,394 | 1,398,554 |
| 2026 | 1,038,349 | 1,210,426 |
| 2027 and thereafter | 906,982 | 1,094,890 |
| Total | 9,695,196 | 11,975,167 |

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

14. Financial instruments

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

14.1. Fair value hierarchy

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

Level 2 – fair value obtained from financial models using directly observable market data, such as discounted cash flow, when the instrument is a forward purchase/sale or a swap contract, or such as the Black-Scholes model, when the instrument has the characteristics of an option.

To measure the credit risk of the parties involved in derivative instruments, Braskem uses CVA (Credit Valuation Adjustment) or DVA (Debt Valuation Adjustment) models, applied flow by flow on the mark-to-market value of each instrument. The Company adopts the ratings of the other parties for positive flows and its own rating for negative flows, both available in the market and disclosed by renowned rating agencies, as a necessary assumption to define the probability of default.

14.2. Non-derivative financial instruments – consolidated

Book value

Fair value

| | Note | Classification hierarchy by category | Fair value Sep/2016 | Dec/2015 | Sep/2016 | Dec/2015 |
|--|------|---|---------------------------|-------------------|-------------------|-------------------|
| Cash and cash equivalents | 3 | | | | | |
| Cash and banks | | | 1,970,131 | 873,966 | 1,970,131 | 873,966 |
| Financial investments in Brazil | | Held-for-trading Level 2 | | 605,770 | | 605,770 |
| Financial investments in Brazil | | Loans and receivables | 5,037,433 | 1,823,225 | 5,037,433 | 1,823,225 |
| Financial investments abroad | | Held-for-trading Level 2 | 1,192,604 | 4,136,762 | 1,192,604 | 4,136,762 |
| | | | 8,200,168 | 7,439,723 | 8,200,168 | 7,439,723 |
| Financial investments | 4 | | | | | |
| Time deposit investments | | Held-for-trading Level 2 | 432,308 | | 432,308 | |
| Other | | Held-for-trading Level 2 | 701 | 1,172 | 701 | 1,172 |
| Quotas of receivables investment fund | | Held-to-maturity | | 46,193 | | 46,193 |
| | | | 433,009 | 47,365 | 433,009 | 47,365 |
| Trade accounts receivable | 5 | | 2,208,689 | 2,754,966 | 2,208,689 | 2,754,966 |
| Related parties credits | 7 | Loans and receivables | 322,486 | 155,140 | 322,486 | 155,140 |
| Trade payables | | | 7,340,232 | 11,755,843 | 7,340,232 | 11,755,843 |
| Borrowings | 12 | | | | | |
| Foreign currency - Bonds | | Level 1 | 14,172,755 | 17,004,617 | 14,899,781 | 14,434,854 |
| Foreign currency - other borrowings | | | 3,734,128 | 4,526,293 | 3,734,128 | 4,526,293 |
| Local currency | | | 5,346,698 | 6,073,310 | 5,346,698 | 6,073,310 |
| | | | 23,253,581 | 27,604,220 | 23,980,607 | 25,034,457 |
| Project finance | 13 | | 10,666,601 | 12,450,673 | 10,666,601 | 12,450,673 |
| Non-controlling loan in Braskem Idesa | | | 1,597,726 | 1,538,784 | 1,597,726 | 1,538,784 |
| Other payables (BNDESPAR) | | | 172,665 | 273,294 | 172,665 | 273,294 |

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

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

14.3.1 Changes

| Identification | Note | Fair value hierarchy | Operation characteristics | | Accumulated OCI (equity) | Net | | Financial Liabilities settlement | Liabilities |
|--|---------------|----------------------|---------------------------|------------------|--------------------------|--------------------|----------------------|----------------------------------|-------------|
| | | | Principal exposure | Derivatives | | Liability Dec/2015 | Change in fair value | | |
| Non-hedge accounting transactions | | | | | | | | | |
| Exchange swap | | Level 2 | Argentine peso | Dollar | | (38,990) | 4,154 | 34,836 | |
| Interest rate swaps | | Level 2 | Fixed rate | CDI | | 8,351 | (2,293) | (5,323) | |
| Dollar put option | 14.3.1 (a.i) | Level 2 | Real | Dollar | | | (222) | (4,856) | |
| | | | | | | (30,639) | 1,639 | 24,657 | |
| Hedge accounting transactions | | | | | | | | | |
| Exchange swap | 14.3.1 (b.i) | Level 2 | CDI | Dollar+Interests | 550,727 | 1,172,125 | (323,322) | 12,471 | 8 |
| Interest rate swaps | 14.3.1 (b.ii) | Level 2 | Libor | Fixed price | 450,580 | 35,073 | 125,759 | (42,310) | 1 |
| | | | | | 1,001,307 | 1,207,198 | (197,563) | (29,839) | 9 |
| Derivatives operations | | | | | | | | | |
| Current assets | | | | | | (53,662) | | | (1 |
| Non-current assets | | | | | | (12,280) | | | |
| Current liabilities | | | | | | 57,760 | | | |
| Non-current liabilities | | | | | | 1,184,741 | | | 9 |
| | | | | | | 1,176,559 | | | 9 |

(a) Operations not designated for hedge accounting**(a.i) US dollar put option**

On September, 2016, Braskem contracted derivative financial instruments to limit the equivalent amount in US dollar of its cash disbursements denominated in Brazilian reais. This hedge is in line with Company's risk management strategy.

| Identification | Nominal value | Hedge (exchange rate R\$ / US\$) | Maturity | Fair value, net Sep/2016 |
|--------------------------------------|--------------------------|---|-------------------|-------------------------------------|
| US dollar put option | 451,667 | 3.0000 to 3.1000 | jan to sep - 2017 | (5,078) |
| Total | 451,667 | | | (5,078) |
| <u>Derivatives operations</u> | | | | |
| Current assets | | | | (5,078) |
| Total | | | | (5,078) |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****(b) Operations designated for hedge accounting****(b.i) Swaps related to export credit notes (NCE)**

| Identification | Nominal value | Financial charges per year | Hedge Maturity | Fair value, net | |
|-----------------------|----------------------|-----------------------------------|-----------------------|------------------------|------------------|
| | | | | Sep/2016 | Dec/2015 |
| Swap NCE I | 200,000 | Exchange variation + 6.15% | August - 2019 | 224,846 | 301,325 |
| Swap NCE II | 100,000 | Exchange variation + 6.15% | August - 2019 | 109,373 | 147,021 |
| Swap NCE III | 100,000 | Exchange variation + 6.15% | August - 2019 | 107,258 | 144,496 |
| Swap NCE IV | 100,000 | Exchange variation + 5.50% | April - 2019 | 90,160 | 124,071 |
| Swap NCE V | 100,000 | Exchange variation + 5.50% | April - 2019 | 90,072 | 123,966 |
| Swap NCE VI | 150,000 | Exchange variation + 7.90% | April - 2019 | 145,755 | 203,675 |
| Swap NCE VII | 100,000 | Exchange variation + 4.93% | April - 2019 | 93,810 | 127,571 |
| Total | 850,000 | | | 861,274 | 1,172,125 |

Derivatives operations

| | | | | | |
|-------------------------|--|--|--|----------------|------------------|
| Current assets | | | | (11,975) | (12,616) |
| Non-Current liabilities | | | | 873,249 | 1,184,741 |
| Total | | | | 861,274 | 1,172,125 |

(b.ii) Hedge operation by Braskem Idesa related to project finance**Interest rate swap linked to Libor**

| Identification | Nominal value US\$ | Hedge | Maturity | Fair value, net | |
|-----------------------|---------------------------|--------------|-----------------|------------------------|-----------------|
| | | | | Sep/2016 | Dec/2015 |

| | | interest rate per year | | | |
|--------------------|------------------|-----------------------------------|------------|----------------|--------------|
| Swap Libor I to VI | 1,312,892 | 1.9825% | May - 2025 | 118,522 | 7,997 |
| Total | 1,312,892 | | | 118,522 | 7,997 |

Derivatives operations

| | | | | | |
|-------------------------|--|--|--|----------------|---------------|
| Non-current assets | | | | | (12,280) |
| Current liabilities | | | | 19,729 | 47,353 |
| Non-current liabilities | | | | 98,793 | |
| Total | | | | 118,522 | 35,073 |

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

14.4. Non-derivative liabilities designated for export hedge accounting

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

On September 30, 2016, exports that were designated and not yet realized are shown below:

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2016 | 210,909 |
| 2017 | 829,685 |
| 2018 | 787,894 |
| 2019 | 733,980 |
| 2020 | 724,000 |
| 2021 | 716,000 |
| 2022 | 719,000 |
| 2023 | 718,372 |
| 2024 | 688,854 |
| | 6,128,694 |

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

| | | | | US\$ |
|--------------------|-----------------|----------------------------------|-------------------------------|-----------------|
| | Dec/2015 | Exports in the period | Hedge discontinued | Sep/2016 |
| Designated balance | 6,757,231 | (628,538) | (620,321) | 5,508,373 |

On September 30, 2016, the maturities of financial liabilities designated, within the scope of the consolidated balance sheet, were as follows:

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2016 | 403,076 |
| 2017 | 718,736 |
| 2018 | 1,145,149 |
| 2019 | 444,236 |
| 2020 | 570,782 |
| 2021 | 1,017,703 |
| 2022 | 519,837 |
| 2024 | 688,854 |
| | 5,508,373 |

Considering the strong cash generation in recent quarters, the Management of the Company believed it was appropriate to advance the payment of dollar-denominated obligations, among which liabilities designated for this hedge. As a result of the decision, the amount of US\$620,321 was discontinued prospectively. Exchange variation on the discontinued amount, of R\$761,733, which is recorded under Shareholders' Equity as "Other comprehensive income" will be taken to net financial income (expenses) as of October 2016, as the hedged exports are realized.

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

| | Total nominal value US\$ | Conversion rate at Inception R\$/US\$ | Closing rate R\$/US\$ | Gross nominal value |
|--|-------------------------------------|--|----------------------------------|--------------------------------|
| Hedge discontinued fourth quarter 2016 | 210,909 | 2.0017 | 3.2476 | 262,772 |
| Hedge discontinued first quarter 2017 | 201,277 | 2.0017 | 3.2400 | 249,241 |
| Hedge discontinued second quarter 2017 | 208,135 | 2.0017 | 3.2015 | 249,720 |
| | | | | 761,733 |

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 that hedge for the nine-month period ended September 30, 2016:

| | Total nominal value US\$ | Conversion rate at Inception R\$/US\$ | Closing rate R\$/US\$ | Gross nominal value |
|----------------|-------------------------------------|--|----------------------------------|--------------------------------|
| First quarter | 206,951 | 2.0017 | 4.0399 | 421,808 |
| Second quarter | 210,752 | 2.0017 | 3.6408 | 345,444 |
| Third quarter | 210,835 | 2.0017 | 3.2723 | 267,887 |
| | | | | 1,035,139 |

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

| Exchange variation | IR and CSL | Net effect |
|-------------------------------|-------------------|-----------------------|
|-------------------------------|-------------------|-----------------------|

| | | | |
|---|---------------------|------------------|--------------------|
| At December 31, 2015 | (12,859,687) | 4,372,294 | (8,487,393) |
| Exchange variation recorded in the period on OCI / IR and CSL | 4,207,644 | (1,430,599) | 2,777,045 |
| Exchange variation transferred to profit or loss / IR and CSL | 1,035,139 | (351,947) | 683,192 |
| At September 30, 2016 | (7,616,904) | 2,589,748 | (5,027,156) |

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

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

On September 30, 2016, the designated sales and not yet realized are shown below:

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2016 | 26,331 |
| 2017 | 183,253 |
| 2018 | 221,790 |
| 2019 | 229,270 |
| 2020 | 266,690 |
| 2021 | 303,392 |
| 2022 | 253,204 |
| 2023 | 333,093 |
| 2024 | 359,559 |
| 2025 | 357,903 |
| 2026 | 309,240 |
| 2027 | 152,103 |
| 2028 | 124,654 |
| 2029 | 31,164 |
| | 3,151,646 |

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

| | | | US\$ |
|-----------------|--------------------------------|-------------------------------|-----------------|
| Dec/2015 | Sales in the period | Hedge discontinued | Sep/2016 |

| | | | | |
|--------------------|-----------|----------|----------|-----------|
| Designated balance | 3,193,089 | (41,443) | (12,187) | 3,139,459 |
|--------------------|-----------|----------|----------|-----------|

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

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2016 | 26,286 |
| 2017 | 182,927 |
| 2018 | 221,390 |
| 2019 | 228,850 |
| 2020 | 266,187 |
| 2021 | 302,816 |
| 2022 | 252,723 |
| 2023 | 332,458 |
| 2024 | 358,873 |
| 2025 | 357,221 |
| 2026 | 308,650 |
| 2027 | 150,419 |
| 2028 | 124,347 |
| 2029 | 26,312 |
| | 3,139,459 |

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

In May 2016, Braskem Idesa prepaid US\$12.230 of the Project Finance debt that was designated as this hedge instrument. As a result of the decision, this amount was discontinued prospectively.

The following table provides the balance of exchange variation of the discontinued amount net of realization already occurred, on September 30, 2016, which is recorded in Braskem Idesa's shareholders' equity under "Other comprehensive income" and will be transferred to financial income (expenses) according to the schedule of future hedged sales:

| | Total nominal value US\$ | Conversion rate at Inception MXN/US\$ | Closing rate MXN/US\$ | Total nominal value MXN | Gross nominal value |
|--------------------|-------------------------------------|--|----------------------------------|------------------------------------|--------------------------------|
| Hedge discontinued | 12,187 | 13.4541 | 17.9915 | 55,297 | 9,609 |
| | | | | 55,297 | 9,609 |

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 nine-month period ended September 30, 2016:

| | Total nominal value US\$ | Conversion rate at Inception MXN/US\$ | Closing rate MXN/US\$ | Total nominal value MXN | Gross nominal value |
|----------------|-------------------------------------|--|----------------------------------|------------------------------------|--------------------------------|
| Second quarter | 16,359 | 13.6636 | 18.1409 | 73,244 | 14,297 |
| Third quarter | 25,084 | 13.6650 | 18.4981 | 121,235 | 21,067 |
| | | | | 194,479 | 35,364 |

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

| | Exchange variation | IR | Net effect |
|---|-------------------------------|------------------|-----------------------|
| At December 31, 2015 | (2,246,820) | 674,046 | (1,572,774) |
| Exchange variation recorded in the period on OCI / IR | (1,400,255) | 420,830 | (979,425) |
| Exchange variation transferred to profit or loss / IR | 35,364 | (10,628) | 24,736 |
| At September 30, 2016 | (3,611,711) | 1,084,248 | (2,527,463) |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****14.5. Credit quality of financial assets****(a) Trade accounts receivable**

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

| | Sep/2016 | Dec/2015 |
|------------------|-----------------|-----------------|
| | | (%) |
| 1 Minimum risk | 9.14 | 7.67 |
| 2 Low risk | 41.97 | 42.84 |
| 3 Moderate risk | 32.89 | 33.07 |
| 4 High risk | 12.84 | 13.74 |
| 5 Very high risk | (i) 3.16 | 2.69 |

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

Default indicators

| | Domestic | Last 12 months |
|--------------------|-----------------|-----------------------|
| | Market | Export |
| | | Market |
| September 30, 2016 | 0.23% | 0.10% |
| December 31, 2015 | 0.39% | 0.70% |
| September 30, 2015 | 0.30% | 0.86% |

(b) Other financial assets

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

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

| | Sep/2016 | Dec/2015 |
|---|------------------|------------------|
| Financial assets with risk assessment | | |
| AAA | 5,143,728 | 5,982,393 |
| AA+ | 181,823 | |
| AA | 5,202 | 27,753 |
| AA- | 622,496 | 163,188 |
| A+ | 2,092,104 | 1,076,803 |
| A | 130,234 | 69,576 |
| A- | 318,373 | 120,219 |
| BBB+ | 135,016 | |
| | 8,628,976 | 7,439,932 |
| Financial assets without risk assessment | (i) | |
| Quotas of investment funds in credit rights | | 46,193 |
| Other financial assets with no risk assessment | 4,201 | 963 |
| | 4,201 | 47,156 |
| Total | 8,633,177 | 7,487,088 |

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

14.6. Sensitivity analysis

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

(a) Selection of risks

On September 30, 2016, the main risks that can affect the value of Braskem's financial instruments are:

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

For the purposes of the risk sensitivity analysis, Braskem presents the exposures to currencies as if they were independent, that is, 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 September 30, 2016, with a probability of 5%, and under normal market conditions, was estimated by the Company at US\$33,289 for the NCE exchange rate swap (Note 14.3.1(b.i)) and at US\$12,523 for the swap of Libor related to Braskem Idesa's project (Note 14.3.1 (b.ii.i)).

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Notes to the financial statements

at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

(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 September 30, 2016. According to the Market Readout, at the end of 2016, the U.S. dollar will appreciate by 1.04% against the Brazilian real, compared to the closing PTAX rate at September 30, 2016, while the Selic rate will be 13.75% p.a. The Selic rate is used as a reference for analyses of sensitivity to the CDI.

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

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****(c.2) Possible and extreme adverse scenarios**

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

| Instrument / Sensitivity | Probable | Possible adverse (25%) | Gain (loss) Extreme adverse (50%) |
|--|-----------------|-----------------------------------|--|
| Brazilian real/U.S. dollar exchange rate | | | |
| Bonds | (145,446) | (3,492,219) | (6,984,439) |
| BNDES | (2,440) | (58,589) | (117,178) |
| Working capital / structured operations | (29,281) | (703,038) | (1,406,076) |
| Export prepayments | (5,998) | (144,019) | (288,039) |
| Project finance | (109,617) | (2,631,939) | (5,263,879) |
| Advance on exchange contracts - ACC | (1,028) | (24,689) | (49,377) |
| Swaps | (18,180) | (436,512) | (854,844) |
| Dollar put option | (813) | (5,036) | (5,080) |
| Financial investments abroad | 37,720 | 905,681 | 1,811,362 |
| Brazilian real/Mexican Peso exchange rate | | | |
| Working capital / structured operations | 11 | (5,875) | (11,749) |
| Selic interest rate | | | |
| BNDES | 12,277 | (93,412) | (197,881) |
| Libor floating interest rate | | | |
| Working capital / structured operations | (2,021) | (10,104) | (20,208) |
| Export prepayments | (1,608) | (8,040) | (16,079) |
| Swaps | 2,457 | 12,208 | 24,234 |
| CDI interest rate | | | |
| NCE | 12,606 | (93,342) | (193,024) |

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| | | | |
|---|-----------------|-------------------------|------------------------|
| NCA | 20,906 | (160,914) | (344,398) |
| Swaps and NCE | 113 | (113) | (226) |
| Financial investments in local currency | (5,310) | 37,350 | 73,877 |
| | Probable | Possible adverse | Extreme adverse |
| Instrument / Sensitivity | 8.0% | 8.5% | 9.0% |
| TJLP interest rate | | | |
| BNDES | (42,234) | (85,332) | (129,307) |
| Other government agents | (50) | (100) | (152) |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****15. Taxes payable**

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

| | Sep/2016 | Consolidated Dec/2015 Revised | Parent company Sep/2016 | Dec/2015 Revised |
|--|------------------|--|------------------------------------|-----------------------------|
| Parent Company and subsidiaries in Brazil | | | | |
| IPI | 75,991 | 61,784 | 71,269 | 48,579 |
| IR and CSL | 467,814 | 414,176 | 315,936 | 269,538 |
| ICMS | 212,174 | 149,811 | 198,926 | 110,669 |
| Other | 165,946 | 88,198 | 138,372 | 56,557 |
| Other countries | | | | |
| IR | 43,591 | 238,645 | | |
| Value-added tax | 111,541 | 56,975 | | |
| Total | 1,077,057 | 1,009,589 | 724,503 | 485,343 |
| Current liabilities | 1,047,290 | 982,873 | 694,865 | 459,518 |
| Non-current liabilities | 29,767 | 26,716 | 29,638 | 25,825 |
| Total | 1,077,057 | 1,009,589 | 724,503 | 485,343 |

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

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

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

| | Sep/2016 | Consolidated Sep/2015 Revised | Sep/2016 | Parent company Sep/2015 Revised |
|--|------------------|-------------------------------------|------------------|---------------------------------------|
| Income before IR and CSL | 2,633,794 | 4,158,152 | 2,378,257 | 4,076,923 |
| IR and CSL at the rate of 34% | (895,491) | (1,413,772) | (808,607) | (1,386,154) |
| Permanent adjustments to the IR and CSL calculation basis | | | | |
| IR and CSL on equity in results of investees | 7,880 | 578 | 482,777 | 211,226 |
| IR and CSL on prior years | 15,073 | (5,645) | 10,286 | (5,645) |
| Tax benefits (Sudene and PAT) | 5,302 | | 5,302 | |
| Other permanent adjustments | 67,263 | (15,543) | (2,673) | 7,809 |
| Effect of IR and CSL on results of operations | (799,973) | (1,434,382) | (312,915) | (1,172,764) |
| Breakdown of IR and CSL: | | | | |
| Current IR and CSL | (773,062) | (313,667) | (88,360) | (56,634) |
| Deferred IR and CSL | (26,911) | (1,120,715) | (224,555) | (1,116,130) |
| Total | (799,973) | (1,434,382) | (312,915) | (1,172,764) |

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

| Assets | Sep/2016 | Consolidated | | Parent company | |
|--|------------------|-----------------------------|------------------|-----------------------------|--|
| | | Dec/2015 Revised | Sep/2016 | Dec/2015 Revised | |
| Tax losses (IR) and negative base (CSL) | 2,270,702 | 2,114,530 | 205,346 | 258,017 | |
| Goodwill amortized | 4,972 | 6,017 | 4,972 | 6,017 | |
| Exchange variations | 928,906 | 2,925,895 | 921,018 | 2,917,699 | |
| Temporary adjustments | 116,543 | 50,628 | 781,956 | 823,786 | |
| Business combination | 190,778 | 189,403 | 89,769 | 89,769 | |
| Deferred charges - write-off | | 20,848 | | 20,848 | |
| | 3,511,901 | 5,307,321 | 2,003,061 | 4,116,136 | |
| Liabilities | | | | | |
| Amortization of goodwill based on future profitability | 760,458 | 735,019 | 671,631 | 646,193 | |
| Tax depreciation | 854,495 | 815,243 | 781,200 | 746,432 | |
| Temporary differences | 438,349 | 521,031 | 11,246 | 11,703 | |
| Business combination | 203,980 | 217,182 | 75,317 | 79,154 | |
| Additional indexation PP&E | 100,208 | 110,731 | 100,208 | 110,731 | |
| Amortization of fair value adjustments on the assets from the acquisition of Braskem | | | | | |
| Qpar | 270,207 | 289,528 | 270,207 | 289,528 | |
| Other | 109,472 | 153,589 | 60,711 | 83,309 | |
| | 2,737,169 | 2,842,323 | 1,970,520 | 1,967,050 | |
| Net | 774,732 | 2,464,998 | 32,541 | 2,149,086 | |
| Presentation in the Balance Sheet: | | | | | |
| Assets | 1,437,580 | 3,196,239 | 32,541 | 2,149,086 | |
| (-) Liabilities | 662,848 | 731,241 | | | |

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

| | Headquarters (Country) | Asset | IR and CSL Liability | Sep/2016 Balance |
|--|-----------------------------------|------------------|---------------------------------|-----------------------------|
| Assets | | | | |
| Braskem | Brazil | 2,003,061 | (1,970,520) | 32,541 |
| Braskem Argentina | Argentina | 9,646 | | 9,646 |
| Braskem Alemanha | Germany | 23,671 | | 23,671 |
| Braskem Idesa | Mexico | 1,311,372 | (48,755) | 1,262,617 |
| Braskem México Serviços | Mexico | 1,546 | | 1,546 |
| Braskem Chile | Chile | 123 | | 123 |
| Quantiq | Brazil | 8,071 | (1,643) | 6,428 |
| Braskem Petroquímica - business combination effects | Brazil | 101,008 | | 101,008 |
| | | 3,458,498 | (2,020,918) | 1,437,580 |
| Liabilities | | | | |
| Braskem America | USA | | (427,103) | (427,103) |
| Braskem Petroquímica | Brazil | 53,403 | (160,486) | (107,083) |
| Braskem Petroquímica - business combination effects | Brazil | | (128,662) | (128,662) |
| | | 53,403 | (716,251) | (662,848) |
| Total | | 3,511,901 | (2,737,169) | 774,732 |

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

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| | | | | |
|---|-----------|------------------|--------------------|------------------|
| Braskem | Brazil | 4,116,136 | (1,967,050) | 2,149,086 |
| Braskem Argentina | Argentina | 8,235 | | 8,235 |
| Braskem Alemanha | Germany | 104,785 | | 104,785 |
| Braskem Idesa | Mexico | 890,723 | (65,306) | 825,417 |
| Braskem México Serviços | Brasil | 2,894 | | 2,894 |
| Quantiq | Brasil | 7,811 | (1,623) | 6,188 |
| Braskem Petroquímica - business combination effects | Brazil | 99,634 | | 99,634 |
| | | 5,230,218 | (2,033,979) | 3,196,239 |
| Liabilities | | | | |
| Braskem America | USA | | (509,328) | (509,328) |
| Braskem Petroquímica | Brazil | 76,978 | (160,812) | (83,834) |
| Braskem Petroquímica - business combination effects | Brazil | | (138,029) | (138,029) |
| Braskem Chile | Chile | 125 | (175) | (50) |
| | | 77,103 | (808,344) | (731,241) |
| Total | | 5,307,321 | (2,842,323) | 2,464,998 |

(d) **Realization of deferred income tax and social contribution**

In the nine-month period ended September 30, 2016, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****17. Advances from customers**

On September 16, 2016, the subsidiary Braskem Holanda received advances amounting to R\$324,620 (US\$100,000) linked to an agreement for the supply of basic petrochemical products, which provides for deliveries from January 2017 to December 2018.

18. Sundry provisions

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

| | Consolidated | | Parent company | |
|---|---------------------|-----------------|-----------------------|-----------------|
| | Sep/2016 | Dec/2015 | Sep/2016 | Dec/2015 |
| Provision for customers rebates | 52,353 | 46,929 | 38,846 | 22,606 |
| Provision for recovery of environmental damages | 89,288 | 127,227 | 78,244 | 112,887 |
| Judicial and administrative provisions | 668,482 | 554,479 | 611,019 | 501,292 |
| Other | 55,001 | 19,279 | 40,432 | 1,754 |
| Total | 865,124 | 747,914 | 768,541 | 638,539 |
| Current liabilities | 71,665 | 93,942 | 55,736 | 67,190 |
| Non-current liabilities | 793,459 | 653,972 | 712,805 | 571,349 |
| Total | 865,124 | 747,914 | 768,541 | 638,539 |

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

| | Sep/2016 | Consolidated Dec/2015 | Sep/2016 | Parent company Dec/2015 |
|-----------------------------|-----------------|----------------------------------|-----------------|------------------------------------|
| Labor claims | 214,421 | 158,711 | 203,883 | 148,884 |
| Tax claims | | | | |
| Normal operations | | | | |
| IR and CSL | 11,657 | 8,029 | 11,472 | 8,029 |
| PIS and COFINS | (i) 53,087 | 4,495 | 52,909 | 4,495 |
| ICMS | 38,485 | 22,601 | 38,485 | 22,601 |
| Other tax claims | 23,741 | 38,337 | 21,699 | 38,317 |
| | 126,970 | 73,462 | 124,565 | 73,442 |
| Business Combination | | | | |
| IR and CSL | 44,268 | 40,223 | | |
| PIS and COFINS | 49,448 | 44,771 | 49,448 | 44,771 |
| ICMS - interstate purchases | 215,983 | 195,320 | 215,983 | 195,320 |
| ICMS - other | 15,864 | 14,364 | 15,864 | 14,364 |
| | 325,563 | 294,678 | 281,295 | 254,455 |
| Societary claims and other | 1,528 | 27,628 | 1,276 | 24,511 |
| | 668,482 | 554,479 | 611,019 | 501,292 |

Braskem S.A.

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(i) PIS and COFINS

The Federal Revenue Service inspected the Company and its subsidiary Braskem Petroquímica between 2006 and 2011 and disallowed a part of the non-cumulative PIS and COFINS credits appropriated, due to: (i) differences between the amounts reported in the Statement of Calculation of Social Contributions (“DACON”) and those in the electronic files of tax invoices; (ii) amounts not recorded in the interim balance sheets, acquisitions not taxed for contributions, recording of a credit on a portion of IPI, failure to submit tax documents; and (iii) nonpayment of amounts stated as due in DACONs/Statements of Federal Tax Debits and Credits (“DCTF”).

The related contingencies were initially diagnosed with chances of possible success. However, this estimate was altered due to the weaknesses identified, validated both internally by the Company and by external lawyers and confirmed by external audit, so there is no justification for the differences mentioned by the federal tax authorities.

For this reason, the Company recorded a provision of R\$47,914, considering that a favorable outcome is now deemed remote after exhaustion of analyses for defense.

19. Contingencies

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

(a) Reports of irregularities

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

In March 2015, in connection with the so-called Operation Car Wash, certain allegations made by defendants in judicial proceedings were made public, according to which Braskem was allegedly involved in illegal payments related to feedstock supply agreements entered into with Petrobras.

In light of said facts, the Company immediately approved the engagement of law firms with extensive and proven experience in similar cases in the United States and Brazil ("Expert Firms") to conduct an independent internal investigation into the allegations cited above ("Investigation"), under the supervision of the U.S. Department of Justice (DoJ) and of the U.S. Securities and Exchange Commission (SEC).

Since then, the Company has been fully cooperating with the authorities, including in relation to the formal requests made by the SEC (subpoena) in February and July 2016, and by Brazil's Office of the Federal Controller General (CGU), also in July of this year.

As the process advanced, the Company became aware of new reports of irregularities, which are being investigated by the Expert Firms, in cooperation with the applicable authorities. In parallel, the Company decided to open negotiations with the DoJ, SEC and authorities in Brazil, through which it hopes to reach an agreement to resolve such allegations and reports of irregularities.

During the Investigation, the Expert Firms identified payments for services to third parties without corresponding evidence of the service being rendered.

Braskem S.A.

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at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

With the exception of the amount cited in Note 19(b), the Company cannot measure at this time the extent of the financial and non-financial impacts potentially arising from the confirmation of the allegations and reports of irregularities, any parallel investigations or the execution of an agreement with the competent authorities, or the resources that would be required to remedy such occurrences. The Company also cannot predict or measure the impacts from any measures that the competent authorities in Brazil and abroad may take, which could include the payment of fines and damages to third parties, the filing of lawsuits against the Company or the appointment of an independent monitor to supervise the Company's compliance with the agreement.

Confirmation of the aforementioned allegations and reports of irregularities, any parallel investigations or any agreements entered into with competent authorities in Brazil or abroad may have a material adverse effect on the business, reputation, financial situation and operational result of the Company, as well as on the liquidity and price of its securities. Furthermore, the negative publicity stemming from all these facts could have a material adverse impact on the Company's businesses, including reducing the demand for its products and other effects that currently cannot be estimated or measured.

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

If any fines and/or other sanctions are imposed by the competent authorities and others involved, at this time, neither Management nor its legal counsel and Expert Firms have sufficient information to reliably estimate the potential losses to be recorded and, therefore, based on current accounting practices, no provision was recorded in this Quarterly Information in addition to the amounts of the fiscal contingency mentioned in Note 19(b).

Based on the current stage of the investigation, on information available and on the statements made by the attorneys, no other items were identified that could require material adjustments to the financial statements, unless as a result of any agreement with the competent authorities.

The Management of the Company will continue to adopt the necessary measures to clarify the facts, in cooperation with Brazilian and foreign authorities, and will maintain the market informed of any developments regarding this matter.

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

(b) Tax adjustments

Although the payments identified in Note 19(a) are still under investigation, the Company recognized errors in the determination of taxes from prior periods and recorded a fiscal contingency of R\$284,641, of which R\$166,568 corresponded to taxes not paid in the last 5 years, R\$87,805 corresponded to fines and adjustments for inflation (variation in the SELIC rate) and R\$30,268 corresponded to a reduction in deferred Income and Social Contribution taxes on tax losses and social contribution tax loss carryforwards.

This contingency is presented as follows: (i) R\$235,622 corresponding to taxes payable and deferred taxes, interest on arrears and restatement at the SELIC rate from October 2011 to December 2014, in the opening balance of the line "Retained earnings" of the Statement of Changes in Shareholders' Equity for the period from January 1, 2015 to September 30, 2015; (ii) R\$6,129 and R\$16,603 corresponding to the restatement at the SELIC rate of taxes payable in the three- and nine-month periods to September 2015, respectively, under the line "Financial expenses" of the Statement of operations; (iii) R\$4,352 and R\$16,160 corresponding to the restatement at the SELIC rate of taxes payable in the three- and nine-month periods to September 2016, respectively, under the line "Financial expenses" of the Statement of operations. The Balance sheet as of December 31, 2015 includes: (i) reduction of deferred Income and Social Contribution taxes on tax losses and social contribution tax loss carryforwards, in the amount of R\$10,253; and (ii) restatement of taxes payable at the SELIC rate, through said date, in the amount of R\$22,606. The statements of Cash Flows and Value Added reflect all of these impacts.

These tax adjustments should not be used as the basis for determining the amount of any agreement with authorities, which would be based on specific criteria.

(c) Class actions

A class action has been filed in the U.S. courts by the Boilermaker-Blacksmith National Pension Trust, as Lead Plaintiff, alleging the Company has made misrepresentations and/or failed to disclose through certain SEC filings the existence of unlawful payments. The Company has engaged an expert U.S. law firm to represent it and filed motion to dismiss on July 6, 2016 which, after response from the plaintiffs, is currently waiting for the judge's decision.

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

(d) Labor

(d.1) The labor action disclosed in Note 23 (a.i) of the 2015 financial statements ended after the payment made under a settlement between the parties.

(d.2) In the class action suits filed by the Trade Union of Petrochemical and Chemical Workers of Triunfo, Rio Grande do Sul, ("SINDIPOLO") in the third quarter of 2010, claiming the payment of overtime related to breaks during work shifts ("Breaks") and the inclusion of overtime in the calculation of the weekly remunerated rest ("WRR"), in the restated amount of R\$377,560, the following developments occurred in the period: (i) Breaks: the Superior Labor Court ("TST") upheld the appeal by Braskem to eliminate breaks during work shifts, with the Trade Union filing an appeal at the TST, which rejected the appeal and handed down a final and unappealable decision in favor of Braskem. The amount of this suit is R\$332,640; and (ii) WRR: judgment for plaintiff in the suit involving the inclusion of overtime in the calculation of the weekly remunerated rest, which was upheld by the Regional Appellate Labor Court ("TRT"), for which Braskem appealed to the TST, which ordered the case to be sent back to the TRT for a new trial. However, as the TRT did not judge on the merits, Braskem appealed once again to the TST. After examining the appeal, the TST handed down a new decision granting the claim. Braskem will enter into motion for clarification and special appeal at the Supreme Court ("STF"). Before the last recent decision of TST, Braskem reclassified a part of the suit to remote and recorded a provision of R\$24,133, based on the presentation of a provisional implementation by the SINDIPOLO in September 2016. The amount of this suit is R\$44,920.

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

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****20. Shareholders' Equity**

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

(a) Capital

| | Common shares | | Preferred shares class A | | Preferred shares class B | | Amount of shares | |
|----------------------------|--------------------|----------------|--------------------------|----------------|--------------------------|----------------|--------------------|----------------|
| | shares | % | shares | % | shares | % | Total | % |
| OSP e Odebrecht | 226,334,623 | 50.11% | 79,182,498 | 22.95% | | | 305,517,121 | 38.32% |
| Petrobras | 212,426,952 | 47.03% | 75,761,739 | 21.96% | | | 288,188,691 | 36.15% |
| ADR (i) | | | 38,460,424 | 11.15% | | | 38,460,424 | 4.82% |
| Other | 12,907,077 | 2.86% | 150,371,203 | 43.58% | 578,330 | 100.00% | 163,856,610 | 20.55% |
| Total | 451,668,652 | 100.00% | 343,775,864 | 99.64% | 578,330 | 100.00% | 796,022,846 | 99.85% |
| Shares owned by subsidiary | | | | | | | | |
| Braskem | | | | | | | | |
| Petroquímica (ii) | | | 1,234,758 | 0.36% | | | 1,234,758 | 0.15% |
| Total | 451,668,652 | 100.00% | 345,010,622 | 100.00% | 578,330 | 100.00% | 797,257,604 | 100.00% |

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

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

(b) Dividends

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

On September 27, 2016, the Board of Directors' Meeting approved the payment of interim dividends for fiscal year 2015, in the amount of R\$1,000,000, which will be paid as of October 11, 2016. The Company paid R\$567,819 to common shareholders and R\$432,181 to class A preferred shareholders.

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

| | Additional indexation of PP&E (i) | Deemed cost of PP&E (i) | Defined benefit plan actuarial Gain (loss) (ii) | Foreign sales hedge (iii) | Cash flow hedge (iii) | Foreign currency translation adjustment (iv) | Loss on interest in subsidiary (v) | Total Braske shareholder interest |
|---|--|--|--|--|--------------------------------------|---|---|--|
| On December 31, 2014 | 244,831 | 18,275 | (11,647) | (3,263,732) | (289,667) | 387,287 | (9,404) | (2,924,05) |
| Additional indexation | | | | | | | | |
| Realization by depreciation or write-off assets | (26,344) | | | | | | | (26,344) |
| Income tax and social contribution | 5,915 | | | | | | | 5,915 |
| Deemed cost of jointly-controlled investment | | | | | | | | |
| Realization by depreciation or write-off assets | | (1,096) | | | | | | (1,096) |
| Income tax and social contribution | | 372 | | | | | | 372 |

| | | | | | | | | |
|---|----------------|---------------|-----------------|---------------------|------------------|------------------|----------------|--------------------|
| Foreign sales hedge | | | | | | | | |
| Exchange rate | | | (10,279,479) | | | | | (10,279,479) |
| Income tax and social contribution | | | 3,439,734 | | | | | 3,439,734 |
| Fair value of Cash flow hedge | | | | | | | | |
| Change in fair value | | | | | (633,706) | | | (633,706) |
| Transfer to profit or loss | | | | | (61,212) | | | (61,212) |
| Income tax and social contribution | | | | | 231,211 | | | 231,211 |
| Losses in controlling interests | | | | | | | (129) | (129) |
| Fair value of cash flow hedge from jointly-controlled | | | | | 8,162 | | | 8,162 |
| Foreign currency translation adjustment | | | | | | 934,483 | | 934,483 |
| On September 30, 2015 | 224,402 | 17,551 | (11,647) | (10,103,477) | (745,212) | 1,321,770 | (9,533) | (9,306,147) |
| On December 31, 2015 | 217,595 | 17,309 | (12,496) | (9,666,973) | (728,296) | 1,097,009 | (9,404) | (9,085,255) |
| Additional indexation | | | | | | | | |
| Realization by depreciation or write-off assets | (30,951) | | | | | | | (30,951) |
| Income tax and social contribution | 10,524 | | | | | | | 10,524 |
| Deemed cost of jointly-controlled investment | | | | | | | | |

| | | | | | | | | |
|---|----------------|---------------|-----------------|--------------------|------------------|------------------|----------------|--------------------|
| Realization by depreciation or write-off assets | | | (1,096) | | | | | (1,096) |
| Income tax and social contribution | | | 372 | | | | | 372 |
| Foreign sales hedge | | | | | | | | |
| Exchange rate | | | | 3,157,453 | | | | 3,157,453 |
| Transfer to profit or loss | | | | 1,061,661 | | | | 1,061,661 |
| Income tax and social contribution | | | | (1,474,894) | | | | (1,474,894) |
| Fair value of Cash flow hedge | | | | | | | | |
| Change in fair value | | | | | 220,323 | | | 220,323 |
| Transfer to result | | | | | (15,421) | | | (15,421) |
| Income tax and social contribution | | | | | | (74,346) | | (74,346) |
| Fair value of cash flow hedge from jointly-controlled | | | | | | | (6,272) | (6,272) |
| Foreign currency translation adjustment | | | | | | | (85,770) | (85,770) |
| On September 30, 2016 | 197,168 | 16,585 | (12,496) | (6,922,753) | (604,012) | 1,011,239 | (9,404) | (6,323,677) |

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

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****21. Earnings per share**

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

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

| | Sep/2016 | Basic and diluted Sep/2015 Revised |
|---|-----------------|---|
| Profit for the period attributed to Company's shareholders | 2,065,342 | 2,904,159 |
| Distribution of dividends attributable to priority: | | |
| Preferred shares class "A" | 208,416 | 208,409 |
| Preferred shares class "B" | 351 | 360 |
| | 208,767 | 208,769 |
| Distribution of 6% of unit value of common shares | 273,827 | 273,824 |
| Distribution of plus income, by class | | |
| Common shares | 898,715 | 1,374,990 |
| Preferred shares class "A" | 684,033 | 1,046,576 |
| | 1,582,748 | 2,421,566 |
| Reconciliation of income available for distribution, by class (numerator): | | |
| Common shares | 1,172,542 | 1,648,814 |
| Preferred shares class "A" | 892,449 | 1,254,985 |
| Preferred shares class "B" | 351 | 360 |
| | 2,065,342 | 2,904,159 |

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

| | | |
|----------------------------|-------------|-------------|
| Common shares | 451,668,652 | 451,668,652 |
| Preferred shares class "A" | 343,775,864 | 343,788,633 |
| Preferred shares class "B" | 578,330 | 593,818 |
| | 796,022,846 | 796,051,103 |

Profit per share (in R\$)

| | | |
|----------------------------|--------|--------|
| Common shares | 2.5960 | 3.6505 |
| Preferred shares class "A" | 2.5960 | 3.6505 |
| Preferred shares class "B" | 0.6069 | 0.6062 |

(i) Calculation of weighted average of outstanding shares at the beginning of the period, adjusted by the number of shares repurchased during the period ended September 30, 2015, multiplied by a weighted time factor:

| | Outstanding shares | Preferred shares class "A" Weighted average |
|--------------------------------------|-------------------------------|--|
| Balance at December 31, 2014 | 343,848,120 | 343,848,120 |
| Repurchase of treasury shares | (80,000) | (59,487) |
| Balance at September 30, 2015 | 343,768,120 | 343,788,633 |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****22. Net sales revenues**

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

| | Sep/2016 | Consolidated Sep/2015 | Sep/2016 | Parent company Sep/2015 |
|---------------------------------------|-------------------|----------------------------------|-------------------|------------------------------------|
| Sales and services revenue | | | | |
| Domestic market | 24,923,937 | 23,238,104 | 25,303,281 | 22,401,365 |
| Foreign market | 17,189,881 | 16,777,831 | 7,116,945 | 7,255,276 |
| | 42,113,818 | 40,015,935 | 32,420,226 | 29,656,641 |
| Sales and services deductions | | | | |
| Taxes | | | | |
| Domestic market | (5,595,203) | (4,796,527) | (5,565,475) | (4,325,303) |
| Foreign market | (20,462) | (24,605) | | |
| Sales returns | | | | |
| Domestic market | (181,041) | (155,804) | (184,748) | (141,454) |
| Foreign market | (96,569) | (88,283) | (16,201) | (80,642) |
| | (5,893,275) | (5,065,219) | (5,766,424) | (4,547,399) |
| Net sales and services revenue | 36,220,543 | 34,950,716 | 26,653,802 | 25,109,242 |

23. Other net income (expenses)

| | Note | Sep/2016 | Consolidated Sep/2015 |
|---|-------------|-----------------|----------------------------------|
| Expenses idle and hibernated plants | (i) | (160,555) | (72,715) |
| Results with property, plant and equipment, and investments | | (31,777) | (11,877) |
| Cost of inventory adjustments and losses in the movement of raw materials | | (48,218) | (17,891) |
| Provision judicial and administrative, processes | | (61,622) | (24,427) |

| | | |
|-------|------------------|------------------|
| Other | (20,820) | (37,842) |
| | (322,992) | (164,752) |

(i) Includes R\$99,893 in the nine-month period ended September 30, 2016 corresponding to the idle time in the start-up process of the subsidiary Braskem Idesa (Nota 1(a)).

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****24. Financial results**

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

| | Sep/2016 | Consolidated Sep/2015 Revised | Sep/2016 | Parent company Sep/2015 Revised |
|--|--------------------|--|--------------------|--|
| Financial incomes | | | | |
| Interest income | 371,204 | 312,700 | 326,637 | 202,696 |
| Monetary variations | 170,288 | 100,343 | 160,082 | 80,489 |
| Exchange rate variations | (996,053) | 1,162,524 | (1,573,414) | 2,860,250 |
| Other | 31,114 | 41,967 | 28,257 | 28,009 |
| | (423,447) | 1,617,534 | (1,058,438) | 3,171,444 |
| Financial expenses | | | | |
| Interest expenses | (1,495,052) | (1,269,656) | (1,173,561) | (1,376,563) |
| Monetary variations | (313,784) | (274,616) | (313,799) | (274,723) |
| Exchange rate variations | (1,513,169) | (752,326) | (208,750) | (2,013,197) |
| Inflation adjustments on fiscal debts | (89,062) | (37,633) | (82,391) | (33,185) |
| Discounts granted | (86,089) | (109,835) | (73,267) | (64,077) |
| Loans transaction costs - amortization | (42,947) | (48,841) | (3,927) | (3,838) |
| Adjustment to present value - appropriation | (403,327) | (384,680) | (372,669) | (355,017) |
| Other | (147,119) | (135,388) | (76,144) | (66,821) |
| | (4,090,549) | (3,012,975) | (2,304,508) | (4,187,421) |
| Total | (4,513,996) | (1,395,441) | (3,362,946) | (1,015,977) |

| | Sep/2016 | Consolidated Sep/2015 | Sep/2016 | Parent company Sep/2015 |
|--|-----------------|----------------------------------|-----------------|------------------------------------|
|--|-----------------|----------------------------------|-----------------|------------------------------------|

| Interest income | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| Held for sale | 131,764 | 73,564 | 121,138 | 28,830 |
| Loans and receivables | 201,068 | 147,246 | 187,961 | 132,841 |
| Held-to-maturity | 9,410 | 25,889 | 9,410 | 25,889 |
| | 342,242 | 246,699 | 318,509 | 187,560 |
| Other assets not classifiable | 28,962 | 66,001 | 8,128 | 15,136 |
| Total | 371,204 | 312,700 | 326,637 | 202,696 |

Braskem S.A.**Notes to the financial statements****at September 30, 2016****All amounts in thousands of reais, unless otherwise stated****25. Expenses by nature**

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

| | Sep/2016 | Consolidated Sep/2015 | Parent company Sep/2016 | Parent company Sep/2015 |
|--|---------------------|----------------------------------|------------------------------------|------------------------------------|
| Classification by nature: | | | | |
| Raw materials other inputs | (21,410,550) | (22,938,848) | (16,799,902) | (15,810,681) |
| Personnel expenses | (1,932,308) | (1,752,372) | (1,399,971) | (1,234,196) |
| Outsourced services | (1,556,727) | (1,164,547) | (1,066,220) | (875,084) |
| Depreciation, amortization and depletion | (1,966,757) | (1,574,343) | (1,552,065) | (1,327,692) |
| Freights | (1,492,892) | (1,335,933) | (1,071,261) | (950,334) |
| Other income (expenses), net | (736,696) | (632,781) | (443,113) | (416,055) |
| Total | (29,095,930) | (29,398,824) | (22,332,532) | (20,614,042) |
| Classification by function: | | | | |
| Cost of products sold | (26,486,061) | (27,378,478) | (20,735,565) | (19,292,455) |
| Selling and distribution | (1,051,707) | (816,167) | (702,377) | (590,095) |
| General and administrative | (1,115,323) | (919,552) | (605,166) | (640,225) |
| Research and development | (119,847) | (119,875) | (75,983) | (74,075) |
| Other income (expenses), net | (322,992) | (164,752) | (213,441) | (17,192) |
| Total | (29,095,930) | (29,398,824) | (22,332,532) | (20,614,042) |

Braskem S.A.

Notes to the financial statements

at September 30, 2016

All amounts in thousands of reais, unless otherwise stated

26. Segment information

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

| | | | | | Operating expenses | | Sep/ |
|---|--------------------------------------|-----------------------------|------------------|--|---------------------------------------|---------------------------------|------------------|
| | Net sales and services revenue | Cost of products sold | Gross profit | Selling, general and distribution expenses | Results from equity investments | Other income (expenses), net | Bras Consolid |
| Reporting segments | | | | | | | |
| Basic petrochemicals | 18,514,922 | (14,951,491) | 3,563,431 | (512,362) | | (105,732) | 2,945 |
| Polyolefins | 15,577,095 | (12,310,143) | 3,266,952 | (955,373) | | (55,488) | 2,256 |
| Vinyls | 2,222,487 | (2,101,808) | 120,679 | (173,096) | | (1,372) | (53, |
| Chemical distribution | 640,820 | (513,245) | 127,575 | (102,169) | | 19 | 25 |
| USA and Europe | 6,898,923 | (4,551,259) | 2,347,664 | (400,769) | | 4,292 | 1,951 |
| Mexico | (i) 872,660 | (589,191) | 283,469 | (173,248) | | (98,435) | 11 |
| Total | 44,726,907 | (35,017,137) | 9,709,770 | (2,317,017) | | (256,716) | 7,136 |
| Other segments | 9,784 | (12,001) | (2,217) | (1,876) | | (21,318) | (25, |
| Corporate unit | | | | (54,073) | 23,177 | (44,958) | (75, |
| Braskem consolidated before eliminations and reclassifications | | | | | | | |
| | 44,736,691 | (35,029,138) | 9,707,553 | (2,372,966) | 23,177 | (322,992) | 7,034 |
| Eliminations and reclassifications | (8,516,148) | 8,543,077 | 26,929 | 86,089 | | | 113 |
| Total | 36,220,543 | (26,486,061) | 9,734,482 | (2,286,877) | 23,177 | (322,992) | 7,147 |

Sep/

| | | | | | Operating expenses | | |
|---|--------------------------------------|-----------------------------|------------------|--|---------------------------------------|---------------------------------|------------------|
| | Net sales and services revenue | Cost of products sold | Gross profit | Selling, general and distribution expenses | Results from equity investments | Other income (expenses), net | Bras Consolid |
| Reporting segments | | | | | | | |
| Basic petrochemicals | 17,972,314 | (14,806,597) | 3,165,717 | (456,781) | | (19,260) | 2,689 |
| Polyolefins | 15,200,722 | (11,801,749) | 3,398,973 | (876,621) | | (68,205) | 2,454 |
| Vinyls | 2,055,969 | (1,847,439) | 208,530 | (160,865) | | 15,076 | 62 |
| USA and Europe | 5,876,449 | (5,117,181) | 759,268 | (307,155) | | 1,859 | 453 |
| Chemical distribution | 638,611 | (499,976) | 138,635 | (91,433) | | (3,000) | 44 |
| Total | 41,744,065 | (34,072,942) | 7,671,123 | (1,892,855) | | (73,530) | 5,704 |
| Other segments | (ii) 442,469 | (446,861) | (4,392) | (64,677) | | (60,848) | (129) |
| Corporate unit | | | | (7,897) | 1,701 | (30,374) | 73 |
| Braskem consolidated before eliminations and reclassifications | | | | | | | |
| | 42,186,534 | (34,519,803) | 7,666,731 | (1,965,429) | 1,701 | (164,752) | 5,648 |
| Eliminations and reclassifications | (7,235,818) | 7,141,325 | (94,493) | 109,835 | | | (94) |
| Total | 34,950,716 | (27,378,478) | 7,572,238 | (1,855,594) | 1,701 | (164,752) | 5,553 |

(i) With the operational startup of Braskem Idesa, the Company began to reported the “Mexico” segment, which includes activities related to PE production and sale of that subsidiary (Note 1(a)).

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

SIGNATURES

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

Date: November 10, 2016

BRASKEM S.A.

By: /s/ Pedro van Langendonck Teixeira de Freitas

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

FORWARD-LOOKING STATEMENTS

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