

BRASKEM SA
Form 6-K
December 13, 2017

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 December, 2017
(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- _____.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Braskem S.A.

We have reviewed the accompanying condensed consolidated balance sheet of Braskem S.A. and its subsidiaries (the “Company”) as of September 30, 2017, and the related condensed consolidated statements of operations and comprehensive income for the three-month and nine-month periods ended September 30, 2017 and 2016 and the condensed consolidated statements of changes in shareholder’s equity and cash flows for the nine-month periods ended September 30, 2017 and 2016. This condensed consolidated interim financial information is the responsibility of the Company’s management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for it to be in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

As discussed in Note 2.3 to the condensed consolidated interim financial information, the Company has restated its 2016 and 2015 financial statements to correct misstatements.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2016, and the related consolidated statement of operations, comprehensive income, of statement of changes in equity and of cash flows for the year then ended (not presented herein), and in our report dated September 22, 2017, which included a paragraph regarding the correction of an error in the 2015 and 2014 financial statements, we expressed an unqualified opinion on those consolidated financial statements.

/s/PricewaterhouseCoopers

Auditores Independentes

Salvador, Brazil, November 14, 2017

Braskem S.A.**Condensed consolidated balance sheet**

**All amounts in thousands of
reais**

| Assets | Note | Sep/2017 Unaudited | Dec/2016 |
|---|-------------|-------------------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents | 4 | 5,452,435 | 6,701,864 |
| Financial investments | 5 | 2,284,643 | 1,190,483 |
| Trade accounts receivable | 6 | 2,698,969 | 1,634,137 |
| Inventories | 7 | 5,746,335 | 5,238,014 |
| Taxes recoverable | 9 | 1,206,478 | 826,015 |
| Dividends and interest on capital | 8 | | 14,986 |
| Prepaid expenses | | 189,482 | 101,747 |
| Derivatives operations | 15.2.1 | 10,032 | 8,387 |
| Other receivables | | 298,805 | 180,915 |
| | | 17,887,179 | 15,896,548 |
| Non-current assets held for sale | 3 | | 359,704 |
| | | 17,887,179 | 16,256,252 |
| Non-current assets | | | |
| Trade accounts receivable | 6 | 109,069 | 70,236 |
| Advances to suppliers | 7 | 50,231 | 61,533 |
| Taxes recoverable | 9 | 1,127,018 | 1,088,353 |
| Deferred income tax and social contribution | 17(b.ii) | 918,737 | 1,653,115 |
| Judicial deposits | | 247,178 | 233,320 |
| Insurance claims | | 39,734 | 50,653 |
| Derivatives operations | 15.2.1 | 16,177 | 29,308 |
| Other assets | | 139,874 | 140,971 |
| Investments | 10(a) | 100,490 | 92,313 |
| Property, plant and equipment | 11 | 29,803,098 | 29,336,710 |
| Intangible assets | 12 | 2,747,582 | 2,809,087 |
| | | 35,299,188 | 35,565,599 |
| Total assets | | 53,186,367 | 51,821,851 |

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

Braskem S.A.**Condensed consolidated balance sheet****All amounts in thousands of reais****Continued**

| Liabilities and shareholders' equity | Note | Sep/2017 Unaudited | Dec/2016 |
|---|-------------|-------------------------------|-------------------|
| Current liabilities | | | |
| Trade payables | | 4,810,718 | 6,545,136 |
| Borrowings | 13 | 3,528,069 | 2,594,463 |
| Braskem Idesa borrowings | 14 | 9,632,412 | 10,437,791 |
| Derivatives operations | 15.2.1 | 47,725 | 29,042 |
| Payroll and related charges | | 558,578 | 562,455 |
| Taxes payable | 16 | 1,327,355 | 624,080 |
| Dividends | | 2,559 | 3,083 |
| Advances from customers | | 335,124 | 203,216 |
| Leniency agreement | 19.3 | 249,695 | 1,354,492 |
| Sundry provisions | 18 | 82,045 | 112,891 |
| Other payables | | 205,012 | 476,262 |
| | | 20,779,292 | 22,942,911 |
| Non-current liabilities held for sale | 3 | | 95,396 |
| | | 20,779,292 | 23,038,307 |
| Non-current liabilities | | | |
| Trade payables | | 259,105 | 201,686 |
| Borrowings | 13 | 18,489,860 | 20,736,604 |
| Derivatives operations | 15.2.1 | 761,973 | 861,302 |
| Taxes payable | 16 | 45,342 | 24,097 |
| Loan to non-controlling shareholders of Braskem Idesa | | 1,655,847 | 1,620,519 |
| Deferred income tax and social contribution | 17(b.ii) | 1,248,698 | 510,523 |
| Post-employment benefits | | 171,131 | 162,136 |
| Advances from customers | | 28,800 | 162,955 |
| Contingencies | 19 | 1,064,397 | 985,237 |
| Leniency agreement | 19.3 | 1,337,217 | 1,498,738 |

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| | | | |
|---|----|-------------------|-------------------|
| Sundry provisions | 18 | 206,453 | 206,245 |
| Other payables | | 135,812 | 92,792 |
| | | 25,404,635 | 27,062,834 |
| Shareholders' equity | 20 | | |
| Capital | | 8,043,222 | 8,043,222 |
| Capital reserve | | 232,430 | 232,430 |
| Revenue reserves | | 834,616 | 834,616 |
| Other comprehensive income | | (5,048,133) | (6,321,859) |
| Treasury shares | | (49,819) | (49,819) |
| Retained earnings | | 3,718,142 | |
| Total attributable to the Company's shareholders | | 7,730,458 | 2,738,590 |
| Non-controlling interest in Braskem Idesa | | (728,018) | (1,017,880) |
| | | 7,002,440 | 1,720,710 |
| Total liabilities and shareholders' equity | | 53,186,367 | 51,821,851 |

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

Braskem S.A.

Condensed consolidated statement of operations and condensed statement of comprehensive income
at September 30, 2017

All amounts in thousands of reais

| Continued operations | Note | 3Q2017 Unaudited | YTD2017 | 3Q2016 Unaudited |
|---|-------------|-----------------------------|--------------------|-----------------------------|
| Net sales revenue | 22 | 12,162,048 | 36,632,206 | 11,981,341 |
| Cost of products sold | 25 | (9,126,289) | (27,017,279) | (8,765,150) |
| | | 3,035,759 | 9,614,927 | 3,216,191 |
| Income (expenses) | | | | |
| Selling and distribution | 25 | (380,879) | (1,085,465) | (363,709) |
| General and administrative | 25 | (372,133) | (994,517) | (335,740) |
| Research and development | 25 | (38,839) | (110,984) | (37,219) |
| Results from equity investments | 10(a) | 6,474 | 29,325 | 9,800 |
| Other income (expenses), net | 23 | (318,756) | (301,949) | (192,775) |
| | | 1,931,626 | 7,151,337 | 2,296,548 |
| Financial results | 24 | | | |
| Financial expenses | | (808,402) | (2,464,489) | (879,144) |
| Financial income | | 155,935 | 472,465 | 190,189 |
| Exchange rate variations, net | | (287,693) | (11,089) | (453,783) |
| | | (940,160) | (2,003,113) | (1,142,738) |
| Profit before income tax and social contribution | | 991,466 | 5,148,224 | 1,153,810 |
| Current and deferred income tax and social contribution | 17(a) | (227,689) | (1,336,652) | (340,840) |
| Profit for the period of continued operations | | 763,777 | 3,811,572 | 812,970 |
| Discontinued operations results | 3 | | | |
| Profit from discontinued operations | | | 13,499 | 7,338 |
| Current and deferred income tax and social contribution | | | (4,623) | (2,286) |
| | | | 8,876 | 5,052 |
| Profit for the period | | 763,777 | 3,820,448 | 818,022 |

Attributable to:

| | | | |
|---|----------------|------------------|----------------|
| Company's shareholders | 799,370 | 3,696,770 | 889,433 |
| Non-controlling interest in Braskem Idesa | (35,593) | 123,678 | (71,411) |
| Profit for the period | 763,777 | 3,820,448 | 818,022 |

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

Braskem S.A.**Condensed consolidated statement of operations and
statement of comprehensive income****at September 30, 2017****All amounts in thousands of reais, except earnings or
loss per share****Continued**

| | Note | 3Q2017 Unaudited | YTD2017 |
|---|-------------|-----------------------------|------------------|
| Profit for the period | | 763,777 | 3,820,448 |
| Other comprehensive income or loss: | | | |
| Items that will be reclassified subsequently to profit or loss | | | |
| Fair value of cash flow hedge | | 80,378 | 131,545 |
| Income tax and social contribution | | (26,985) | (42,635) |
| Fair value of cash flow hedge from jointly-controlled | | (2,847) | 915 |
| | | 50,546 | 89,825 |
| Exchange variation of foreign sales hedge | 15.3(a.i) | 686,808 | 456,301 |
| Sales Hedge - transfer to profit or loss | 15.3(a.i) | 275,362 | 774,324 |
| Income tax and social contribution on exchange variation | | (327,137) | (418,412) |
| Exchange variation of foreign sales hedge - Braskem Idesa | 15.3(a.ii) | (155,426) | 1,248,177 |
| Sales Hedge - transfer to profit or loss - Braskem Idesa | 15.3(a.ii) | 38,918 | 112,828 |
| Income tax on exchange variation - Braskem Idesa | | 34,953 | (408,301) |
| | | 553,478 | 1,764,917 |
| Foreign subsidiaries currency translation adjustment | | (105,377) | (393,942) |
| Total | | 498,647 | 1,460,800 |
| Total comprehensive income for the period | | 1,262,424 | 5,281,248 |

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

Earnings per share - common

Note

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Earnings per share - preferred shares class "A"

Earnings per share - preferred shares class "B"

**Profit per share attributable to the shareholders of the Company
of discontinued operations at the end of the period (R\$)**

Earnings per share - common

Earnings per share - preferred shares class "A"

**Profit per share attributable to the shareholders of the Company
at the end of the period (R\$)**

Earnings per share - common

Earnings per share - preferred shares class "A"

Earnings per share - preferred shares class "B"

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

Braskem S.A.

Unaudited condensed consolidated statement of changes in shareholder's equity

All amounts in thousands of reais

| | Note | Capital | Capital reserve | Legal reserve |
|---|------|-----------|-----------------|---------------|
| At December 31, 2015 - restated | 2.4 | 8,043,222 | 232,430 | 229,950 |
| Comprehensive income for the period: | | | | |
| Profit for the period - restated | | | | |
| Exchange variation of foreign sales hedge, net of taxes | | | | |
| Fair value of cash flow hedge, net of taxes | | | | |
| Foreign subsidiaries currency translation adjustment | | | | |
| Equity valuation adjustments: | | | | |
| Realization of additional property, plant and equipment price-level restatement, net of taxes | | | | |
| Realization of deemed cost of jointly-controlled investment, net of taxes | | | | |
| Contributions to shareholders: | | | | |
| Additional dividends approved by the General Meeting | | | | |
| Interim dividends approved by Board of Directors | | | | |
| At September 30, 2016 - restated | 2.4 | 8,043,222 | 232,430 | 229,950 |
| At December 31, 2016 | | 8,043,222 | 232,430 | 229,950 |
| 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:

Lapsed dividends

At September 30, 2017

8,043,222 232,430 229,9

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

Braskem S.A.**Unaudited condensed consolidated statement of cash flows****at September 30, 2017****All amounts in thousands of reais**

| | Note | Sep/2017 | Sep/2016 Restated |
|---|-------------|------------------|------------------------------|
| | 2.4 | | |
| Profit before income tax and social contribution and for the result with discontinued operations | | 5,148,224 | 2,703,561 |
| Adjustments for reconciliation of profit | | | |
| Depreciation, amortization and depletion | | 2,169,141 | 1,955,041 |
| Results from equity investments | 10(a) | (29,325) | (23,177) |
| Interest and monetary and exchange variations, net | | 1,573,571 | 1,998,450 |
| Gain from divestment in subsidiary | 3 | (276,816) | |
| Provision for losses and write-offs of long-lived assets | | 115,978 | 16,610 |
| | | 8,700,773 | 6,650,485 |
| Changes in operating working capital | | | |
| Held-for-trading financial investments | | (1,016,992) | (903,701) |
| Trade accounts receivable | | (1,105,299) | 636,520 |
| Inventories | | (493,758) | 566,310 |
| Taxes recoverable | | 257,580 | 993,223 |
| Prepaid expenses | | (87,735) | 25,866 |
| Other receivables | | 16,637 | (66,964) |
| Trade payables | | (1,468,178) | (3,012,976) |
| Taxes payable | | (8,927) | 154,230 |
| Advances from customers | | (2,247) | 255,523 |
| Leniency agreement | | (1,343,803) | |
| Sundry provisions | | 48,522 | 117,210 |
| Other payables | | (195,449) | (18,058) |
| Cash from operations | | 3,301,124 | 5,397,668 |
| Interest paid | | (1,492,709) | (1,364,113) |
| Income tax and social contribution paid | | (676,708) | (847,012) |
| Net cash generated by operating activities | | 1,131,707 | 3,186,543 |

| | | | |
|---|-----|--------------------|--------------------|
| Proceeds from the sale of fixed assets | | 1,634 | 431 |
| Funds received on the sale of investments | 3 | 450,000 | |
| Acquisitions of property, plant and equipment and intangible assets | (i) | (1,515,260) | (1,752,884) |
| Premium in the dollar put option | | (12,463) | (4,856) |
| Held-for-maturity financial investments | | | 38,353 |
| Net cash used in investing activities | | (1,076,089) | (1,718,956) |
| Short-term and Long-term debt | | | |
| Obtained | | 2,469,210 | 2,821,945 |
| Payments | | (3,308,590) | (3,755,480) |
| Braskem Idesa borrowings | | | |
| Obtained funds | | 187,959 | 503,921 |
| Payment of borrowings | | (710,821) | (370,041) |
| Dividends paid | | (42) | (998,985) |
| Net cash provided by financing activities | | (1,362,284) | (1,798,640) |
| Exchange variation on cash of foreign subsidiaries | | 57,237 | 526,639 |
| Increase (decrease) in cash and cash equivalents | | (1,249,429) | 195,586 |
| Represented by | | | |
| Cash and cash equivalents at the beginning of the period | | 6,701,864 | 7,043,262 |
| Cash and cash equivalents at the end of the period | | 5,452,435 | 7,238,848 |
| Increase (decrease) in cash and cash equivalents | | (1,249,429) | 195,586 |

(i) In the period ended September 30, 2016, the capitalized interest paid that was included in this item (R\$270,235) was reclassified to “Interest paid” (Note 2.5(a)).

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

Braskem S.A.

**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017**

All amounts in thousands, unless otherwise stated

1. Operations

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

(a) Significant operating events impacting these financial statements

(i) In January 2017, Braskem’s new line to produce ultra-high molecular weight polyethylene (UHMWPE), known commercially as UTEC®, started operations. Located in La Porte, Texas, the plant will complement the production capacity of the existing line in Brazil at the Camaçari Petrochemical Complex.

(ii) On January 27, 2017, the Board of Directors of the Company authorized the execution of a purchase agreement with Odebrecht Utilities S.A. (“Odebrecht Utilities”), through which Braskem undertook to purchase all shares held by the seller in Cetrel S.A. (“Cetrel”), which represent 63.7% of its voting capital, for the aggregate amount of R\$610 million, to be paid upon the consummation of the transaction.

Cetrel is an environmental services company that started operations in 1978, together with the industries of the Camaçari Petrochemical Complex. With more than 100 clients, with approximately 70% in the Camaçari Petrochemical Complex, Cetrel is responsible for the treatment and final disposal of effluents and industrial waste, environmental monitoring and water supply for industrial use of Braskem's plants in Camaçari.

Cetrel plays an important role in the management of the environmental processes of the activities of the Camaçari Petrochemical Complex, and its acquisition seeks to guarantee the safety and reliability of the industrial operations in said Pole.

On September 29, 2017, the Shareholders Meeting of Braskem approved the consummation of the acquisition, with payment and transfer of control occurring on October 2, 2017 (Note 27(a)).

(iii) On June 21, 2017, the Board of Directors approved the construction of a new polypropylene production unit in La Porte, Texas, United States. The total investment is up to approximately US\$675 million(*) for 450 kta in production capacity. The project is slated to be concluded in 2020.

(*) *unaudited*

(b) Net Working Capital

On September 30, 2017, in compliance with accounting standard IAS 1 (Presentation of Financial Statements), the subsidiary Braskem Idesa reclassified to current liabilities the finance obligations whose original maturities are long term, since certain contractual obligations (covenants) as of September 30, 2017 were in default (Note 14). Consequently, the net working capital became negative R\$2,892,113.

It should be noted that Braskem Idesa has been settling its debt service obligations in accordance with the original maturity schedule, none of the creditors has requested immediate repayment of such obligations and, without the above reclassification, consolidated net working capital is positive at R\$5,807,912.

Braskem S.A.

**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017**

All amounts in thousands, unless otherwise stated

2. Summary of significant accounting policies

There were no changes in the accounting practices used in the preparation of the Interim Financial Information in relation to those presented in the December 31, 2016 financial statements, except for Note 2.4.

2.1. Basis of preparation

This unaudited condensed interim financial information should be read together with the financial statements of Braskem as of December 31, 2016, which were prepared and presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of the condensed interim financial 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 unaudited condensed interim financial information in relation to those used in the December 31, 2016 financial statements.

Issue of this unaudited condensed interim financial information was authorized by the Executive Board on November 14, 2017.

2.1.1 Unaudited consolidated condensed interim financial information

The unaudited condensed interim financial information was prepared and is being presented in accordance with the pronouncements IAS 34 - Interim Financial Reporting, which establish the minimum content for interim financial statements.

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

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated**

The condensed interim financial information includes the condensed interim financial information of Braskem S.A. and companies in which it, directly or indirectly, maintains a controlling equity interest or controls the activities, as presented below:

| | Headquarters | Total and voting interest - % | |
|--|---------------------|--------------------------------------|-----------------|
| | | Sep/2017 | Dec/2016 |
| Direct and Indirect subsidiaries | | | |
| Braskem America Finance Company ("Braskem America Finance") | EUA | 100.00 | 100.00 |
| Braskem America, Inc. ("Braskem America") | EUA | 100.00 | 100.00 |
| Braskem Argentina S.A. ("Braskem Argentina") | Argentina | 100.00 | 100.00 |
| Braskem International GmbH ("Braskem Austria") | (i) Austria | 100.00 | 100.00 |
| Braskem Europe GmbH ("Braskem Alemanha") | Germany | 100.00 | 100.00 |
| Braskem Finance Limited ("Braskem Finance") | Cayman Islands | 100.00 | 100.00 |
| Braskem Idesa S.A.P.I. ("Braskem Idesa") | Mexico | 75.00 | 75.00 |
| Braskem Idesa Servicios S.A. de CV ("Braskem Idesa Serviços") | Mexico | 75.00 | 75.00 |
| Braskem Incorporated Limited ("Braskem Inc") | Cayman Islands | 100.00 | 100.00 |
| Braskem Mexico Proyectos S.A. de C.V. SOFOM ("Braskem México Sofom") | Mexico | 100.00 | 100.00 |
| Braskem Mexico, S. de RL de CV ("Braskem México") | Mexico | 100.00 | 100.00 |
| Braskem Mexico Servicios S. RL de CV ("Braskem México Serviços") | Mexico | 100.00 | 100.00 |
| Braskem Netherlands B.V. ("Braskem Holanda") | Netherlands | 100.00 | 100.00 |
| Braskem Netherlands Finance B.V. ("Braskem Holanda Finance") | Netherlands | 100.00 | 100.00 |

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| | | | |
|---|-------------|--------|--------|
| 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") | (ii) Brazil | | 100.00 |
| IQAG Armazéns Gerais Ltda. ("IQAG") | (ii) Brazil | | 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 ("FIM Júpiter") | Brazil | 100.00 | 100.00 |

- (i) In the process of dissolution.
- (ii) Sold in April 2017 (Note 3).

2.2. Foreign and functional currency

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

Exchange variation effects

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

| | Sep/2017 | Dec/2016 | Final rate Variation | Sep/2017 | Average rate for period ended Sep/2017 | Variation |
|------------------------------|----------|----------|-------------------------|----------|---|-----------|
| U.S. dollar - Brazilian real | 3.1680 | 3.2591 | -2.80% | 3.1750 | 3.5450 | -10.44% |
| U.S. dollar - Mexican peso | 18.1511 | 20.6352 | -12.04% | 18.8955 | 18.3130 | 3.18% |
| U.S. dollar - Euro | 0.8464 | 0.9479 | -10.71% | 0.8995 | 0.8958 | 0.42% |

Braskem S.A.

**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017**

All amounts in thousands, unless otherwise stated

2.3. Restatement

The statements of operations, of changes in shareholders' equity and of cash flows for the period ended September 30, 2016 and the starting balance of equity in December 2015 were restated due to prior-year adjustments. The information related to this restatement was reported in the 2016 annual financial statements of the Company, in Note 2.4.

Furthermore, the statement of cash flows for the period ended September 30, 2016 was restated due to the reclassification of Brazilian government bonds from "cash and cash equivalents" to "financial investments" (negative variation of R\$564,859 in the period ended September 30, 2016 as explained in Note 5).

2.4. Change in accounting policy

(a) The Management of Braskem decided to change, in the statement of cash flows, the presentation of interest paid, which previously was presented under the group referred to as "cash used in investment activities." These expenses are now recorded under the item "interest paid." This change enables: (i) the direct identification of the total amount paid as interest; and (ii) greater accuracy in determining the net cash from operations. The amounts reclassified in the period ended September 30, 2016 were R\$270,235 in the consolidated cash flows.

(b) In 2017, the Company changed the classification of provision for profit sharing to standardize such classification among all companies, whether or not productive, and because it deemed the current classification more appropriate, since this provision does not present recurring elements or, even when recurring, the amounts differ from year to year.

In the period ended September 30, 2016, the consolidated amounts related to this item were reclassified from “costs of goods sold” (R\$107,318), “selling and distribution expenses” (R\$5,031) and “general and administrative expenses” (R\$133,004) to the item “other income (expenses), net” (Note 23).

3. Non-current assets held-for-sale assets and discontinued operations

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

The approval of the sale plan was made by Management during the second half of 2016.

The transfer of control to the acquiring company was concluded on April 3, 2017. On the same date, Braskem received R\$450 million. The remaining R\$100 million will be received within 12 months, subject to adjustments typical to operations of this nature. The capital gain from this operation was R\$276,816 (Total consideration of R\$550,000 (-) net assets of R\$273,184), registered in the second quarter of 2017.

Assets and liabilities classified as available-for-sale and profit or loss from discontinued operations until the date of transfer of control are shown below:

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Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017

All amounts in thousands, unless otherwise stated

| | | Mar/2017 | Dec/2016 |
|--|-------------------------------|-----------------|-----------------|
| Assets and liabilities classified as held for sale | | | |
| Assets | | | |
| | Cash and cash equivalents | 40,216 | 76,146 |
| | Trade accounts receivable | 119,076 | 65,626 |
| | Inventories | 82,815 | 84,296 |
| | Taxes recoverable | 46,858 | 45,859 |
| | Property, plant and equipment | 61,591 | 61,037 |
| | Intangible assets | 6,729 | 6,665 |
| | Other assets | 17,932 | 20,075 |
| Total assets | | 375,217 | 359,704 |
| Liabilities | | | |
| | Trade payables | 75,852 | 62,692 |
| | Payroll and related charges | 7,099 | 11,170 |
| | Dividends | 6,371 | 6,371 |
| | Taxes payable | 9,668 | 7,064 |
| | Other payables | 3,043 | 8,099 |
| Total liabilities | | 102,033 | 95,396 |
| Net assets (Assets (-) Liabilities) | | 273,184 | 264,308 |
| Result with discontinued operations | | Mar/2017 | Dec/2016 |
| Net sales revenue | | 212,238 | 211,915 |
| Cost of products sold and services provided | | (176,957) | (169,739) |
| Gross profit | | 35,281 | 42,176 |
| Income (expenses) | | | |
| | Selling and distribution | (10,164) | (11,617) |
| | General and administrative | (12,067) | (20,021) |
| | Other income (expenses), net | (1,298) | 1,691 |
| Operating profit | | 11,752 | 12,229 |
| Financial results | | 1,747 | 4,074 |

| | | |
|---|--------------|---------------|
| Profit before income tax and social contribution | 13,499 | 16,303 |
| Current and deferred income tax and social contribution | (4,623) | (5,415) |
| Result with discontinued operations | 8,876 | 10,888 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information

at September 30, 2017

All amounts in thousands, unless otherwise stated

4. Cash and cash equivalents

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

| | | Sep/2017 | Dec/2016 |
|-------------------|-----|------------------|------------------|
| Cash and banks | (i) | 1,424,383 | 2,178,611 |
| Cash equivalents: | | | |
| Domestic market | | 2,977,859 | 2,914,685 |
| Foreign market | (i) | 1,050,193 | 1,608,568 |
| Total | | 5,452,435 | 6,701,864 |

(i) On September 30, 2017, it includes cash and banks of R\$238,422 (R\$172,430 on December 31, 2016) and cash equivalents of R\$47,523 (R\$29,169 on December 31, 2016) of the subsidiary Braskem Idesa, available for its exclusive use.

5. Financial investments

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

| | | Sep/2017 | Dec/2016 |
|------------------------------|-----|-----------------|-----------------|
| Loans and receivables | | | |
| Time deposit investments | (i) | 422,869 | 434,015 |

Held-for-trading

| | | |
|--|------------------|------------------|
| <i>Letras financeiras do tesouro - LFT's and Letras Financeiras - LF's(ii)</i> | 1,859,099 | 755,712 |
| Other | 2,675 | 756 |
| Total | 2,284,643 | 1,190,483 |
| Current assets | 2,284,643 | 1,190,483 |
| Total | 2,284,643 | 1,190,483 |

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

(ii) Government bonds held for trade refer to Brazilian floating-rate government bonds ("LFTs") issued by the Brazilian federal government and floating-rate bonds ("LFs") issued by financial institutions. These bonds have maturity above three months, immediate liquidity and expected realization in the short term.

Braskem S.A.

**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017**

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6. Trade accounts receivable

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

| | Sep/2017 | Dec/2016 |
|---------------------------------|------------------|------------------|
| Customers | | |
| Domestic market | 1,049,840 | 869,306 |
| Foreign market | 2,139,923 | 1,215,626 |
| Allowance for doubtful accounts | (381,725) | (380,559) |
| Total | 2,808,038 | 1,704,373 |
| Current assets | 2,698,969 | 1,634,137 |
| Non-current assets | 109,069 | 70,236 |
| Total | 2,808,038 | 1,704,373 |

7. Inventories

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

| | Sep/2017 | Dec/2016 |
|--|-----------------|-----------------|
| Finished goods | 3,514,391 | 3,444,898 |
| Raw materials, production inputs and packaging | 1,607,855 | 1,407,399 |
| Maintenance materials | 363,252 | 312,167 |

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| | | |
|------------------------------|------------------|------------------|
| Advances to suppliers | 241,976 | 103,267 |
| Imports in transit and other | 69,092 | 31,816 |
| Total | 5,796,566 | 5,299,547 |
| Current assets | 5,746,335 | 5,238,014 |
| Non-current assets | 50,231 | 61,533 |
| Total | 5,796,566 | 5,299,547 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017

All amounts in thousands, unless otherwise stated

8. Related parties

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

| | Balances | | |
|-----------------------------------|--|----------------|------------|
| | Associated companies, Jointly-controlled investment a | | |
| | Odebrecht and | Petrobras and | |
| Balance sheet | subsidiaries | subsidiaries | Other |
| Assets | | | |
| Current | | | |
| Trade accounts receivable | 4,634 | 35,505 | 23, |
| Inventories | 64,0378(a.iv) | 2,685 | |
| Dividends and interest on capital | | | |
| Other | | | |
| Total assets | 68,671 | 38,190 | 23, |
| Liabilities | | | |
| Current | | | |
| Trade payables | 62,556 | 121,090 | 2 |
| Total liabilities | 62,556 | 121,090 | 2 |

Nine-month period end

Associated companies, Jointly-controlled investment a

Odebrecht and Petrobras and

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| Transaction | subsidiaries | | subsidiaries | Other |
|--|--------------|-----|--------------|---------|
| Sales of products | 36,861 | | 1,309,950 | 445,000 |
| Purchase of raw materials, finished goods services and utilities | 752,668 | (i) | 9,654,100 | 4,000 |
| Financial income (expenses) | 1,957 | | (39,431) | |
| General and administrative expenses | | | | |
| Post-employment benefits plan | | | | |
| Odebrecht Previd ncia Privada ("Odeprev") | | | | 30,000 |

(i) Includes expenses with the Braskem Idesa project, of which R\$65,785 related to the period ended September 30, 2017, and R\$663,799 related to the period ended September 30, 2016.

Braskem S.A.

**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017**

All amounts in thousands, unless otherwise stated

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

In the period ended September 30, 2017, the Company engaged in the following transactions with related parties, except for those with subsidiaries of the Company:

- (i) Sales of gasoil to Refinaria de Petróleo Riograndense S.A. ("RPR") totaled R\$44,698. The product is used as feedstock in the diesel production process.
- (ii) As from January 2017, Braskem will maintain monthly negotiations for the sale of gasoline to RPR. Sales in the period amounted to R\$216,542.
- (iii) Since January 2017, Braskem has held agreements for the sale of gasoline to Petrobrás Distribuidora S.A., which are renewed monthly. Sales in the period amounted to R\$685,121.
- (iv) In March 2017, the Company entered into an agreement for supply of hydrous ethanol with Usina Conquista do Pontal S.A. and Agro Energia Santa Luzia S.A. Ethanol is the feedstock consumed by Braskem to produce green ethylene. The agreement is guaranteed by Odebrecht Agroindustrial Participações S.A. and Rio Claro Agroindustrial S.A. The agreement also provides for a commercial discount and other flexibilities in the process of Braskem's acquisition of the product. It also includes an advance of R\$150,000, to be restated at market rates. The advance is guaranteed by a pledge of the sugarcane crop, its products and subproducts at net market value in an amount greater than the value of the advance, with the pledged asset insured through a policy contracted from a premium insurer and with a provision for subrogation. The agreement is valid through April 30, 2018. The residual amount of the down payment (R\$64,037) is shown in the "Inventories" line in the table above.

(b) Key management personnel

| Income statement transactions | Sep/2017 | Sep/2016 |
|--------------------------------------|-----------------|-----------------|
| Remuneration | | |
| Short-term benefits | 42,870 | 27,225 |
| Post-employment benefit | 511 | 269 |
| Total | 43,381 | 27,494 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017

All amounts in thousands, unless otherwise stated

9. Taxes recoverable

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

| | Sep/2017 | Dec/2016 |
|---|------------------|------------------|
| Parent Company and subsidiaries in Brazil | | |
| IPI | 23,285 | 38,909 |
| Value-added tax on sales and services (ICMS) - normal operations | 525,993 | 495,339 |
| ICMS - credits from PP&E | 133,091 | 125,145 |
| Social integration program (PIS) and social contribution on revenue | | |
| (COFINS) - normal operations | 22,556 | 32,823 |
| PIS and COFINS - credits from PP&E | 229,349 | 253,503 |
| Income tax and social contribution (IR and CSL) | 673,618 | 605,058 |
| REINTEGRA program | 101,920 | 53,129 |
| Federal supervenience | 158,819 | 155,533 |
| Other | 6,672 | 1,046 |
| Foreign subsidiaries | | |
| Value-added tax | 228,608 | 132,152 |
| Income tax (IR) | 224,630 | 19,103 |
| Other | 4,955 | 2,628 |
| Total | 2,333,496 | 1,914,368 |
| Current assets | 1,206,478 | 826,015 |
| Non-current assets | 1,127,018 | 1,088,353 |
| Total | 2,333,496 | 1,914,368 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017

All amounts in thousands, unless otherwise stated

10. Investments

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

(a) Impacts on consolidation of Braskem Idesa

In compliance with IFRS 12, 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.

| Assets | Consolidated Braskem | | Braskem Idesa consolidated | | |
|----------------------------------|-----------------------------|----------------------|-----------------------------------|-----------------|---|
| | Ex consolidated | Braskem Idesa | | (i) | |
| | Sep/2017 | Dec/2016 | Sep/2017 | Dec/2016 | |
| Curent | | | | | |
| Cash and cash equivalents | 5,166,490 | 6,500,265 | 285,945 | 201,600 | |
| Financial investments | 2,284,643 | 1,190,483 | | | |
| Trade accounts receivable | 2,279,203 | 1,455,893 | 509,703 | 247,465 | (|
| Inventories | 5,402,367 | 4,862,571 | 343,968 | 375,443 | |
| Taxes recoverable | 1,143,576 | 710,982 | 62,902 | 115,033 | |
| Other receivables | 418,778 | 278,865 | 79,541 | 27,169 | |
| | 16,695,057 | 14,999,059 | 1,282,059 | 966,710 | (|
| Non-current assets held for sale | | 359,704 | | | |
| | 16,695,057 | 15,358,763 | 1,282,059 | 966,710 | (|

Non-current

| | | | | | |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Taxes recoverable | 1,126,964 | 1,088,304 | 54 | 49 | |
| Deferred tax | 127,139 | 189,613 | 791,598 | 1,463,502 | |
| Related parties | 4,777,241 | 4,690,672 | | | (ii) (4,7 |
| Other receivables | 686,040 | 648,511 | 16,713 | 29,823 | |
| Property, plant and equipment | 18,614,901 | 18,814,175 | 11,871,468 | 11,171,400 | (iii) (6 |
| Intangible | 2,590,627 | 2,667,708 | 156,955 | 141,379 | |
| | 27,922,912 | 28,098,983 | 12,836,788 | 12,806,153 | (5,4 |
| Total assets | 44,617,969 | 43,457,746 | 14,118,847 | 13,772,863 | (5,5 |

Liabilities and shareholders' equity**Current**

| | | | | | |
|-----------------------------|-------------------|-------------------|------------------|-------------------|----------|
| Trade payables | 4,723,663 | 6,335,452 | 176,992 | 278,905 | (|
| Borrowings | 3,528,069 | 2,594,463 | | | |
| Braskem Idesa Borrowings | | | 9,632,412 | 10,437,791 | |
| Payroll and related charges | 539,662 | 540,405 | 18,916 | 22,050 | |
| Taxes payable | 1,315,273 | 611,231 | 12,082 | 12,849 | |
| Other payables | 850,776 | 2,053,031 | 71,384 | 125,955 | |
| | 10,957,443 | 12,134,582 | 9,911,786 | 10,877,550 | (|

Non-current liabilities held for sale

95,396

| | | | | |
|-------------------|-------------------|------------------|-------------------|----------|
| 10,957,443 | 12,229,978 | 9,911,786 | 10,877,550 | (|
|-------------------|-------------------|------------------|-------------------|----------|

Non-current

| | | | | | |
|--------------------------------------|-------------------|-------------------|------------------|------------------|-------------|
| Loan agreements | 18,489,860 | 20,736,604 | | | |
| Accounts payable to related parties | | | 4,791,052 | 4,698,881 | (ii) (4,7 |
| Loan agreement Etileno XXI project | | | (v) 1,655,847 | 1,620,519 | |
| Provision for losses on subsidiaries | 2,184,053 | 3,053,637 | | | (iv) (2,1 |
| Other payables | 5,256,157 | 4,698,937 | 2,771 | 6,774 | |
| | 25,930,070 | 28,489,178 | 6,449,670 | 6,326,174 | (6,9 |

Shareholders' equity

| | | | | | |
|---|-------------------|-------------------|--------------------|--------------------|-------------|
| Attributable to the Company's shareholders | 7,730,456 | 2,738,590 | (2,242,609) | (3,430,861) | 2,2 |
| Non-controlling interest in Braskem Idesa | | | | | (7 |
| | 7,730,456 | 2,738,590 | (2,242,609) | (3,430,861) | 1,5 |
| Total liabilities and shareholders' equity | 44,617,969 | 43,457,746 | 14,118,847 | 13,772,863 | (5,5 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated**

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

| | Consolidated Braskem | | Braskem Idesa consolidated | | Elimination | |
|---------------------------------|-----------------------------|----------------------|-----------------------------------|--------------------|--------------------|------------------|
| | Ex consolidated | Braskem Idesa | | | | |
| | Sep/2017 | Sep/2016 | Sep/2017 | Sep/2016 | Sep/2017 | Sep/2016 |
| Continued operations | | | | | | |
| Net sales revenue | 34,313,987 | 34,908,743 | 2,707,458 | 816,486 | (389,239) | (107,331) |
| Cost of products sold | (25,848,364) | (25,375,121) | (1,569,686) | (559,555) | 400,771 | 95,331 |
| | 8,465,623 | 9,533,622 | 1,137,772 | 256,931 | 11,532 | (12,000) |
| Income (expenses) | | | | | | |
| Selling and distribution | (955,363) | (928,901) | (130,102) | (83,452) | | |
| General and administrative | (917,033) | (869,899) | (98,557) | (83,538) | 21,073 | 31,000 |
| Research and development | (110,984) | (119,847) | | | | |
| Results from equity investments | 400,360 | (671,387) | | | (371,035) | 694,500 |
| Other income (expenses), net | (289,631) | (453,644) | (12,318) | (102,636) | | |
| | 6,592,972 | 6,489,944 | 896,795 | (12,695) | (338,430) | 713,600 |
| Financial results | | | | | | |
| Financial expenses | (1,932,121) | (2,233,309) | (732,906) | (436,013) | 200,538 | 98,000 |
| Financial income | 662,479 | 756,898 | 10,524 | 2,395 | (200,538) | (193,331) |
| Exchange rate variations, net | (662,005) | (1,835,548) | 646,478 | (710,763) | 4,438 | 29,800 |
| | (1,931,647) | (3,311,959) | (75,904) | (1,144,381) | 4,438 | (65,431) |

| | | | | | | |
|---|------------------|------------------|----------------|--------------------|------------------|----------------|
| Profit before income tax and social contribution | 4,661,325 | 3,177,985 | 820,891 | (1,157,076) | (333,992) | 648,111 |
| IR and CSL - current and deferred | (973,432) | (1,081,506) | (363,220) | 277,441 | | |
| Profit for the period of continued operations | 3,687,893 | 2,096,479 | 457,671 | (879,635) | (333,992) | 648,111 |
| Discontinued operations results | | | | | | |
| Profit from discontinued operations | 13,499 | 34,538 | | | | |
| IR and CSL - current and deferred | (4,623) | (11,213) | | | | |
| | 8,876 | 23,325 | | | | |
| Profit (loss) for the period | 3,696,769 | 2,119,804 | 457,671 | (879,635) | (333,992) | 648,111 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated****Statement of cash flows**

| | Consolidated Braskem Ex consolidated Braskem Idesa | | Braskem Idesa consolidated | |
|---|---|------------------|---------------------------------------|------------------|
| | Sep/2017 | Sep/2016 | Sep/2017 | Sep/2016 |
| Profit before income tax and social contribution and for the result with discontinued operations | 4,661,325 | 3,212,523 | 820,891 | (1,157,076) |
| Adjustments for reconciliation of profit (loss) | | | | |
| Depreciation, amortization and depletion | 1,685,017 | 1,791,865 | 516,729 | 182,220 |
| Results from equity investments | (400,360) | 671,387 | | |
| Interest and monetary and exchange variations, net | 1,402,912 | 1,224,499 | 175,097 | 858,954 |
| Gain from divestment in subsidiary | (276,816) | | | |
| Provision for losses and write-offs of long-lived assets | 115,616 | 16,375 | 362 | 235 |
| | 7,187,694 | 6,916,649 | 1,513,079 | (115,667) |
| Changes in operating working capital | | | | |
| Held-for-trading financial investments | (1,016,992) | (903,701) | | |
| Trade accounts receivable | (863,777) | 754,645 | (262,238) | (144,694) |
| Inventories | (543,027) | 675,100 | 49,269 | (108,790) |
| Taxes recoverable | 204,084 | 921,535 | 53,496 | 71,688 |
| Prepaid expenses | (69,619) | 30,009 | (18,116) | (4,143) |
| Other receivables | 50,913 | (55,615) | (34,276) | (11,349) |
| Trade payables | (1,345,549) | (2,869,233) | (101,913) | (117,174) |
| Taxes payable | 107,134 | (153,173) | (116,061) | 307,403 |
| Advances from customers | 5,801 | 213,516 | (8,048) | 42,007 |
| Leniency agreement | (1,343,803) | | | |
| Other payables | (170,831) | (93,327) | 23,904 | 192,479 |
| Cash from operations | 2,202,028 | 5,436,405 | 1,099,096 | 111,760 |
| Interest paid | (1,118,725) | (968,687) | (373,984) | (395,426) |
| Income tax and social contribution paid | (675,338) | (847,012) | (1,370) | |

| | | | | |
|---|--------------------|--------------------|------------------|------------------|
| Net cash generated by operating activities | 407,965 | 3,620,706 | 723,742 | (283,666) |
| Proceeds from the sale of fixed assets | 450,000 | | | |
| Acquisitions to property, plant and equipment and intangible assets | (1,451,482) | (1,135,312) | (76,241) | (772,925) |
| Other investments | 1,634 | 38,784 | | |
| Net cash used in investing activities | (999,848) | (1,096,528) | (76,241) | (772,925) |
| Short-term and long-term debt | | | | |
| Obtained | 2,469,210 | 2,821,945 | | |
| Payments | (3,308,590) | (3,755,480) | | |
| Braskem Idesa borrowings | | | | |
| Obtained | | | 187,959 | 503,921 |
| Payments | | | (710,821) | (370,041) |
| Related parties | | | | |
| Obtained loans (payment of loans) | 20,637 | (1,184,419) | (20,637) | 1,184,419 |
| Dividends paid | (42) | (998,985) | | |
| Net provided (used) in financing activities | (818,785) | (3,116,939) | (543,499) | 1,318,299 |
| Exchange variation on cash of foreign subsidiaries | 76,893 | 489,396 | (19,656) | 37,243 |
| Increase (decrease) in cash and cash equivalents | (1,333,775) | (103,365) | 84,346 | 298,951 |
| Represented by | | | | |
| Cash and cash equivalents at the beginning for the period | 6,500,265 | 6,908,623 | 201,599 | 134,639 |
| Cash and cash equivalents at the end for the period | 5,166,490 | 6,805,258 | 285,945 | 433,590 |
| Increase (decrease) in cash and cash equivalents | (1,333,775) | (103,365) | 84,346 | 298,951 |

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Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017

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11. Property, plant and equipment

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

| | Sep/2017 | | | Dec/2016 | | |
|--|-------------------|---|-------------------|-------------------|---|-------------------|
| | Cost | Accumulated depreciation/depletion | Net | Cost | Accumulated depreciation/depletion | Net |
| Land | 474,058 | | 474,058 | 471,655 | | 471,655 |
| Buildings and improvements | 5,920,952 | (1,382,381) | 4,538,571 | 5,530,714 | (1,111,642) | 4,419,072 |
| Machinery, equipment and installations | 38,859,922 | (18,133,660) | 20,726,262 | 36,804,409 | (16,595,497) | 20,208,912 |
| Projects and stoppage in progress | 3,297,666 | | 3,297,666 | 3,495,965 | | 3,495,965 |
| Other | 1,529,746 | (763,205) | 766,541 | 1,404,759 | (663,653) | 741,106 |
| Total | 50,082,344 | (20,279,246) | 29,803,098 | 47,707,502 | (18,370,792) | 29,336,710 |

Capitalized borrowing costs in the nine-month period ended September 30, 2017 were R\$100,211 (R\$333,278 on September 30, 2016).

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

12. Intangible assets

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

| | Sep/2017 | | | Dec/2016 | | |
|---|------------------|-----------------------------|------------------|------------------|-----------------------------|------------------|
| | Cost | Accumulated amortization | Net | Cost | Accumulated amortization | Net |
| Goodwill based on future profitability | 3,187,722 | (1,128,848) | 2,058,874 | 3,187,722 | (1,128,848) | 2,058,874 |
| Trademarks and patents | 353,295 | (116,879) | 236,416 | 339,512 | (110,880) | 228,632 |
| Software and use rights | 585,315 | (388,797) | 196,518 | 566,673 | (364,336) | 202,337 |
| Contracts with customers and suppliers | 754,350 | (498,576) | 255,774 | 772,888 | (453,644) | 319,244 |
| Total | 4,880,682 | (2,133,100) | 2,747,582 | 4,866,795 | (2,057,708) | 2,809,087 |

There were no significant events or circumstances in the period ended September 30, 2017 that indicated the need for updating the impairment testing of intangible assets with indefinite useful life made in the end of 2016, or that indicated the need to perform an impairment testing of intangible assets with definite useful life.

Braskem S.A.

**Notes to the unaudited condensed consolidated interim financial information
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13. Borrowings

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

(a) The Company has borrowings contracted from financial institutions and the capital markets that include contractual obligations (covenants) requiring the presentation of its audited financial statements within the legal deadline (or within 120 days from the end of the fiscal year).

In the condensed interim financial information as of June 30, 2017, the Company was in unremedied breach with regard to the presentation of audited financial statements within the legal timeframe involving government agents FINAME and FDNE in the amount of R\$40,481, which were reclassified to current liabilities in accordance with IAS 1 (Presentation of Financial Statements).

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

The breach of said obligations was automatically remedied with the presentation of the audited financial statements in the third quarter ended September 30, 2017, with said creditors no longer entitled to request prepayment, with the respective amount reclassified from current liabilities back to non-current liabilities.

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated****(b) Borrowings**

| | Annual financial charges (%) | Sep/2017 | Dec/2016 |
|---|---|-------------------|-------------------|
| <u>Foreign currency</u> | | | |
| Bonds | US dollar exchange variation + interest between 5.38 and 7.38 | 13,651,816 | 14,216,539 |
| Advances on exchange contracts | US dollar exchange variation + 3.52% | 645,933 | 362,779 |
| Export prepayment | Note 13 (c) | 997,486 | 777,801 |
| BNDES | US dollar exchange variation + interest between 6.82 and 6.98 | 122,860 | 201,147 |
| Export credit notes | US dollar exchange variation + interest between 7.30 and 8.10 | 1,144,348 | 1,173,127 |
| Working capital | US dollar exchange variation + 1.74% above Libor | 1,353,027 | 1,644,487 |
| Transactions costs | | (208,173) | (199,570) |
| | | 17,707,297 | 18,176,310 |
| Current liabilities | | 2,312,395 | 1,128,524 |
| Non-current liabilities | | 15,394,902 | 17,047,786 |
| Total | | 17,707,297 | 18,176,310 |
| <u>Local currency</u> | | | |
| Export credit notes | 8.00 | 153,996 | 381,632 |
| Export credit notes | 105.00 e 112.50 of CDI (i) | 1,720,330 | 1,717,262 |
| BNDES | TJLP + interest between 0.00 and 3.58 | 1,122,166 | 1,527,765 |
| BNDES | SELIC + interest between 2.32 and 2.78 | 533,936 | 602,648 |
| BNDES | Interest between 3.50 and 7.00 | 218,186 | 288,486 |
| BNB/ FINEP/ FUNDES | 6.23 | 499,106 | 580,647 |
| FINAME | TJLP + 1.90 | 1,595 | 1,850 |
| Fundo de Desenvolvimento do Nordeste (FDNE) | 6.50 | 45,222 | 46,991 |
| Other | CDI + 0.04 | 24,776 | 19,321 |
| Transactions costs | | (8,681) | (11,845) |

| | | |
|---|-------------------|-------------------|
| | 4,310,632 | 5,154,757 |
| Current liabilities | 1,215,674 | 1,465,939 |
| Non-current liabilities | 3,094,958 | 3,688,818 |
| Total | 4,310,632 | 5,154,757 |
| <u>Foreign currency and local currency</u> | | |
| Current liabilities | 3,528,069 | 2,594,463 |
| Non-current liabilities | 18,489,860 | 20,736,604 |
| Total | 22,017,929 | 23,331,067 |

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

(c) Export prepayments

| Initial amount of the transaction | | | |
|--|----------------|---|-----------------|
| Issue date | (US\$) | Maturity Charges (% per year) | Sep/2017 |
| Jan-2013 | 200,000 | Nov-2022 US dollar exchange variation + semiannual Libor + 1.10 | 351,474 |
| May-2016 | 50,000 | May-2017 US dollar exchange variation + quarterly Libor + 3.25 | |
| Dec-2016 | 68,000 | Nov-2019 US dollar exchange variation + quarterly Libor + 2.60 | 218,265 |
| Set-2017 | 135,000 | Mar-2027 US dollar exchange variation + quarterly Libor + 1.61 | 427,747 |
| Total | 453,000 | | 997,486 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017****All amounts in thousands, unless otherwise stated****(d) Payment schedule**

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

| | Sep/2017 | Dec/2016 |
|---------------------|-------------------|-------------------|
| 2018 | 356,309 | 2,379,757 |
| 2019 | 3,121,258 | 3,310,384 |
| 2020 | 2,445,343 | 2,442,493 |
| 2021 | 3,626,334 | 3,667,632 |
| 2022 | 1,743,078 | 1,745,936 |
| 2023 | 58,664 | 13,772 |
| 2024 | 2,438,311 | 2,461,086 |
| 2025 | 50,058 | 3,839 |
| 2026 | 48,274 | 1,391 |
| 2027 and thereafter | 4,602,231 | 4,710,314 |
| Total | 18,489,860 | 20,736,604 |

(e) Guarantees

Braskem gave collateral for part of its borrowings as follows:

| Loans | Maturity | Total debt Sep/2017 | Total guaranteed | Guarantees |
|--------------|-----------------|--------------------------------|-----------------------------|---|
| BNB | Dec-2022 | 119,354 | 119,354 | Mortgage of plants, pledge of machinery and equipment |
| BNB | Aug-2024 | 195,206 | 195,206 | Bank surety |

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| | | | | |
|--------------|----------|------------------|------------------|--|
| BNDES | Jan-2022 | 1,997,148 | 1,997,148 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FUNDES | Jun-2020 | 87,856 | 87,856 | Mortgage of plants, land and property, pledge of machinery and equipment |
| FINEP | Jul-2024 | 96,690 | 96,690 | Bank surety |
| FINAME | Feb-2022 | 1,595 | 1,595 | Pledge of equipment |
| Total | | 2,497,849 | 2,497,849 | |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated****14. Braskem Idesa borrowings**

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

| Identification | Initial value of operation US\$ | Maturity Charges (% per year) | Sep/2017 |
|--------------------------------|--|--|------------------|
| <u>Project finance</u> | (i) | | |
| Project finance I | 700,000 | Feb-2027 Us dollar exchange variation + quarterly Libor + 3.25 | 2,132,263 |
| Project finance II | 189,996 | Feb-2027 Us dollar exchange variation + 6.17 | 609,532 |
| Project finance III | 600,000 | Feb-2029 Us dollar exchange variation + 4.33 | 1,781,193 |
| Project finance IV | 680,004 | Feb-2029 Us dollar exchange variation + quarterly Libor + 3.88 | 1,976,582 |
| Project finance V | 400,000 | Feb-2029 Us dollar exchange variation + quarterly Libor + 4.65 | 1,189,876 |
| Project finance VI | 89,994 | Feb-2029 Us dollar exchange variation + quarterly Libor + 2.73 | 266,901 |
| Project finance VII | 533,095 | Feb-2029 Us dollar exchange variation + quarterly Libor + 4.64 | 1,585,773 |
| Transactions costs | | | (101,173) |
| Total | 3,193,089 | | 9,440,947 |
| <u>Other borrowings</u> | | | |
| VAT borrowings | (ii) | Nov-2029 2.00% above TIEE (*) | |
| Borrowings for working capital | | Dec-2017 Us dollar exchange variation + quarterly Libor + 2,30 | 191,465 |
| | | | 191,465 |
| | | | 9,632,412 |
| Current liabilities | | | 9,632,412 |
| Total | | | 9,632,412 |

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

- (i) Financing without recourse or with recourse limited to shareholders.
- (ii) Financing obtained in Mexican peso and paid exclusively with IVA refund, settled in January 2017.

Project Finance borrowings include contractual obligations (covenants) that require, among other things, the presentation of the audited financial statements within the legal timeframe (or within 120 days from the end of the fiscal year).

On the reporting date for the condensed interim financial of September 30, 2017, the Company was in unremedied breach of its obligation to present audited financial statements within the legal timeframe, as well as of other obligations typical to contracts of this nature. As a result, the entire balance of non-current liabilities, in the amount of R\$8,700,025, was reclassified to current liabilities, in accordance accounting standard IAS 1 (Presentation of Financial Statements).

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

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

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

| | Sep/2017 | Dec/2016 |
|---------------------|------------------|------------------|
| 2018 | 175,262 | 709,793 |
| 2019 | 715,228 | 736,885 |
| 2020 | 839,254 | 864,149 |
| 2021 | 958,939 | 986,914 |
| 2022 | 798,872 | 822,235 |
| 2023 | 1,057,887 | 1,088,155 |
| 2024 | 1,144,621 | 1,177,017 |
| 2025 | 1,144,233 | 1,176,346 |
| 2026 | 1,007,492 | 1,035,586 |
| 2027 and thereafter | 858,237 | 894,606 |
| Total | 8,700,025 | 9,491,686 |

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15. Financial instruments

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

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

| | Note | Classification by category | Fair value hierarchy | Book value | | Fair value | |
|----------------------------------|------|-------------------------------|----------------------------|------------------|------------------|------------------|------------------|
| | | | | Sep/2017 | Dec/2016 | Sep/2017 | Dec/2016 |
| Cash and cash equivalents | 4 | | | | | | |
| Cash and banks | | | | 1,424,383 | 2,178,611 | 1,424,383 | 2,178,611 |
| Financial investments in Brazil | | Loans and receivables | | 2,977,859 | 2,914,685 | 2,977,859 | 2,914,685 |
| Financial investments abroad | | Held-for-trading | Level 2 | 1,050,193 | 1,608,568 | 1,050,193 | 1,608,568 |
| | | | | 5,452,435 | 6,701,864 | 5,452,435 | 6,701,864 |
| Financial investments | 5 | | | | | | |
| LFT's and LF's | | Held-for-trading | Level 2 | 1,859,099 | 755,712 | 1,859,099 | 755,712 |
| Time deposit investments | | Loans and receivables | Level 2 | 422,869 | 434,015 | 422,869 | 434,015 |
| Other | | Held-to-maturity | Level 2 | 2,675 | 756 | 2,675 | 756 |
| | | | | 2,284,643 | 1,190,483 | 2,284,643 | 1,190,483 |

| | | | | | | |
|---|------|---------|-------------------|-------------------|-------------------|-------------------|
| Trade accounts receivable | 6 | | 2,808,038 | 1,704,373 | 2,808,038 | 1,704,373 |
| Trade payables | | | 5,069,823 | 6,746,822 | 5,069,823 | 6,746,822 |
| Borrowings | 13 | | | | | |
| Foreign currency - Bond | | Level 1 | 13,651,816 | 14,216,539 | 17,131,263 | 12,509,981 |
| Foreign currency - other borrowings | | | 4,263,654 | 4,159,341 | 4,263,654 | 4,159,341 |
| Local currency | | | 4,319,313 | 5,166,602 | 4,319,313 | 5,166,602 |
| | | | 22,234,783 | 23,542,482 | 25,714,230 | 21,835,924 |
| Braskem Idesa borrowings | 14 | | 9,733,585 | 10,541,948 | 9,733,585 | 10,541,948 |
| Loan to non-controlling shareholder of Braskem Idesa | | | 1,655,847 | 1,620,519 | 1,655,847 | 1,620,519 |
| Leniency agreement | 19.3 | | 1,586,912 | 2,853,230 | 1,586,912 | 2,853,230 |
| Other payables (BNDESPAR) | | | | 176,846 | | 176,846 |

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Notes to the unaudited condensed consolidated interim financial information

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

15.2.1 Changes

| Identification | Note | Fair value hierarchy | Operation characteristics | | | Net (Asset)/ | Change fair value |
|--------------------------------------|---------------|----------------------|---------------------------|--------------------|--------------------------|--------------------|-------------------|
| | | | Principal exposure | Derivatives | Accumulated OCI (equity) | Liability Dec/2016 | |
| <u>Hedge accounting transactions</u> | | | | | | | |
| Dollar put option | 15.2.1 (a.i) | Level 2 | Real | Dollar | | (4,184) | (5,184) |
| Exchange swap | 15.2.1 (a.ii) | Level 2 | CDI | Dollar + Interests | 461,335 | 857,099 | (69,099) |
| Interest rate swaps | | Level 2 | Libor | Fixed rates | 293,820 | (266) | 20,000 |
| | | | | | 755,155 | 852,649 | (54,184) |

Derivatives operations

| | |
|-------------------------|----------------|
| Current assets | (8,387) |
| Non-current assets | (29,308) |
| Current liabilities | 29,042 |
| Non-current liabilities | 861,302 |
| | 852,649 |

(a) Operations designated for hedge accounting

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

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

With the exclusive purpose of protecting cash flow, the program uses two strategies with derivative instruments: (i) purchase of put options and (ii) purchase of put options associated with the sale of call options ("Collar").

Both alternatives offer protection to Braskem if the local currency appreciates, with the difference that the Collar strategy can also result in negative adjustments to the Company if the USD/BRL exceeds the call exercise price. Eventual losses, however, will always be offset by gains in competitiveness resulting from costs in lower Reais, when observed in US Dollars.

On September 30, 2017, Braskem had total notional value purchased in puts of R\$3.8 billion, at the average exercise price of 2.96 R\$/US\$. Concomitantly, the Company also had total notional value sold in calls of R\$2.2 billion, at the average exercise price of R\$4.26. The contracted operations have a maximum maturity of 18 months.

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

Dollar put options were recognized initially at fair value and measured subsequently at their fair value at the end of each period. Any gain or loss related to the effective portion of dollar options (intrinsic value) is recognized as other comprehensive income or loss under shareholders' equity. Any gain or loss related to the ineffective portion and the extrinsic value of the option are immediately recognized in financial results.

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated****(a.ii) Swaps related to export credit notes (NCE)**

| Identification | Nominal value | Financial charges for year | Hedge Maturity | Sep/2017 | Fair value |
|-----------------------|----------------------|-------------------------------------|-----------------------|-----------------|-------------------|
| Swap NCE I to III | 400,000 | Exchange variation + 6.15% | Aug-2019 | 406,530 | 406,530 |
| Swap NCE IV to VII | 450,000 | Exchange variation + 4.93% to 7.90% | Apr-2019 | 389,212 | 389,212 |
| Total | 850,000 | | | 795,742 | 795,742 |

Derivatives operations

| | | | | | |
|-------------------------|--|--|--|----------------|----------------|
| Current assets | | | | | |
| Current liabilities | | | | 33,769 | 33,769 |
| Non-Current liabilities | | | | 761,973 | 761,973 |
| Total | | | | 795,742 | 795,742 |

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

On September 30, 2017, exports that were designated and not yet realized are shown below:

| | Total nominal value |
|------|----------------------------|
| | US\$ |
| 2017 | 213,000 |
| 2018 | 787,894 |
| 2019 | 733,980 |
| 2020 | 724,000 |

| | |
|------|------------------|
| 2021 | 716,000 |
| 2022 | 719,000 |
| 2023 | 718,371 |
| 2024 | 688,854 |
| | 5,301,099 |

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

| | Dec/2016 | Discontinued hedge | US\$ Sep/2017 |
|--------------------|-----------------|-------------------------------|--------------------------|
| Designated balance | 5,301,099 | (402,325) | 4,898,774 |

On September 30, 2017, the maturities of financial liabilities designated, within the scope of the consolidated balance sheet, were as follows:

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated**

| | Total nominal value US\$ |
|------|-------------------------------------|
| 2018 | 598,568 |
| 2019 | 733,980 |
| 2020 | 724,000 |
| 2021 | 716,000 |
| 2022 | 719,000 |
| 2023 | 718,372 |
| 2024 | 688,854 |
| | 4,898,774 |

Considering the strong cash generation in recent quarters, the Management of the Company believed it was appropriate to advance the payment of dollar-denominated obligations, including liabilities designated for this hedge. As a result of the decision, the amount of US\$402,325 was discontinued prospectively. Exchange variation on the discontinued amount, of R\$495,860, which is recorded under Shareholders' Equity as "Other comprehensive income" (OCI) will be taken to net financial income (expenses) as from October 2017, as the hedged exports are realized.

| | Total nominal value US\$ | Conversion rate at Inception R\$/US\$ | Closing rate R\$/US\$ | Gross nominal value |
|--|-------------------------------------|--|----------------------------------|--------------------------------|
| Hedge discontinued - Fourth quarter 2017 | 213,000 | 2.0017 | 3.1684 | 248,507 |
| Hedge discontinued - First quarter 2018 | 189,325 | 2.0017 | 3.3082 | 247,353 |
| | 402,325 | | | 495,860 |

The following table provides the balances of exchange variation recognized in the Company's net financial income (expenses) due to the realization of exports designated for this hedge for the nine-month period ended September 30, 2017:

| | Total nominal value US\$ | Conversion rate at Inception R\$/US\$ | Closing rate R\$/US\$ | Gross nominal value |
|----------------|-------------------------------------|--|----------------------------------|--------------------------------|
| First quarter | 201,277 | 2.0017 | 3.2400 | 249,241 |
| Second quarter | 208,135 | 2.0017 | 3.2015 | 249,721 |
| Third quarter | 207,273 | 2.0017 | 3.3302 | 275,362 |
| | 616,685 | | | 774,324 |

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

| | Exchange variation | IR and CSL | Net effect |
|---|-------------------------------|-------------------|-----------------------|
| At December 31, 2016 | (7,439,927) | 2,529,575 | (4,910,352) |
| Exchange variation recorded in the period on OCI / IR and CSL | 456,301 | (155,142) | 301,159 |
| Exchange variation transferred to profit or loss / IR and CSL | 774,324 | (263,270) | 511,054 |
| At September 30, 2017 | (6,209,302) | 2,111,163 | (4,098,139) |

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

On September 30, 2017, sales designated and not yet realized are as follows:

| | Nominal value US\$ |
|------|-------------------------------|
| 2017 | 53,889 |
| 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 |
| | 2,995,951 |

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

| | | | | US\$ |
|--------------------|-----------------|--------------------------------------|--|-----------------|
| | Dec/2016 | Realization in the period | Realization of discontinued hedge | Sep/2017 |
| Designated balance | 3,113,173 | (129,363) | 229 | 2,984,039 |

On September 30, 2017, the maturities of financial liabilities designated were distributed as follows:

| | Nominal value US\$ |
|------|-----------------------|
| 2017 | 53,793 |
| 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 |
| | 2,984,039 |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated**

The following table provides the balance of exchange variation of the discontinued amount, net of realization already occurred, in the period ended September 30, 2017 (US\$229), which is recorded in Braskem Idesa's shareholders' equity under "Other comprehensive income" and will be transferred to financial income (expenses) according to the schedule of future hedged sales:

| | Total nominal value US\$ | Conversion rate at Inception MXN/US\$ | Closing rate MXN/US\$ | Total nominal value MXN | Gross nominal value |
|--------------------|-------------------------------------|--|----------------------------------|------------------------------------|--------------------------------|
| Hedge discontinued | 11,912 | 13.4541 | 17.9915 | 54,050 | 9,437 |
| | | | | 54,050 | 9,437 |

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, 2017:

| | Total nominal value US\$ | Conversion rate at Inception MXN/US\$ | Closing rate MXN/US\$ | Total nominal value MXN | Gross nominal value |
|----------------|-------------------------------------|--|----------------------------------|------------------------------------|--------------------------------|
| First quarter | 29,174 | 13.6649 | 20.0871 | 187,361 | 30,917 |
| Second quarter | 47,896 | 13.6560 | 18.5659 | 235,165 | 42,992 |
| Third quarter | 52,293 | 13.6536 | 17.8489 | 219,385 | 38,919 |
| | 129,363 | | | 641,911 | 112,828 |

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

Exchange**Net**

| | variation | IR | effect |
|---|--------------------|------------------|--------------------|
| At December 31, 2016 | (4,182,052) | 1,255,350 | (2,926,702) |
| Exchange variation recorded in the period on OCI / IR | 1,248,177 | (374,453) | 873,724 |
| Exchange variation transferred to profit or loss / IR | 112,828 | (33,848) | 78,980 |
| At September 30, 2017 | (2,821,047) | 847,049 | (1,973,998) |

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15.4. Credit quality of financial assets

(a) Trade accounts receivable

On September 30, 2017, the credit ratings for the domestic market were as follows:

| | | (%) |
|-----------------|-----------------|-----------------|
| | Sep/2017 | Dec/2016 |
| 1Minimum risk | 12.76 | 8.92 |
| 2Low risk | 43.90 | 39.98 |
| 3Moderate risk | 23.36 | 30.51 |
| 4High risk | 16.22 | 16.48 |
| 5Very high risk | (i) 3.76 | 4.11 |

(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 Market | Last 12 months Export Market |
|--------------------|----------------------------|---|
| September 30, 2017 | 0.07% | 0.09% |
| December 31, 2016 | 0.18% | 0.04% |
| September 30, 2016 | 0.23% | 0.10% |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated****(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.

| | Sep/2017 | Dec/2016 |
|---|------------------|------------------|
| Financial assets with risk assessment | | |
| AAA | 4,986,329 | 3,871,105 |
| AA+ | 5,028 | 241,359 |
| AA | 61,389 | 5,370 |
| AA- | 344,217 | 654,232 |
| A+ | 689,264 | 2,426,078 |
| A | 1,340,068 | 364,198 |
| A- | | 209,175 |
| BBB+ | 289,221 | 116,987 |
| BBB | 16,212 | |
| | 7,731,728 | 7,888,504 |
| Financial assets without risk assessment | | |
| Other financial assets with no risk assessment | (i) 5,350 | 3,843 |
| | 5,350 | 3,843 |
| Total | 7,737,078 | 7,892,347 |

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

15.5. Sensitivity analysis

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

(a) Selection of risks

On September 30, 2017, the main risks that can affect the value of Braskem's financial instruments are:

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

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

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(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, 2017, with a probability of 5%, and under normal market conditions, was estimated by the Company at US\$40,517 for the NCE exchange rate swap (Note 15.2.1(a.ii)) and at US\$6,634 for put and call options (Note 15.2.1(a.i)) and US\$11,151 for the swap of Libor related to Braskem Idesa's project.

(c) Selection of scenarios

(c.1) Probable scenario

The Focus 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 29, 2017. According to the Market Readout, at the end of 2017, the U.S. dollar will depreciate by 0.25% against the Brazilian real, compared to the closing PTAX rate at September 29, 2017, while the Selic rate will be 7% p.a. The Selic rate is used as a reference for analyses of sensitivity to the CDI.

The probable scenario for the TJLP is a decrease of 0.5% from the current rate of 7.0%, 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 unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated****(c.2) Possible and extreme adverse scenarios**

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

| Instrument / Sensitivity | Probable | Possible adverse (25%) | Gain (losses) Extreme adverse (50%) |
|---|-----------------|-----------------------------------|--|
| Brazilian real/U.S. dollar exchange rate | | | |
| Bonds and MTM | 2,624 | (259,757) | (519,514) |
| BNDES | 310 | (30,715) | (61,430) |
| Working capital / structured operations | 4,437 | (439,282) | (878,565) |
| Export prepayments | 40,913 | (4,050,415) | (8,100,831) |
| Braskem Idesa borrowings | 4,644 | (459,767) | (919,534) |
| Financial investments abroad | 23,841 | (2,360,237) | (4,720,473) |
| Swaps | (4,190) | 414,770 | 833,730 |
| Dollar put option | (1,150) | 79,378 | 428,191 |
| Financial investments abroad | (4,737) | 468,965 | 937,930 |
| Selic interest rate | | | |
| BNDES | 22,125 | (38,047) | (78,071) |

Libor floating interest rate

| | | | |
|---|---------|----------|----------|
| Working capital / structured operations | (3,864) | (19,319) | (38,639) |
| Export prepayments | (3,841) | (19,207) | (38,414) |
| Swaps | 4,950 | 9,159 | 11,848 |

CDI interest rate

| | | | |
|---|----------|----------|-----------|
| Swaps NCE | 20,289 | (33,999) | (68,648) |
| External loans / Other domestic market | 24 | (39) | (78) |
| Swaps NCA | 42,069 | (72,960) | (150,501) |
| Financial investments in local currency | (16,686) | 27,224 | 54,077 |

| Instrument / Sensitivity | Probable 6.5% | Possible adverse 7.5% | Extreme adverse 8.0% |
|---------------------------------|--------------------------|----------------------------------|---------------------------------|
|---------------------------------|--------------------------|----------------------------------|---------------------------------|

TJLP interest rate

| | | | |
|-------------------------|--------|----------|----------|
| BNDES | 22,671 | (23,030) | (46,423) |
| Other government agents | 33 | (33) | (67) |

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017****All amounts in thousands, unless otherwise stated****16. Taxes payable**

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

| | | Sep/2017 | Dec/2016 |
|------------------------|-------------------------|------------------|-----------------|
| Brazil | | | |
| | IPI | 73,326 | 59,323 |
| | IR and CSL | 337,119 | 222,680 |
| | ICMS | 247,083 | 182,034 |
| | PIS and COFINS | 129,002 | 59,105 |
| | PERT installment | (a) 98,840 | |
| | Other | 49,424 | 62,743 |
| Other countries | | | |
| | IR | 279,143 | 46,670 |
| | Value-added tax | 158,760 | 15,622 |
| Total | | 1,372,697 | 648,177 |
| | | | |
| | Current liabilities | 1,327,355 | 624,080 |
| | Non-current liabilities | 45,342 | 24,097 |
| Total | | 1,372,697 | 648,177 |

(a) Special Tax Compliance Program ("PERT")

In October 2017, Braskem and its subsidiary Braskem Petroquímica adhered to PERT, a federal government tax installment/amnesty program implemented through Decree MP 783, of May 31, 2017, indicating the payment of tax and social security liabilities in the aggregate amount of R\$111,735. The amount was reduced by R\$12,895 due to discounts granted under the program. This amount will be settled by (i) R\$67,953 to be offset using tax credits from income tax losses and social contribution tax loss carryforwards, (ii) R\$21,854 paid in cash in October 2017, and (iii) R\$9,033 to be paid in cash in January 2018.

17. Income tax (“IR”) and social contribution (“CSL”)

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

Braskem S.A.

**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017**

All amounts in thousands, unless otherwise stated

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

| | Sep/2017 | Sep/2016 Restated |
|--|--------------------|------------------------------|
| Income before IR and CSL | 5,148,224 | 2,669,023 |
| IR and CSL at the rate of 34% | (1,750,396) | (907,468) |
| Permanent adjustments to the IR and CSL calculation basis | | |
| IR and CSL on equity in results of investees | 2,201 | 7,880 |
| IR and CSL from previous years | 105,961 | |
| Tax loss and negative basis - installment rectification | 39,092 | |
| Tax benefits (Sudene and PAT) | 58,394 | 5,302 |
| Difference of rate applicable to each country | 203,169 | 101,044 |
| Other permanent adjustments | 4,927 | (10,823) |
| IR and CSL on results of operations | (1,336,652) | (804,065) |
| Breakdown of IR and CSL: | | |
| Current IR and CSL | (607,441) | (777,154) |
| Deferred IR and CSL | (729,211) | (26,911) |
| Total | (1,336,652) | (804,065) |

Breakdown of IR and CSL:

| | | |
|---------------------|--------------------|------------------|
| Current IR and CSL | (607,441) | (777,154) |
| Deferred IR and CSL | (729,211) | (26,911) |
| Total | (1,336,652) | (804,065) |

(b) Breakdown of deferred income tax and social contribution**(b.i) According to tax collection records**

| Assets | Sep/2017 | Dec/2016 |
|--|------------------|------------------|
| Tax losses (IR) and negative base (CSL) | 1,744,662 | 2,420,376 |
| Goodwill amortized | 4,093 | 4,624 |
| Exchange variations | 199,733 | 464,947 |
| Temporary adjustments | 34,862 | 717,868 |
| Business combination | 290,322 | 191,250 |
| | 2,273,672 | 3,799,065 |
| Liabilities | | |
| Amortization of goodwill based on future profitability | 791,849 | 767,277 |
| Tax depreciation | 941,337 | 867,922 |
| Temporary adjustments | 290,800 | 316,991 |
| Business combination | 116,426 | 198,381 |
| Additional indexation PP&E | 50,522 | 118,202 |
| Amortization of fair value adjustments on the assets from the acquisition of Braskem Qpar | 409,169 | 263,808 |
| Other | 3,530 | 123,892 |
| | 2,603,633 | 2,656,473 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information
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(b.ii) Offset for the purpose of presentation in the balance sheet

| | Headquarters | Tax | IR and CSL | Sep/2017 |
|---|---------------------|--------------------|---------------------|-----------------|
| | (Country) | calculation | Compensation | Balance |
| Assets | | | | |
| Braskem S.A | Brazil | 1,252,001 | (1,252,001) | |
| Braskem Chile | Chile | 110 | | 110 |
| Braskem Argentina | Argentina | 3,940 | | 3,940 |
| Braskem Alemanha | Germany | 18,728 | | 18,728 |
| Braskem Idesa | Mexico | 791,598 | | 791,598 |
| Braskem México Serviços | Mexico | 1,671 | | 1,671 |
| Braskem Petroquímica | Brazil | 102,934 | (102,934) | |
| Braskem Petroquímica - business combination effects | Brazil | 102,690 | | 102,690 |
| | | 2,273,672 | (1,354,935) | 918,737 |
| Liabilities | | | | |
| Braskem S.A | Brazil | 2,038,731 | (1,252,001) | 786,730 |
| Braskem America | USA | 282,613 | | 282,613 |
| Braskem Petroquímica | Brazil | 167,164 | (102,934) | 64,230 |
| Braskem Petroquímica - business combination effects | Brazil | 115,125 | | 115,125 |

| | | | | |
|---|---------------------|--------------------|---------------------|------------------|
| | | 2,603,633 | (1,354,935) | 1,248,698 |
| | | | | Dec/2016 |
| | Headquarters | Tax | IR and CSL | |
| | (Country) | calculation | Compensation | Balance |
| Assets | | | | |
| Braskem S.A | Brazil | 2,106,303 | (2,063,844) | 42,459 |
| Braskem Argentina | Argentina | 6,745 | | 6,745 |
| Braskem Alemanha | Germany | 36,932 | | 36,932 |
| Braskem Chile | Chile | 135 | (135) | |
| Braskem Idesa | Mexico | 1,463,502 | | 1,463,502 |
| Braskem México Serviços | Mexico | 1,994 | | 1,994 |
| Braskem Petroquímica | Brazil | 81,971 | (81,971) | |
| Braskem Petroquímica and Braskem Qpar - business combination effects | Brazil | 101,483 | | 101,483 |
| | | 3,799,065 | (2,145,950) | 1,653,115 |
| Liabilities | | | | |
| Braskem S.A | Brazil | 2,063,844 | (2,063,844) | |
| Braskem America | USA | 305,289 | | 305,289 |
| Braskem Chile | Chile | 1,404 | (135) | 1,269 |
| Braskem Petroquímica | Brazil | 162,241 | (81,971) | 80,270 |
| Braskem Petroquímica and Braskem Qpar - business combination effects | Brazil | 123,695 | | 123,695 |
| | | 2,656,473 | (2,145,950) | 510,523 |

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

In the nine-month period ended September 30, 2017, there were no material events or circumstances that indicate any compromise of the realization of these deferred taxes.

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017****All amounts in thousands, unless otherwise stated****18. Sundry provisions**

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

| | Sep/2017 | Dec/2016 |
|---|-----------------|-----------------|
| Provision for customers rebates | 49,378 | 41,475 |
| Provision for recovery of environmental damages | 215,248 | 254,040 |
| Other | 23,872 | 23,621 |
| Total | 288,498 | 319,136 |
| Current liabilities | 82,045 | 112,891 |
| Non-current liabilities | 206,453 | 206,245 |
| Total | 288,498 | 319,136 |

19. Contingencies**19.1. Claims with probable loss and arising from business combinations**

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

| | Sep/2017 | Dec/2016 |
|-----------------------------|------------------|-----------------|
| Labor claims | 204,056 | 207,827 |
| Tax claims | | |
| Normal operations | | |
| IR and CSL | 14,462 | 11,462 |
| PIS and COFINS | 161,863 | 204,516 |
| ICMS | 98,281 | 39,604 |
| Other tax claims | 16,093 | 19,586 |
| | 290,699 | 275,168 |
| Business Combination | | |
| IR and CSL | 49,211 | 45,656 |
| PIS and COFINS | 55,164 | 51,052 |
| ICMS - interstate purchases | 241,238 | 223,071 |
| ICMS - other | 17,698 | 16,379 |
| | 363,311 | 336,158 |
| Corporate claims | 142,187 | 105,175 |
| Civil claims and other | 64,144 | 60,909 |
| | 1,064,397 | 985,237 |

19.2. Claims with possible losses

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

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**Notes to the unaudited condensed consolidated interim financial information
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(a) Civil claims

In January 2017, the Company became defendant in a civil lawsuit filed by former reseller of solvents, claiming alleged breach of a tacit distribution agreement. On September 30, 2017, the damages claimed in the lawsuit amounted to R\$158 million.

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

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

(b) Tax claims

(i) Income Tax (IR) and Social Contribution (CSL) – Unlimited offsetting

In March 2017, the Company received a tax deficiency notice claiming that the methodology used to offset tax losses and tax loss carryforwards at Rio Polímeros failed to observe the limit of 30% of the Taxable Profit and Social Contribution calculation base when offsetting such liabilities with Income Tax and Social Contribution liabilities in its merger into Braskem Qpar S/A, in August 2013. On September 30, 2017, the restated value of the taxes recorded amounted to R\$253 million.

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

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

(ii) IR and CSL – Expenses from using goodwill

In July 2017, the Company received a tax-deficiency notice from the Brazilian Revenue Service (“RFB”) for the deduction of expenses, in the period from 2011 to 2013, arising from the use of goodwill tax offsets arising from the acquisition by OPP Produtos Petroquímicos S/A of shares issued by Companhia Petroquímica do Sul S/A (“COPE SUL”), held by OPP Química S/A in 2011.

On September 30, 2017, the restated amount of taxes and tax effects from disallowances of income tax losses and social contribution tax loss carryforwards through said tax deficiency notice is R\$95 million.

The Company’s external legal advisors estimate that the administrative proceeding should be concluded in 2021.

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

(c) Social security – hazardous agents

In August 2017, the Company received a deficiency notice from RFB requiring the payment of a premium for labor accident risk to fund the special retirement plan due to the alleged exposure of its workers to hazardous agents in the period from January 2013 to December 2015. The total amount under the deficiency notice, on September 30, 2017, is R\$327 million.

The Company’s external legal advisors estimate that the administrative proceeding will be concluded in 2021.

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No judicial deposit or other form of security was accrued for this proceeding.

19.3. Reports of irregularities and global settlement with authorities

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

(a) Global Settlement with authorities

The Leniency Agreement ("Agreement") entered into in December 2016 with the Federal Prosecution Office ("MPF") and with U.S. and Swiss authorities ("Global Settlement"), in the approximate amount of US\$957 million (approximately R\$3.1 billion) was officially ratified as follows:

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

Of the aggregate amount of the Global Settlement, the Company already has paid approximately R\$1.3 billion, as follows:

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

The outstanding amount, of approximately R\$1.7 billion, will be paid as follows:

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

(b) Reimbursement for damages and other considerations

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

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

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

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

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

(d) Class action

On July 1, 2015, a putative class action lawsuit was filed against the Company and certain of its current and former officers in the United States District Court for the Southern District of New York. In the operative complaint in the action, which is titled *In re Braskem Securities Litigation*, the Lead Plaintiff, Boilermaker-Blacksmith National Pension Trust, alleges that the Defendants made misrepresentations or omissions that inflated the price of the Company's stock in violation of U.S. securities laws.

The Company engaged a U.S. law firm to represent it and filed motion to dismiss on July 6, 2016. On March 31, 2017, the judge rendered a decision on the motion to dismiss, granting it in part and denying it in part.

Following the decision, the Company and the Lead Plaintiff participated in a mediation which resulted in a proposed settlement of the action. On September 14, 2017, the Company and the Lead Plaintiff signed the proposed settlement agreement (“Proposed Settlement”) and submitted it to the mentioned Court for preliminary approval, which was granted on September 15, 2017. The Proposed Settlement is subject to a number of conditions including final approval by the Court.

Under the terms of the Proposed Settlement, Braskem will pay US\$10 million to resolve all claims arising out of or relating to the subject matter of the Class Action of a settlement class consisting of all persons who purchased or otherwise acquired a legal or beneficial ownership interest in Braskem American Depositary Receipts (“ADRs”) between July 15, 2010 and March 11, 2015 inclusive, with the exception of any such claims belonging to purchasers who file valid and timely requests to opt out of the settlement class.

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In accordance with accounting standard IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), the Company recorded a provision in the amount of US\$10 million (R\$31,680) in the item “Other income (expenses), net”. On October 2, the amount involved in the class action was deposited in court.

Braskem has made no admission of any wrongdoing or liability as part of the Proposed Settlement, and entered into the Proposed Settlement solely to avoid the risk, uncertainty, and expense of further litigation.”

The Court has scheduled a Final Approval Hearing for February 21, 2018 to determine whether the Proposed Settlement should be approved.

The Company may be named as a defendant in other legal actions. Furthermore, the Company may be required, in accordance with any applicable legal and regulatory limits, to indemnify directors, officers and employees that are defendants in the securities class action and any other related actions that may arise in the future. The litigation has required significant time and dedication of the Management of the Company and is expected to continue to require such time and attention in the future.

20. Shareholders’ Equity

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

(a) Capital

| | | | | | | | Amount of shares | |
|----------------------|--------------------|---------------|--------------------------------|---------------|--------------------------------|---------------|--------------------|---------------|
| | Common shares | % | Preferred shares class A | % | Preferred shares class B | % | Total | % |
| Odebrecht | 226,334,623 | 50.11 | 79,182,498 | 22.95 | | | 305,517,121 | 38.32 |
| Petrobras | 212,426,952 | 47.03 | 75,761,739 | 21.96 | | | 288,188,691 | 36.15 |
| ADR (i) | | | 55,858,224 | 16.19 | | | 55,858,224 | 7.01 |
| Other | 12,907,077 | 2.86 | 132,973,403 | 38.54 | 578,330 | 100.00 | 146,458,810 | 18.37 |
| Total | 451,668,652 | 100.00 | 343,775,864 | 99.64 | 578,330 | 100.00 | 796,022,846 | 99.85 |
| Treasury shares (ii) | | | 1,234,758 | 0.36 | | | 1,234,758 | 0.15 |
| Total | 451,668,652 | 100.00 | 345,010,622 | 100.00 | 578,330 | 100.00 | 797,257,604 | 100.00 |

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

(ii) Includes 1,154,758 shares held by Braskem Petroquímica, considered “treasury shares” in the consolidated shareholders’ equity, amounting to R\$48,892.

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(b) Other comprehensive income - shareholders' equity

| | Additional indexation of PP&E (i) | Deemed cost of PP&E (i) | Defined benefit plans actuarial Gain (loss) (ii) | Foreign sales hedge (iii) | Fair value of hedge (iii) | Attributed to shareholders' interest | | Total Braskem shareholders' interest | Non-con in Braske |
|---|---|----------------------------------|--|------------------------------------|---------------------------------|--|---|---|-------------------------|
| | | | | | | Foreign currency translation adjustment (iv) | Gain (loss) on interest in subsidiary (v) | | |
| On December 31, 2015 | 217,595 | 17,309 | (39,232) | (9,666,973) | (685,396) | 1,105,391 | (9,404) | (9,060,710) | (4 |
| Additional indexation | | | | | | | | | |
| Realization Income tax and social contribution | (30,951) | | | | | | | (30,951) | |
| | 10,524 | | | | | | | 10,524 | |
| Deemed cost of jointly-controlled investment | | | | | | | | | |
| Realization Income tax and social contribution | | (1,096) | | | | | | (1,096) | |
| | | 372 | | | | | | 372 | |

| | | | | | | | | | | |
|--------------------|----------------|---------------|-----------------|--------------------|------------------|------------------|----------------|--------------------|--|----------|
| Foreign sales | | | | | | | | | | |
| hedge | | | | | | | | | | |
| Exchange | | | | | | | | | | |
| rate | | | | 3,157,453 | | | | 3,157,453 | | (|
| Transfer to | | | | | | | | | | |
| result | | | | 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 | | | | | 220,324 | | | 220,324 | | |
| Transfer to | | | | | | | | | | |
| result | | | | | (15,421) | | | (15,421) | | |
| Income tax | | | | | | | | | | |
| and social | | | | | | | | | | |
| contribution | | | | | (74,347) | | | (74,347) | | |
| 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 | (39,232) | (6,922,753) | (561,112) | 1,019,621 | (9,404) | (6,299,127) | | (|
| On | | | | | | | | | | |
| December | | | | | | | | | | |
| 31, 2016 | 190,359 | 16,344 | (43,351) | (7,105,377) | (539,518) | 1,169,088 | (9,404) | (6,321,859) | | (|
| Additional | | | | | | | | | | |
| indexation | | | | | | | | | | |
| Realization | (30,557) | | | | | | | (30,557) | | |
| Income tax | | | | | | | | | | |
| and social | | | | | | | | | | |
| contribution | 10,390 | | | | | | | 10,390 | | |
| Deemed cost | | | | | | | | | | |
| of | | | | | | | | | | |
| jointly-controlled | | | | | | | | | | |
| investment | | | | | | | | | | |

| | | | | | | | | |
|---|---------|--|--|-----------|--|-----------|--|-----------|
| Realization | (1,095) | | | | | | | (1,095) |
| Income tax and social contribution | 372 | | | | | | | 372 |
| Foreign sales hedge | | | | | | | | |
| Exchange rate | | | | 1,392,434 | | | | 1,392,434 |
| Transfer to result | | | | 858,945 | | | | 858,945 |
| Income tax and social contribution | | | | (724,638) | | | | (724,638) |
| Fair value of Cash flow hedge | | | | | | | | |
| Change in fair value | | | | 62,796 | | | | 62,796 |
| Transfer to result | | | | 55,687 | | | | 55,687 |
| Income tax and social contribution | | | | (38,717) | | | | (38,717) |
| Fair value of cash flow hedge from jointly-controlled | | | | 915 | | | | 915 |
| Foreign currency translation adjustment | | | | | | (312,806) | | (312,806) |

On September 30, 2017

| | | | | | | | |
|---------|--------|----------|-------------|-----------|---------|---------|-------------|
| 170,192 | 15,621 | (43,351) | (5,578,636) | (458,837) | 856,282 | (9,404) | (5,048,133) |
|---------|--------|----------|-------------|-----------|---------|---------|-------------|

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

Braskem S.A.**Notes to the unaudited condensed consolidated interim financial information****at September 30, 2017****All amounts in thousands, unless otherwise stated****21. Earnings per share**

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

| | Sep/2017 | Basic and diluted Sep/2016 Restated |
|---|-----------------|--|
| Profit for the period attributed to Company's shareholders | | |
| of continued operations | 3,687,894 | 2,092,061 |
| Distribution of dividends attributable to priority: | | |
| Preferred shares class "A" | 208,416 | 208,416 |
| Preferred shares class "B" | 351 | 351 |
| | 208,767 | 208,767 |
| Distribution of 6% of unit value of common shares | 273,827 | 273,827 |
| Distribution of plus income, by class: | | |
| Common shares | 1,820,031 | 913,886 |
| Preferred shares class "A" | 1,385,270 | 695,581 |
| | 3,205,301 | 1,609,467 |
| Reconciliation of income available for distribution, by class (numerator): | | |

| | | |
|----------------------------|-----------|-----------|
| Common shares | 2,093,858 | 1,187,713 |
| Preferred shares class "A" | 1,593,686 | 903,997 |
| Preferred shares class "B" | 351 | 351 |
| | 3,687,895 | 2,092,061 |

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

| | | |
|----------------------------|-------------|-------------|
| Common shares | 451,668,652 | 451,668,652 |
| Preferred shares class "A" | 343,775,864 | 343,775,864 |
| Preferred shares class "B" | 578,330 | 578,330 |
| | 796,022,846 | 796,022,846 |

Profit per share (in R\$)

| | | |
|----------------------------|--------|--------|
| Common shares | 4.6358 | 2.6296 |
| Preferred shares class "A" | 4.6358 | 2.6296 |
| Preferred shares class "B" | 0.6069 | 0.6069 |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017

All amounts in thousands, unless otherwise stated

22. Net sales revenues

| | | Sep/2017 | Sep/2016 Restated |
|---------------------------------------|-----------------|-------------------|------------------------------|
| Sales revenue | | | |
| | Domestic market | 25,724,368 | 24,269,820 |
| | Foreign market | 17,498,562 | 17,096,224 |
| | | 43,222,930 | 41,366,044 |
| Sales and services deductions | | | |
| Taxes | | | |
| | Domestic market | (6,344,014) | (5,399,082) |
| | Foreign market | (24,754) | (20,462) |
| Costumers rebates | | | |
| | Domestic market | (9,115) | (33,434) |
| | Foreign market | (43,137) | (40,899) |
| Sales returns | | | |
| | Domestic market | (95,832) | (198,623) |
| | Foreign market | (73,872) | (55,671) |
| | | (6,590,724) | (5,748,171) |
| Net sales and services revenue | | 36,632,206 | 35,617,873 |

23. Other income (expenses), net

| | Note | Sep/2017 | Sep/2016 Restated |
|---|-------------|------------------|------------------------------|
| Participation of members in profits and results | (i) | (286,535) | (245,352) |
| Expense and depreciation with hibernate plants | | (161,171) | (160,555) |
| Expenses from fixed assets | | (144,041) | (31,777) |
| Capital gain - sale of Quantiq | 3 | 276,817 | |
| Provision of legal and labor lawsuits | | (60,976) | (61,622) |
| Other | | 73,957 | (56,974) |
| | | (301,949) | (556,280) |

(i) In the period ended September 30, 2016, the amounts related to this item were reclassified from “costs of goods sold” (R\$107,318), “selling and distribution expenses” (R\$5,031) and “general and administrative expenses” (R\$133,004) (Note 2.5(b)).

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017

All amounts in thousands, unless otherwise stated

24. Financial results

| | Sep/2017 | Sep/2016 Restated |
|---|--------------------|------------------------------|
| Financial income | | |
| Interest income | 410,695 | 534,836 |
| Other | 61,770 | 31,108 |
| | 472,465 | 565,944 |
| Financial expenses | | |
| Interest expenses | (1,700,141) | (1,804,390) |
| Monetary variations on fiscal debts | (137,479) | (88,565) |
| Discounts granted | (96,458) | (85,672) |
| Loans transaction costs - amortization | (38,884) | (42,947) |
| Adjustment to present value - appropriation | (235,124) | (403,327) |
| Other | (256,403) | (146,402) |
| | (2,464,489) | (2,571,303) |
| Exchange rate variations, net | | |
| On financial assets | (146,618) | (994,352) |
| On financial liabilities | 135,529 | (1,522,123) |
| | (11,089) | (2,516,475) |
| Total | (2,003,113) | (4,521,834) |

25. Expenses by nature and function

| | Sep/2017 | Sep/2016 |
|----------------------------------|-----------------|-----------------|
| Classification by nature: | | |
| Raw materials other inputs | (21,890,516) | (20,841,220) |
| Personnel expenses | (1,631,679) | (1,726,222) |
| Outsourced services | (1,523,736) | (1,517,291) |

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| | | |
|--|---------------------|---------------------|
| Depreciation, amortization and depletion | (2,169,141) | (1,951,011) |
| Freights | (1,530,348) | (1,473,531) |
| Other expenses, net | (764,774) | (940,918) |
| Total | (29,510,194) | (28,450,193) |

Classification by function:

| | | |
|------------------------------|---------------------|---------------------|
| Cost of products sold | (27,017,279) | (25,839,349) |
| Selling and distribution | (1,085,465) | (1,012,353) |
| General and administrative | (994,517) | (922,364) |
| Research and development | (110,984) | (119,847) |
| Other income (expenses), net | (301,949) | (556,280) |
| Total | (29,510,194) | (28,450,193) |

Braskem S.A.

Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017

All amounts in thousands, unless otherwise stated

26. Segment information

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

| | | | | | | | | Sep/2017 |
|--------------------|-----|-------------------|---------------------|------------------|-----------------------------------|--|------------------------------|----------------------|
| Reporting segments | | Net | Cost of | Gross | Selling, general and distribution | Operating expenses Results from equity investments | Other income (expenses), net | Consolidated Braskem |
| | | sales revenue | products sold | | expenses | | | |
| Chemicals | (i) | 18,473,383 | (15,024,902) | 3,448,481 | (583,205) | | (149,531) | 2,715,745 |
| Polyolefins | | 14,666,021 | (11,560,642) | 3,105,379 | (975,528) | | (126,397) | 2,003,454 |
| Vinyls | | 2,256,963 | (1,935,520) | 321,443 | (112,426) | | (69,463) | 139,554 |
| USA and Europe | | 7,183,930 | (5,421,116) | 1,762,814 | (422,040) | | (19,836) | 1,320,938 |
| Mexico | | 2,664,348 | (1,548,851) | 1,115,497 | (211,772) | | (17,821) | 885,904 |
| Total | | 45,244,645 | (35,491,031) | 9,753,614 | (2,304,971) | | (383,048) | 7,065,595 |
| Other segments | | 11,816 | (13,463) | (1,647) | (129) | | (2,426) | (4,202) |
| Corporate unit | | | | | 17,676 | 29,325 | 83,525 (ii) | 130,526 |

| | | | | | | | |
|---|-------------------|---------------------|------------------|--------------------|---------------|------------------|------------------|
| Braskem consolidated before eliminations and reclassifications | 45,256,461 | (35,504,494) | 9,751,967 | (2,287,424) | 29,325 | (301,949) | 7,191,919 |
| Eliminations and reclassifications | (8,624,255) | 8,487,215 | (137,040) | 96,458 | | | (40,582) |
| Total | 36,632,206 | (27,017,279) | 9,614,927 | (2,190,966) | 29,325 | (301,949) | 7,151,337 |

| | | | | | | | | Sep/2016 | | |
|---|-----|-------------------|---------------------|------------------|--------------------|----------------------|--------------------|------------------|-------------|--------|
| Reporting segments | | | Net | Cost of | Gross | Selling, general and | Operating expenses | Consolidated | | |
| | | | sales | products | | distribution | Results from | | Other | |
| | | | revenue | sold | | profit | expenses | | equity | income |
| | | | | | | | investments | | (expenses), | net |
| | | | | | | | | Braskem | | |
| | | | | | | | | Restated | | |
| Chemicals | (i) | 18,514,922 | (14,899,944) | 3,614,978 | (501,273) | | (168,369) | 2,945,336 | | |
| Polyolefins | | 15,577,095 | (12,257,118) | 3,319,977 | (942,543) | | (121,345) | 2,256,089 | | |
| Vinyls | | 2,222,487 | (2,085,354) | 137,133 | (169,591) | | (21,331) | (53,789) | | |
| USA and Europe | | 6,898,923 | (4,526,507) | 2,372,416 | (350,185) | | (46,292) | 1,975,939 | | |
| Mexico | | 872,660 | (587,116) | 285,544 | (168,308) | | (105,451) | 11,785 | | |
| Total | | 44,086,087 | (34,356,039) | 9,730,048 | (2,131,900) | | (462,788) | 7,135,360 | | |
| Other segments | | 9,784 | (12,001) | (2,217) | (1,876) | | (21,318) | (25,411) | | |
| Corporate unit | | | | | (6,460) | 23,177 | (72,174) | (55,457) | | |
| Braskem consolidated before eliminations and reclassifications | | 44,095,871 | (34,368,040) | 9,727,831 | (2,140,236) | 23,177 | (556,280) | 7,054,492 | | |

| | | | | | | | |
|--|-------------------|---------------------|------------------|--------------------|---------------|------------------|------------------|
| Eliminations and reclassifications | (8,477,998) | 8,528,691 | 50,693 | 85,672 | | | 136,365 |
| Total | 35,617,873 | (25,839,349) | 9,778,524 | (2,054,564) | 23,177 | (556,280) | 7,190,857 |

(i) The Basic Petrochemical segment had its nomenclature changed for Chemicals, with the objective of adopting a language more focused on the market of this segment.

(ii) Includes gain from sale of the former “chemical distribution” segment in the amount of R\$276,816 (Note 3).

Braskem S.A.

**Notes to the unaudited condensed consolidated interim financial information
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All amounts in thousands, unless otherwise stated

27. Subsequent events

(a) Cetrel

On October 2, 2017, the acquisition of 1,269,290 shares issued by Cetrel, representing 63.66% of its total and voting capital, through the payment of R\$610 million, was concluded, on which date the control of said company was transferred to Braskem. The acquisition is classified as a business combination, in accordance with accounting standard IFRS 3 (Business Combinations).

On October 16, 2017, during an extraordinary meeting of the Board of Directors of Cetrel, Braskem elected the new executive board and, on October 25, 2017, the extraordinary shareholders meeting of Cetrel elected the new members of the Board of Directors and Audit Board.

The following table summarizes the consideration paid to Odebrecht Utilities on the acquisition date and the best estimate of the fair values of the assets acquired and liabilities assumed:

| | Balance (i) |
|--|--------------------|
| Consideration | |
| Acquisition of 1.269.290 shares (63,66% of the capital) | 610,000 |
| (A) Total consideration transferred | 610,000 |
| Amounts of identifiable assets acquired and liabilities assumed | |

| | | |
|---|------------------|----------------|
| % of participation | 100.00% | 63.66% |
| <u>Current assets</u> | | |
| Financial investments | 24,315 | 15,479 |
| Trade accounts receivable | 55,055 | 35,048 |
| Inventories | 8,152 | 5,190 |
| Other receivables | 15,376 | 9,788 |
| <u>Non-current assets</u> | | |
| Property, plant, equipment and intangible assets | 1,147,647 | 730,592 |
| Other receivables | 108,980 | 69,377 |
| Total identifiable assets acquired | 1,359,525 | 865,474 |
| <u>Current liabilities</u> | | |
| Borrowings | 33,766 | 21,495 |
| Other liabilities | 35,444 | 22,564 |
| <u>Non-current liabilities</u> | | |
| Borrowings | 302,680 | 192,686 |
| Other liabilities | 68,147 | 43,382 |
| Total liabilities assumed | 440,037 | 280,128 |
| (B) Total identifiable assets acquired (-) liabilities assumed | 919,488 | 585,346 |
| Business combination result - (A) - (B) | | 24,654 |

(i) Amounts estimated based on September 30 balances, reflecting the transaction occurring on October 2, 2017.

The final effects from the business combination will be verified through an expert valuation report of the identifiable assets acquired and liabilities assumed at fair value, to be prepared by an expert firm.

Braskem S.A.

**Notes to the unaudited condensed consolidated interim financial information
at September 30, 2017**

All amounts in thousands, unless otherwise stated

(j) Bonds

On October 4, 2017, Braskem issued US\$1,750 million in Bonds (R\$5,480 million), comprising US\$500 million (R\$1,566 million) due in January 2023 with interest of 3.5% p.a. and US\$1,250 million (R\$3,914 million) due in January 2028 with interest of 4.5% p.a. The issue due in 2023 was priced at 99.058% of face value, which represents a yield of 3.7% p.a., and the issue due in 2028 was priced at 98.995% of face value, which represents a yield of 4.625% p.a.

The proceeds from the issues are being used to prepay other liabilities, to fund investments and for general purposes of the Company.

(k) Prepayment of borrowings

With the proceeds from the issues of October 4, 2017, informed in item (b) above, Braskem prepaid borrowings and derivative operations as follows:

Borrowings

Derivative operations – swaps related to export credit notes (NCE)

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: December 13, 2017

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.
