

BRASKEM SA  
Form 6-K  
February 19, 2016

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**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 February, 2016**  
**(Commission File No. 1-14862 )**

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**BRASKEM S.A.**

*(Exact Name as Specified in its Charter)*

**N/A**

*(Translation of registrant's name into English)*

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**Rua Eteno, 1561, Polo Petroquimico de Camacari**  
**Camacari, Bahia - CEP 42810-000 Brazil**

*(Address of principal executive offices)*

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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- \_\_\_\_\_.

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**Braskem S.A.**

**Financial Statements**

**at December 31, 2015**

**and Independent Auditors' Report**

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## **Independent auditors' report on the financial statements**

To the Board of Directors and Management

Braskem S.A.

Camaçari - Bahia

We have audited the accompanying individual (Company) and consolidated financial statements of Braskem S.A. ("Company"), respectively referred to as Company and Consolidated, which comprise the balance sheet as of December 31, 2015, the statements of profit or loss and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with Brazilian accounting practices and the consolidated financial statements in accordance with International Financial Reporting Standards and Brazilian accounting practices, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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### **Opinion on the individual financial statements**

In our opinion, the Company financial statements present fairly, in all material respects, the financial position of Braskem S.A. as of December 31, 2015, and of its financial performance and its consolidated cash flows for the year then ended in accordance with Brazilian accounting practices.

### **Opinion on the consolidated financial statements**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Braskem S.A. as of December 31, 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board – IASB and the accounting practices adopted in Brazil.

### **Emphasis of a matter**

We call attention to note 23 (d) to the financial information that discloses the allegations, events and actions taken by the Company with respect to the ongoing internal investigations and the development of the class action brought in US courts. Our opinion does not contain modifications in relation to this matter.

### **Other matters**

#### ***Audit of the prior year's amounts***

The individual and consolidated financial statements of Braskem S.A. as at and for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 12, 2015.

#### ***Statements of value added***

We have also examined the individual and consolidated statements of value added prepared under the responsibility of the Company's management for the year ended December 31, 2015, whose reporting is required by the Brazilian Corporate Law, which governs corporations, and considered supplementary information under the International Financial Reporting Standards (IFRS), which do not require the presentation of the statement of value added. Those statements have been subjected to the same audit procedures described before and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

São Paulo, February 16, 2016

KPMG Auditores Independentes

CRC 2SP014428/O-6

*Original report in Portuguese signed by*

Anselmo Neves Macedo

Accountant CRC 1SP160482/O-6

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**Braskem S.A.****Balance sheet at December 31**

All amounts in thousands of reais

Assets	Note	Consolidated		Parent company	
		2015	2014	2015	2014
<b>Current assets</b>					
Cash and cash equivalents	5	7,439,723	3,993,359	4,773,251	2,416,288
Financial investments	6	1,172	89,729	1,172	78,243
Trade accounts receivable	7	2,735,144	2,692,612	2,526,510	5,382,456
Inventories	8	5,517,206	5,368,146	4,131,128	3,810,498
Taxes recoverable	10	1,272,004	2,129,837	762,824	1,416,523
Dividends and interest on capital		1,998		87,655	69,955
Prepaid expenses		166,170	99,469	139,668	72,997
Related parties	9	10,507	66,616	118,661	132,413
Derivatives operations	16.2	53,662	33,555	12,616	33,555
Other receivables		300,901	287,876	248,488	201,025
		<b>17,498,487</b>	<b>14,761,199</b>	<b>12,801,973</b>	<b>13,613,953</b>
<b>Non-current assets</b>					
Financial investments	6	46,193	42,494	46,193	42,495
Trade accounts receivable	7	19,822	25,050	4,279,433	23,129
Advances to suppliers	8	135,046	68,988	135,046	68,988
Taxes recoverable	10	1,304,056	1,045,428	1,198,301	962,551
Deferred income tax and social contribution	19	3,226,507	870,206	2,179,354	493,303
Judicial deposits		277,093	230,945	268,572	223,940
Related parties	9	144,633	138,501	124,645	137,477
Insurance claims		63,199	143,932	60,778	139,751
Derivatives operations	16.2	12,280	39,350		
Other receivables		298,057	91,905	125,898	47,575
Investments in subsidiaries and jointly-controlled investments	11	82,290	120,024	4,589,947	4,633,042
Other investments		4,064	6,511	3,828	6,123
Property, plant and equipment	12	33,961,963	29,001,490	16,542,078	17,297,907
Intangible assets	13	2,887,604	2,835,728	2,572,341	2,610,027
		<b>42,462,807</b>	<b>34,660,552</b>	<b>32,126,414</b>	<b>26,686,308</b>
<b>Total assets</b>		<b>59,961,294</b>	<b>49,421,751</b>	<b>44,928,387</b>	<b>40,300,261</b>

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





**Braskem S.A.****Balance sheet at December 31**

All amounts in thousands of reais

Continued

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		2015	2014	2015	2014
<b>Current liabilities</b>					
Trade payables		11,698,695	10,852,410	9,557,676	10,443,712
Borrowings	14	1,968,540	1,418,542	2,567,124	2,134,951
Project finance	15	302,266	26,462		
Derivatives operations	16.2	57,760	95,626	8,351	18,588
Payroll and related charges		605,059	533,373	446,125	412,890
Taxes payable	17	744,660	203,392	221,305	117,696
Dividends		753,668	215,888	753,668	218,664
Advances from customers		119,680	99,750	44,528	45,887
Sundry provisions	20	93,942	88,547	67,190	53,049
Post-employment benefits	21		336,357		336,357
Accounts payable to related parties	9			4,297,735	447,357
Other payables	22	337,959	212,945	207,730	110,814
		<b>16,682,229</b>	<b>14,083,292</b>	<b>18,171,432</b>	<b>14,339,965</b>
<b>Non-current liabilities</b>					
Trade payables		57,148		3,420,281	
Borrowings	14	25,370,260	18,918,021	8,207,012	7,863,666
Project finance	15	11,975,167	7,551,033		
Derivatives operations	16.2	1,184,741	594,383	1,184,741	594,383
Taxes payable	17	26,716	30,699	25,825	30,634
Accounts payable to related parties	9			10,905,207	10,008,077
Ethylene XXI Project Loan	18	1,538,784	792,188		
Deferred income tax and social contribution	19	731,241	603,490		
Post-employment benefits	21	154,707	69,176	54,166	
Provision for losses on subsidiaries				137,013	654,766
Advances from customers		31,116	88,402	12,813	26,147
Sundry provisions	20	653,972	505,677	571,349	439,915
Other payables	22	217,502	291,040	167,060	254,933
		<b>41,941,354</b>	<b>29,444,109</b>	<b>24,685,467</b>	<b>19,872,521</b>
<b>Shareholders' equity</b>					
	24				
Capital		8,043,222	8,043,222	8,043,222	8,043,222
Capital reserve		232,430	232,430	232,430	232,430
Revenue reserves		2,882,019	736,180	2,882,019	736,180
Other comprehensive income		(9,085,256)	(2,924,057)	(9,085,256)	(2,924,057)

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Treasury shares	(49,819)	(48,892)	(927)	
Accumulated profits				
Total attributable to the Company's shareholders	2,022,596	6,038,883	2,071,488	6,087,775
Non-controlling interest	(684,885)	(144,533)		
	<b>1,337,711</b>	<b>5,894,350</b>	<b>2,071,488</b>	<b>6,087,775</b>
<b>Total liabilities and shareholders' equity</b>	<b>59,961,294</b>	<b>49,421,751</b>	<b>44,928,387</b>	<b>40,300,261</b>

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

**Braskem S.A.****Statement of operations****Years ended December 31**

All amounts in thousands of reais, except earnings per share

	Note	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
<b>Net sales revenue</b>	26	<b>47,282,996</b>	<b>46,031,389</b>	<b>33,406,033</b>	<b>26,927,750</b>
Cost of products sold		(36,902,086)	(40,057,341)	(25,675,861)	(23,544,968)
<b>Gross profit</b>		<b>10,380,910</b>	<b>5,974,048</b>	<b>7,730,172</b>	<b>3,382,782</b>
<b>Income (expenses)</b>					
Selling and distribution		(1,122,012)	(1,155,800)	(813,888)	(692,879)
General and administrative		(1,325,342)	(1,210,124)	(864,572)	(801,433)
Research and development		(176,431)	(138,441)	(110,583)	(96,800)
Results from equity investments	11(c)	2,219	3,929	752,037	621,002
Other operating income (expenses), net	28	(707,153)	95,596	(346,398)	344,574
<b>Operating profit</b>		<b>7,052,191</b>	<b>3,569,208</b>	<b>6,346,768</b>	<b>2,757,246</b>
<b>Financial results</b>	29				
Financial expenses		(4,193,533)	(2,745,864)	(5,017,326)	(2,762,120)
Financial income		1,701,027	355,221	3,196,009	945,580
		<b>(2,492,506)</b>	<b>(2,390,643)</b>	<b>(1,821,317)</b>	<b>(1,816,540)</b>
<b>Profit before income tax and social contribution</b>		<b>4,559,685</b>	<b>1,178,565</b>	<b>4,525,451</b>	<b>940,706</b>
Current and deferred income tax and social contribution	19	(1,660,905)	(452,264)	(1,385,140)	(76,642)
		<b>(1,660,905)</b>	<b>(452,264)</b>	<b>(1,385,140)</b>	<b>(76,642)</b>
<b>Profit for the year</b>		<b>2,898,780</b>	<b>726,301</b>	<b>3,140,311</b>	<b>864,064</b>
<b>Attributable to:</b>					
Company's shareholders		3,140,311	864,064		
Non-controlling interest in Braskem Idesa		(241,531)	(137,763)		
<b>Profit for the year</b>		<b>2,898,780</b>	<b>726,301</b>		

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

**Braskem S.A.****Statement of comprehensive income****Years ended December 31**

All amounts in thousands of reais

Continued

	Note	Consolidated 2015	Consolidated 2014	2015	Parent
<b>Profit for the year</b>		<b>2,898,780</b>	<b>726,301</b>	<b>3,140,311</b>	
<b>Other comprehensive income or loss:</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Fair value of cash flow hedge		(686,991)	(352,700)	(587,825)	
Income tax and social contribution		228,415	116,532	199,860	
Fair value of cash flow hedge - Braskem Idesa				(74,375)	
Income tax and social contribution				21,416	
Fair value of cash flow hedge from jointly-controlled		2,295		2,295	
		(456,281)	(236,168)	(438,629)	
Exchange variation of foreign sales hedge	16.3(a.i)	(8,437,079)	(2,119,069)	(8,437,079)	
Income tax and social contribution on exchange variation		2,868,607	720,483	2,868,607	
Exchange variation of foreign sales hedge - Braskem Idesa	16.3(a.ii)	(1,589,544)	(656,783)	(1,192,158)	
Income tax on exchange variation - Braskem Idesa		476,518	197,035	357,389	
		(6,681,498)	(1,858,334)	(6,403,241)	
Foreign subsidiaries currency translation adjustment		644,308	147,453	709,722	
<b>Total</b>		<b>(6,493,471)</b>	<b>(1,947,049)</b>	<b>(6,132,148)</b>	
<b>Items that will not be reclassified to profit or loss</b>					
Defined benefit plan actuarial loss		(849)		(849)	
<b>Total</b>		<b>(849)</b>		<b>(849)</b>	
<b>Total comprehensive loss for the year</b>		<b>(3,595,540)</b>	<b>(1,220,748)</b>	<b>(2,992,686)</b>	
<b>Attributable to:</b>					
Company's shareholders		(2,992,686)	(939,099)		
Non-controlling interest in Braskem Idesa		(602,854)	(281,649)		
<b>Total comprehensive loss for the year</b>		<b>(3,595,540)</b>	<b>(1,220,748)</b>		

	Note	2015 Basic and diluted	Parent Basic
<b>Profit per share attributable to the shareholders of the Company at the end of the year (R\$)</b>	25		
Earnings per share - common		3.9474	
Earnings per share - preferred shares class "A"		3.9474	
Earnings per share - preferred shares class "B"		0.6065	

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

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

	Note	Capital reserve	Legal reserve	Retention of profits
<b>At december 31, 2013</b>	<b>8,043,222</b>	<b>232,430</b>	<b>26,895</b>	<b>28,412</b>
Comprehensive income for the year:				
Profit for the year				
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 and distributions to shareholders:				
Prescribed dividends				
Additional dividends approved by the General Meeting				
Legal reserve			44,647	
Mandatory minimum dividends				
Additional dividends proposed				
Retained earnings			44,647	365,709
				365,709
<b>At December 31, 2014</b>	<b>8,043,222</b>	<b>232,430</b>	<b>71,542</b>	<b>394,121</b>
Comprehensive income for the year:				
Profit for the year				
Exchange variation of foreign sales hedge, net of taxes				
Fair value of cash flow hedge, net of taxes				
Foreign currency translation adjustment				

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

Actuarial gains post-employment benefits of subsidiaries , net of taxes

Contributions and distributions to shareholders:

Capital increase

Repurchase of treasury shares 24(b)

Prescribed dividends

Additional dividends proposed

Legal reserve 24(f.1) 158,450

Proposed dividends 24(f.1)

Retained earnings 24(f.1) 2,010,542

158,450 2,010,542

**At December 31, 2015**

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

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



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

	<b>Note</b>	<b>Capital reserve</b>	<b>Legal reserve</b>
<b>At december 31, 2013</b>	<b>8,043,222</b>	<b>232,430</b>	<b>26,430</b>
Comprehensive income for the year:			
Profit for the year			
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 and distributions to shareholders:			
Absorption of losses			
Loss on interest in subsidiary			
Legal reserve			44,000
Mandatory minimum dividends			
Additional dividends proposed			
Retained earnings			44,000
<b>At December 31, 2014</b>	<b>8,043,222</b>	<b>232,430</b>	<b>71,000</b>
Comprehensive income for the year:			
Profit for the year			
Exchange variation of foreign sales hedge, net of taxes			
Fair value of cash flow hedge, net of taxes			
Foreign currency translation adjustment			
Equity valuation adjustments:			

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Realization of deemed cost of jointly-controlled investment, net of taxes  
 Realization of additional property, plant and equipment price-level restatement, net of taxes  
 Post-employment benefits of subsidiaries actuarial gains, net of taxes

Contributions and distributions to shareholders:

Repurchase of treasury shares	24(b)	
Prescribed dividends		
Additional dividends proposed		
Legal reserve	24(f.1)	158,
Proposed dividends	24(f.1)	
Retained earnings	24(f.1)	158,

**At December 31, 2015** **8,043,222 232,430 229,**

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

**Braskem S.A.****Statement of cash flows****Years ended December 31****All amounts in thousands of reais**

	<b>Note</b>	<b>Consolidated</b>		<b>Parent company</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Profit before income tax and social contribution		4,559,685	1,178,565	4,525,451	940,706
Adjustments for reconciliation of profit					
Depreciation, amortization and depletion		2,114,929	2,056,362	1,774,973	1,317,928
Results from equity investments	11(c)	(2,219)	(3,929)	(752,037)	(621,002)
Interest and monetary and exchange variations, net		3,249,558	1,560,734	3,235,082	1,580,449
Gain from divestment in subsidiary	1(a)		(277,338)		(277,338)
Other		130,758	9,805	28,779	5,151
		<b>10,052,711</b>	<b>4,524,199</b>	<b>8,812,248</b>	<b>2,945,894</b>
Changes in operating working capital					
Held-for-trading financial investments		118,929	(19,057)	109,913	(7,755)
Trade accounts receivable		(38,586)	144,087	(1,400,963)	(848,467)
Inventories		(161,419)	(270,351)	(347,679)	(331,705)
Taxes recoverable		831,507	486,082	464,733	111,672
Prepaid expenses		(66,701)	(36,472)	(66,671)	(31,518)
Other receivables		(132,865)	27,832	37,751	53,700
Trade payables		(2,205,683)	(419,476)	(574,871)	229,652
Taxes payable		221,371	(539,262)	96,077	(688,383)
Advances from customers		(37,356)	(261,886)	(14,693)	(20,047)
Sundry provisions		153,690	38,674	145,575	18,020
Other payables		708,267	677,071	(267,825)	128,692
<b>Cash from operations</b>		<b>9,443,865</b>	<b>4,351,441</b>	<b>6,993,595</b>	<b>1,559,755</b>
Interest paid		(1,034,811)	(356,333)	(431,567)	(530,907)
Project finance - transactions costs paid	15	(51,355)	(65,098)		
Income tax and social contribution paid		(232,302)	(138,144)	(46,784)	(45,217)
<b>Net cash generated by operating activities</b>		<b>8,125,397</b>	<b>3,791,866</b>	<b>6,515,244</b>	<b>983,631</b>
Proceeds from the sale of fixed assets		1,282	10,646	605	10,344
Proceeds from the sale of investments	1(a)		315,000		315,000
Cash effect of discontinued operations					23,149

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Acquisitions of investments in subsidiaries and associates		(55)		(10,708)	
Acquisitions to property, plant and equipment	(i) 12(a)	(4,057,123)	(5,301,778)	(1,026,669)	(1,216,985)
Acquisitions of intangible assets	13	(20,106)	(30,269)	(20,088)	(27,151)
Held-for-maturity financial investments		2,441	29,380	(28)	29,380
<b>Net cash used in investing activities</b>		<b>(4,073,506)</b>	<b>(4,977,076)</b>	<b>(1,046,180)</b>	<b>(876,971)</b>
Short-term and Long-term debit					
Obtained borrowings		5,481,546	6,174,678	2,918,405	3,544,652
Payment of borrowings		(6,087,217)	(6,692,638)	(4,515,350)	(3,934,408)
Project finance	15				
Obtained funds		1,501,939	1,894,507		
Payment of borrowings		(510,715)			
Related parties					
Obtained loans				1,108,868	626,928
Payment of loans				(2,142,746)	(889,256)
Transactions current active				1,766	1,018,781
Dividends paid		(482,117)	(482,147)	(482,117)	(482,147)
Repurchase of treasury shares		(927)		(927)	
<b>Net cash provided by (used in) financing activities</b>		<b>(97,491)</b>	<b>894,400</b>	<b>(3,112,101)</b>	<b>(115,450)</b>
Exchange variation on cash of foreign subsidiaries		(508,036)	(51,690)		
<b>Increase (decrease) in cash and cash equivalents</b>		<b>3,446,364</b>	<b>(342,500)</b>	<b>2,356,963</b>	<b>(8,790)</b>
Represented by					
Cash and cash equivalents at the beginning of the year		3,993,359	4,335,859	2,416,288	2,425,078
Cash and cash equivalents at the end of the year		7,439,723	3,993,359	4,773,251	2,416,288
<b>Increase (decrease) in cash and cash equivalents</b>		<b>3,446,364</b>	<b>(342,500)</b>	<b>2,356,963</b>	<b>(8,790)</b>

(i) Includes capitalized financial charges paid: Consolidated 2015 - R\$786,063 (2014 - R\$623,162) and Parent company 2015 - R\$119,666 (2014 - R\$74,550).

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

**Braskem S.A.****Statement of value added****Years ended December 31****All amounts in thousands of reais**

	<b>Consolidated</b>		<b>Parent company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>	<b>53,115,698</b>	<b>52,761,200</b>	<b>39,023,849</b>	<b>31,527,500</b>
Sale of goods, products and services, including discontinued operations	53,803,890	52,689,183	39,342,353	31,229,200
Other income (expenses), net	(636,824)	153,095	(272,015)	376,300
Allowance for doubtful accounts	(51,368)	(81,078)	(46,489)	(78,000)
<b>Inputs acquired from third parties</b>	<b>(42,208,079)</b>	<b>(45,412,436)</b>	<b>(29,807,759)</b>	<b>(26,984,500)</b>
Cost of products, goods and services sold	(40,772,490)	(43,912,319)	(28,680,882)	(17,151,200)
Material, energy, outsourced services and others	(1,436,092)	(1,503,512)	(1,117,036)	(9,836,300)
Impairment of assets	503	3,395	(9,841)	3,000
<b>Gross value added</b>	<b>10,907,619</b>	<b>7,348,764</b>	<b>9,216,090</b>	<b>4,542,900</b>
<b>Depreciation, amortization and depletion</b>	<b>(2,114,929)</b>	<b>(2,056,362)</b>	<b>(1,774,973)</b>	<b>(1,317,900)</b>
<b>Net value added produced by the entity</b>	<b>8,792,690</b>	<b>5,292,402</b>	<b>7,441,117</b>	<b>3,225,000</b>
<b>Value added received in transfer</b>	<b>1,703,502</b>	<b>359,861</b>	<b>3,948,130</b>	<b>1,566,900</b>
Results from equity investments	2,219	3,929	752,037	621,000
Financial income	1,701,027	355,221	3,196,009	945,000
Other	256	711	84	300
<b>Total value added to distribute</b>	<b>10,496,192</b>	<b>5,652,263</b>	<b>11,389,247</b>	<b>4,792,900</b>
<b>Personnel</b>	<b>1,209,732</b>	<b>1,095,545</b>	<b>740,476</b>	<b>521,500</b>
Direct compensation	943,263	836,525	551,092	394,000
Benefits	204,766	196,911	129,871	85,000
FGTS (Government Severance Pay Fund)	61,703	62,109	59,513	42,500
<b>Taxes, fees and contributions</b>	<b>1,968,053</b>	<b>902,864</b>	<b>2,296,187</b>	<b>467,500</b>
Federal	1,668,930	522,134	1,500,585	172,000
State	276,024	363,551	784,988	295,000
Municipal	23,099	17,179	10,614	(0)
<b>Remuneration on third parties' capital</b>	<b>4,419,627</b>	<b>2,927,553</b>	<b>5,212,273</b>	<b>2,938,500</b>
Financial expenses (including exchange variation)	4,173,254	2,708,331	5,007,564	2,775,000
Rentals	246,373	219,222	204,709	163,500

<b>Remuneration on own capital</b>	<b>2,898,780</b>	<b>726,301</b>	<b>3,140,311</b>	<b>864,064</b>
Profit for the year	3,140,311	864,064	3,140,311	864,064
Non-controlling interests in loss for the year	(241,531)	(137,763)		
<b>Value added distributed</b>	<b>10,496,192</b>	<b>5,652,263</b>	<b>11,389,247</b>	<b>4,792,000</b>

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

**Braskem S.A.**

**Notes to the financial statements**

**at December 31, 2015**

**All amounts in thousands, except as otherwise stated**

**1 Operations**

Braskem S.A. (hereinafter “Parent Company”) is a public company headquartered in the city of Camaçari, Bahia (“BA”), which jointly with its subsidiaries (hereinafter “Braskem” or “Company”), operates 36 industrial units, 29 of which in the Brazilian states of Alagoas (“AL”), Bahia (“BA”), Rio de Janeiro (“RJ”), Rio Grande do Sul (“RS”) and São Paulo (“SP”), five are located in the United States, in the states of Pennsylvania, Texas and West Virginia and two are located in Germany, in the cities of Wesseling and Schkopau. These units produce thermoplastic resins – polyethylene (“PE”), polypropylene (“PP”) and polyvinyl chloride (“PVC”), as well as basic petrochemicals.

Braskem is also engaged in the import and export of chemicals, petrochemicals and fuels, the production, supply and sale of utilities such as steam, water, compressed air, industrial gases, as well as the provision of industrial services and the production, supply and sale of electric energy for its own use and use by other companies. Braskem also invests in other companies, either as a partner or as shareholder.

The Company is controlled by Odebrecht S.A. (“Odebrecht”), which directly and indirectly holds interests of 50.11% and 38.32% in its voting and total capital, respectively.

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

(i) On December 31, 2013, the parent company entered into a share sales agreement with Odebrecht Ambiental (“OA”), through which it sold its interest in the subsidiary Distribuidora de Águas Triunfo S.A. (“DAT”) for R\$315,000. On February 3, 2014, the Extraordinary Shareholders’ Meeting of DAT approved the change in its management and consequently the transfer of the management of its operations to OA, upon the recognition of a gain (“Other operating income (expenses), net”) of R\$277,338.

(ii) In September 2015, the parent company entered into a private agreement for the transfer of all its shares issued by the subsidiary Braskem Idesa S.A.P.I ("Braskem Idesa") to the subsidiary Braskem Netherlands B.V ("Braskem Netherlands").

**(b) Naphtha agreement with Petrobras**

On December 23, 2015, Braskem and Petrobras entered into a new agreement for the annual supply of 7 million tons of petrochemical naphtha for five years as of December 23, 2015 (Note 9).

**(c) Net working capital**

On December 31, 2015, net working capital at the Parent Company was negative R\$5,369,459 (R\$726,012 in 2014). On the other hand, consolidated net working capital was positive R\$816,258 (R\$677,907 in 2014). 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**

The principal accounting policies applied consistently in the preparation of these financial statements are described in the notes of the items on which they have impacts.



**Braskem S.A.**

**Notes to the financial statements**

**at December 31, 2015**

**All amounts in thousands, except as otherwise stated**

**2.1 Basis of preparation and presentation of the financial statements**

The financial statements have been prepared under the historical cost convention and were adjusted, when necessary, to reflect the fair value of assets and liabilities.

The preparation of financial statements requires the use of certain estimates. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

The issue of these financial statements was authorized by the Executive Director on February 16, 2016.

**2.1.1 Consolidated financial statements**

The consolidated financial statements were prepared and presented in accordance with accounting practices adopted in Brazil, including the standards issued by the Brazilian Accounting Pronouncements Committee ("CPC"), and in accordance with the International Financial Reporting Standards ("IFRS") issued by the IASB.

All the financial statements' relevant information are properly supported and correspond to the information used by Management in the Company's management.

The individual and consolidated Statement of Value Added ("DVA") is required under Brazilian Corporation Law and under the accounting practices adopted in Brazil for public companies. IFRS does not require the presentation of this statement. As a result, under IFRS, it is presented as supplementary information, without prejudice to financial

statements.

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**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated****(a) Consolidation**

The consolidated financial statements comprise the financial statements of the Parent Company and the following entities:

			<b>Total and voting interest - %</b>	
			<b>2015</b>	<b>2014</b>
			<b>Headquarters</b>	
<b>Direct and Indirect subsidiaries</b>				
Alclor Química de Alagoas Ltda ("Alclor")	(i)	Brazil	100.00	100.00
Braskem America Finance Company ("Braskem America Finance")		EUA	100.00	100.00
Braskem America, Inc. ("Braskem America")		EUA	100.00	100.00
Braskem Argentina S.A. ("Braskem Argentina")		Argentina	100.00	100.00
Braskem International GmbH ("Braskem Austria")	(ii)	Austria	100.00	100.00
Braskem Austria Finance GmbH ("Braskem Austria Finance")	(ii)	Austria	100.00	100.00
Braskem Chile Ltda. ("Braskem Chile")	(iii)	Chile		
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 Importação e Exportação Ltda. ("Braskem Importação")	(iv)	Brazil		100.00
			100.00	100.00

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Braskem Incorporated Limited ("Braskem Inc")		Cayman Islands		
Braskem Mexico Proyectos S.A. de C.V. SOFOM ("Braskem México Sofom")		Mexico	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 Holanda		Netherlands	100.00	100.00
Braskem Netherlands Finance B.V. ("Braskem Holanda Finance")		Netherlands	100.00	
Braskem Netherlands Inc. B.V. ("Braskem Holanda Inc")		Netherlands	100.00	
Braskem Participações S.A. ("Braskem Participações")	(iv)	Brazil		100.00
Braskem Petroquímica Chile Ltda. ("Petroquímica Chile")		Chile	100.00	100.00
Braskem Petroquímica Ibérica, S.L. ("Braskem Espanha")	(v)	Spain		100.00
Braskem Petroquímica Ltda. ("Braskem Petroquímica")		Brazil	100.00	100.00
Braskem Qpar S.A. ("Braskem Qpar")	(iii)	Brazil		
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
Norfolk Trading S.A. ("Norfolk")	(vi)	Uruguay		100.00
Politeno Empreendimentos Ltda. ("Politeno Empreendimentos")	(iv)	Brazil		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 ("FIM Júpiter")		Brazil	100.00	100.00

- (i) In the process of merger.
- (ii) In the process of dissolution.
- (iii) Merged in December 2014.
- (iv) Merged in February 2015.
- (v) Dissolved in September 2015.
- (vi) Dissolved in March 2015.



**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated****(a.i) Reconciliation of equity and profit (loss) for the year between parent company and consolidated**

	<b>Shareholders' equity</b>		<b>Profit for the year</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Parent company</b>	<b>2,071,488</b>	<b>6,087,775</b>	<b>3,140,311</b>	<b>864,064</b>
Braskem shares owned by subsidiary Braskem Petroquímica	(48,892)	(48,892)		
Non-controlling interest of Braskem Idesa	(684,885)	(144,533)	(241,531)	(137,763)
<b>Consolidated</b>	<b>1,337,711</b>	<b>5,894,350</b>	<b>2,898,780</b>	<b>726,301</b>

**2.1.2 Parent company financial statements**

The parent company financial statements have been prepared in accordance with accounting practices adopted in Brazil, following the provisions in Federal Law 6,404/76 (“Brazilian Corporation Law”), and subsequent amendments, and the standards issued by CPC and are disclosed together with the consolidated financial statements.

**2.2 Foreign currency translation****(a) Functional and presentation currency**

The functional and presentation currency of the Company is the real.

**(b) Functional currency other than the Brazilian real**

Some subsidiaries have a different functional currency from that of the Parent Company, as follows:

	<b>Functional currency</b>
<b>Subsidiaries</b>	
Braskem Alemanha, Braskem Austria e Braskem Austria Finance Braskem America, Braskem America Finance, Braskem Holanda Finance, Braskem Holanda Inc e	Euro
Braskem México Sofom	U.S.dollar
Braskem Holanda	(i) U.S.dollar
Braskem Idesa , Braskem Idesa Serviços, Braskem México e Braskem México Serviços	(ii) Mexican peso

(i) Two events determined the change of the functional currency of the subsidiary Braskem Holanda from Brazilian real to U.S. dollar as of 2015. The first was the definition of Braskem Holanda as the party responsible for the purchase and sale of naphtha and basic petrochemicals produced by Braskem in the export markets, which is fully made in U.S. dollar, with its own administrative and commercial structure. The second event was the creation of two wholly-owned subsidiaries of Braskem Holanda to raise funds in the international financial market and transfer these funds to the Parent Company and its subsidiaries in Brazil and abroad. These financial transactions are conducted in U.S. dollar. Thus, Management decided to change prospectively the functional currency of Braskem Holanda as of January 1, 2015. Assets, liabilities, capital and other items comprising the shareholders' equity of Braskem Holanda whose functional currency was the Brazilian real on December 31, 2014 were converted into U.S. dollar at a fixed exchange rate of US\$1 to R\$2.6562 on December 31, 2014.

(ii) Braskem Idesa will go operational in 2016. Due to the impact of this operation on the local market, the Management will evaluate during this first year of operation if the Mexican peso should, in fact, continue to be the functional currency of this subsidiary.

The other subsidiaries adopt the Brazilian real as functional currency.

**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated****(c) Exchange variation effects**

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

	<b>End of period rate at December 31</b>			<b>Average rate</b>		
	<b>2015</b>	<b>2014</b>	<b>Variation</b>	<b>2015</b>	<b>2014</b>	<b>Variation</b>
U.S. dollar - Brazilian real	3.9048	2.6562	47.01%	3.3387	2.3547	41.79%
U.S. dollar - Mexican peso	17.3700	14.7180	18.02%	15.8846	13.3113	19.33%
U.S. dollar - Euro	0.9187	0.8231	11.61%	0.9019	0.7545	19.55%

**2.3 New or revised pronouncements with first-time adoption in 2016**

The Company evaluated the Brazilian Securities and Exchange Commission (“CVM”) Resolution 739/15, which altered several pronouncements and concluded that none of the amendments will cause any impact on its financial statements.

**New or revised pronouncements that are not yet effective**

IFRS 9 – “Financial instruments” – this pronouncement was issued by IASB in July 2014 to address the classification and measurement, impairment and hedge accounting, all in a single document. The main amendment refers to the change in the calculation and disclosure methodology of the allowance for doubtful accounts due to the adoption of the concept of provision for expected loss instead of incurred loss. In addition, the Company will evaluate if its receivables have a significant financial component and therefore define whether the simplified or general method to calculate the provision will be adopted. This standard has not yet been issued by the CPC and should be adopted as from 2018.



IFRS 15 – “Revenue from contracts with customers” – this pronouncement was issued by IASB in May 2014 and addresses the recognition of revenue from contracts with customers. The Company assessed its contracts and, considering the changes to the standard, concluded that it is not expected to materially impact its financial statements. This standard has not yet been issued by the CPC and will be adopted as from January 2018.

IFRS 16 – “Leases” – this pronouncement was issued by IASB in January 2016 and requires lessees to recognize the liability of the future payments and the right of use of the leased asset for virtually all lease contracts, including operating leases. This standard has not yet been issued by the CPC and will be adopted as from January 2019. Management is yet to assess IFRS 16’s full impact.

### **3 Application of critical estimates and judgments**

Critical estimates and judgments are those that require the most difficult, subjective or complex judgments by management, usually as a result of the need to make estimates that affect issues that are inherently uncertain. Estimates and judgments are continually reassessed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results can differ from planned results due to differences in the variables, assumptions or conditions used in making estimates.

The Company makes a series of other estimates that are presented in the respective notes, such as allowance for doubtful accounts, fair-value adjustment of inventories and provision for repairing environmental damage.

In order to provide an understanding of the way the Company forms its judgments on future events, the variables and assumptions used in critical estimates are presented below:

**Braskem S.A.**

**Notes to the financial statements**

**at December 31, 2015**

**All amounts in thousands, except as otherwise stated**

**3.1 Deferred income tax and social contribution**

The recognition and the amount of deferred taxes assets depend on the generation of future taxable income, which requires the use of an estimate related to the Company's future performance. These estimates are included in the business plan, which is annually submitted to the Board of Directors for approval. This plan is prepared by the Executive Board using as main variables the price of the products manufactured by the Company, price of inputs, gross domestic product, exchange variation, interest rate, inflation rate and fluctuations in the supply and demand of inputs and finished products. These variables are obtained from expert external consultants, historical performance of the Company and its capacity to generate taxable income, internal programs focused on operational efficiency, and specific incentives from the Brazilian government for the petrochemical sector in Brazil.

**3.2 Fair value of derivative and non-derivative financial instruments**

The Company evaluates the derivative financial instruments at their fair value and the main sources of information are the stock exchanges, commodities and futures markets, disclosures of the Central Bank of Brazil and quotation services like Bloomberg and Reuters. Nevertheless, the high volatility of the foreign exchange and interest rate markets in Brazil has been causing significant changes in future rates and interest rates over short periods of time, leading to significant changes in the market value of swaps and other financial instruments.

The fair values of non-derivative, quoted financial instruments are based on current bid prices. If the market for a financial asset and for unlisted securities is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models that make maximum use of market inputs and rely as little as possible on information provided by the Company's Management.

**3.3 Useful life of assets**

The Company recognizes the depreciation and depletion of its long-lived assets based on their useful life estimated by independent appraisers and approved by the Company's technicians taking into consideration the experience of these professionals in the management of Braskem's plants. The useful lives initially established by independent appraisers are normally reviewed at the end of every year by the Company's technicians in order to check whether they need to be changed. This review may take place during the year in case of possible non-recurring events.

The main factors that are taken into consideration in the definition of the useful life of the assets that compose the Company's industrial plants are the information of manufacturers of machinery and equipment, level of the plants' operations, quality of preventive and corrective maintenance and the prospects of technological obsolescence of assets.

The Company's management also decided that (i) depreciation should cover all assets value because when the equipment and installations are no longer operational, they are sold by amounts that are immaterial; and (ii) land is not depreciated because it has an indefinite useful life.

**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated**

The useful lives applied to the assets determined the following average depreciation and depletion rates:

	<b>2015</b>	<b>(%)</b> <b>2014</b>
Buildings and improvements	3.42	3.38
Machinery, equipment and installations	8.42	7.29
Mines and wells	8.89	8.83
Furniture and fixtures	10.48	10.82
IT equipment	20.55	20.15
Lab equipment	9.80	9.59
Security equipment	9.91	9.79
Vehicles	19.09	19.91
Other	18.98	18.19

**3.4 Impairment test and analysis****(a) Tangible and intangible assets with defined useful lives**

On the reporting date of each of its financial statements, the Company conducts an analysis to determine the existence of any indication that the book balance of long-lived tangible assets and intangible assets with defined useful lives may not be recoverable. This analysis is conducted to assess the existence of scenarios that could adversely affect its cash flow and, consequently, its ability to recover the investment in such assets. These scenarios arise from issues of a macroeconomic, legal, competitive or technological nature.

Some significant and notable aspects considered by the Company in this analysis include: (i) the possibility of an oversupply of products manufactured by the Company or of a significant reduction in demand due to adverse economic factors; (ii) the prospects of material fluctuations in the prices of products and inputs; (iii) the likelihood of the development of new technologies or raw materials that could materially reduce production costs and consequently impact sales prices, ultimately leading to the obsolescence of the industrial facilities of the Company; and (iv) changes

in the general regulatory environment that make the production process of Braskem infeasible or that significantly impact the sale of its products. For this analysis, the Company maintains an in-house team with a more strategic vision of the business and also remains in permanent contact with a team of external consultants. If the aforementioned variables indicate any material risk to cash flows, the Management of Braskem conducts impairment tests in accordance with Note 3.4(b).

The assets are allocated to the Cash Generating Units (“CGU”) as follows:

Basic Petrochemicals operating segment:

- CGU UNIB Bahia: represented by assets of the basic petrochemicals plants located in the state of Bahia;
- CGU UNIB South: represented by assets of the basic petrochemicals plants located in the state of Rio Grande do Sul;
- CGU UNIB Southeast: represented by assets of the basic petrochemicals plants located in the states of Rio de Janeiro and São Paulo;

**Braskem S.A.**

**Notes to the financial statements**

**at December 31, 2015**

**All amounts in thousands, except as otherwise stated**

Polyolefins operating segment:

- CGU Polyethylene: represented by assets of the PE plants located in Brazil;
- CGU Polypropylene: represented by assets of the PP plants located in Brazil;
- CGU Renewables: represented by the assets of the Green PE plant located in Brazil;

Vinyls operating segment:

- CGU Vinyls: represented by assets of PVC plants and chloride soda located in Brazil;

International businesses operating segment:

- CGU Polypropylene USA: represented by assets of PP plants located in the United States;
- CGU Polypropylene Europe: represented by assets of PP plants located in Germany;

Chemical Distribution operating segment:

- Represented by assets of the subsidiaries Quantiq and IQAG.

In 2016, the Company will report a new operating segment from the beginning of the industrial operations of the subsidiary Braskem Idesa.

**(b) Intangible assets with indefinite useful lives**

The balances of goodwill from future profitability arising from business combinations and intangible assets with indefinite useful lives are tested for impairment once a year. These tests are based on the projected cash generation for a five-year period, which are extracted from the business plan of the Company and cited in Note 3.1. In addition to the projected cash flow for the period from 2016 to 2020, perpetuity is also calculated based on the long-term vision. Note that real growth is not considered for the calculation of perpetuity. Cash flows and perpetuity are adjusted to present value at a discount rate based on the Weighted Average Cost of Capital (“WACC”).

The goodwill allocated to the Polyolefins operating segment (Note 13 (a)) was generated in a business combination that resulted in the simultaneous acquisition of polypropylene and polyethylene plants. The main raw materials of these plants were already supplied by the Parent Company, which allowed for the obtainment of significant synergies in the operation. These synergies were one of the main drivers of that acquisition. Accordingly, the Company’s management tested this goodwill for impairment in the ambit of their operating segment since the benefits of the synergies are associated with all units acquired.

The remaining existing goodwill is allocated to the UNIB South CGU and to the Vinyls operating segment (Note 13(a)).

**3.5 Provisions and contingent liabilities**

Existing contingent liabilities and provisions are mainly related to litigation in the judicial and administrative spheres arising from primarily labor, pension, civil and tax lawsuits and administrative procedures.

The Management of Braskem, based on the opinion of its external legal advisors, classifies these proceedings in terms of probability of loss as follows:

**Braskem S.A.**

**Notes to the financial statements**

**at December 31, 2015**

**All amounts in thousands, except as otherwise stated**

Probable loss – these are proceedings for which there is a higher probability of loss than of a favorable outcome, i.e., the probability of loss exceeds 50%. For these proceedings, the Company recognizes a provision that is determined as follows:

- (i) labor claims – the amount of the provision corresponds to the amount to be disbursed as estimated by the Company's legal counsels;
  
- (ii) tax claims - the amount of the provision corresponds to the value of the matter plus charges corresponding to the variation in the Selic rate; and
  
- (iii) other claims – the amount of the provision corresponds to the value of the matter.

Possible loss – these are proceedings for which the possibility of loss is greater than remote. The loss may occur, however, the elements available are not sufficient or clear to allow for a conclusion on whether the trend is for a loss or a gain. In percentage terms, the probability of loss is between 25% and 50%. For these claims, except for the cases of business combinations, the Company does not recognize a provision and mentions the most significant ones in a note to the financial statements (Note 23). In business combination transactions, in accordance with the provision in CPC 15 and IFRS 3, the Company records the fair value of the claims based on the assessment of loss (Note 20). The amount of the provision corresponds to the value of the matter, plus charges corresponding to the variation in the Selic rate, multiplied by the probability of loss, as determined by our external counsels.

The Company's management believes that the estimates related to the outcome of the proceedings and the possibility of future disbursement may change in view of the following: (i) higher courts may decide in a similar case involving another company, adopting a final interpretation of the matter and, consequently, advancing the termination of the of a proceeding involving the Company, without any disbursement or without implying the need of any financial settlement of the proceeding; and (ii) programs encouraging the payment of the debts implemented in Brazil at the Federal and State levels, in favorable conditions that may lead to a disbursement that is lower than the one that is recognized in the provision or lower than the value of the matter.



### **3.6 Hedge accounting**

The Parent Company designated liabilities in foreign currency to hedge the future cash flows generated by its exports. This decision was based on two important assumptions and judgments: (i) the performance of exports according to its business plan (Note 3.1), which are inherent to the market and business where it operates, and (ii) the ability of the Company to refinance its liabilities in U.S. dollar, since the priority financing in U.S. dollar is part of the Company's guidelines and strategy. In addition to the ability to refinance its U.S. dollar liabilities, the maintenance of a minimum level of net liabilities in U.S. dollar is envisaged in the Financial Policy of the Company.

The subsidiary Braskem Idesa designated all of the financing it obtained for the construction of its industrial plant to protect part of its sales to be made in the same currency as said financing, the U.S. dollar. The sales estimate is included in the project that was presented to the banks/lenders, which, due to the consistency of the projection, granted Braskem Idesa a financing line to be paid exclusively using the cash generated by these sales. All the commercial considerations of the project were based on market studies conducted by expert consulting firms during the feasibility-analysis phase.

All hedge transactions conducted by the Company are in compliance with the accounting procedures and practices adopted by Braskem, and effectiveness tests are conducted for each transaction every quarter, which prove the effectiveness of its hedge strategy.

**Braskem S.A.**

**Notes to the financial statements**

**at December 31, 2015**

**All amounts in thousands, except as otherwise stated**

The Company determined that hedged items for the Parent Company and the subsidiary Braskem Idesa will be characterized by the first sales in U.S. dollars in each quarter until the amount designated for each period is reached (Note 16). The liabilities designated for hedge will be aligned with the hedging maturity schedule and the Company's financial strategy.

**4 Risk management**

Braskem is exposed to market risks arising from variations in commodity prices, foreign exchange rates and interest rates, credit risks of its counterparties in cash equivalents, financial investments and trade accounts receivable, and liquidity risks to meet its obligations from financial liabilities.

Braskem adopts procedures for managing market and credit risks that are in conformity with its Financial Policy approved by the Board of Directors on August 9, 2010. The purpose of risk management is to protect the cash flows of Braskem and reduce the threats to the financing of its operating working capital and investment programs.

**4.1 Market risks**

Braskem prepares a sensitivity analysis for foreign exchange rate and interest rate risks to which it is exposed, which is presented in Note 16.5.

**(a) Exposure to commodity risks**

Braskem is exposed to the variation in the prices of various commodities (naphtha, PE, PP, PVC, etc.) and, in general, seeks to transfer the variations caused by fluctuations in market prices.

**(b) Exposure to foreign exchange risk**

Braskem has commercial operations denominated in or pegged to foreign currencies. Braskem's inputs and products have prices denominated in or strongly influenced by international prices of commodities, which are usually denominated in U.S. dollar. Additionally, Braskem has long-term loans in foreign currencies that expose it to variations in the foreign exchange rate between the functional currency (Brazilian real, Mexican peso and Euro) and the foreign currency, in particular the U.S. dollar. Braskem manages its exposure to foreign exchange risk through the combination of debt, financial investments, accounts receivable and raw material purchases denominated in foreign currencies and through derivative operations. Braskem's Financial Policy for managing foreign exchange risks provides for the maximum and minimum coverage limits that must be observed and which are continuously monitored by its Management.

On December 31, 2015, Braskem prepared a sensitivity analysis for its exposure to the risks of fluctuation in the U.S. dollar, as informed in Note 16.5.

**(c) Exposure to interest rate risk**

Braskem is exposed to the risk that a variation in floating interest rates causes an increase in its financial expense due to payments of future interest. Debt denominated in foreign currency subject to floating rates is mainly subject to fluctuations in Libor. Debt denominated in local currency is mainly subject to the variation in the Long-Term Interest Rate ("TJLP") and in the Interbank Certificate of Deposit ("daily CDI") rate.

In 2014 and 2015, Braskem held swap contracts (Note 16.2.1) in which it: (a.ii) receives the pre-contractual rate and pays the CDI overnight rate; and (b.ii.i) receives Libor and pays a fixed rate.

On December 31, 2015, Braskem prepared a sensitivity analysis for the exposure to the floating interest rates Libor, CDI and TJLP, as disclosed in Notes 16.5(b.1) and (b.2).



**Braskem S.A.**

**Notes to the financial statements**

**at December 31, 2015**

**All amounts in thousands, except as otherwise stated**

**4.2 Exposure to credit risk**

The transactions that subject Braskem to the concentration of credit risks are mainly in current accounts with banks, financial investments and trade accounts receivable in which Braskem is exposed to the risk of the financial institution or customer involved. In order to manage this risk, Braskem maintains bank current accounts and financial investments with major financial institutions, weighting concentrations in accordance with the credit rating and the daily prices observed in the Credit Default Swap market for the institutions, as well as netting contracts that minimize the total credit risk arising from the many financial transactions entered into by the parties.

On December 31, 2015, Braskem held netting contracts with Banco Citibank S.A., HSBC Bank Brasil S.A. – Banco Múltiplo, Banco Itaú BBA S.A., Banco Safra S.A., Banco Santander S.A., Banco Votorantim S.A., Banco West LB do Brasil S.A., Banco Caixa Geral – Brasil S.A., and Banco Bradesco S.A. Approximately 34% of the amounts held in “Cash and cash equivalents” (Note 5) are contemplated by these agreements. The effective netting of these amounts is possible only in the event of default by one of the parties.

With respect to the credit risk of customers, Braskem protects itself by performing a rigorous analysis before granting credit and obtaining secured and unsecured guarantees when considered necessary.

The maximum exposure to credit risk of non-derivative financial instruments on the reporting date is the sum of their carrying amounts less any provisions for impairment losses. On December 31, 2015, the balance of trade accounts receivable was net of allowance for doubtful accounts (Note 7).

**4.3 Liquidity risk**

Braskem has a calculation methodology to determine operating cash and minimum cash for the purpose of, respectively: (i) ensuring the liquidity needed to comply with obligations of the following month; and (ii) ensuring

that the Company maintains liquidity during potential crises. These amounts are calculated mainly based on the projected operating cash generation, less short-term debts and working capital needs.

Braskem has two revolving credit lines for the purpose of managing liquidity risks, which may be used without restrictions in the amounts of: (i) US\$750 million, up to December 2019; and (ii) US\$500 million up to September 2019. These credit facilities enable Braskem to reduce the amount of cash it holds. As of December 31, 2015, none of these credit lines had been used.

The table below shows Braskem's financial liabilities by maturity. These amounts are calculated from undiscounted cash flows and may not be reconciled with the balance sheet.

	Maturity				Consolidated
	Until one year	Between one and three years	Between three and five years	More than five years	Total
Trade payables	11,900,747	57,148			11,957,895
Borrowings	2,073,046	5,205,794	8,169,825	28,311,338	43,760,003
Project finance	335,321	1,720,628	2,291,048	11,963,813	16,310,810
Derivatives	57,760	(6,497)	1,191,238		1,242,501
Ethylene XXI Project Loan				1,538,784	1,538,784
Other payables	(i) 112,533	160,761			273,294
<b>At December 31, 2015</b>	<b>14,479,407</b>	<b>7,137,834</b>	<b>11,652,111</b>	<b>41,813,935</b>	<b>75,083,287</b>

(i) Amounts payable to BNDES Participações S.A. ("BNDESPAR") (Note 22).

**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated****4.4 Capital management**

The ideal capital structure, according to Braskem's Management, considers the balance between own capital and the sum of all payables less the amount of cash and cash equivalents and financial investments. This composition meets the Company's objectives of perpetuity and of offering an adequate return to shareholders and other stakeholders. This structure also permits borrowing costs to remain at adequate levels to maximize shareholder remuneration.

Due to the impact of the U.S. dollar on the Company's operations, the Management of Braskem believes that the own capital used for capital management purposes should be measured in this currency and on a historical basis. Moreover, the Company may temporarily maintain a capital structure that is different from this ideal. This occurs, for example, during periods of growth, when the Company may finance a large portion of its projects through borrowings, provided that this option maximizes return for shareholders once the financed projects start operating. In order to adjust and maintain the capital structure, the Management of Braskem may also consider the sale of non-strategic assets, the issue of new shares or even adjustments to dividend payments.

As is also the case of liquidity, capital is not managed at the Parent Company level, but rather at the consolidated level.

**5 Cash and cash equivalents**

		<b>2015</b>	<b>Consolidated 2014</b>	<b>2015</b>	<b>Parent Company 2014</b>
Cash and banks	(i)	873,966	227,237	270,965	52,164
Cash equivalents:					
Domestic market		2,428,995	2,253,648	2,184,405	1,336,267
Foreign market	(i)	4,136,762	1,512,474	2,317,881	1,027,857
<b>Total</b>		<b>7,439,723</b>	<b>3,993,359</b>	<b>4,773,251</b>	<b>2,416,288</b>

(i) On December 31, 2015, it includes cash and banks of R\$96,830 (R\$26,830 in 2014) and cash equivalents of R\$37,809 (R\$307,034 in 2014) of the subsidiary Braskem Idesa, available for use in its project (Note 11(d.i)).

This item includes cash, bank deposits and highly liquid financial investments available for redemption within three months. These assets are convertible into a known cash amount and are subject to insignificant risk of change in value.

Cash equivalents in Brazil are mainly represented by fixed-income instruments and time deposits held by the FIM Jupiter fund. Cash equivalents abroad mainly comprise fixed-income instruments issued by first-class financial institutions (time deposit) with high market liquidity.



**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated****6 Financial investments**

	<b>2015</b>	<b>Consolidated 2014</b>	<b>2015</b>	<b>Parent Company 2014</b>
<b>Held-for-trading</b>				
Investments in FIM Sol		85,573		74,088
Other	1,172	4,155	1,172	4,155
<b>Held-to-maturity</b>				
Quotas of investment funds in credit rights	46,193	42,495	46,193	42,495
Investments in foreign currency (i)		399,005		
Compensation of investments in foreign currency (i)		(399,005)		
<b>Total</b>	<b>47,365</b>	<b>132,223</b>	<b>47,365</b>	<b>120,738</b>
In current assets	1,172	89,729	1,172	78,243
In non-current assets	46,193	42,494	46,193	42,495
<b>Total</b>	<b>47,365</b>	<b>132,223</b>	<b>47,365</b>	<b>120,738</b>

(i) The subsidiary Braskem Holanda had a balance of financial investments that was offset by an export prepayment agreement of the Parent Company, in the amount of US\$150,000, as provided for in the credit assignment agreement entered into between these two companies and Banco Bradesco. These operations were settled in May 2015.

**7 Trade accounts receivable**

The Company's collection period is generally 30 days; therefore, the amount of the trade accounts receivable corresponds to their fair value on the date of the sale. The Company realizes part of its trade accounts receivable through the sale of trade notes to funds that acquire receivables. These operations are not entitled to recourse, for which reason the trade notes are written-off at the moment of the operation.

	<b>2015</b>	<b>Consolidated 2014</b>	<b>2015</b>	<b>Parent Company 2014</b>
Consumers				
Domestic market	1,439,133	1,523,458	1,370,971	1,455,216
Foreign market	1,643,807	1,517,035	5,724,982	4,219,228
Allowance for doubtful accounts	(327,974)	(322,831)	(290,010)	(268,859)
<b>Total</b>	<b>2,754,966</b>	<b>2,717,662</b>	<b>6,805,943</b>	<b>5,405,585</b>
In current assets	2,735,144	2,692,612	2,526,510	5,382,456
In non-current assets	19,822	25,050	4,279,433	23,129
<b>Total</b>	<b>2,754,966</b>	<b>2,717,662</b>	<b>6,805,943</b>	<b>5,405,585</b>

The breakdown of trade accounts receivable by maturity is as follows:

	<b>2015</b>	<b>Consolidated 2014</b>	<b>2015</b>	<b>Parent company 2014</b>
Accounts receivables not past due	2,466,098	2,256,932	6,265,391	4,299,973
Past due securities:				
Up to 90 days	309,585	531,966	462,797	874,568
91 to 180 days	52,757	45,271	144,629	126,480
As of 180 days	254,500	206,324	223,136	373,423
	3,082,940	3,040,493	7,095,953	5,674,444
Allowance for doubtful accounts	(327,974)	(322,831)	(290,010)	(268,859)
<b>Total customers portfolio</b>	<b>2,754,966</b>	<b>2,717,662</b>	<b>6,805,943</b>	<b>5,405,585</b>

**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated**

The changes in the balance of the allowance for doubtful accounts are presented below:

	<b>2015</b>	<b>Consolidated 2014</b>	<b>2015</b>	<b>Parent company 2014</b>
Balance of provision at the beginning of the year	(322,831)	(282,753)	(268,859)	(200,794)
Provision in the year	(51,368)	(81,078)	(46,490)	(78,081)
Write-offs	46,225	41,000	25,339	35,819
Addition through merger of Braskem Qpar				(25,803)
Balance of provision at the end of the year	<b>(327,974)</b>	<b>(322,831)</b>	<b>(290,010)</b>	<b>(268,859)</b>

The methodology adopted by the Company for recognizing the provision for impairment is based on the history of losses and considers the sum of (i) 100% of the amount of receivables past due for over 180 days; (ii) 50% of the amount of receivables past due for over 90 days; (iii) 100% of the amount of receivables under judicial collection (iv) all the receivables from the first renegotiation maturing within more than 24 months; and (v) 100% of the receivables arising from a second renegotiation with customers. Receivables from subsidiaries are not considered in this calculation. This methodology is revised on an annual basis by the Management of the Company.

**8 Inventories**

	<b>2015</b>	<b>Consolidated 2014</b>	<b>2015</b>	<b>Parent company 2014</b>
Finished goods	3,928,446	3,681,204	2,812,657	2,325,911
Raw materials, production inputs and packaging	1,008,217	1,067,512	879,608	963,550

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Maintenance materials	289,568	247,327	196,432	187,773
Advances to suppliers	315,234	346,885	304,816	324,893
Imports in transit and other	110,787	94,206	72,661	77,359
<b>Total</b>	<b>5,652,252</b>	<b>5,437,134</b>	<b>4,266,174</b>	<b>3,879,486</b>
In current assets	5,517,206	5,368,146	4,131,128	3,810,498
In non-current assets	135,046	68,988	135,046	68,988
<b>Total</b>	<b>5,652,252</b>	<b>5,437,134</b>	<b>4,266,174</b>	<b>3,879,486</b>

Inventories are stated at average cost of purchase or production or the estimated price of sale or acquisition, excluding taxes, whichever is lower (market value).

The value of finished products includes raw materials, ancillary and maintenance materials used, depreciation of industrial facilities, expenses with Company's and third-party personnel involved in industrial production and maintenance, and logistics expenses with the transfer of these products from the plants to the sale terminals.

A portion of the final inventory of finished products and raw materials was adjusted to fair value, since its value was lower than the cost of production/acquisition. This adjustment totaled R\$2,875 (R\$83,265 in 2014). For this estimate, the Company considers the purchase/sale price projected for the period during which it expects to sell or consume the product. This period is determined based on the historical data for the turnover of the respective inventory.

Advances to suppliers and expenditures with imports in transit are mainly related to operations for the acquisition of raw materials.

**Braskem S.A.**

**Notes to the financial statements**

**at December 31, 2015**

**All amounts in thousands, except as otherwise stated**

**9            Related parties**

The Parent Company and its subsidiaries carry out transactions among themselves and with other related parties in the ordinary course of its operations and activities. The Company believes that all the conditions set forth in the contracts with related parties meet the Company's interests. To ensure that these contracts present terms and conditions that are as favorable to the Company as those it would enter into with any other third parties is a permanent objective of Braskem's management.

**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated****(i) Consolidated**

	Note	2015 Associated companies, Jointly-controlled investment and Related companies				2015 Associated companies, Jointly-controlled and Related companies			
		Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total	Odebrecht and subsidiaries	Petrobras and subsidiaries	Other	Total
<b>Balance sheet</b>									
<b>Assets</b>									
Current									
Trade accounts receivable		12,851	141,550	33,997	188,398	4,347	104,857	33,000	142,204
Inventories		138,619 (i)			138,619	108,929 (i)	123,377 (i)		232,306
Related parties			9,927	580	10,507	55	66,375	18,000	84,330
Other								4,500	4,500
Non-current									
Advances to suppliers		58,443 (i)			58,443	68,988 (i)			127,431
Related parties									
Intracompany loan			78,332		78,332		72,200		150,532
Other			66,301		66,301		66,301		132,602
<b>Total assets</b>		<b>209,913</b>	<b>296,110</b>	<b>34,577</b>	<b>540,600</b>	<b>182,319</b>	<b>433,110</b>	<b>37,700</b>	<b>911,419</b>
<b>Liabilities</b>									
Current									
Trade payables		284,973	1,400,485	2,011	1,687,469	459,412	1,497,675		3,185,144
<b>Total liabilities</b>		<b>284,973</b>	<b>1,400,485</b>	<b>2,011</b>	<b>1,687,469</b>	<b>459,412</b>	<b>1,497,675</b>		<b>3,185,144</b>
<b>Transactions</b>									
Sales of products		64,093	1,620,335	475,836	2,160,264	82,750	1,817,056	326,500	4,382,345
Purchases of raw materials, finished goods services and utilities		3,692,625 (ii)	12,488,618	108,688	16,289,931	3,631,198 (ii)	18,183,600	70,700	34,583,117

Financial income							
(expenses)		6,723		6,723			964
General and administrative expenses							
Post-employment benefits plan ("EPE") 21.2.2		44,466		44,466			20,6
Gain from divestment of asset					277,338 (iii)		
<b>Total transactions</b>	<b>3,756,718</b>	<b>14,115,676</b>	<b>628,990</b>	<b>18,501,384</b>	<b>3,991,286</b>	<b>20,001,620</b>	<b>417,9</b>

(i) Amount related to advances to raw material suppliers.

(ii) It includes expenses for construction of subsidiary Braskem Idesa project, of which R\$3,177,121 for 2015 (R\$3,297,400 for 15).

(iii) Amount related to divestment in subsidiary (Note 1(a)(i)).

**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated****(ii) Parent Company**

<b>Balance sheet</b>	<b>Note</b>	<b>Associated companies, Jointly-controlled investment and associated companies</b>							
		<b>Braskem Inc.</b>	<b>Braskem Holanda</b>	<b>Braskem Netherlands Inc</b>	<b>Braskem Petroquímica</b>	<b>Braskem America</b>	<b>Braskem Austria</b>	<b>Braskem Argentina</b>	<b>Braskem Other</b>
<b>Assets</b>									
Current									
Cash and equivalents									
Trade accounts receivable			645,621		144,433	38,890		202,937	66,976
Inventories									
Dividends and interest on capital					84,150				
Related parties					20,039	46,648			41,987
Other receivables									
Non-current									
Trade accounts receivable		4,261,535 (i)							
Advances to suppliers									
Related parties									
Current accounts									
Loan agreements		16,541							113
Other receivables									
<b>Total assets</b>		<b>4,278,076</b>	<b>645,621</b>		<b>248,622</b>	<b>85,538</b>		<b>202,937</b>	<b>109,076</b>
<b>Liabilities</b>									
Current									
Trade payables			3,068,634		686,084	21			2,862



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Accounts payable to related parties									
Advance to export	15,629		4,065,040		22,171				
Other payables		9,538		149,520	689				35,148
<b>Non-current</b>									
Trade Payables	3,280,511 (i)								
Accounts payable to related parties									
Advance to export	149,684		9,634,023		1,105,058				
Payable notes	14,995				1,447				
<b>Total liabilities</b>	<b>3,460,819</b>	<b>3,078,172</b>	<b>13,699,063</b>	<b>837,051</b>	<b>1,127,939</b>				<b>38,010</b>
<b>Transações</b>									
Sales of products	205,900	3,142,740		2,395,057	35,447		234,457	681,102	
Purchases of raw materials, finished products									
services and utilities	1,457,037	2,752,092		1,923,210					49,342
Financial income (expenses)	(869,178)	930,767	(6,370,438)	(113)	(367,263)	81,774	64,899	12,161	
General and administrative expenses									
Post-employment benefits	21.2.2								
<b>Total transactions</b>	<b>793,759</b>	<b>6,825,599</b>	<b>(6,370,438)</b>	<b>4,318,154</b>	<b>(331,816)</b>	<b>81,774</b>	<b>299,356</b>	<b>742,605</b>	

(i) The Parent Company reclassified as non-current assets and liabilities, the securities receivable and payable with the related  
(ii) Amount related to advances to raw material suppliers.

**Braskem S.A.****Notes to the financial statements****at December 31, 2015****All amounts in thousands, except as otherwise stated**

<b>Balance sheet</b>	<b>Note</b>	<b>Associated companies, Jointly-controlled investment and associated companies</b>							Odebrecht and subsidiaries	Petr
		Braskem Inc.	Braskem Holanda	Braskem Petroquímica	Braskem Qpar	Braskem America	Braskem Austria	Braskem Argentina		
<b>Assets</b>										
Current										
Trade accounts receivable										
Related parties		2,740,452	472,347	248,350		68,940		116,520	144,367	3,326
Inventories										108,929(i)
Related parties		37	15	24,658		53,684	54		18,081	55
Other				67,575					2,380	
Non-current										
Advances to suppliers										68,988(i)
Related parties										
Current accounts									1,863	
Loan agreements		10,787							77	
Other receivables									22,892	
<b>Total assets</b>		<b>2,751,276</b>	<b>472,362</b>	<b>340,583</b>		<b>122,624</b>	<b>54</b>	<b>116,520</b>	<b>189,660</b>	<b>181,298</b>